



# 2025

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) Report Yuneng Technology Co.,Ltd.



Yuneng Technology co.,Ltd

Address: No. 3535, Linggongtang Road,Nanhu District,  
Jiaxing City, Zhejiang Province, China.  
TEL:0573-8398-6968

National Sales TEL: 400-1035-181  
After-sales service TEL:400-1008-470

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# About This Report

## Reporting Scope

The scope of this report covers Yuneng Technology Co., Ltd. and its subsidiaries (referred to as "APsystems", "the Company" or "We"). Unless otherwise stated, the scope of this report is consistent with the scope of the consolidated financial statements of APsystems (Stock code: 688348) for the same period.

## Reporting Period

The period of this report was from January 1, 2025 to December 31, 2025. The data in this report, unless otherwise specified, refers to the period within this timeframe.

## Basis for Preparation

This report is prepared in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) (April 2024)*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardized Operations (revised in May 2025)*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (April 2025)* and the *SSE Guidelines No. 2 on the Application of Self-Regulation Rules for Listed Companies on SSE STAR Market-Voluntary Information Disclosure (revised in March 2025)*.

## Data Description

The data and cases in the Report are derived from official records of actual operations of the Company. The financial data are all presented in RMB. In case of any discrepancy between the financial data and the Company's annual financial report, the annual financial report shall prevail.

## Report Publication

This report is released in electronic form. The release platforms include the information disclosure platforms designated by the stock exchanges. It can be viewed and downloaded on the Company's website ([www.apsystems.cn](http://www.apsystems.cn)) and the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

## Contact Information

If you have any suggestions on the Report, please contact us:  
 Contact address: No. 3535 Linggongtang Road, Nanhu District, Jiaxing City, Zhejiang Province  
 Contact phone number: 0573-8398-6968

## Reporting Principles

### • Materiality •

The Company identifies the material topics related to operations that are of concern to various stakeholders as the key focus of this report. While reporting these material topics in this report, it also focuses on the characteristics of the Company's industry and operating business. For details of the process and results of the topic materiality analysis, please refer to the *Materiality Analysis* section of this report.

### • Accuracy •

It can be ensured that the information in this report is as accurate as possible. For the measurement of quantitative information, the data standard, calculation basis, and assumptions have been explained to guarantee that the calculation error range will not mislead the users. Quantitative information and notes are detailed in the *"ESG Data Tables and Notes"* section of this report. The Board of Directors warrants that there are no false records, misleading statements or material omissions in this report.

### • Balance •

The content of this report reflects objective and factual information, and discloses both positive and negative aspects about the Company impartially. No negative events that should have been disclosed but were not disclosed were found during the reporting period.

### • Clarity •

This report is published in English. It contains tables, diagrammatic figures, a glossary of professional terms, etc., as a supplement to facilitate a better understanding by stakeholders. To facilitate faster access to information for stakeholders, this report provides a table of contents and a benchmarking index of ESG standards.

### • Quantification •

This report discloses annual key quantitative metrics and historical data to the extent possible. Please refer to the *"ESG Data Tables and Notes"* section for details.

### • Comparability •

This report maintains consistency in the statistical and disclosure approaches for the same quantitative disclosure item across different reporting periods. If there are changes to the data collection, measurement, and calculation methods, the relevant data are retrospectively adjusted, and the adjustments, together with the reasons, are explained in the notes to the report, so that stakeholders can conduct meaningful analysis and assess the development trends of the Company's ESG performance.

### • Completeness •

The scope of entities covered by this report's disclosures is consistent with the scope of consolidation of the Company's consolidated financial statements.

### • Timeliness •

This is an annual report covering the period from January 1, 2025 to December 31, 2025. The Company endeavors to publish the Report as soon as possible after the end of the reporting year to provide stakeholders with timely information for decision-making.

### • Verifiability •

The cases and data in this report come from the original records or financial reports of the Company's actual operations. The Company uses the HiESG Performance Management Information System to manage ESG data. All disclosed data sources and calculation processes are traceable and can support external assurance and verification.

## Chairman's Message

In 2025, the global wave of energy transition is surging forward, with renewable energy reshaping the world's energy landscape at an unprecedented pace. In this profound energy transformation, APsystems remains at the forefront of the era, with the mission of "Drive a zero-carbon future and make smart energy accessible to everyone", deeply integrating corporate development into the global green and low-carbon process. As a pioneer of photovoltaic storage technology, we have been committed to the dual-drive strategy of technological innovation and global layout. We have achieved the integration of three major business segments centered on microinverters: micro, residential, commercial and industrial (C&I) solar and storage. Powered by cutting-edge innovative solutions, we spearhead industry transformation and deliver a blueprint for high-quality development.



### Advancing Global Green Energy Solutions via Innovations

Innovation is our foundation and the confidence that allows us to move forward steadily. In the past year, we have adhered to independent research and development as our core, delving deeply into the field of Module-Level Power Electronics technology, and continuously enhancing the advancement of our core technologies around safety, high efficiency, and intelligence. We closely follow industry development trends, continuously increasing investment in R&D, and consistently enriching our integrated solar and energy storage product matrix. Our newly developed off-grid hybrid inverter AHS series products fill the product gap in off-grid scenarios, providing a reliable backup power generation solution for areas with unstable power grids. This is our keen response to market demand. Meanwhile, we actively explore the deep integration of artificial intelligence and power electronics technology, and have developed the "APbot" customer service robot. This robot focuses on the photovoltaic vertical field, integrating three major knowledge systems: industry, expertise, and product. It is capable of responding to customer product inquiries and daily interactions 24 hours a day. From AI-assisted design to intelligent energy management and the application of smart customer service, we are embracing the wave of intelligence with an open attitude, making our products and services smarter and more user-friendly.

In advancing the development of the industry, we actively leverage our technological leadership advantages and collaborate with industry partners to deeply engage in the formulation of domestic and international standards. Together, we promote the standardization and popularization of module-level power electronics technology, contributing our expertise to the orderly development of the photovoltaic industry through collaborative efforts. We consistently adhere to a customer-centric approach, providing timely and professional technical support to users worldwide through the efficient synergy of our localized service teams and global sales network. We view each service engagement as a collaborative journey, where we work hand-in-hand with customers to drive shared success and mutual growth. At the same time, we place great importance on the collaborative development of the supply chain, establishing strategic partnerships with global suppliers. We integrate environmental, social, and ethical standards into the full lifecycle management, jointly creating a responsible and resilient supply chain system. Through open collaboration, we unite industry forces to co-create a green future.

### Governance as the Foundation, Practicing ESG Principles

Sound corporate governance is the cornerstone of our sustainable development. In 2025, we made significant adjustments to the specialized committees under the Board of Directors, officially renaming the former "Strategy Committee of the Board of Directors" to the "Strategy and Sustainable Development (ESG) Committee of the Board of Directors." This change added ESG management responsibilities to the existing strategic planning duties. This adjustment marks the elevation of the sustainable development concept from the execution level to the core agenda of the Company's highest decision-making level. On this basis, we have established a four-tier management system with the Board of Directors as the highest decision-making level, the Strategy and Sustainable Development (ESG) Committee as the research and guidance level, and the ESG Working Group as the coordination and execution level, ensuring that ESG management permeates the entire process of decision-making, execution, and supervision.

We strictly comply with laws, regulations, and regulatory requirements, continuously improve governance systems, fulfil information disclosure obligations in accordance with the law, and ensure the effectiveness, standardization, and transparency of our operations. We highly value investor relations management, maintaining close communication with investors through various channels, listening to market voices, and responding to concerns from all parties. In terms of business ethics and risk control management, we have established a comprehensive anti-corruption and bribery supervision system, continuously conducting integrity training for all employees to ensure that the concept of compliance is deeply ingrained. Independent, standardized, and transparent corporate governance is our fundamental guarantee for steady and long-term progress, as well as a solid foundation for fulfilling our commitment to sustainable development.

### People-Oriented, Creating a Better Tomorrow Together

The growth and happiness of employees are the ultimate embodiment of our corporate values. We firmly believe that only a team full of passion and creativity can continuously create value for customers. To this end, we consistently prioritize talent development and team building through systematic training and effective incentive mechanisms, continuously unleashing employee potential and striving to build a high-quality, professional talent team. We have established a dual-channel rank system with parallel management and professional sequences, providing employees with clear vertical promotion paths and horizontal development opportunities, enabling every employee to realize their personal value in the Company's development. At the same time, we highly prioritize the physical and mental health and work experience of our employees. We strictly comply with laws and regulations related to occupational health and safety, and have established a comprehensive occupational health and safety management system to create a safe, healthy, and compliant working environment for all employees. A variety of cultural activities, comprehensive welfare benefits, and smooth communication channels together create a warm and vibrant family atmosphere for us.

In fulfilling social responsibility, we combine our professional capabilities with public welfare practices, continuously donating solar lamps, portable power stations, and other materials to public welfare organizations. Through these tangible actions, we convey the warmth of the Company and practice social responsibility. We believe that the value of an enterprise is reflected not only in its operating performance but also in the contributions and value it creates for society.

Looking ahead, the global trend of energy transition is irreversible, and the prospects for the development of renewable energy remain broad. We will continue to steadfastly pursue the path of innovative development. We will embrace technological change with a more open attitude, improve our global presence with more determined resolve, and practice the ESG philosophy with a more responsible attitude, striving to become "the safest and the most efficient clean energy converter".

# ESG Performance Highlights

## Environmental



- Cumulative global sales of MLPE module-level power electronic products exceeded **7.5** GW
- Total greenhouse gas emissions (Scope 1+Scope 2) **1,448.17** tons of CO<sub>2</sub> equivalent
- Cumulative generated power **9.46** TWh
- Cumulative CO<sub>2</sub> emission reductions **1,199.62** million tons



## Social



- R&D investment: CNY **118.808** million
- Number of R&D personnel: **275**
- Total number of intellectual property rights: **231**
- Proportion of qualified suppliers evaluated by environment, labor, ethics, and other aspects: **100%**
- Average training hours per employee: **212.14** hours
- Employee satisfaction rate: over **90%**
- Proportion of R&D investment to operating revenue: **10.00%**
- Proportion of R&D personnel to total workforce: **51.02%**
- 102** invention patents
- Total training hours: **95,040** hours
- Total employee training expenditure: CNY **97,400**
- Converted amount of donated materials for public welfare and charity: CNY **2,394,000**



## Corporate Governance



- Proportion of independent directors: **42.86%**
- Number of corruption lawsuits: **0**
- Proportion of Board members who received training on anti-commercial bribery and anti-corruption: **100%**



# 01

## About APsystems

Company Overview

Development Milestones

APsystems Global Footprint

Accolades in 2025



# Company Overview

Yuneng Technology Co., Ltd. was founded in 2010 and registered in the Nanhu High-tech Zone of Jiaxing City. It is a listed company on the Science and Technology Innovation Board (stock code: 688348). The Company focuses on the fields of photovoltaic power generation and energy storage, mainly engaged in the R&D and industrialization of Module-Level Power Electronics (MLPE) technology in distributed photovoltaic power generation systems, as well as energy storage technologies. It provides full-scenario application solutions for distributed photovoltaics + energy storage with micro-inverters as the core. It comprehensively covers areas such as micro, residential and commercial/industrial solar and storage segment, fully meeting the diverse needs of all users. The Company's products and businesses include: microinverters and energy communication units, energy storage products, Intelligent Rapid Shutdown Devices, AI smart energy business, distributed photovoltaic power station business, etc.

APsystems is recognized as a "National High-tech Enterprise", a member of the fifth batch of the enterprise list for the *Photovoltaic Manufacturing Industry Standard Conditions* by the Ministry of Industry and Information Technology and a national "Specialized, Sophisticated, Distinctive, and Innovative (SSDI) Little Giant Enterprise". The Company has established the Zhejiang Province APsystems Micro-Inverter Research Institute, the Zhejiang Province Enterprise Technology Center, and the Zhejiang Province High-Tech Enterprise Research and Development Center. The Company has participated in the formulation of 29 national, industry or group standards, and as the first drafting entity, it has drafted the group standard of "Grid-connected Micro-inverters for Photovoltaic Power Generation". The Company has always attached great importance to the continuous research and development of new technologies and products. After years of investment and accumulation, it has formed a strong R&D and innovation advantage. In addition, the Company also has an international scientific research talent team relying on international advanced R&D concepts, focusing on module-level power electronic equipment and energy storage systems. The team has a solid professional knowledge background and rich industry practice experience.

The Company actively carries out a global business layout, taking into account business opportunities in both developed countries and emerging markets. By establishing subsidiaries in the United States, the Netherlands, France, Australia, Mexico, Brazil, Singapore, the United Kingdom, Japan, and other places, it continuously improves the construction of the global marketing network.

In the context of the global emphasis on developing renewable clean energy, APsystems will continue to uphold the mission of "Drive a zero-carbon future and make smart energy accessible to everyone", striving to become "the safest and the most efficient clean energy converter", through the business strategy of "dual-wheel drive in domestic and overseas markets and coordinated promotion of photovoltaic and energy storage integration", it continuously provides the latest and safest smart photovoltaic and energy storage solutions to global customers.



## Up to now

- More than **150** valid domestic and international certification certificates or corresponding listings
- Products have been successfully sold to more than **168** countries and regions around the world
- The Company achieved an operating income of CNY **1.188** billion in 2025

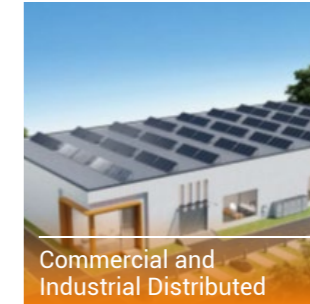
## Product Family



DIY Balcony Photovoltaics



Residential Distributed



Commercial and Industrial Distributed



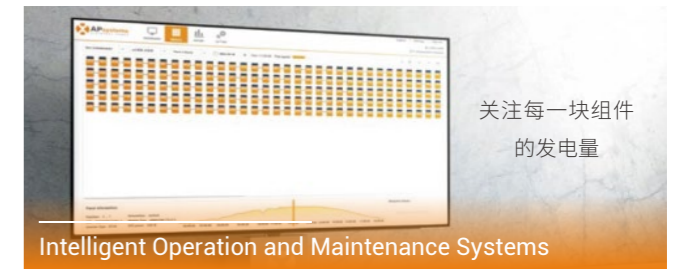
String Energy Storage Systems



Microinverter



Module-Level Rapid Shutdown Devices

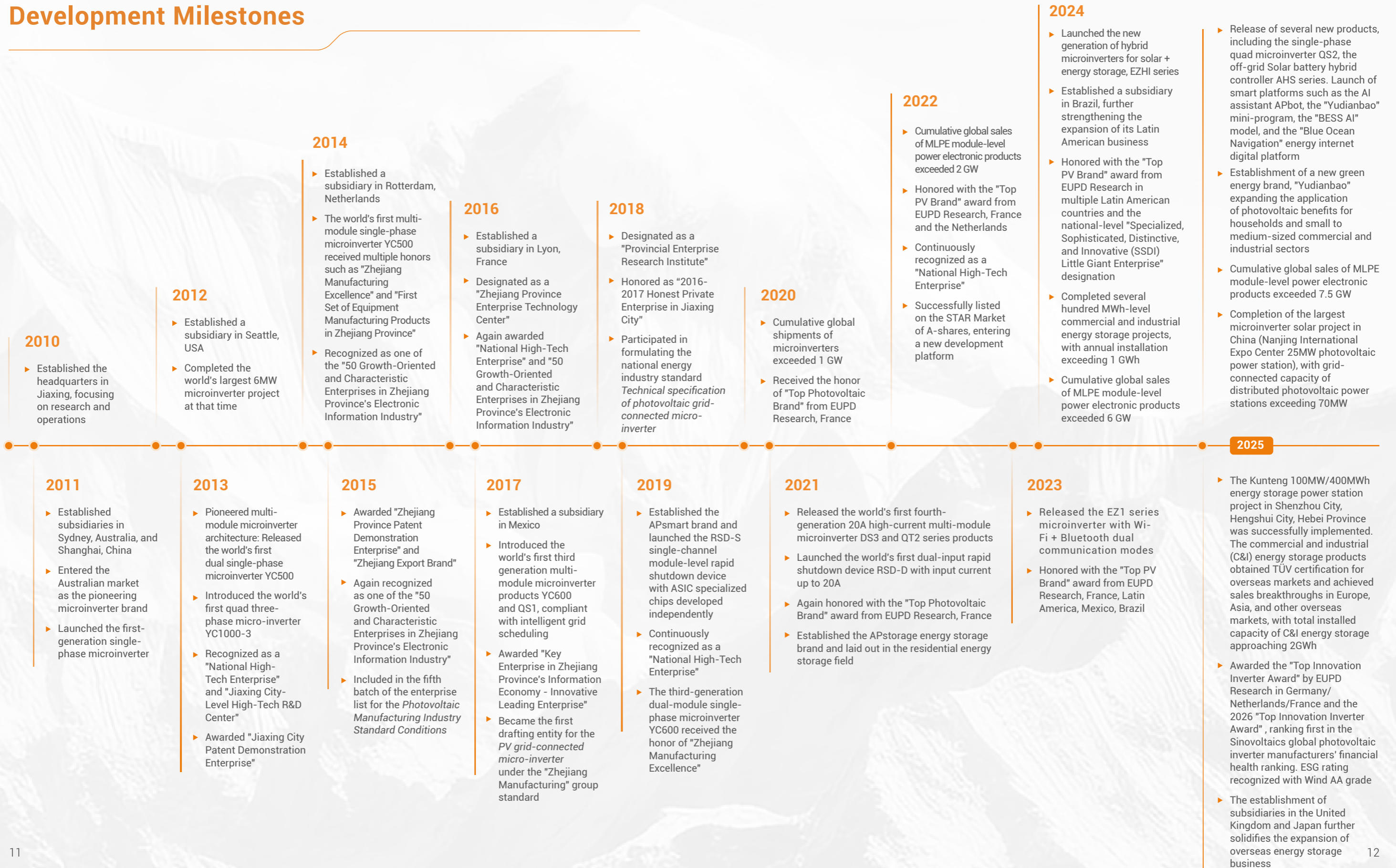


Intelligent Operation and Maintenance Systems

## Corporate Culture



# Development Milestones



# APsystems Global Footprint

## Global Marketing Strategy

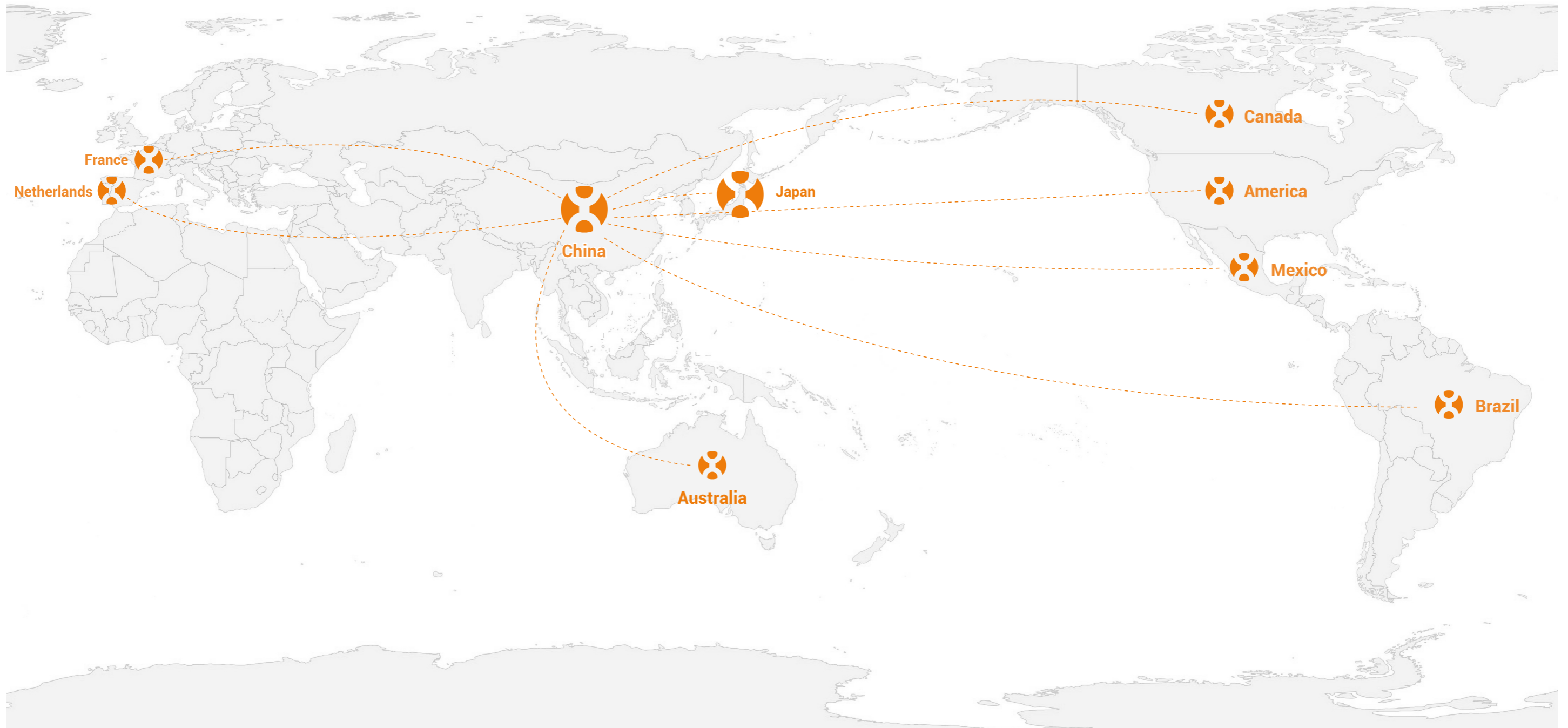
- Establishment of 11 subsidiaries or branches worldwide
- Localized teams providing 24/7 no-time-zone service

## Global Warehousing Strategy

- Establishment of 5 local warehouses worldwide
- Dual production bases deployment domestically and internationally to ensure global market supply demands

## Global After-Sales Support

- UID traceability and rapid response return and exchange service processes
- Provision of comprehensive global multilingual online and offline training services



# Accolades in 2025



PVBL Top 100 Solar PV Brands in the World



2025 Most Innovative Company in the Solar Storage Industry



Influential Photovoltaic Inverter Brand



2025 Influential Featured Application Project Case Company



2025 Best Solar Storage Brand Communication



2025 China Top 15 Listed PV Inverter Companies



2025 China Distributed Photovoltaic Outstanding Contribution Enterprise



"Solar Energy Cup" Photovoltaic Industry Selection 2025 Most Influential Photovoltaic Storage Solution Enterprise



2025 China Pioneer Brand of Balcony PV



"Solar Energy Cup" Photovoltaic Industry Selection 2025 Flagship Product - Yudianbao Balcony Photovoltaic System



2025 Influential Brand - Photovoltaic Inverters



2025 Outstanding Enterprise



AsiaPVES Special Contribution Enterprise

# 02

## ESG Management

ESG Governance

Materiality Analysis

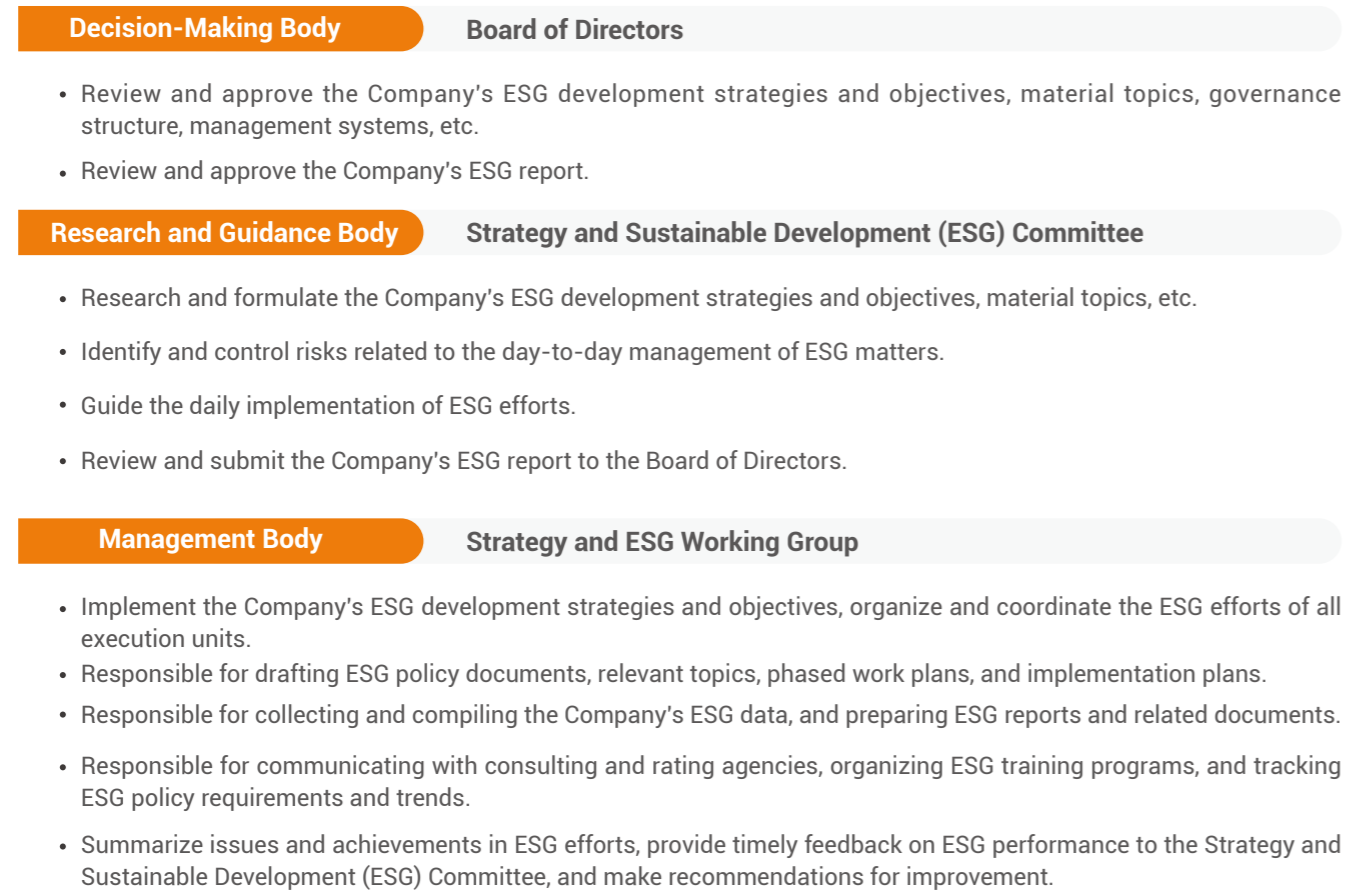
Response to the Sustainable Development Goals (SDGs)

# ESG Governance

APsystems strictly adheres to the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Guidelines No.1 on the Self-Regulation for Listed Companies on SSE STAR Market –Standardized Operation of Listed Companies*, and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, among other laws, regulations, and regulatory guidelines, integrating the concept of sustainable development deeply into corporate governance.

The Company has established a four-tier management system with the Board of Directors as the highest decision-making body, the Strategy and Sustainable Development (ESG) Committee as the research and guidance level, and the Strategy and ESG Working Group as the coordination and execution level, and various functional departments and subsidiaries as the specific implementation level. This system clearly delineates the responsibilities and authorities at each level, systematically overseeing the formulation of ESG strategies, implementation of objectives, risk identification, performance evaluation, and information disclosure. It ensures that ESG management is integrated throughout the entire process of decision-making, execution, and supervision, providing a solid governance guarantee for achieving sustainable high-quality development.

## APsystems ESG Governance Structure and Responsibilities



### Execution Body

### All execution Units

- Assume primary responsibility within their respective functional scopes, implement the daily management of ESG-related activities in accordance with the Company's ESG development strategies and objectives, regularly report on execution progress, and submit ESG data in a timely manner.

In 2025, the Company invited experts in the ESG field to conduct training for the Company's leadership. The training focused on sustainable information disclosure and the Company's sustainable management action path, strengthening the management's strategic understanding of sustainability concepts. This initiative further promoted the penetration and implementation of sustainability concepts from the strategic level to the execution level, laying a foundation for enhancing ESG governance.



### 2025 Sustainability-Related Awards



At the 15th Charity Festival and 2025 ESG Influence Annual Conference, the Company received the "Annual Sustainable Development Model Enterprise" and "ESG Listed Company Model Award."

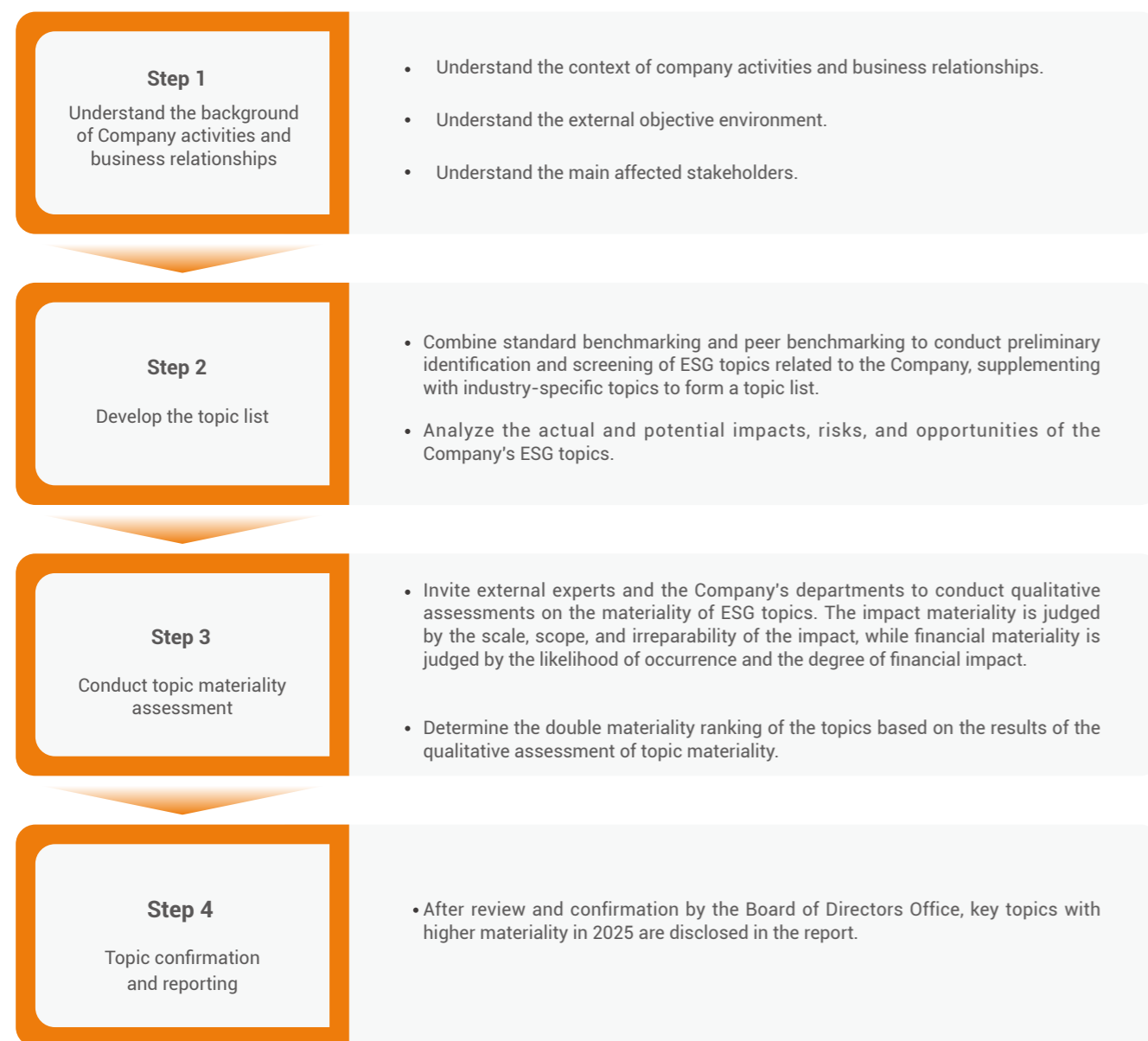


# Materiality Analysis

## Materiality Analysis Process

In 2025, based on business activities, APsystems, in conjunction with standard benchmarking and peer analysis, identified, screened, and analyzed ESG topics from the perspectives of impact materiality and financial materiality in accordance with the requirements of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial).

### Analysis Process of Double Materiality of 2025 Topics for APsystems



## Communication with Stakeholders

The Company values communication with stakeholders and, through a systematic mechanism of identification, communication, and response, accurately understands the demands of all parties. This serves as an important basis for ESG management and decision-making, ensuring that stakeholders' concerns are properly addressed and met, thereby enhancing mutual trust and achieving a win-win situation. In 2025, the Company identified its key stakeholders as government and regulatory agencies, shareholders/investors, customers, employees, suppliers, and the community.

### APsystems Key Stakeholders and Communication Methods

Key Stakeholders	Key Topics	Communication Methods and Frequency
<p>Government and Regulatory Agencies</p>	Commercial Behaviors, Risk Control Management, Tackling Climate Change, Environmental Compliance Management, Energy Usage, Usage of Water Resources, Waste Disposal, Green Business	<ul style="list-style-type: none"> <li>Institutional inspections (irregularly conducted)</li> <li>Policy implementation (continuous)</li> <li>Information disclosure (regularly conducted: annual/semi-annual/quarterly reports)</li> </ul>
<p>Shareholders/Investors</p>	Corporate Governance, Commercial Behaviors, Risk Control Management, Research and Development Innovation, Digital Transformation	<ul style="list-style-type: none"> <li>Shareholders' Meeting (at least once a year, convened as needed)</li> <li>Performance Briefing (regularly conducted, quarterly)</li> <li>Periodic and Interim Reports (regularly and irregularly conducted)</li> <li>Investor Hotline (continuously open)</li> </ul>
<p>Customers</p>	Customer Relationship Management, Product Quality Management, Data Security and Customer Privacy Protection	<ul style="list-style-type: none"> <li>Customer satisfaction survey (regularly conducted, usually at least once a year)</li> <li>Customer communication channels (ongoing, such as customer service hotlines and online platforms.)</li> <li>Information security risk assessment (regularly conducted, or when significant changes occur)</li> </ul>
<p>Employees</p>	Employee Recruitment and Rights, Employee Training and Development, Occupational Health and Safety	<ul style="list-style-type: none"> <li>Employee satisfaction (regularly conducted, usually once a year)</li> <li>Employee activities (irregularly conducted)</li> <li>Occupational health monitoring (regularly conducted, such as annual physical examinations)</li> <li>Work safety management (ongoing, daily management and regular inspections)</li> </ul>
<p>Suppliers</p>	R&D Innovation, Supplier Management, Commercial Behaviors, Product Quality Management	<ul style="list-style-type: none"> <li>Signed the Supplier <i>Corporate Social Responsibility Commitment</i> (regularly conducted, typically at the initial stage of cooperation and updated periodically).</li> </ul>
<p>Community/Public</p>	Public Welfare	<ul style="list-style-type: none"> <li>Safety training (irregularly conducted).</li> <li>Public welfare activities (irregularly conducted).</li> </ul>

### Due Diligence

The Company continuously improves the management process for the impacts, risks, and opportunities of ESG topics. Through a comprehensive ESG due diligence process, the Company comprehensively identifies, assesses, and manages the impacts, risks, and opportunities arising from ESG topics. The investigation spans the core aspects of the Company's operations and value chain, primarily conducted through various methods such as daily communication and information collection with stakeholders. The investigation focuses on the potential substantial impacts of various ESG topics on the Company's business model, operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs in the short term (0-1 year), medium term (1-5 years), and long term (over 5 years). It also evaluates the broad impacts of the Company's performance on these topics concerning environmental, social, and economic aspects, and discloses the targeted management measures and practices adopted by the Company.

#### APsystems Impacts, Risks, and Opportunities Management of ESG Topics in 2025

Topics	Affected Stakeholders	Risk/Opportunity Type	Time Range	Financial Impact
Tackling Climate Change	Government and Regulatory Agencies	Physical risk Policy and regulatory risk Market risk Product and service opportunities	Short, medium, and long-term	Increase in revenue
Energy Usage		Energy source opportunities	Short, medium, and long-term	Decreased operating costs
Usage of Water Resources		Resource efficiency opportunities Policy and regulatory risk	Short, medium, and long-term	Decreased operating costs
Waste Disposal		Resource efficiency opportunities Policy and regulatory risk	Medium and long-term	Decreased operating costs
Environmental Compliance Management		Policy and regulatory risk	Medium and long-term	Increase in operating costs
Green Business		Market opportunities	Short, medium, and long-term	Increase in revenue
Employee Recruitment and Rights		Employees	Policy and regulatory risk	Medium and long-term
Occupational Health and Safety	Policy and regulatory risk		Medium and long-term	Increase in operating costs
Employee Training and Development	Operational risk Market opportunities		Medium and long-term	Increase in operating costs Increase in revenue
Product Quality Management	Customers	Product quality dispute risk Product and service opportunity	Medium and long-term	Increase in operating costs Increase in revenue
Customer Relationship Management		Market risk Product and service opportunities	Short, medium, and long-term	Increase in revenue
Data Security and Customer Privacy Protection		Data leakage risk	Long term	Increase in operating costs
Supplier Management	Suppliers	Supply chain stability risk Supplier Management	Medium and long-term	Increase in operating costs Decreased revenue

Topics	Affected Stakeholders	Risk/Opportunity Type	Time Range	Financial Impact
R&D Innovation	Shareholders/Investors, customers	Technology upgrade risk Personnel turnover risk Core technology Intensified competition risk Product and service opportunity	Medium and long-term	Increase in operating costs Increase in revenue
Digital transformation		Data security risk Operational efficiency opportunity	Short, medium, and long-term	Increase in operating costs Increase in revenue
Public Welfare	Community/Public	Reputation opportunities	Medium and long-term	Increase in revenue
Commercial Behaviors	Shareholders/Investors, suppliers	Legal risk Operational risk	Medium and long-term	Increase in operating costs
Corporate Governance	Shareholders/Investors	Overseas operation risk Shareholder rights protection opportunities	Medium and long-term	Increase in operating costs Decreased revenue
Risk Control Management		Operational risk	Medium and long-term	Increase in operating costs Decreased revenue

### Conclusion of Topic Materiality Analysis

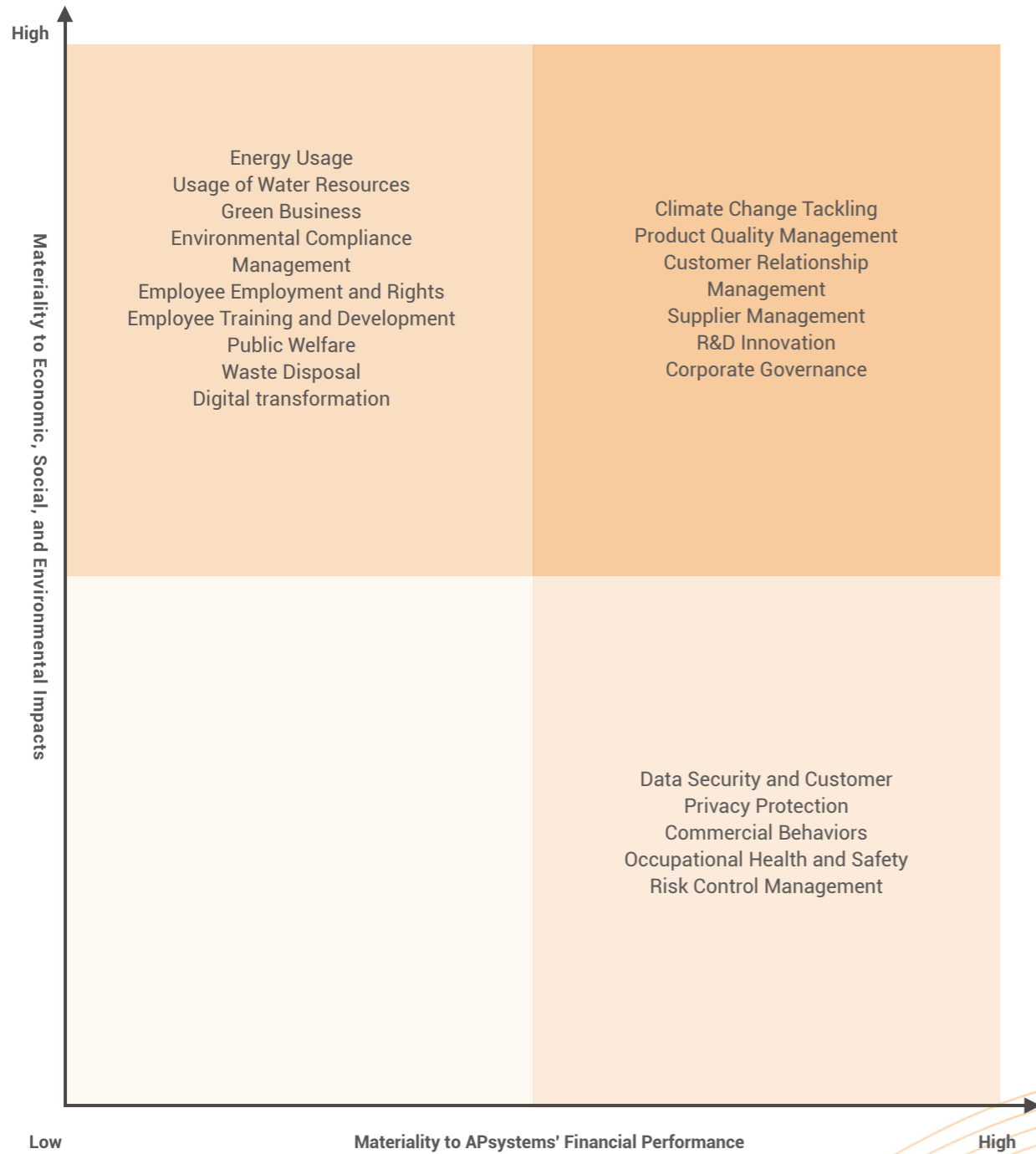
The Company, based on stakeholder communication, due diligence results, industry benchmarking, and operational conditions, has preliminarily identified and selected 19 ESG topics. Among these, 6 topics belong to the environmental dimension, 10 topics belong to the social dimension, and 3 topics belong to the corporate governance dimension. The main changes in APsystems' ESG topics for 2025 compared to the previous year are shown in the table below.

#### APsystems Main Changes in ESG Topics in 2025

2025 ESG Topic	2024 ESG Topic	Changes	Reason for Change
Digital Transformation	---	Topic added	Added topic based on industry trends

Based on the analysis of the combined impact materiality and financial materiality, 6 topics are identified as having double materiality, 4 topics only have financial materiality, and 9 topics only have impact materiality. The Company will focus on advancing ESG work based on the materiality of each topic.

APsystems 2025 ESG Topic Distribution Matrix



## Response to the Sustainable Development Goals (SDGs)

Double Materiality Topics	Financial Materiality Topics	Impact Materiality Topics
<p>Climate Change Tackling, Customer Relationship Management, Supplier Management, R&amp;D Innovation, Corporate Governance, Product Quality Management</p>	<p>Data Security and Customer Privacy Protection, Commercial Behaviors, Occupational Health and Safety</p>	<p>Energy Usage, Usage of Water Resources, Waste Disposal, Employee Recruitment and Rights, Employee Training and Development, Risk Control Management, Environmental Compliance Management, Green Business Initiatives, Public Welfare, Digital Transformation</p>

**Feature Story:**

# Advancing Global Green Energy Solutions via Innovations

The Company upholds the mission of “Drive a zero-carbon future and make smart energy accessible to everyone” and is committed to becoming “the safest and the most efficient clean energy converter.” The Company focuses on the photovoltaic power generation and energy storage sectors, primarily engaged in the research, development, and industrialization of Module -level power electronics technology for distributed photovoltaic power generation systems, as well as residential and commercial and industrial energy storage technology. The Company provides comprehensive application solutions for distributed photovoltaic + energy storage with microinverters as the core. Through the business strategy of “dual-wheel drive in domestic and international markets and coordinated promotion of photovoltaic and energy storage integration,” the Company continuously offers the latest and safest photovoltaic and storage smart solutions to global customers.

## Key Product Series of APsystems

### Microinverters

- In the balcony photovoltaic scenario, the company’s EZ1 and EZ1D series products feature easy installation – simply connect the AC cable plug to a socket to achieve grid-connected power generation. In the residential photovoltaic scenario, the Company’s DS3, DS3D, QS2 and S3 series products are designed for home residential applications, featuring simple design, flexible installation, safety, and reliability. They are suitable for complex roof configurations such as compact spaces and multiple orientations. In the commercial/ industrial photovoltaic scenario, the Company’s three-phase eight-module QT2D can connect up to eight modules, with a maximum output power of 3600W and support for modules with up to 20A current. This further reduces the cost per watt, enabling microinverter products to empower more distributed photovoltaic power stations to operate safely and efficiently.
- To enable module-level intelligent monitoring in distributed photovoltaic power generation systems, the Company has developed energy communication products and monitoring analysis systems that work with microinverters, helping users achieve module-level monitoring and efficient operation and maintenance.

### Off-grid Hybrid Inverter

- In 2025, the Company developed the new off-grid hybrid inverter AHS series products. This series of off-grid hybrid inverters does not rely on the public grid system. Based on converting direct current to alternating current, it is equipped with low-voltage batteries and additional energy storage functions. It can ensure uninterrupted power supply to critical loads when the grid is unstable, meeting the needs for off-grid and backup power generation.

### Energy Storage Products

- Balcony Micro Light Storage: The EZHI hybrid microinverter product is equipped with a low-voltage battery on the basis of a microinverter, enabling the product to have both micro photovoltaic and micro energy storage functions. With advantages in ease of installation, cost-effectiveness, and flexibility, it meets the needs of balcony and DIY application scenarios.
- Residential Energy Storage: The ELS and ELT series residential energy storage products have the safety advantages of low-voltage component access and low-voltage battery access. They also support self-consumption and backup power modes and can form a microgrid system with photovoltaic grid-connected inverter systems through AC coupling.
- Grid connection point, commercial & industrial (C&I), and source-grid side energy storage system products: For grid connection point scenarios, the Ocean 30/30L and Ocean 100L series products are used to address end-of-line low voltage, heavy overload, and three-phase imbalance issues. With easy parallel connection and no need for line modifications, combined with LFP batteries and an automatic fire suppression system, they provide low-cost, highly reliable grid support. For C&I scenarios, the Ocean 200L and Ocean 400L series products adopt a “single cluster as a single cabinet” design, enabling refined safety management and plug-and-play operation. They support modular expansion starting from 30kW, flexibly covering applications from small- and medium-scale to GWh-level projects. For source-grid side scenarios, the Ocean 5000L series, together with a self-developed 3S technology stack (BMS, PCS, EMS) and flexible intelligent thermal management, achieves high conversion efficiency and low system energy consumption. It can also be optionally equipped with the Blue Ocean Navigation intelligent operation and maintenance system to enhance power station revenue. All series products deeply integrate smart EMS monitoring and remote O&M capabilities, aiming to improve full-lifecycle comprehensive benefits while ensuring safety and economic efficiency.

### Intelligent Rapid Shutdown Devices

- RSD-S and RSD-D series intelligent rapid shutdown devices utilize a self-developed ASIC dedicated chip for intelligent shutdown, featuring high integration and reliability.

With the Company's self-developed photovoltaic and energy storage products as the core, the Company expands its distributed photovoltaic power station business. By purchasing photovoltaic modules, brackets, cables, and other components, the Company provides a comprehensive “safe, efficient, and intelligent” solution from hardware to software, and from design to operation. The solutions have reached over one hundred countries and regions worldwide, contributing to energy conservation, emission reduction, and sustainable development.

In terms of domestic project construction, the Company continues to expand the application boundaries of microinverters, covering areas such as public buildings, industrial parks, high-energy-consuming enterprises, trade malls, and environmental industry zones. By providing high-quality solutions, the Company empowers diverse commercial and industrial scenarios, illuminating a new vision for green development across various industries.

### Case Nanjing International Expo Center 25MW Photovoltaic Project

The project is located in Nanjing, Jiangsu Province, with a total installed capacity of approximately 25MW, making it the largest single-unit capacity micro-inverter photovoltaic project in the country.

This project makes full use of the roof of the Nanjing International Expo Center exhibition hall, covering an area of over 150,000 square meters. It is equipped with 6,442 QT2D APsystems microinverters and over 40,000 high-efficiency photovoltaic modules. The estimated annual power generation of the power station can reach 24.8 million kWh, which significantly meets the electricity demand of the expo center and provides strong energy support for its diverse operations, including exhibitions, conferences, accommodation, catering, events, and entertainment. This initiative sets a benchmark for low-carbon public buildings.



Nanjing International Expo Center Photovoltaic Project

### Case Shandong Feicheng Refined Salt Factory 5.04MW PV Project



Shandong Feicheng Refined Salt Factory PV Project

Located in Feicheng City, Shandong Province, this project has a total installed capacity of approximately 5.04MW. The system is equipped with 1,177 units of APsystems microinverters QT2D and 9,619 BIPV solar modules. It is estimated to generate 5 million kWh of electricity annually, reducing carbon dioxide emissions by about 5,400 tons per year, equivalent to planting 200,000 trees.

This project has achieved photovoltaic building integration installation in areas such as color steel tile roofs, cement roofs, carports, and facade walls. With the support of microinverters, the installable area has been maximized, achieving full installation in special areas like vertical walls. It provides more energy for the entire process of salt production, processing, and storage. This is of great significance for promoting the low-carbon transition and strengthening regional environmental protection.

**Case** **Shenzhou Kunteng 100MW/400MWh Energy Storage Power Station Project**

The project is located in Shenzhou City, Hebei Province, with a total installed capacity of 100MW/400MWh. The project is supported by APsystems' holding subsidiary, Jiangsu Advanced Energy Storage Technology Co. LTD., and utilizes 80 self-developed Ocean 5000L energy storage prefabricated cabins, one EMS system, and one energy storage unit PCS+BMS system. The energy storage prefabricated cabins adopt a standardized string unit design with the design concept of "one cluster managed by one inverter," allowing for more refined safety management. The thermal management system precisely controls the temperature difference between Packs, ensuring better temperature consistency, and each individual cabinet is equipped with independent fire protection, significantly enhancing system lifespan and meeting the general needs of large-scale energy storage projects.



**Kunteng Energy Storage Power Station Project**

During the operation of the power station, it stores electrical energy during wind and photovoltaic power generation peaks and releases clean electricity during periods of power shortage. It is expected to reduce coal consumption by approximately 31,000 tons annually, equivalent to a reduction of 82,000 tons of carbon dioxide emissions, which is of great significance for promoting regional low-carbon transition development and strengthening regional environmental protection.

In terms of overseas project construction, the Company continues to deepen its presence in the European, North American, and Latin American markets with leading technology and localized services. The Company empowers diverse scenarios such as entertainment and dining, healthcare, livestock, education, food processing, and nature conservation. By adapting to the stringent standards and unique needs of different regions, the Company assists in the global green and low-carbon development of industry and commerce.

**Case** **Mexico Beach Resort 75.24kW Photovoltaic Project**



**Mexico Beach Resort Photovoltaic Project**

The project is located in the Acapulco Beach Resort area in southern Mexico. The power station employs a total of 29 APsystems DS3D microinverters and 114 photovoltaic modules of 660W each, with a total installed capacity of 75.24kW.

The DS3D has excellent adaptability to shading from trees and other obstructions, with an MPPT tracking efficiency of up to 99.9%, and an annual power generation of approximately 130,000 kWh. Additionally, the DS3D uses a module-level input design, with a DC voltage of less than 120V during system operation, which mitigates the risks of DC high-voltage arc fires and rescue risks, ensuring the safe operation of the power station.

**Case** **USA Rehabilitation Center 177kW Photovoltaic Project**



**USA Rehabilitation Center Photovoltaic Project**

The project is located at a rehabilitation center in Nevada, USA, with a total installed capacity of 177kW. The project uses APsystems microinverter QT2, which offers significant advantages in safety and reliability. The system operates without voltage stacking, ensuring the utmost safety of the power station. It also features module-level MPPT functionality, aiding the power station in achieving stable and efficient power conversion, providing green electricity for site operation management.

**Case** **USA Dairy Processing Plant 574.4kW Photovoltaic Project**

The project is located at a dairy processing plant in Indiana, with a total installed capacity of 574.4kW for the photovoltaic power station. The station uses APsystems microinverter QT2, featuring a module-level input design with the inherent advantage of no DC high voltage. It also supports three-phase balanced AC output, effectively improving power quality and providing green energy support for dairy production and processing.



**USA Dairy Processing Plant Photovoltaic Project**

Looking ahead, the Company will steadfastly implement a dual-market strategy for both domestic and international markets, striving to develop an integrated comprehensive solution of solar, storage, and charging, along with construction, management, and operation. The Company aims to establish an ecosystem of "solar power + energy storage + digital AI intelligent management" to win the market with solid strength and create long-term value.

# 03

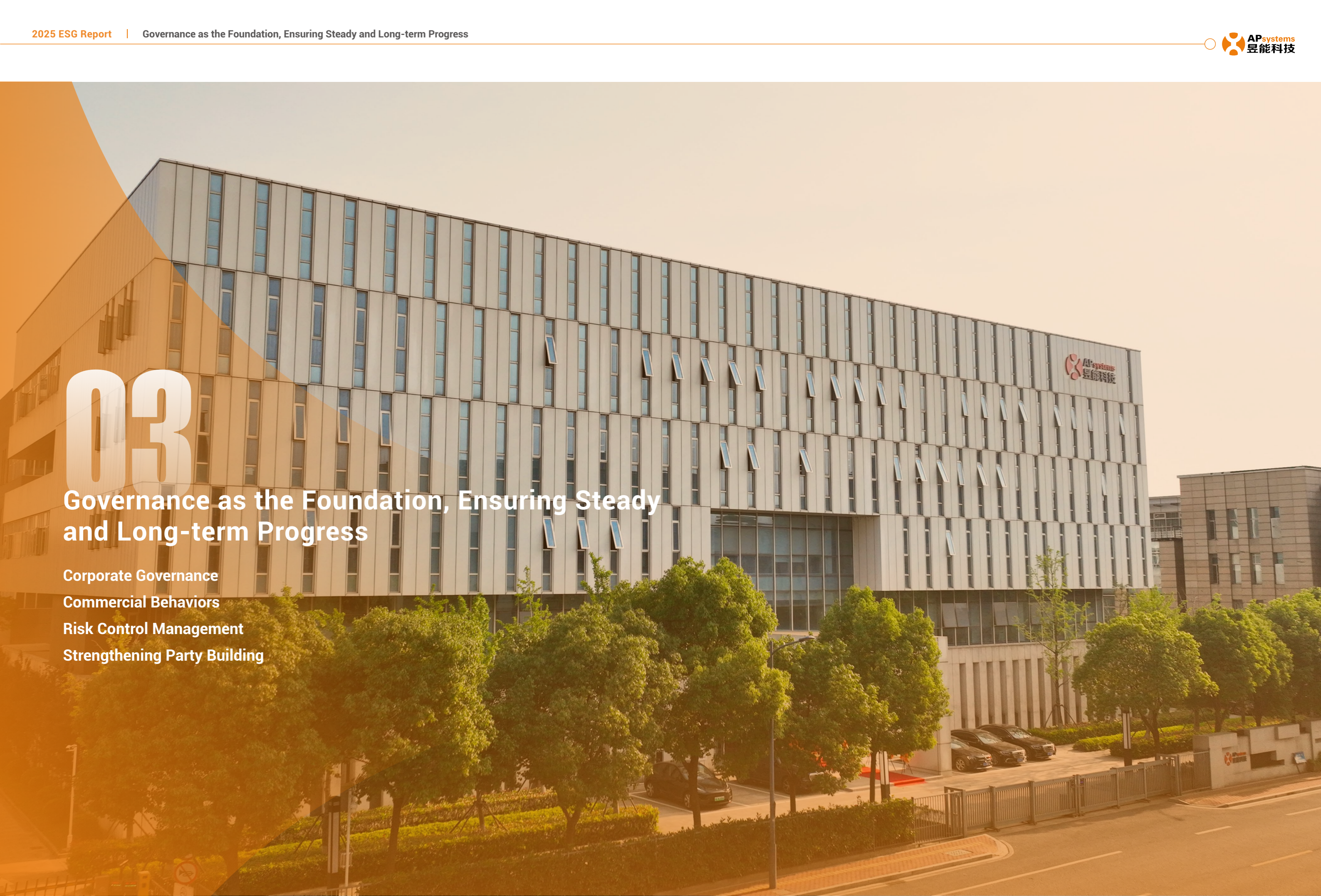
## Governance as the Foundation, Ensuring Steady and Long-term Progress

Corporate Governance

Commercial Behaviors

Risk Control Management

Strengthening Party Building



# Corporate Governance

APsystems strictly adheres to national laws, regulations, and regulatory rules, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Articles of Association of Listed Companies*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, and the *Guidelines No.1 on the Self-Regulation for Listed Companies on SSE STAR Market—Standardized Operation of Listed Companies*. The Company builds and improves our governance system to ensure the effectiveness, compliance, and transparency of our operations.

## APsystems Corporate Governance Management System

### Governance

- **System:** The Company has formulated and revised the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, the *Rules of Procedure for Board Meetings*, the *Terms of Reference for the Board Audit Committee*, the *Terms of Reference for the Board Strategy and Sustainable Development (ESG) Committee*, the *Information Disclosure Management System*, and other internal management systems.
- **Governance Structure:** The Company has established a "Two Meetings and One Layer" governance framework consisting of the "General Meeting of Shareholders, Board of Directors, and Management."

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Impact:** The corporate governance framework has been improved to enhance the normativity and transparency of governance and protect the rights and interests of investors.
  - **Risk:** Overseas operational risks: The main countries or regions where the Company operates overseas have introduced a series of policies restricting the import of photovoltaic products and increasing product tariffs, creating significant trade barriers. This may lead to a decline in overseas sales revenue, while increased tariffs squeeze profit margins, affecting the Company's overall profitability.
  - **Opportunity:** Opportunities in protecting shareholder rights: Formulating reasonable share repurchase and dividend plans and conducting investor relations management work help attract investors, boost investor confidence, and reduce the cost of equity financing.
- **Response Strategy:** A well-defined and balanced corporate governance structure with effective internal control systems has been established. The Company strictly complies with regulations to ensure legal and standardized operations.

### Impacts, Risks, and Opportunities Management

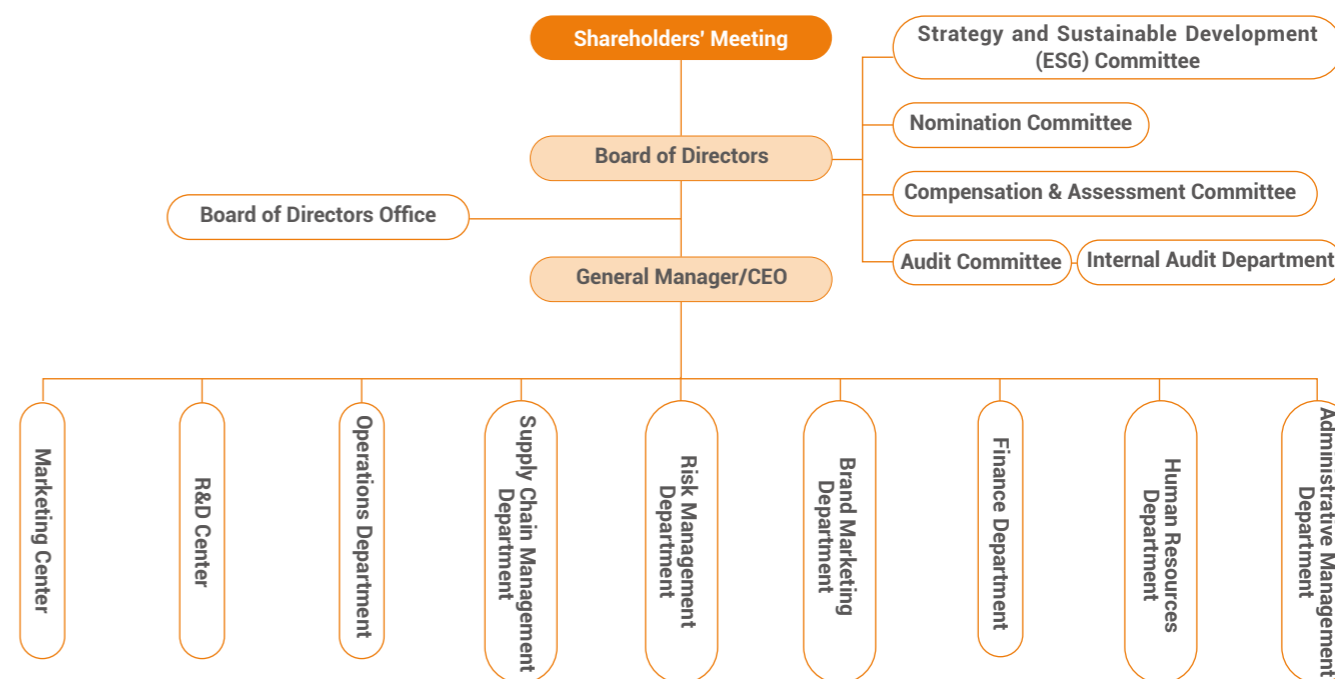
- By establishing and improving internal control systems, the Company continuously promotes standardized and procedural management, enhancing corporate governance. It fulfills information disclosure obligations by law, strengthens investor relations management, fully protects the legitimate rights and interests of investors, and promotes the sustainable development of the Company.

### Indicators and Targets

- **Targets:** Improve the corporate governance framework, strengthen investor rights protection mechanisms, increase the transparency of information disclosure, ensure clear and efficient operation of the governance structure, and guarantee board composition diversity.
- **Indicators:** By the end of the reporting period, independent directors accounted for 42.86%.

In 2025, to fully implement the latest laws, regulations, and normative document requirements, and in line with the Company's actual situation and business development, the Company officially abolished the Board of Supervisors. The Audit Committee of the Board of Directors assumed the responsibilities of the Board of Supervisors, forming a corporate governance structure where the General Meeting of Shareholders serves as the highest authority, the Board of Directors acts as the decision-making core, specialized committees provide professional support, and senior management is responsible for daily operations.

## APsystems Corporate Governance Framework



## Introduction to Corporate Governance Structure Responsibilities and Related Meetings Convening

Aspect	Duties Introduction	Meeting Frequency
<b>General Meeting of Shareholders</b>	The General Meeting of Shareholders, as the highest authority of the Company, is responsible for electing directors and reviewing the Board of Directors' reports. Its core duties include deliberating and approving fundamental matters such as major company strategies, profit distribution, and capital changes, while legally safeguarding the right to information and participation of all shareholders, especially minority shareholders.	Held 1 annual General Meeting of Shareholders and 1 extraordinary Shareholders' Meeting, cumulatively reviewing 14 proposals.
<b>Board of Directors</b>	The Board of Directors is the core decision-making and leadership body of the Company, responsible for executing the resolutions of the General Meeting of Shareholders, formulating major business plans, establishing internal management structures, and appointing senior management. The Board of Directors is directly accountable to the General Meeting of Shareholders and reports its work.	Held 9 Board meetings, reviewing a total of 43 proposals.
<b>Special Committee</b>	The Board of Directors has established four specialized committees: Audit Committee, Nomination Committee, Compensation and Assessment Committee, and Strategy and Sustainable Development (ESG) Committee. Their responsibility is to provide in-depth research and professional advice for the Board's related decisions. Each specialized committee reports directly to the Board of Directors and fulfills its reporting duties by submitting proposals and reports.	Held 4 Audit Committee meetings, reviewing a total of 16 proposals. Held 1 Compensation and Assessment Committee meeting, cumulatively reviewed 2 proposals. Held 1 Nomination Committee meeting, cumulatively reviewed 1 proposal.

The Company ensures the effectiveness of the Board of Directors through multiple dynamic mechanisms. The General Meeting of Shareholders supervises and evaluates the Board of Directors as a whole based on the *Rules of Procedure for Board Meetings* and the performance of the directors. The Board of Directors has established a regular reporting and communication mechanism with the management, periodically reviewing the achievement of strategic objectives and operational performance, indirectly assessing the scientific and effective nature of the Board's decisions.

## Diversity Distribution of Board Members

The Company recognizes and values the benefits of diversity among board members for corporate governance. Through the *Independent Director Working System and the Board Nomination Committee Working Rules*, the Company ensures that the standards and procedures for board member selection are standardized and open. The Company systematically builds and maintains a diverse board structure, ensuring substantial diversity among board members in terms of gender, professional knowledge, industry perspectives, and decision-making capabilities.

The Board of Directors is composed of seven members (including three independent directors), with female directors accounting for 14.3%. The members possess complementary backgrounds and experience in areas such as professional technology, corporate management, financial capital, and legal compliance, effectively supporting the Company's decision-making in strategy, risk, and innovation.

## Information Disclosure

The Company places great importance on information disclosure, using it to enhance corporate governance, increase market transparency, and establish a positive corporate image. The Company strictly adheres to the *Administrative Measures for Information Disclosure of Listed Companies*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, and the Company's *Information Disclosure Management System*, among other information disclosure management-related regulations. The Company diligently fulfills our information disclosure obligations, ensuring that our periodic reports, interim announcements, and other significant information are disclosed truthfully, accurately, completely, timely, and effectively.

In 2025, the Company disclosed 4 regular reports and 41 temporary announcements.

### APsystems Information Disclosure Methods in 2025

#### The media outlet and corresponding website for the disclosure of the Company's annual reports

Shanghai Securities News: <https://www.cnstock.com/>  
 Securities Times: <https://www.stcn.com/>

#### The stock exchange website for the disclosure of the Company's annual reports

Shanghai Stock Exchange: <http://www.sse.com.cn/>

## Investor Relations Management

The Company values investor relations management, strictly adhering to the *Guidelines for Investor Relations Management of Listed Companies* and other laws and regulations. Based on the *Investor Relations Management System*, the Company systematically carries out related work, committed to enhancing market recognition through transparent and efficient communication, and achieving the long-term maximization of Company value and shareholder interests.

## Investor Communication

The Company continuously expands communication channels and interaction depth with investors through various means such as investor hotlines, email, the "SSE e-interaction" platform, and investor meetings, actively listening to investors' voices and responding to market concerns. During the reporting period, the Company answered approximately 40 investor hotline calls and responded to 31 questions on the "SSE e-interaction" platform.

In 2025, the Company held three performance briefings, engaging in in-depth interactions with investors through teleconferences. The Company conducted candid discussions on key issues such as operating performance, business planning, market challenges, and technological layout, effectively enhancing the market's understanding and trust in the Company.

## Shareholder Returns

The Company consistently prioritizes the interests of investors, values investor returns, and strives to fully safeguard the fundamental interests of all shareholders by maintaining a good, continuous, and stable level of cash returns. The Company has formulated the *Plan for Shareholder Dividend Returns for Three Years After the Initial Public Offering and Listing on the STAR Market*, enhancing the transparency and operability of profit distribution decisions. In the *Articles of Association*, the Company clearly defines the profit distribution decision-making process. Based on the dynamic balance between business development needs and shareholder returns, the Company formulates a reasonable profit distribution policy, actively conducts cash dividends, and genuinely allows investors to share in the Company's development achievements, enhancing their sense of gain.

During the reporting period, the Company issued the Announcement on the *Implementation of the 2024 Annual Equity Distribution* and completed the cash dividend distribution.

### APsystems Cash Dividend Payout in 2025

Key Performance	Unit	2025
Cash dividend per 10 shares	CNY	4
Total Cash Dividends Paid	CNY	61,813,458.80
Proportion of Net Income Attributable to Shareholders of the Listed Company in the Consolidated Financial Statements	%	44.14

- At the 13th "Capital Power" 2025 Annual Brand Event hosted by Securities Star, the Company received the Industry Influence Award.
- In the "2025 Annual Value 100 List" selection hosted by Yi Dong, the Company received the 2025 Annual Cutting-edge AI Innovation Award.
- In the "2025 Annual Capital Market Most Valuable Influence List" selection hosted by CaiLian Press, the Company received the Outstanding Overseas Brand Award.
- The Company were awarded the 2024 Golden Information Disclosure Award by China Securities Journal.
- Won the Best Investor Relations Award at the 2025 Listed Company Annual Selection presented by Tonghuashun.

# Commercial Behaviors

APsystems strictly complies with the *Anti-monopoly Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition*, the *Anti-Money Laundering Law of the People's Republic of China*, and other laws, regulations, and regulatory requirements. The Company fully integrates a culture of integrity and honesty into corporate governance, internal control, and daily operations.

## APsystems Commercial Behavior Management System

### Governance

- **System:** Formulated and issued internal management systems such as the *APsystems Business Ethics Basic Policy* and the *APsystems Bidding Management Measures*.
- **Governance Structure:** The Company's Board of Directors has established an Audit Committee to comprehensively oversee the Company's anti-commercial bribery and anti-corruption efforts, with the Company's Internal Audit Department responsible for implementing specific tasks and reporting to the head of the Audit Committee.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Risks:**

**Legal Risk:** If acts of commercial bribery occur, the Company may face substantial fines, leading to increased management expenses, squeezing net profit margins, and reducing current operating cash flow. Relevant responsible persons may be held criminally liable, causing the Company's normal operations to stagnate or terminate.

**Operational Risk:** If partners discover the Company's involvement in commercial bribery, it may lead to risks such as customers refusing to cooperate. The Company will lose opportunities to participate in certain project tenders, government procurement, and other business opportunities.
- **Response Strategy:**

The Company is committed to creating a healthy business ecosystem, adopting a zero-tolerance policy to commercial bribery, promoting fair competition, and acting with integrity. It upholds the principle of prevention first, process supervision, and legal punishment, integrating fairness and justice into its operations and management.

### Impacts, Risks, and Opportunities Management

- The Company regularly reviews and identifies anti-corruption risks in existing business processes, assesses the identified risks, and classifies them into low, medium, and high levels based on the likelihood of occurrence and the degree of impact. The Company estimates the potential economic losses and, based on the prioritization results, addresses high-risk matters first and formulates improvement plans. At the same time, the Company conducts ad hoc risk identification and promptly addresses any omissions. For matters that are both important and urgent, even if identified late, they are prioritized for rectification.

### Indicators and Targets

- **Targets:** Achieve a 100% coverage rate of anti-corruption and anti-bribery training for all employees and a 100% response rate to whistleblowing reports.
- **Indicators:** In 2025, the coverage rate of anti-corruption and anti-bribery training among all employees reached 100%, and the response rate to whistleblowing reports concerning commercial behavior reached 100%.

## Anti-commercial Bribery and Anti-corruption

Through systematic policies, effective supervision, and continuous training, the Company strives to build and maintain a fair and competitive market environment. The Company firmly opposes any form of commercial bribery, fraud, or unfair competition and upholds the highest ethical standards to safeguard the rights and interests of customers, partners, and all stakeholders, thereby strengthening the Company's market reputation and long-term trust. In 2025, the Company did not experience any violations of commercial bribery or anti-corruption laws and regulations.

### APsystems' Key Measures Against Commercial Bribery and Corruption

Aspect	Main Measures
<b>Institution Building and Supervision</b>	<ul style="list-style-type: none"> <li>• Initially reviewed and established a compliance management system for commercial behavior. Through the issuance of the <i>Basic Policy on Business Ethics</i>, the Company clarified the responsibilities of each department and position in written form, standardized business processes, and explicitly prohibited commercial bribery and corruption.</li> <li>• A dedicated supervision mechanism has been established, with clearly defined responsible departments. Through a combination of regular inspections and random checks, the Company continuously monitors various business activities to ensure the timely identification and correction of potential risks and to ensure the effective implementation of relevant systems.</li> </ul>
<b>Risk Identification and Prevention</b>	<ul style="list-style-type: none"> <li>• From a process perspective, we have identified high-risk nodes, including financial approvals, procurement bidding, contract signing, project acceptance, and government liaison, ensuring that each key position can identify potential risks.</li> <li>• Employees identify potential channels for the transfer of benefits by comparing their roles with the authority list and remain vigilant in their daily work.</li> </ul>
<b>Process Control and Transparency</b>	<ul style="list-style-type: none"> <li>• Procurement requirements and supplier admission approvals are handled by separate individuals to ensure transparency and fairness in the approval process.</li> <li>• Contract changes must be recorded online, and financial payments are executed strictly in accordance with contract terms. Information-based management tools are used to reduce the possibility of individual manipulation and strengthen process constraints.</li> </ul>
<b>Audit Supervision and Culture Development</b>	<ul style="list-style-type: none"> <li>• Regular internal audits are conducted to detect potential issues early and correct improper behavior.</li> <li>• Integrity training courses are incorporated into mandatory training for all employees and the annual retraining system. Through diversified training programs, the Company continuously strengthens integrity awareness and promotes relevant regulations and Company policies to suppliers and customers, fostering an honest and ethical business environment both internally and externally. During the reporting period, one anti-commercial bribery and anti-corruption training session was conducted.</li> </ul>

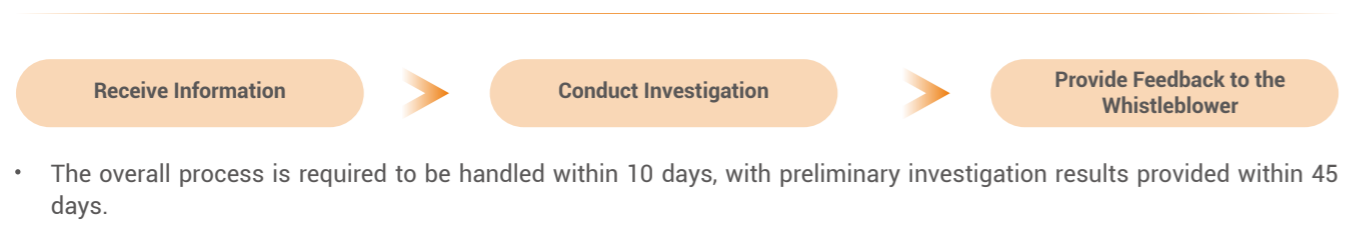
In 2025, the Company established a supplier anti-corruption and anti-bribery supervision system covering the entire supplier life cycle, encompassing pre-event prevention, in-process monitoring, and post-event response, thereby strengthening the company's overall compliance defense.

### APsystems' Supplier Anti-Corruption and Anti-Bribery Supervision Measures

<b>Pre-implementation Prevention</b>	<ul style="list-style-type: none"> <li>• An integrity threshold is established for supplier admission, requiring all suppliers to sign an Integrity Commitment Letter that clearly prohibits improper benefit transfers, private financial transactions, and other misconduct, while establishing penalty standards for breaches.</li> </ul>
<b>In-Process Monitoring</b>	<ul style="list-style-type: none"> <li>• Implemented after contract review by the Legal Affairs Team of the Risk Management Department.</li> </ul>
<b>Post-Incident Handling</b>	<ul style="list-style-type: none"> <li>• For employees whose violations are verified, the case will be submitted to the General Manager for review and handled in accordance with the Company's employee management policies. Cases suspected of criminal offenses will be transferred to judicial authorities.</li> </ul>

To establish a sound business ethics supervision mechanism, the Company set up a whistleblowing email platform (Audit@apsystems.cn), and made the reporting content public on the company's official website. Employees, suppliers, customers, and other stakeholders may submit named or anonymous reports if they discover corruption or misconduct within the Company. The Company attaches great importance to the protection of whistleblowers and implements strict access control and information confidentiality mechanisms. The whistleblowing email account is accessible only to the Internal Audit Department; other departments, including the IT Department, are not authorized to access it. All reports are handled independently and kept strictly confidential by the Internal Audit Department, and stringent protection measures are implemented for whistleblowers. These mechanisms effectively prevent information leakage and potential retaliation, ensuring that the reporting channel remains secure, credible, and effective.

### APsystems Whistleblowing and Complaint Handling Process



### Case Conducting Internal Training on Anti-Commercial Bribery

In 2025, the Internal Audit Department conducted a training session for all employees titled Integrity in Practice: Staying Away from Bribery and Corruption. The training covered the legal definitions of bribery and acceptance of bribes, sentencing standards, analyses of typical cases, and practical guidance on preventing integrity risks in the workplace, helping employees gain a comprehensive understanding of anti-corruption and anti-bribery requirements. The training aimed to strengthen employees' awareness of integrity and self-discipline, clarify the red lines of professional conduct, and ensure that every employee adheres to ethical standards, thereby fostering a clean and upright workplace environment.



### Anti-Unfair Competition

The Company strictly complies with the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and other relevant laws and regulations. The Company adheres to the principle of fair competition and integrates it deeply into our corporate strategy and daily operations. The Company has established a comprehensive anti-unfair competition management system that clearly prohibits various forms of unfair competition, including false advertising, monopolistic conduct, and infringement of trade secrets. Through continuous promotion and training, the Company cultivates a strong culture of fair competition so that compliance concepts are firmly embedded within the organization.

In addition, the Company extends anti-unfair competition requirements to supply chain management. Through the formulation and implementation of systems such as the *Supplier Evaluation Procedure*, suppliers' compliance with anti-unfair competition requirements is incorporated into the Company's evaluation and assessment system. Throughout the supplier selection, cooperation, and periodic evaluation processes, the Company carefully reviews whether suppliers engage in activities such as commercial defamation or intellectual property infringement. This enables the Company to identify and manage potential compliance risks at the source and promote the development of a healthy and fair supply chain ecosystem.

During the reporting period, the Company was not involved in any major litigation or administrative penalties resulting from unfair competition.

### Anti-money laundering

The Company places great importance on anti-money laundering (AML) work and regards it as a critical component of safeguarding financial security and corporate reputation. The Company's AML work is led by the General Manager. The Internal Audit Department, Legal Affairs Team, Internal Control Team, and Finance Department jointly form the AML Working Group, which is responsible for the planning, promotion, and supervision of AML initiatives.

In daily operations, the business department conducts full - life - cycle management of customers and suppliers. Before making external payments, the Finance Department also checks the consistency of the "three flows" of logistics, capital flow, and contract flow to prevent money laundering through fictitious transactions. When it comes to export tax rebate business, the authenticity of customs declarations and tax rebate vouchers is strictly reviewed to prevent money laundering after obtaining funds through false exports.

To enhance compliance awareness and professional competence among employees, the Company conducted a special AML training program for the Finance Department. Through systematic organizational arrangements, rigorous procedures, and ongoing communication, the Company strives to establish an effective AML risk identification and control mechanism. This not only safeguards the Company's stable operations but also contributes positively to maintaining a healthy financial market environment.

# Risk Control Management

APsystems strictly complies with the *Company Law of the People's Republic of China*, the *Audit Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Listed Companies*, and the *Basic Standard for Enterprise Internal Control and Supporting Guidelines*. The Company has established a comprehensive risk management system and ensures that strategic objectives and operational activities advance effectively within identifiable and controllable risk boundaries through institutionalized risk identification, assessment, response, and monitoring processes, thereby safeguarding asset security and improving operational efficiency.

## APsystems Risk Management System

### Governance

- **System:** Issued internal management systems including the *Risk and Opportunity Response Control Procedure*, the *Internal Control Management Procedure*, and the *Internal Audit Management Procedure*.
- **Governance Structure:**  
 Risk Management: General Manager and Management Representative–Risk Management Department–Relevant Departments  
 Internal Control: Audit Committee–Audit Department

### Strategy

- **Impacts, Risks, and Opportunities:**
  - Risks:
    - Core Competitiveness Risk: The Company faces risks associated with the rapid technological iteration in the photovoltaic industry and the potential loss of key technical personnel. This requires continuous enhancement of innovation investment and talent retention mechanisms to maintain technological leadership. Increased investment may raise operating costs, and technological lag could lead to declining market share and directly impact revenue.
    - Operational Risk: Issues such as supply chain stability, product quality disputes, data security, and business ethics may directly cause operational disruptions, legal penalties, or reputational damage. These risks may increase current expenditures (such as fines and litigation costs) and reduce operating cash flows, thereby squeezing net profit. Such risks must be mitigated through robust internal control and compliance systems.
  - Opportunity:
    - Industry and Market Risks and Opportunities: Rising customer demand for green products, increasing overseas trade barriers, updates to environmental and labor policies domestically and internationally, and the potential impacts of extreme climate events present both challenges and opportunities. While these factors challenge existing business models, they also encourage the Company to transition toward more sustainable and resilient operational models. This transformation converts external pressure into long-term opportunities for product upgrades, market expansion, and supply chain optimization. Operating costs are expected to gradually decline in the future, revenue will continue to grow, and financial resilience will be strengthened over the medium to long term.
- **Response Strategy:**  
 The Company continues to increase R&D investment, improve intellectual property protection and talent incentive mechanisms, and promote industry–academia–research collaboration to consolidate technological and talent advantages. At the operational level, the Company has established supplier life cycle management, full-process quality traceability, and product recall mechanisms to ensure supply chain stability and product reliability. Meanwhile, the Company strengthens the regulation of business conduct and data security protection by issuing business ethics policies, conducting compliance training, and establishing an information security management system. These measures build a risk resilience framework integrating prevention, control, and response, enabling the Company to advance steadily in a complex environment.

### Impacts, Risks, and Opportunities Management

- The Company has established a complete risk and opportunity management process, which includes four stages: risk and opportunity identification, risk assessment, risk response, and risk and opportunity review. This process effectively identifies internal and external risks and takes timely countermeasures.

### Indicators and Targets

- **Targets:** Invite external professional institutions to conduct training for management and various departments. Conduct internal control inspections for all Company operations in accordance with the Internal Control Management Procedure.
- **Indicators:** In 2025, two internal control training sessions and two internal control inspection reports were completed.

## Risk Management

The Company has established a comprehensive risk management organizational structure and formulated systematic risk management processes, integrating them deeply into strategic planning and daily operations to ensure sustainable, stable, and high-quality development.

### APsystems Risk Management Organizational Structure

Department	Main Responsibilities
General Manager and Representatives from Management	<ul style="list-style-type: none"> <li>• Responsible for providing resources necessary for risk management, including personnel qualifications, required training, information acquisition, etc.</li> <li>• Responsible for determining acceptable risk criteria and reviewing risk and opportunity management at established review intervals.</li> </ul>
Risk Management Department	<ul style="list-style-type: none"> <li>• Responsible for establishing and maintaining the risk and opportunity response control procedures.</li> <li>• Responsible for organizing and implementing risk and opportunity reviews according to the required review cycles by this document, following up on the completion of measures taken during the risk and opportunity assessments, evaluating the effectiveness of those measures, and completing the <i>Risk and Opportunity Assessment Analysis Form</i>.</li> <li>• Responsible for the department's risk assessments and planning responses to risks, as well as executing and supervising the implementation of risk response measures.</li> </ul>
Relevant Departments	<ul style="list-style-type: none"> <li>• Responsible for the risk and opportunity assessments of activities within their respective departments and for developing corresponding measures to avoid or reduce risks and ensure proper execution.</li> </ul>

### APsystems Risk Management Process



#### In 2025, the Company implemented multiple Internal Control measures:

- Conducted annual internal control self-assessments, irregular inspections, and regular internal and external audits.
- Strengthened the professional risk management team by recruiting a dedicated legal counsel and an internal control manager.
- Organized company-wide anti-corruption and anti-bribery training to reinforce the culture of compliance.
- The Internal Control Team systematically conducted internal control inspections across various business modules.
- Continued to supervise and audit the exercise of authority by senior management, major investments, and financial activities.

### Internal Control

To continuously improve corporate governance and enhance risk resilience, APsystems has established an Internal Control and audit supervision system led by the Audit Committee and operated independently by the Internal Audit Department. The Audit Committee leads and supervises both internal and external audit work. Under its guidance, the Internal Audit Department independently conducts audit activities and rigorously monitors operational risks. During the reporting period, major decision-making and operational processes functioned normally, and no material Internal Control deficiencies were identified.

### APsystems Audit Mechanism

Aspect	Key Content
Internal Audit Mechanism	<ul style="list-style-type: none"> <li>• The Company's independent directors and internal auditors regularly organize internal oversight activities to conduct systematic and standardized audits of the Company's operational management. These audits encompass areas such as financial matters, procurement, expenses, contracts, and other key operational management aspects if necessary. The designated audit leader is directly accountable to the Company's Board of Directors, ensuring the independence of auditors and the objectivity of audit results. Upon identifying issues, they provide recommendations for corrective actions and conduct follow-up checks. The proficient execution of the internal audit system has resulted in a progressive standardization of corporate management, leading to effective control over diverse operational risks.</li> </ul>
Annual Audit by Independent External Auditors	<ul style="list-style-type: none"> <li>• The Company entrusts professional accounting firms for its annual financial audit. These audit firms are selected based on their qualifications, expertise and lack of conflicts of interest with the Company. The audit results from recent years demonstrate the Company's adherence to regulations and relevant requirements.</li> </ul>

## Strengthening Party Building

The Company's Party branch was established in 2023. As of the end of 2025, there are currently 41 registered Party members in the Party branch. Under the strong leadership of the Party branch, all Party members in the Company prioritize ideological guidance, closely integrate political learning with business and management work, and continuously improve their comprehensive qualities and executive abilities.

In 2025, the Company's Party branch continued to rely on the "Red Boat of Nanhu" Party-building brand, adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China. This formed a positive interactive cycle of promoting Party-building through business and advancing business through Party-building, driving coordinated development between Party-building initiatives and corporate growth. The Company also gave full play to the exemplary and pioneering role of Party members in promoting high-quality corporate development.

# 04

## Green Leadership to Build a Zero-Carbon Future

Climate Change Tackling  
Green Operations



# Climate Change Tackling

Against the backdrop of the “dual-carbon” goals, APsystems regards addressing climate change as one of the core topics of sustainable development. The Company actively fulfills practices the mission of “Drive a zero-carbon future and make smart energy accessible to everyone”, continuously improves its climate risk identification and management system, and strives to promote the global green energy transition by advancing the application of advanced green technologies and implementing energy conservation and carbon reduction initiatives.

## Governance

The Company believes that climate-related management is of high necessity and urgency, highly necessary and urgent. The Board of Directors, as the highest governance body, is responsible for overseeing the efficient execution and implementation of climate-related strategies and decisions. In 2025, the Company adjusted the original Strategic Committee of the Board of Directors to the Strategic and Sustainable Development (ESG) Committee aiming of the Board of Directors to further focus on the impacts of climate-related risks and opportunities on the Company’s business, thereby promoting the Company’s transition toward greener, lower-carbon, and more sustainable development. Each department leverages its professional expertise to identify climate-related risks and adopt response measures during daily operations, providing technical support for Board decision-making and ensuring the coordinated advancement of climate-related initiatives.

## Strategy

In 2025, the Company referred to the definitions of climate-related risks and opportunities in the *International Financial Reporting Sustainability Disclosure Standard S2 – Climate-Related Disclosures (IFRS S2)* and, based on its own business operations, identified climate-related risks and opportunities with significant impacts on the Company. The Company analyzed both the affected value chain segments and affected by these risks and the associated opportunities and their financial implications.

### APsystems Climate-Related Risk and Opportunity Analysis

Risk/Opportunity Type	Specific Description	Affected Value Chain Processes	Financial Implications
<b>Physical Risk</b>	<ul style="list-style-type: none"> <li>The increased frequency and intensity of extreme weather events (such as typhoons, floods, and high temperatures) may lead to equipment damage, supply chain interruptions, etc.</li> <li>For example, typhoons may cause temporary closure and suspension of operations at both ports of departure and destination, leading to cargo backlogs or slowed inventory turnover. This disrupts normal shipping route planning, increases the probability and duration of maritime delays, and obstructs the entire shipping chain, ultimately resulting in delayed shipment and delivery.</li> </ul>	Upstream value chain, own operations, downstream value chain	Increase in operating costs  Decrease in operating revenue
<b>Policy and Regulatory Risk</b>	<ul style="list-style-type: none"> <li>Governments continue to introduce carbon emission and environmental protection-related policies and regulations both domestically and internationally. If the Company fails to comply with such regulations in a timely manner, it may face risks including market access restrictions and supply chain adjustments.</li> </ul>	Own operations, downstream value chain	Increase in operating costs

Risk/Opportunity Type	Specific Description	Affected Value Chain Processes	Financial Implications
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>As more customers require sustainable products, if the Company fails to develop products that meet customer needs in a timely manner, it may face a decline in market competitiveness.</li> </ul>	Own operations, downstream value chain	Decrease in operating revenue
<b>Product and Service Opportunities</b>	<ul style="list-style-type: none"> <li>As demand for low-carbon products such as photovoltaic and energy storage systems increases, the Company continues to strengthen R&amp;D investment in photovoltaic inverters and expand our product portfolio. This effectively increases market share, strengthens customer recognition, and supports steady business growth.</li> </ul>	Own operations, downstream value chain	Increase in revenue

Based on the identified climate-related risks and opportunities, the Company has formulated corresponding response strategies. To prevent supply chain disruptions caused by physical risks, the Company implements forward-looking inventory planning. Each quarter, the Company collects sales demand forecasts for the following quarter. Considering climate conditions and supply-demand dynamics, the Company arranges early procurement and storage of core products to ensure timely order delivery. In addition, the Company continuously monitors and responds to climate-related policies and regulations at home and abroad. The Company promotes technology-driven innovation and product upgrades while pursuing energy conservation, emission reduction, and green transformation initiatives to ensure that the strategy and business model demonstrate maintain strong climate adaptability in the short, medium, and long term.

## Impacts, Risks, and Opportunities Management

The Company places great importance on the profound impacts of climate change on its operations and business. The Company has actively established a scientific management system for climate-related risks and opportunities and has incorporated climate risk management into its enterprise-wide risk management (ERM) framework. Climate-related risks and opportunities are regularly identified, assessed, prioritized, and monitored to ensure effective and timely responses to climate change.

### APsystems Climate-Related Risk and Opportunity Management Process



Climate-related management has been integrated into multiple aspects of daily operations and business activities, comprehensively supporting both the Company and global partners in mitigating the impacts of climate change. At the operational level, the Company actively implements energy conservation and emission reduction measures, enhances employee awareness of energy conservation, and promotes efficient energy use. At the business level, the Company continuously provides safe and efficient green smart energy solutions to support long-term green development. As of the end of 2025, the Company's module-level power electronics product series had been sold to 168 countries and regions worldwide, with cumulative shipments exceeding 7.5GW. These products operate stably in approximately 624,900 photovoltaic power generation systems globally, generating nearly 9.46TWh of electricity in total, equivalent to reducing carbon dioxide emissions by approximately 11.9962 million tons. For details on green business initiatives, please refer to the section *Feature Story: Advancing Global Green Energy Solutions via Innovations*.

### Indicators and Targets

The greenhouse gas emission sources involved in the Company include direct and indirect emissions during its operations (such as gasoline used in Company vehicles and purchased electricity), as well as indirect emissions in the value chain (such as emissions from employee business travel). To support the achievement of global temperature control targets, the Company continuously manages its greenhouse gas emissions and regularly tracks relevant performance indicators, thereby strengthening the data foundation for sustainable and high-quality development.

APsystems Climate Change Tackling Indicators

Indicator	Unit	Progress in 2025
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	Tons of CO <sub>2</sub> equivalent	1,448.17
Scope 1 GHG emissions	Tons of CO <sub>2</sub> equivalent	38.80
Scope 2 GHG emissions	Tons of CO <sub>2</sub> equivalent	1,409.37
Scope 3 GHG emissions	Tons of CO <sub>2</sub> equivalent	948.79
Greenhouse Gas Emissions per CNY10,000 Revenue (Scope 1 and Scope 2)	Tons of CO <sub>2</sub> equivalent/CNY10,000	0.012

## Green Operations

### Environmental Compliance Management

The Company places high importance on environmental protection and adheres to a sustainable development path focused on environmental protection and low-carbon. It strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*, enhancing its environmental management capabilities. Departments including the Administration Department, Operations Department, and Risk Management Department are responsible for implementing water resource management, energy management, and waste management to ensure the effective implementation of environmental initiatives. During the reporting period, the Company did not face any administrative penalties or lawsuits due to violations of environmental laws and regulations.

The Company adopts a production outsourcing model and pays attention to environmental protection in its R&D and business management locations. It does not belong to industries with high pollution levels and has a minimal environmental impact. During the reporting period, the Company's main production outsourcing facilities achieved ISO 14001 certification for environmental management systems.

Certificate of Environmental Management System for Manufacturing Outsourcing Facilities



TDG Technology



Jiaxing DBG Technology



Vietnam DBG Technology



Huizhou Huazhi

To prevent environmental-related risk events, the Company conducts regular monitoring of pollutant emissions. Since its establishment, the Company has had no environmental pollution incidents.

In 2025, guided by the concept of "Raising Environmental Awareness and Advocating a Green Lifestyle", the Company set targets in daily office operations for water conservation, energy saving and carbon reduction, and waste reduction. The Company fully practices "saving every drop of water, saving every kilowatt-hour of electricity, and saving every sheet of paper", adhering to a sustainable development path characterized by environmental protection, low-carbon emissions, and energy conservation.

### Usage of Water Resources

The Company's water resources are primarily sourced from municipal water supply and are mainly used in office operations. Neither the Company's operating locations nor its water sources are located within water source protection areas. The Company strictly adheres to laws and regulations such as the *Water Law of the People's Republic of China*, continuously strengthening its water resource management. The Company has installed sensor flushing devices, maintains and manages water-using equipment on a daily basis to prevent leaks, and encourages employees to adopt water-saving habits, ensuring that faucets are turned off promptly after use to avoid running water.

## Energy Usage

The types of energy primarily used in the Company's daily operations include gasoline for official vehicles and purchased electricity. The Company strictly adheres to laws and regulations such as the *Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, implementing various energy-saving measures to ensure the efficient use of energy in all operational activities.

The Company has installed a photovoltaic power generation system on the rooftop of the office building, allocating the generated electricity based on the principle of prioritizing on-site consumption within the building, with surplus electricity fed into the grid, thereby increasing the proportion of renewable energy use. In 2025, the Company used a total of 35 MWh of photovoltaic power.

### APsystems Key Energy-Saving Actions in 2025

#### Regulating Air Conditioning Use

- In the summer, air conditioning for cooling may be turned on when the outdoor temperature reaches 32°C or higher, and in the winter, air conditioning for heating may be used when the outdoor temperature drops to 4°C or lower. Strict adherence to air conditioning temperature settings is required: set no lower than 26°C in summer and no higher than 20°C in winter.
- When using air conditioning, the office doors and windows must be closed to ensure the effectiveness of the air conditioning. If ventilation is needed, the air conditioning should be turned off, and windows and doors must remain closed while the air conditioner is running.
- If leaving the office for an extended period (more than 30 minutes) or when the office is unoccupied, the air conditioning should be turned off. For shared spaces like meeting rooms, air conditioning use is managed under the principle of "the user is responsible," meaning the person who used the air conditioning is responsible for turning it off. The practice of "turn it off when leaving" must be followed.

#### Optimizing Equipment Use

- Electrical equipment such as computers and printers should be used reasonably. Power should be turned off after work or when the equipment will not be used for an extended period to reduce standby power consumption.
- Stairwells are equipped with light-controlled motion-sensor lamps that automatically turn on when someone enters in low-light conditions and turn off when the area is vacated, thereby avoiding unnecessary lighting waste when stairwells are unoccupied.

#### Utilizing Natural Light

- The lighting system uses high-efficiency, low-power LED energy-saving lamps. During office hours, natural light should be fully utilized. When natural light is insufficient, methods such as turning on only some lights should be used to reduce electricity consumption. Lights should be turned off when leaving the office after work or for extended periods, avoiding unnecessary lighting.
- Time relays are used to precisely control street lighting in the Company campus, with operating schedules preset according to seasonal changes to accurately align with variations in natural daylight.

## Green Office Practices

The Company has always adhered to the core principles of green, low-carbon, and sustainable development. While ensuring the quality of daily work, the Company reduces the consumption of disposable office supplies through measures such as double-sided printing, replacing printed materials with electronic documents, and formulating reasonable procurement plans for consumables, thereby effectively implementing green office practices.

## APsystems Key Green Office Practices in 2025

### Promoting Paperless Office

- The Company fully promotes electronic office practices, encouraging employees to modify documents on computers and make full use of OA processes and other electronic tools. If a paper version is necessary, double-sided printing and copying are required, and the printing and distribution of documents and materials should be strictly controlled.

### Encouraging the Use of Green Office Supplies

- The Company promotes the use of eco-friendly recycled paper and other recycled products, restricts the use of disposable office supplies such as paper cups and plastic bags, and bans the use of non-biodegradable disposable plastic products. For visitors and meetings, ceramic or glass cups are encouraged.

## Waste Disposal

The waste generated by the Company's operations mainly includes household waste, obsolete equipment and electronic devices, hazardous materials, etc. The Company's office waste management adheres to the principles of waste reduction, recycling and harmless disposal. Through initiatives such as strengthening waste management, segregation, and recycling, the Company reduces waste generation, promotes the recycling of resources, and contributes to sustainable development.

### APsystems' Waste Management and Disposal Measures in 2025

#### Waste Disposal

- Display waste segregation guidelines and promotional slogans in office areas, cafeterias, and other places. Promote recycled products such as environmentally friendly recycled paper, restrict disposable items such as paper cups and plastic bags, and prohibit non-biodegradable disposable plastic products.
- Properly place waste segregation containers and guide employees to strictly follow waste segregation and disposal procedures, with a focus on plastic pollution control.

#### Standardized Segregation and Disposal

- Domestic Waste: Collected daily at scheduled times by the sanitation company, typically disposed of via landfilling or incineration.
- Obsolete Equipment and Electronic Devices: Collected and handled by a qualified third-party recycling service. The equipment disposal process involves filling out an OA equipment disposal form, which is confirmed by the Finance Department before notifying the storage and finance teams to assist with the disposal. Ferrous metals, aluminum, and copper-containing waste circuit boards are separated and categorized accordingly, with the circuit boards undergoing physical crushing for material recovery.
- Hazardous Waste: Handled by a qualified third-party recycling service.



Encouraging Waste Segregation



Displaying "Save Paper" Signs to Encourage Employees to Minimize Paper Waste

# 05

## Innovation Empowerment Driving Responsible Operations

R&D Innovation

Product Quality Management

Customer Relationship Management

Data Security and Customer Privacy Protection

Digital Transformation

Supplier Management



# R&D Innovation

The Company attaches great importance to the continuous R&D of new technologies and products. Based on global installation and application of energy storage systems, the Company has continued to deepen its expertise in energy storage-related technologies, enrich and improve our residential energy storage system product portfolio, and develop products tailored to the needs of different countries, thereby forming strong advantages in R&D and innovation.

The Company has always adhered to the core philosophy of innovation-driven development and has established a sound R&D and innovation management system to provide solid support for continuously leading the development of photovoltaic and energy storage technologies.

## APsystems R&D Innovation Management System

### Governance

- **System:** Internal management systems such as the *Patent Application and Reward/Penalty Measures* have been established.
- **Governance Structure:** The Company has established the Zhejiang Province APsystems Micro-Inverter Research Institute, the Zhejiang Province Enterprise Technology Center, and the Zhejiang Province High-Tech Enterprise Research and Development Center.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Impact:** Closely following industry development trends and building on independent R&D and innovation, the Company continuously optimizes and upgrades its product lines, establishing a three-pronged integrated photovoltaic and energy storage product portfolio centered on microinverters to provide global users with safer, more efficient, intelligent, and reliable clean energy solutions.
  - **Risk:**

**Technology Upgrade Risk:** The photovoltaic and other renewable energy industries continue to face pressure from technological upgrades and product R&D. If the Company fails to achieve timely innovation in R&D technologies, it may face the risk of technological obsolescence, which could affect business development and long-term operating revenue.

**Core Technical Talent Loss Risk:** The module-level power electronics industry is technology-intensive. If the Company loses core technical R&D talent or cannot quickly recruit experienced technical staff based on production and operational needs, its technological upgrades and product innovations may be affected.

**Intensified Competition Risk:** Based on favorable expectations for the photovoltaic industry, new manufacturers continue to enter the field for product R&D and capacity expansion, resulting in intensified industry competition and declines in product prices and gross profit margins.
  - **Opportunity:**

**Product and Service Opportunity:** By continuously launching products and services with technological leadership and differentiated competitive advantages, the Company can further expand its customer base, enhance customer loyalty, and capture a higher market share amid the global energy transition, thereby increasing operating revenue.
- **Response Strategy:**

The Company focuses on product layout in the photovoltaic + energy storage integration sector. By continuously making significant R&D investments, it deepens technological innovation and further enriches its product line to meet the green energy storage demands in various distributed scenarios.

### Impacts, Risks, and Opportunities Management

- The Company regularly conducts market research and in-depth competitor analysis, proposes product pre-research and development requirements based on user needs, and evaluates and determines product R&D directions to ensure that product planning remains closely aligned with market development trends.

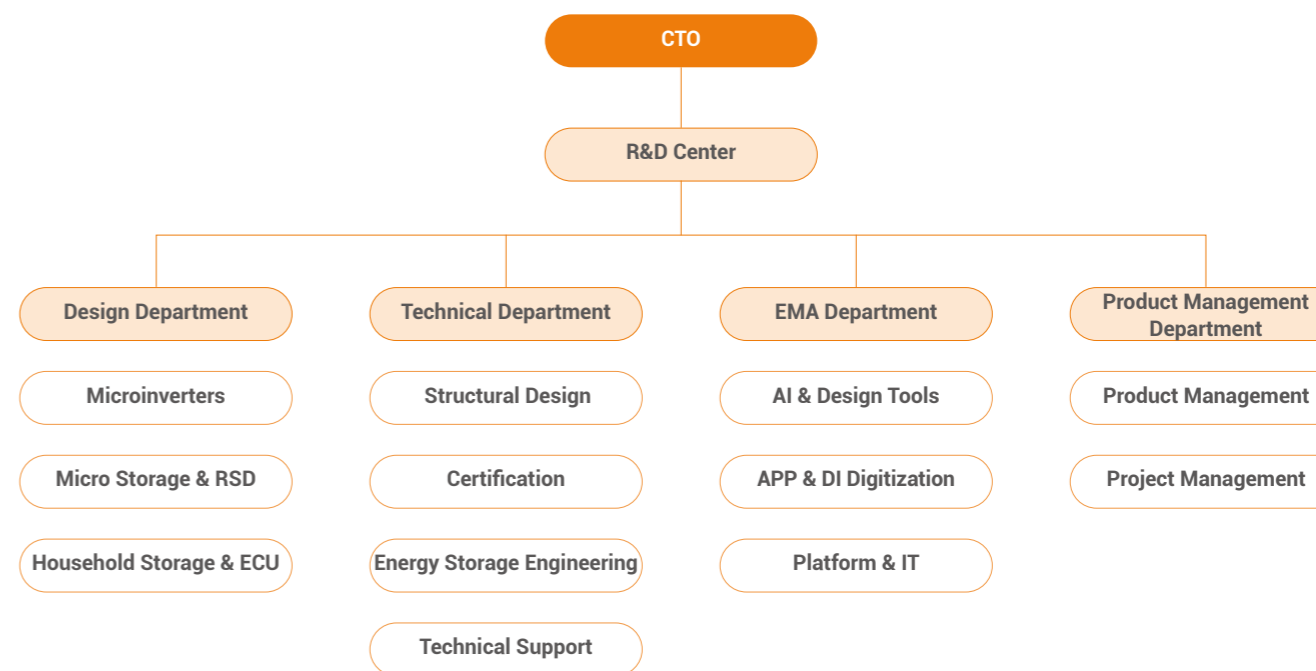
### Indicators and Targets

- **Targets:** The Company aims to build a complete, systematic, and efficient R&D innovation system that gathers industry elites, creates top-tier teams, stimulates innovation potential, and enhances the Company's innovation capabilities and core competitiveness.
- **Indicators:** In 2025, the Company's total R&D investment amounted to CNY 118.808 million, accounting for 10.00% of operating revenue; the Company had a total of 275 R&D personnel, representing 51.02% of the total workforce.

## R&D and Innovation Governance Structure and Management Measures

The Company attaches great importance to R&D and innovation. The APsystems Microinverter Research Institute in Zhejiang Province has established a sound R&D and innovation governance structure with the coordinated participation of multiple departments, including the Expert Committee, Design Department, Technology Department, EMA Department, and Product Management Department.

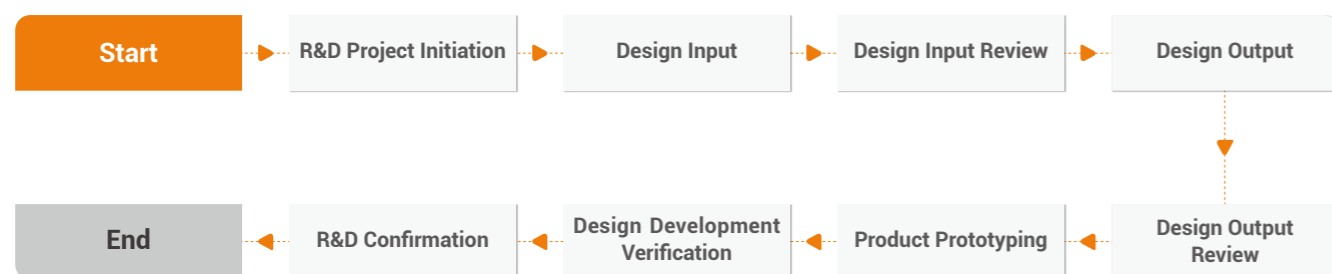
### APsystems' R&D Innovation Governance Structure



The Company has established a market-driven independent research and development model, focusing on R&D innovation in hardware circuit topology, software control algorithms, communication and big data processing technologies. This approach has led to successful development of module-level power electronics products such as microinverters and intelligent rapid shutdown devices, which have been commercially applied in distributed photovoltaic power generation systems and smart grids.

Furthermore, the Company adopts a project-based R&D approach that integrates market feedback and suggestions from various departments. Projects undergo technical feasibility analyses before initiation, and comprehensive planning during design reviews ensures optimal levels of product performance, quality, cost-effectiveness and R&D efficiency.

### APsystems Research and Development (R&D) Process



In 2025, the Company carried out multiple training sessions related to R&D and innovation, aiming to enhance the innovation mindset and technical application capabilities of the R&D team.

#### Case Conducting Specialized Training on R&D and Innovation

In 2025, the Company provided training for engineers in the design department of the R&D center on AI Autonomous Optimized Charging and Discharging Decision-Making System in Dynamic Scenarios, aiming to improve design department core personnel's understanding and application capabilities in AI-driven, multi-scenario adaptive, and intelligent charging and discharging optimization technologies, cultivate interdisciplinary innovative talent, and empower product upgrades and the development of the Company's smart energy business.

### R&D Achievements and Honors

The Company insists on independent innovation and adheres to its mission of "Drive a zero-carbon future and make smart energy accessible to everyone". It is committed to becoming the safest and the most efficient clean energy converter. Under this vision, the Company's products and services primarily focus on improving core technologies related to safety, efficiency, and intelligence. The Company has pioneered several industry-first innovations, including multi-module architecture microinverters, three-phase system microinverters, and microinverters compatible with 20A high-current, high-power modules. Moreover, the Company has actively promoted the technological upgrade of the integration of photovoltaic and energy storage.

## APsystems Core Advanced Technologies

### Core Advanced Technologies of Microinverter Products

#### Multi-Unit Microinverter Design Technology

- By adopting independent input and independent sampling circuits for multiple modules, the Company retains the advantages of microinverters with independent MPPTs (Maximum Power Point Tracking). By sharing auxiliary power, main control modules, communication modules, DC-DC power modules, DC-AC modules, and filters, the number of key components is reduced. The design of optimized logic control circuits and control algorithms enables the operational synergy of multiple independent inputs.
- This technology significantly reduces the cost per watt of the microinverter, enhancing product integration, reliability, and installation efficiency.

#### Three-Phase Balanced Output Grid-Connected Micro-inverter Control Technology

- Through high-frequency DC-DC control design and innovative control of DC-AC secondary ripple, the Company achieved three-phase grid connection functionality for a single microinverter. By integrating reference current balancing control, high-speed digital control, and improved control of the three-phase microinverter topology, the Company realized balanced three-phase grid-connected output and protection functions for a single microinverter.
- This technology improves system reliability, reduces system costs, and fills a gap in the industry for three-phase microinverters.

#### High-Current Microinverter Control Technology

- By applying transformer upgrade and power device upgrade technologies, the Company improved inverter efficiency. At the same time, the Company improved and applied a new DC boost circuit topology and optimized control algorithms to achieve high-current input and high-power conversion.
- The microinverters designed with this technology meet the industry's demand for the new generation of high-power modules with large current applications, supporting a maximum working current of 20A.

### Core technologies and advanced features of string-type energy storage products

- The core competitiveness of the Company's energy storage products is built upon the "fully self-developed 3S" (Battery Management System, Power Conversion System, Energy Management System), and through deep integration of AI algorithms and liquid cooling technology, the Company demonstrates advanced features in high safety, high efficiency, and long life.
- In terms of high safety, the Company's products enable early warning of thermal runaway, AI-based mechanism diagnostics, and millisecond-level fault response. By achieving accurate fault identification and rapid isolation, combined with cloud-edge collaboration, the impact of faults is contained at the single-cluster level. In terms of high efficiency, the flexible intelligent liquid cooling thermal management technology adopted by the Company's products significantly reduces auxiliary power consumption, maintaining system energy efficiency above 90% over the long term. Meanwhile, the self-developed EMS strategy provides millisecond-level response to precisely match the load fluctuations of commercial and industrial applications. In terms of long life, based on high-precision SOX estimation and life prediction models, together with full-time equalization and cloud-based dynamic parameter tuning, the technology effectively slows down battery aging and extends the overall service life of the system.

### Integration of Photovoltaic and Energy Storage

- Through coordinated hardware and software control, the Company achieved efficient energy utilization and formed low-voltage hybrid inverter control technology, deeply integrating photovoltaic power generation systems with energy storage systems.
- By applying third-generation wide-bandgap semiconductors and advanced control algorithms, this technology improved system efficiency on both the input and output sides under low-voltage and high-current conditions. Meanwhile, through the hybrid control method combining DC coupling and AC coupling, the operating modes of the hybrid inverter system were further enhanced.

- The Company is recognized as a "National High-tech Enterprise", a member of the fifth batch of the enterprise list for the *Photovoltaic Manufacturing Industry Standard Conditions* by the Ministry of Industry and Information Technology, and a national "Specialized, Refined, Distinctive, and Innovative" SME.
- The Company was recognized for Advanced Technological Innovation Achievements in Zhejiang Province in 2025.
- The subsidiary Jiangsu Advanced Energy Systems Technology Co., Ltd. obtained High and New Technology Enterprise certification.



In addition, as AI technology continues to penetrate a wide range of industries, the Company has closely followed artificial intelligence development trends and actively applied AI technology to empower its photovoltaic and energy storage products, accelerating the development of a smart energy ecosystem. Currently, the Company has formed an AI business matrix consisting of the "BESS AI" smart home energy management model, the "Blue Ocean Navigation" energy internet digital platform, the "AP Designer" power station design tool that supports automatic modeling and simulation, and the "APbot" smart customer service robot covering all business scenarios from pre-sales, in-sales to after-sales.

### APsystems Applying AI Technology to Empower Photovoltaic + Energy Storage Products

#### BESS AI

BESS AI applies deep learning intelligent algorithms and integrates multidimensional data to create an algorithm model for intelligent home energy management, enabling the following functions:

- Deeply mining users' historical photovoltaic power generation and electricity consumption data to predict next-day power generation and electricity consumption;
- Combining dynamic electricity prices in the user's region with next-day power generation and electricity consumption forecasts to comprehensively evaluate the match between photovoltaic power supply and household electricity demand and generate highly customized battery charging and discharging strategies on a household-by-household basis;
- Sending charging and discharging strategies to balcony energy storage and residential energy storage devices for intelligent allocation and efficient utilization of power resources;
- Maximizing users' electricity price benefits through mechanisms such as peak-valley electricity price differentials.

#### Blue Ocean Navigation Energy Internet Digital Platform

The Company's self-developed Blue Ocean Navigation energy internet digital platform delivers the following functions:

- Smart O&M system for energy storage power stations: Powered by an advanced big-data diagnostic engine for battery cells, it provides proactive safety assurance and intelligent O&M for full-scenario energy storage power stations.
- Source-grid-load-storage integrated system: Deeply integrating AI, IoT, and digital twin technologies, it enhances renewable energy accommodation and system economy, providing safe, efficient, and low-carbon integrated energy solutions for industrial parks, commercial buildings, and other scenarios.
- Smart operation platform for virtual power plants: Providing flexibly configurable modular services for load aggregators and power users, it enables intelligent participation in ancillary service markets and demand response, maximizing market revenue and improving overall energy efficiency.

#### AP Designer

As an online power station design tool developed by integrating image recognition, image processing, real-time simulation, digital virtualization, and other technologies, AP Designer can achieve the following functions:

- Providing online site selection and 3D building modeling for power stations;
- Carrying out layout design for installed modules and automatically generating module layout drawings through active obstacle avoidance and yield optimization;
- Providing simulation of shading from trees and obstacles and accurately calculating the yield of each module;
- Providing automatic inverter layout, optimized routing design for AC and DC cable costs, and dynamically generating bills of materials for power station installation, power station construction costs, and investment return calculations, while outputting real-time simulation evaluation reports for power stations.

#### APbot

APbot is an intelligent customer service platform based on RAG and large language models, capable of delivering the following functions:

- Focusing on the photovoltaic vertical domain, it builds a dedicated knowledge base covering the entire business chain of pre-sales, installation, and O&M, precisely matching the professional needs of the industry.
- Leveraging advanced large language models, it accurately understands user intent and enables smooth, continuous conversations. With an embedded high-performance document search engine, it provides second-level responses to manuals, technical documents, and more.
- Supporting multilingual interaction to eliminate communication barriers, it intelligently recommends related knowledge and hands-on videos, breaking down information silos.
- Providing 24/7 round-the-clock service to respond to needs anytime, anywhere, while strictly adhering to information security protocols to ensure customer data security and privacy.
- APbot is simultaneously launched on the Company's official website, EMA system, APP, and other products, building a multi-platform collaborative system that empowers all scenarios of the photovoltaic business, achieving synergistic progress and an open ecosystem.

### Industry-Academia-Research Collaboration

The Company continuously deepens collaborative innovation among industry, academia, and research institutions, actively expands opportunities for in-depth cooperation with domestic and overseas research institutions, higher education institutions, and international enterprises, and is committed to building an open and integrated innovation ecosystem. The Company continues to explore and introduce cutting-edge technologies and research achievements to enrich and strengthen its core technology reserves and forward-looking strategic capabilities.

### Intellectual Property Protection

The Company places a high priority on protecting intellectual property and strictly adheres to laws and regulations such as the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*. It has established internal management systems, including the *Patent Application and Reward/Penalty Measures*, to encourage and protect innovative achievements. The administration department is responsible for handling matters such as the declaration and management of the Company's intellectual property rights. The Company has acquired a certain number of intellectual property rights in fields including power electronics, inverter control, high-speed digital circuits and control, embedded software, wireless and power line carrier communication, and big data cloud platforms.

The Company continuously standardizes intellectual property management and educates its employees on intellectual property knowledge to enhance their awareness of intellectual property protection. Furthermore, the Company advocates the importance of intellectual property protection to clients and partners through various channels such as seminars and discussions.

#### Intellectual Property Protection Measures

- Unified declaration, management, and maintenance of intellectual property rights, including patents, software copyrights, and trademarks, with a particular focus on promptly filing for innovative points and technological achievements resulting from the Company's product development and technological innovation activities.
- Commitment to non-infringement of others' property rights, refraining from using patented technologies owned by others, manufacturing, using, selling, or disseminating counterfeit products, and avoiding counterfeiting or imitation of others' trademarks, product identifiers, and designs.
- Vigorous opposition to illegal activities that infringe upon others' property rights, actively reporting any infringements involving property rights, and cooperating actively with governmental efforts to restrain, investigate, and combat property rights violations.
- Participation in public awareness campaigns for intellectual property rights protection, collaborating with stakeholders across society to promote the healthy and sustainable development of the intellectual property industry.
- Implementation of the *Intellectual Property and Confidentiality Agreements*, as well as the *Non-Compete Agreements*, with employees to define strict stipulations regarding confidentiality, intellectual property, and post-resignation non-compete conditions.

The Company continues to encourage employee inventiveness and promote the application of technological achievements. By the end of the reporting period, the Company had 231 authorized intellectual property rights. During the reporting period, the Company obtained 43 newly authorized intellectual property rights.

### APsystems Intellectual Property List in 2025

	New patents in 2025		Cumulative Number	
	Applications (pieces)	Granted (pieces)	Applications (pieces)	Granted (pieces)
Invention Patents	22	11	228	102
Utility Model Patents	6	23	104	65
Design Patents	1	5	29	28
Software Copyrights	8	4	40	36
<b>Total</b>	<b>37</b>	<b>43</b>	<b>401</b>	<b>231</b>

### Propelling Industry Development

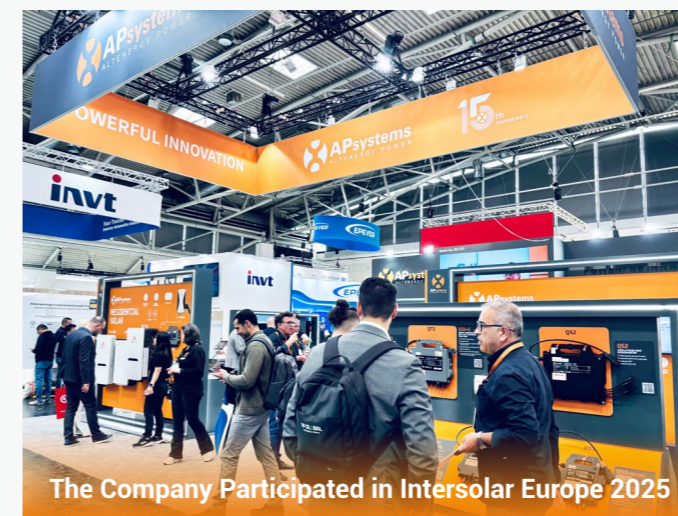
The Company continues to deepen R&D and innovation, accelerates product certification deployment, and builds an efficient global marketing network. The Company has established an outstanding brand reputation and broad customer trust in the field of photovoltaic power generation and new energy, and has obtained more than 150 domestic and international certification certificates or equivalent listings.

**By the end of 2025, the Company had engaged in formulating 29 national, industry, or group standards. Notably,**

- As the lead drafting entity, the Company drafted four group standards: the *Grid-Connected Microinverter for Photovoltaic Power Generation*, the *Evaluation Specification for Green and Low-Carbon Products Grid-Connected Microinverter for Photovoltaic Power Generation*, the *Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Photovoltaic Inverters*, and the *Technical Requirements for Photovoltaic Inverters*.
- The Company participated in the preparation of the *Technical Regulations for Fire Protection of Photovoltaic Buildings*, which covers fire protection for power generation systems and equipment installation, building fire protection design, fire safety technologies, and equipment.
- The Company participated in the preparation of the *Technical Standard for Building Photovoltaic System Engineering*, which covers building photovoltaic system design, environmental protection, safety, and fire protection. In particular, it notes that building-integrated photovoltaic systems may involve high DC voltage and that such systems should be divided into different zones according to DC voltage range, with different safety measures adopted based on different risk levels.
- The Company participated in meetings for the formulation of standards, including the mandatory national standard *Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Crystalline Silicon Photovoltaic Modules and Inverters*, the national standard *General Technical Requirements for Residential Distributed Photovoltaic Power Generation Systems*, and the energy industry standards *Technical Requirements for Balcony Photovoltaic Power Generation Systems* and *Technical Specification for the Application of Balcony Photovoltaic Systems*, thereby contributing to the healthy development of microinverters and the photovoltaic industry as a whole.

In 2025, the Company actively participated in major exhibitions and conferences around the world, comprehensively showcasing its core technologies and product advantages to global customers and partners and contributing to technological evolution and shared development within the industry.

#### Case Participating in Intersolar Europe 2025 and Showcasing Full-Scenario Photovoltaic and Energy Storage Solutions



The Company Participated in Intersolar Europe 2025

In May 2025, Intersolar Europe 2025, the exhibition for photovoltaics and energy storage in Munich, Germany, was successfully held. The Company showcased its leading full-scenario photovoltaic and energy storage solutions, featuring core products such as the new EZHI series hybrid microinverters for photovoltaic and energy storage, the EZ1 series microinverters with dual communication modes of Wi-Fi and Bluetooth, the QT2 and DS3 series 20A high-current microinverters, the ELS and ELT series residential energy storage inverters, and the Ocean series string liquid-cooled energy storage systems, comprehensively demonstrating cutting-edge technological achievements in the photovoltaic and energy storage field.

During the exhibition, the Company became a focal point thanks to its high-quality full-scenario photovoltaic and energy storage solutions and brand services. The Company attracted numerous partners and industry media and engaged in discussions and exchanges on topics such as innovative applications of photovoltaic and energy storage technologies, industry development trends, and changes in market demand, fully demonstrating the Company's technical expertise and service advantages in the photovoltaic and energy storage field.

#### Case Showcasing New Products at the SNEC Conference

In June 2025, the 18th SNEC (2025) International Photovoltaic Power Generation and Smart Energy Conference and Exhibition opened at the National Exhibition and Convention Center (Shanghai). Global partners in the new energy industry gathered there, and APsystems showcased distributed smart solutions for diversified scenarios together with a range of new products, comprehensively presenting AI-empowered solutions and cutting-edge applications across micro photovoltaic and energy storage, residential photovoltaic and energy storage, and commercial and industrial photovoltaic and energy storage scenarios, bringing new ideas and directions for the energy transition.



The Company Participated in the SNEC Conference

During the exhibition, the Company focused on AI-enabled innovation achievements and cutting-edge applications in photovoltaic and energy storage and held multiple technical presentations to share full-scenario smart energy solutions and the highlights of new products.

# Product Quality Management

The Company strictly complies with laws and regulations including the *Product Quality Law of the People's Republic of China* and continuously improves its product quality management system. Amid increasingly intense market competition, the Company builds core advantages and enhances customer recognition through stable product quality and outstanding product performance. During the reporting period, the Company did not experience any major safety or quality incidents related to products and services.

## APsystems Product Quality Management System

### Governance

- **System:** The Company has developed internal management systems, including the *Quality Management Manual*, the *Quality Assurance Management Procedures*, the *Corrective and Preventive Action Control Procedures*, the *Non-Conforming Product Control Procedures*, and the *Product Recall Management Procedures*.
- **Governance Structure:** The Company has established a quality management governance structure. The Quality Supervisor is directly responsible for product quality, supervised by the top management CEO and monitored by the vice operating officer to oversee quality management work.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Impact:** The Company always places product quality first, ensuring that core products maintain high stability and reliability during long-term operation, providing key support for stable grid operation and effectively safeguarding electricity safety and system stability for end users.
  - **Risk:** **Product Quality Dispute Risk:** The Company's microinverters, intelligent rapid shutdown device, and other module-level power electronics products directly impact user safety and experience. If large-scale product quality issues arise due to uncertain or uncontrollable factors, the Company may face legal, reputational, and financial risks and increased operational costs.
  - **Opportunity:** **Product and Service Opportunity:** Against the backdrop of the accelerating global energy transition and continuously rising quality requirements for renewable energy equipment, the Company's strict control over product quality can significantly enhance customer trust and market recognition, thereby increasing the Company's operating revenue.
- **Response Strategy:** The Company adheres to the quality policy of Technological Innovation, Continuous Improvement, Excellent Quality, and Customer Satisfaction. The Company deepens coordinated cooperation with contract manufacturers and exercises dual control over both quality and processes to ensure that all key links in entrusted manufacturing meet the Company's high standards, striving to provide customers with outstanding and reliable products and services.

### Impacts, Risks, and Opportunities Management

- In quality management system activities, the Company regularly analyzes internal and external influencing factors in accordance with the *Risk and Opportunity Response Control Procedure*, identifies and assesses relevant risks and opportunities, completes the *Risk and Opportunity Assessment and Analysis Form*, and adopts corresponding response measures. At the same time, annual reviews are conducted to verify the effectiveness of risk management.

### Indicators and Targets

- **Targets:** The Company aims to achieve a finished product qualification rate of over 99% and a timely delivery rate of 100%.
- **Indicators:** In 2025, the Company's finished product qualification rate reached 99%, and the timely delivery rate reached 100%, achieving the set goals.

During the reporting period, the management system for the design, manufacturing, and sales of the Company's new energy generation equipment and key equipment was certified under the ISO 9001 Quality Management System Certification.



Quality Management System Certification

## Product Quality Management Governance Structure

In an effort to ensure the smooth implementation and effective operation of the quality management system, the Company has established a robust governance structure for quality management. At the top of this structure is the CEO, who serves as the highest management authority overseeing the quality management system. The vice operating officer is designated as the primary representative of the quality management system, responsible for coordinating, monitoring and driving quality management initiatives across the organization. Additionally, the Quality Supervisor plays a crucial role in providing in-depth management and guidance in key areas such as quality assurance, supplier quality, process quality and quality control.

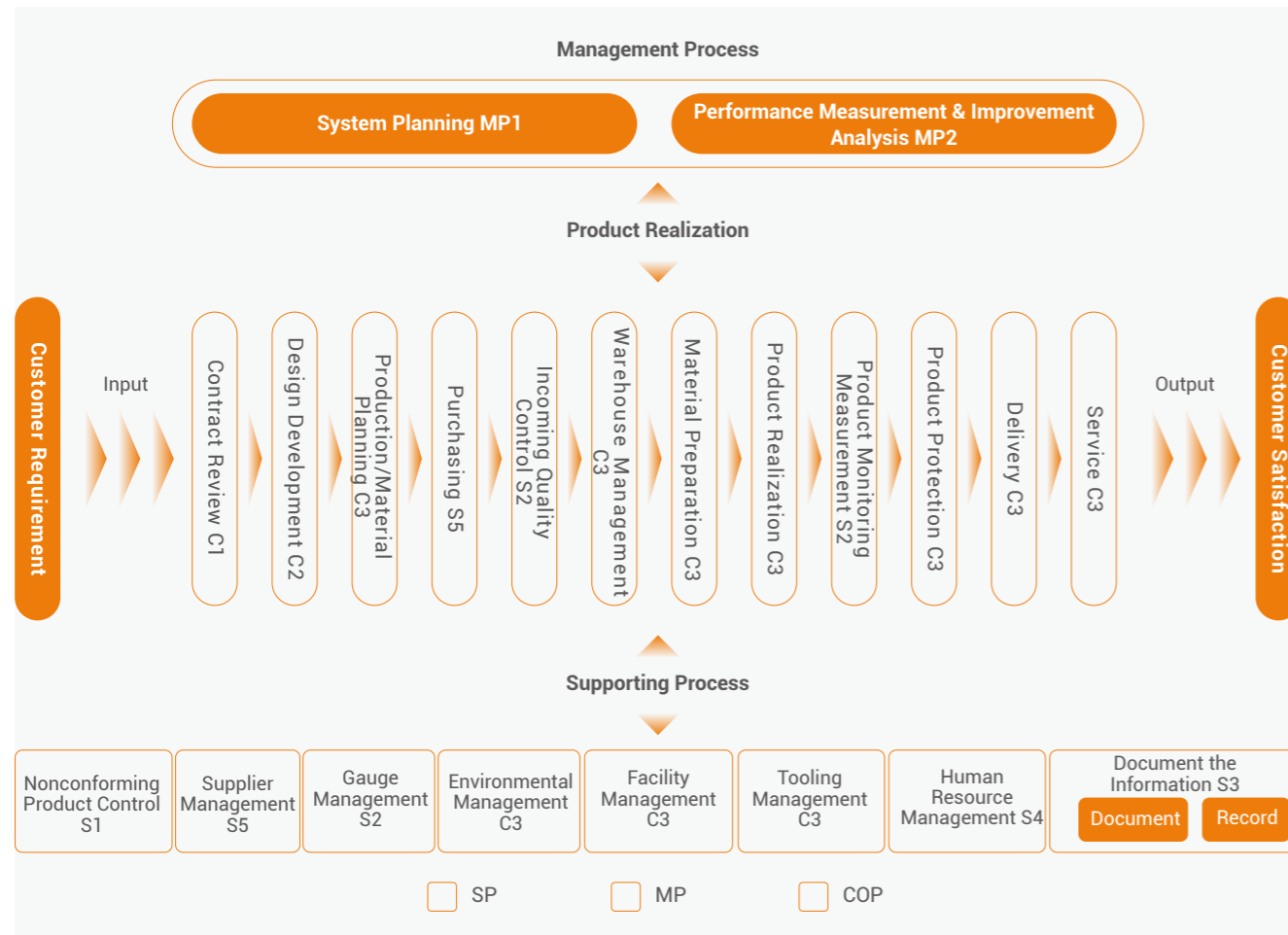
### APsystems Quality Management Governance Structure



### Product Quality Life Cycle Management

The Company upholds the principle of “zero-defect production, zero-acceptance of defects and zero-delivery of defects”. To achieve this, the Company has strictly implemented the *Quality Assurance Management Procedures*, the *Corrective and Preventive Action Control Procedures*, and other internal management systems. A quality inspection process has been established, with dedicated quality inspection personnel. These procedures ensure that every microinverter product undergoes stringent quality inspection processes, including Automated Optical Inspection (AOI), Functional Testing (FCT), and Aging Testing. At the same time, the Company adopts management methods such as Kanban management (production kanban management), the 5S principles (Seiri, Seiton, Seiso, Seiketsu, Shitsuke), and Six Sigma to further ensure product quality and reliability.

#### Full Product Quality Life Cycle Management Process



#### Quality Control Process for New Product Production



The Company focuses on core areas such as research and development, design, and market sales. Except for some self-manufactured products, most of the production is conducted through outsourcing. The Company follows a rigorous process to control product quality in outsourcing production. It provides outsourcing partners with part drawings and proprietary control algorithm software that is encrypted. Outsourcing partners then proceed with hardware assembly and processing based on the provided part drawings, followed by transferring the control algorithm software into the hardware through IC programming.

At the same time, the Company utilizes advanced production management technologies. In line with the *Product Identification and Traceability Management Procedure*, through automated Shop Floor systems control and unique UID numbers, every product's production records are traced from production to warehousing, ensuring complete traceability throughout the process. All testing data is automatically uploaded to the database, and critical processes are conducted using automated testing equipment, allowing real-time monitoring by management personnel and effectively mitigating the risk of missed tests and reducing the impact of human factors on quality.

#### APsystems Traceability System

In 2025, the Company established an IPD (Integrated Product Development) project development process, covering the entire process from commercial feasibility analysis to product R&D and launch. Meanwhile, the Company established procedures for key project management activities, clarifying the key activities and activity review levels involved in the project development process, defining the roles of leaders for key activities and the responsibilities of personnel for each task, standardizing project management activities, and improving project development efficiency and activity quality.

## Product Quality Management Measures

The Company monitors and measures the product characteristics based on the *Product Monitoring Measurement Control Procedures* to verify that the product quality meets the specified requirements.

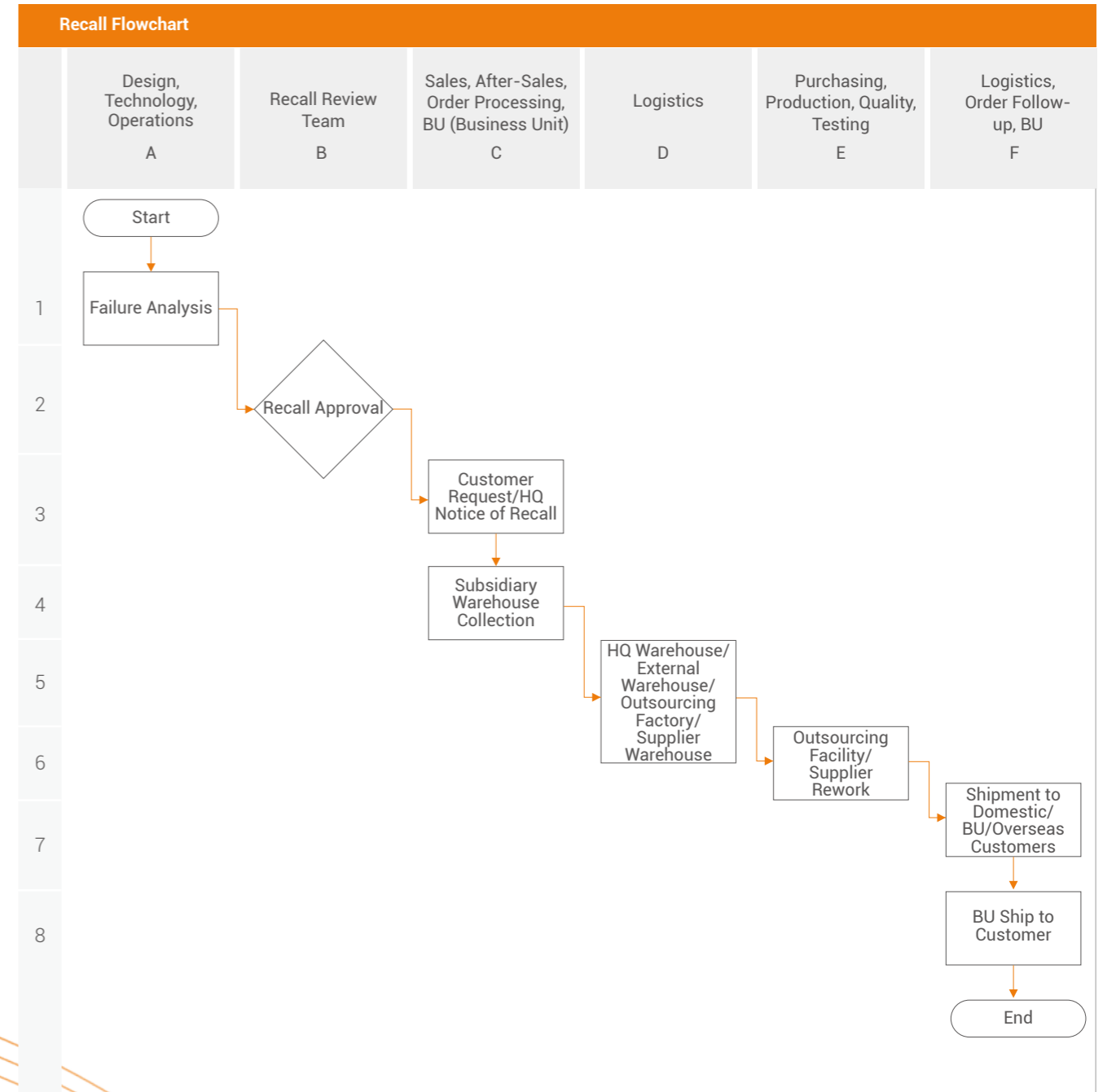
For purchased products, upon arrival at the factory, the products are subject to incoming quality control standards. For outsourced products, the outsourcing party conducts non-destructive 100% routine inspections of the finished products. For non-outsourced products, the production team conducts non-destructive 100% routine inspections of the finished products. For products that fail inspections, the quality personnel confirm them and process them according to the relevant provisions of the *Non-Conforming Product Control Procedures*.

The Company's testing personnel perform confirmation inspections on at least two units of certified products based on batch production. The inspection items are carried out according to the confirmation inspection standards. Unless approved by the customer, products and services must not be released or delivered before all specified activities are completed.

## Product Recall Mechanism

In accordance with internal management systems such as the *Product Recall Management Procedure* and the *Control Procedure for Nonconforming Products*, the Company has established a sound product recall process. When a certain batch of products has serious and uncontrollable quality issues, the recall procedure is immediately initiated to achieve rapid traceability and comprehensive control of the relevant finished products. In 2025, the Company did not experience any product recall incidents.

## Product Recall Flowchart



### Products that may trigger the product recall procedure include the following situations:

- Internal testing by the Company finds that batches of products affected by non-conforming products have been delivered, and the non-conformance is irreversible;
- Major customer complaints;
- Non-conforming products discovered by government or other regulatory inspections;
- Other changes (including technical, legal, regulatory, and emergency incidents) that affect the quality or safety of delivered products.

# Customer Relationship Management

With the purpose of providing customers with the best products and services, the Company has established a sound customer relationship management system, continuously improves service quality and satisfaction, and has built long-term and favorable cooperative relationships with many customers, thereby promoting long-term and stable development.

## APsystems Customer Relationship Management System

### Governance

- **System:** Internal systems such as the *After-Sales Operations Management Standards* are established.
- **Governance Structure:** A three-tier technical service governance structure involving "R&D Center/Technical Department-Technical Support-System Application Testing, After-Sales Technical Support, Pre-Sales Technical Support" is created.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Impact:** The Company provides customers with professional services throughout the entire cycle, fully safeguarding customer rights and interests and continuously building customer trust.
  - **Risk:** Market Risk: If the Company neglects customer relationship management, such as by failing to respond promptly or communicate effectively, customer trust in the Company may decline, leading to customer loss, weakening the Company's market share and brand competitiveness, and causing the Company to incur additional operating costs to maintain customer relationships.
  - **Opportunity:** Product and Service Opportunity: If after-sales service is handled properly and customer complaints are minimized, it can promote long-term cooperation between customers and the Company, thereby bringing stable business cooperation and driving continuous growth in operating revenue.
- **Response Strategy:** By employing local staff in target markets and complementing them with domestic marketing and technical support personnel, the Company provides timely and efficient services to end customers.

### Impacts, Risks, and Opportunities Management

- The Company actively practices responsible marketing, establishes an after-sales service response mechanism, regularly conducts customer service training, and assesses the effectiveness of these efforts through customer satisfaction surveys to implement customer relationship closed-loop management.

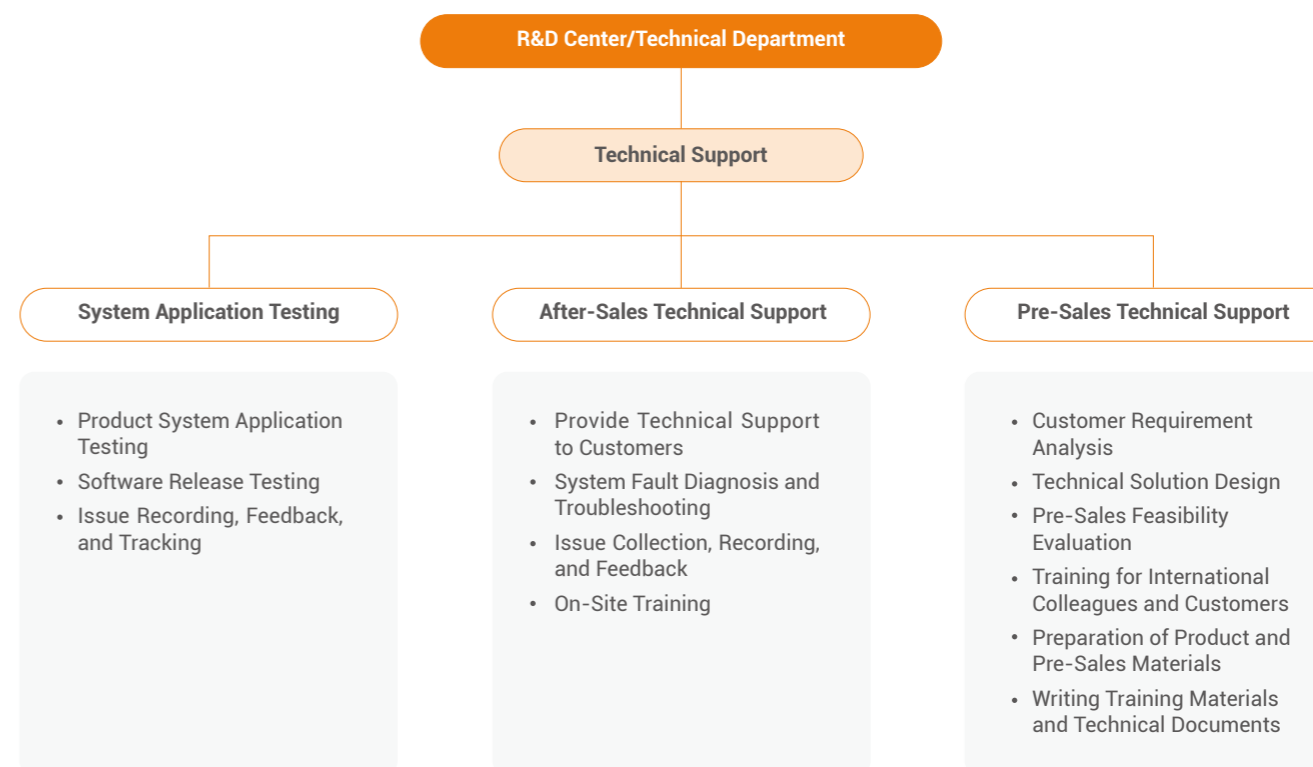
### Indicators and Targets

- **Targets:** The Company aims to maintain good customer relationships, ensuring its products and services consistently meet customer needs, improve service quality and customer satisfaction, and achieve an annual comprehensive customer satisfaction rate of 80%.
- **Indicators:** In 2025, the Company's regional customer satisfaction has met the target.

## Customer Service Governance Structure

The Company has always been centered on the application demand of customers and regarded improving customer satisfaction and maintaining close collaboration with customers as important tasks and goals. The Company has built a service team covering marketing, sales, order follow-up, and technical support. Furthermore, the Company's priorities on product technological innovation driven by market demands have enabled us to establish a globalized sales and service network.

## APsystems Technical Service Governance Structure



## After-Sales Service Response Mechanism

In order to provide efficient and professional complaint handling services and ensure timely responses and satisfactory solutions when customers encounter issues, the Company standardizes the after-sales service process, actively addresses inquiries related to its products, and provides reasonable solutions for the issues raised through the *After-Sales Operations Management Standards*, effectively improving service quality and customer satisfaction.

After receiving customer feedback regarding product-related issues or complaints, the after-sales team determines the type of service required, and the designated after-sales responsible person follows up. The customer will be responded to within 24 hours, and a solution will be provided. If on-site support is needed, after approval, professionals will immediately provide after-sales service, ensure the implementation of the solution and continue to track the issue until it is fully resolved. Should the issue still persist, after-sales personnel conducts a reassessment and develops successive solutions until achieving a closed-loop resolution.

## Customer Service Training

The Company places great emphasis on improving customer service quality. To effectively respond to customers' diverse needs and establish and maintain long-term and stable cooperation with customers, the Company has systematically implemented specialized customer service training, combining offline centralized teaching with online remote guidance to deepen all employees' understanding and application capabilities in customer service.

In the second half of 2025 alone, the Company conducted 32 customer service training sessions totaling 70 hours and covering all employees. Through this series of training sessions, the Company seeks to help employees transform the concept of customer satisfaction into conscious daily practice, thereby improving service efficiency and customer experience and jointly building an outstanding service brand image.

### APsystems Customer Relationship Training Formats

#### In-person Training

- Conducted offline training through exhibitions, presentations, and other events based on customer needs and sales requirements.

#### Remote Training

- Conducted official website registration-periodic training, and remote training through live streaming, public account, and other channels.



Conducting Customer Service-Related Training

## Responsible Marketing

The Company strictly monitors product promotion and sales processes, complies with laws and regulations including the *Advertising Law of the People's Republic of China*, and formulates internal systems such as the *Standard Control Procedure for the Release of External Publicity Manuscripts* to regulate the release procedures and tracking and feedback mechanisms for publicity materials issued by the Company and our subsidiaries, ensuring that publicity content is accurate, compliant, and disseminated in an orderly manner.

The Company is dedicated to providing consumers with accurate and efficient product information to assist them in making informed choices. In its promotional strategies, the Company steadfastly upholds principles of authenticity and fairness. Every marketing slogan and advertisement content undergoes thorough compliance review to ensure the authenticity and legality of information. The exaggeration or deceptive information to mislead consumers is strictly prohibited.

## Customer Satisfaction

The Company has always adhered to a customer-oriented approach and has formulated internal management systems such as the *Customer Satisfaction Measurement Control Procedure*. Every year, through scientific and reasonable methods, it comprehensively collects, analyzes and processes customer feedback, thereby understanding the customers' needs and expectations in multiple aspects such as products, brands, services, logistics, and prices. Based on the results of the satisfaction survey, it formulates targeted improvement measures.

### Strengthening brand development efforts:

- Increase diversified brand promotion, intensify online publicity, further enhance brand awareness in the mass market, and lower the threshold for understanding photovoltaic products through educational content.

### Improving product experience:

- Innovate and upgrade new products, enhance performance while reducing energy consumption, launch diversified energy storage products, and provide more personalized photovoltaic solutions for different household layouts.

### Optimizing service support:

- Improve the after-sales operation and maintenance team, provide in-depth training tailored to specific user scenarios or issues, increase the frequency of on-site inspections, and provide better services to users and distributors.

# Data Security and Customer Privacy Protection

The Company places great importance on information security and protection, strictly complies with *the Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *General Data Protection Regulation of the European Union*, and other laws and regulations, and strictly supervises the collection, storage, and use of customer data to comprehensively safeguard customer privacy rights and interests and ensure the legality of data processing.

In the course of business operations, the Company mainly handles confidential data such as customers' personal information, all of which are properly stored in encrypted form. During the reporting period, the Company did not experience any data security incidents or customer privacy breaches.

## APsystems Data Security and Customer Privacy Protection Management System

### Governance

- **System:** The Company has established internal management systems such as the *Information Security Management Manual*, the *Information Security Risk Management Procedures*, and the *Information Asset Classification Management Procedures*.
- **Governance Structure:** The Company appoints an information security manager to oversee and guide the construction of the information security management system. An ISO working group has been established, composed of the management representative and heads of each department.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Risk:**  
Data Leakage Risk: Theft or accidents may result in the loss or damage to the Company's intellectual assets, causing significant impacts on the Company and leading to increased operating costs.
- **Response Strategy:**  
The Company continues to standardize information management, regularly backs up and restores technical documents, strengthens internal access rights management for Company files, provides confidentiality education to design personnel, and engages third-party security companies to conduct vulnerability scanning and penetration testing to safeguard information security.

### Impacts, Risks, and Opportunities Management

- The Company conducts annual risk assessments to identify new threats and weaknesses. The *Information Security Risk Management Procedures* clearly outlines the risk management process, including risk assessment preparation, information asset identification, risk assessment, risk control, and risk acceptance steps.

### Indicators and Targets

- **Targets:** By establishing and continuously improving the ISO/IEC 27001:2022 Information Security Management System, the Company aims to raise the information security awareness of all employees, actively performs corrective and preventive actions, and ensures the confidentiality, integrity, and availability of information in all business operations. This ensures the Company's sustainable business operations, prevents information security incidents, strengthens public trust in the enterprise, and enhances the Company's competitiveness.
- **Indicators:** In 2025, the Company experienced 0 incidents of customer confidentiality complaints/complaints, 0 incidents of important information device loss incidents, and 0 incidents of large-scale virus outbreaks (60% of computers infected). Additionally, the Company conducted information security training for 100% of its employees.

During the reporting period, the Company's information security management related to the design, manufacturing, and computer software development of new energy generation equipment and key devices was certified under the ISO 27001 Information Security Management System Certification, ensuring the effective operation of the Company's information security management system.



Information Security Management System Certification

## Data Security and Customer Privacy Protection Measures

The Company has developed a powerful network protection system, deploying devices and software systems such as firewalls, WAF and antivirus systems. These measures play an effective role in preventing external intrusions and internal virus propagation. Regular updates to its network security devices and software versions are conducted to promptly address known vulnerabilities and maintain a stable and secure network environment. In 2025, the Company introduced a variety of information security protection measures, including installing enterprise-grade antivirus software across the Company and reporting viruses or threats to a security platform for unified monitoring, while also launching a two-factor authentication mechanism for key systems to effectively implement information security measures.

To protect customer privacy information, the Company has established the *Privacy Policy*, which clearly specifies how customer personal information is collected, stored, used, and shared. The Company ensures customers' rights to access, correct, and delete their personal information and takes measures such as controlling access permissions to prevent data loss, illegal use, unauthorized access or leakage, alteration, or destruction.

## Information Security Training

The Company regularly organizes information security training sessions. The training curriculum covers regular backup procedures for technical documents, strict management of internal file access permissions, dissemination of confidentiality knowledge and establishment of regulations for the design team, as well as the regular review and implementation of confidentiality policies with appropriate rewards and penalties.

The Company believes that full employee participation is the key to implementing information security. All employees are required to maintain security awareness and clearly understand their responsibilities. In 2025, the Company conducted information security training for all employees and provided targeted information security training for information-sensitive departments such as the Finance Department and Supply Chain Management Department, thereby comprehensively consolidating and continuously strengthening the information security protection system.

### Case APsystems Conducting Information Security Training

In 2025, the company conducted information security training for all employees, covering training objectives, the definition and importance of information security, multidimensional protection actions, and security case warnings.

Through the training, the Company clarified that information security must ensure confidentiality, integrity, and availability of information, covering all work scenarios such as physical protection, terminal security, software compliance, network security, and email security. It explained various security operation standards and risk identification methods and sounded the alarm through multiple real security incident cases.

The training aimed to enhance all employees' security awareness, standardize employee operating behavior, reduce human security errors, thereby protecting the Company's core data assets, reducing losses from security incidents, safeguarding the Company's safe and stable operations, and fostering awareness that all employees should jointly build a security defense line.



## Digital Transformation

The Company recognizes the importance of digital transformation and continues to strengthen the management foundation for digital transformation and reinforce core support tools for internal office operations and business collaboration. In 2025, the Company developed and established the APsystems Digital and Intelligent Management Platform and introduced the AnyShare document management system across all departments, comprehensively promoting the upgrade of the Company's digital office operations and providing strong support for high-quality business development.

### Establishment of the APsystems Digital & Intelligent Management Platform

In 2025, the Company fully launched the internal one-stop data service platform—the APsystems Digital & Intelligent Management Platform (DI Platform)—with the aim of breaking down data barriers across business systems and workflow links and providing core support for the Company's digital transformation through data aggregation, governance, and service-oriented output.

The DI Platform deeply integrates multi-source heterogeneous data from core business systems such as OA, ERP, and EMA, as well as key links including production, shipment, and extended warranty, realizing unified data aggregation across the entire business chain and establishing standardized full-process business data management capabilities to form a closed loop between business and data. The DI Platform enables full life cycle traceability and monitoring of equipment from production, shipment, use, after-sales maintenance, to scrapping, and provides refined management of warranty and extended warranty data to support improvements in after-sales service quality and efficiency, while generating analytical reports to facilitate production process optimization and quality improvement.

### Introduction of the AnyShare Document Management System

In 2025, the Company introduced the AnyShare document management system, an enterprise-level unstructured data management platform, to effectively standardize document management processes, reduce data management costs, and strengthen knowledge retention and security assurance through unified document control, security protection, and efficient collaboration capabilities.

The system comprehensively integrates document resources scattered across the Company's terminals and business systems, enabling centralized full life cycle management. It supports online preview of multiple file formats, historical version traceability, and seamless multi-terminal access, and, together with AI-powered intelligent search, significantly improves document retrieval and reuse efficiency. Meanwhile, the system ensures the security and compliance of document data through multiple protection measures such as fine-grained access control, encryption and decryption, and operation auditing, meeting the needs for business data leakage prevention and compliance traceability.

# Supplier Management

To meet the Company's expanding needs in both domestic and international markets, the Company has intensified collaboration with partners and fortified supply chain management efforts. The Company strictly complies with the *Tendering and Bidding Law of the People's Republic of China* and the *Regulations for the Implementation of the Tendering and Bidding Law of the People's Republic of China*, among other relevant laws and regulations, and improves standardized supplier management in light of actual operating conditions to ensure that all supply chain links comply with regulatory requirements.

## APsystems Supplier Management System

### Governance

- **System:** The Company has formulated internal management systems such as the *Supplier Management Measures*, *Supplier Management Procedure*, and *Procurement Control Procedure*.
- **Governance Structure:** The Supply Chain and Risk Control Management Department is responsible for developing new suppliers, collecting relevant supplier data, and evaluating suppliers on aspects such as price, service, and delivery. The Operations Department is responsible for evaluating supplier quality on an annual and quarterly basis, collecting data related to supplier evaluations, and cooperating with Purchasing on new supplier evaluations. The Technical Department is responsible for evaluating qualified suppliers on an annual and quarterly basis in terms of technical scope and collaborating with Purchasing for new supplier evaluations. In terms of working mechanisms, the Supply Chain Management Department updates the latest printed circuit board inventory on a monthly basis and reviews and reports on material preparation, with the Chief Technology Officer making the final procurement decisions.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - Impact: By strengthening supply chain security management, the Company safeguards suppliers' delivery capabilities, improves procurement efficiency, reduces procurement risks, and reinforces production continuity and market responsiveness.
  - Risk: Supply Chain Stability Risk: Geopolitical conflicts can cause supply disruptions. If the Company fails to establish a cross-regional supplier coordination mechanism, procurement costs may rise due to differences in market rules.
  - Opportunity: Market Opportunity: Through strategies such as supplier tiered management, the Company enhances supply chain stability, ensures the supply of long lead-time materials and business continuity, and secures stable operating revenue.
- **Response Strategy:** Establish a sound supplier management system by launching a supplier collaboration management platform, setting safety stock for high-frequency materials, providing early system warnings, and making advance preparations for inventory based on market conditions and fluctuations in bulk raw materials to ensure timely fulfillment of customer needs.

### Impacts, Risks, and Opportunities Management

- The Company has established a sound supplier full life cycle management process to build a supply chain system that combines resilience, efficiency, and quality. The Company attaches importance to the identification and analysis of supplier-related risks and opportunities and conducts annual reviews and reports on such risks and opportunities during the management review meeting. At the beginning of each year, the Supplier Quality Engineer (SQE) determines the annual supplier audit plan and on-site evaluation plan based on supplier importance and the materials traded, with specific implementation carried out by each department.

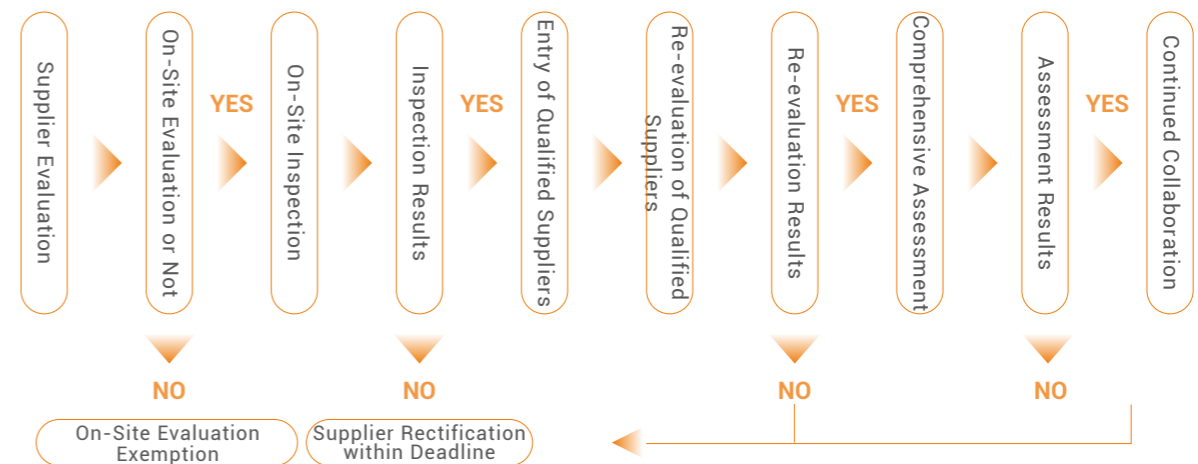
### Indicators and Targets

- **Targets:** The Company aims to achieve a 100% contract signing rate for supply chain management.
- **Indicators:** In 2025, the supplier localization rate reached 99.13%, the proportion of localized procurement expenditure reached 97.69%, and the signing rate of the *Supplier Corporate Social Responsibility Commitment* reached 100%.

## Supplier Full Lifecycle Management

The Company has established the *Supplier Management Procedures* and the *Procurement Control Procedures*. These protocols standardize and refine supplier investigation, selection, delivery management and price management, ensuring supply chain security and stability. Additionally, in order to ensure the standardized and systematic management of suppliers, the Company has implemented the *Supplier Management Measures*, imposing rigorous controls over entry, approvals and evaluations to achieve full lifecycle management of suppliers, and standardizing and refining supplier investigation, selection, delivery management and price management. The Company also implements a multi-source procurement strategy, requiring at least 2-3 qualified suppliers for each critical raw material, effectively avoiding the risks of a single supplier and ensuring supply chain security and stability.

### APsystems' Supplier Full Lifecycle Management Process

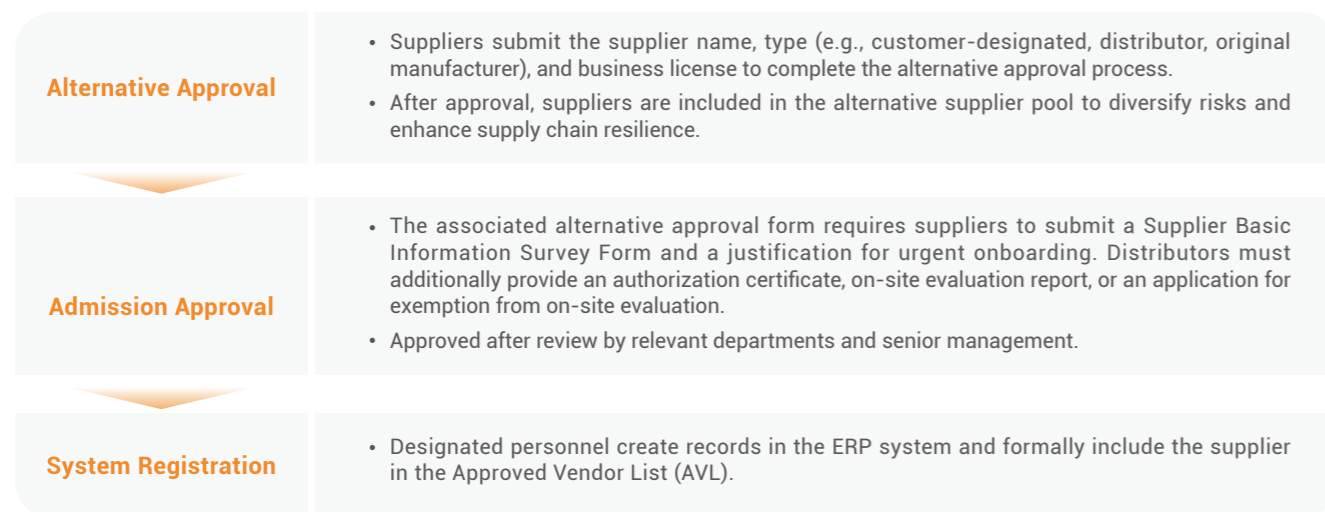


### ► New Supplier Onboarding

The Company has established a comprehensive new supplier onboarding process. When introducing new suppliers, the Company conducts thorough assessments on areas such as design and manufacturing capabilities, quality systems, business conditions and production validation outcomes. Only after passing these evaluations are suppliers recognized as qualified partners. The qualified suppliers are required to sign *Confidentiality Agreements*, *Procurement Agreements*, and *Quality Agreements*.

In 2025, the Company added an alternative supplier process. Suppliers may enter the subsequent admission approval and filing stages only after passing the alternative supplier approval process.

#### New Supplier Admission Review Process



### ► Supplier Evaluation

For suppliers that pass the audit, the Company conducts regular or ad hoc reviews. Each year, the SQE formulates an annual supplier audit plan, implements phased dynamic assessments on a quarterly basis with the assessment content covering ESG-related factors, and conducts a comprehensive year-end assessment summarizing annual performance to evaluate whether supplier quality has been maintained and improved, ensuring that suppliers can meet the needs of the Company and customers.

During the audit process, any issues identified by the SQE are confirmed on-site with the supplier and formally communicated via email, along with a request for the supplier to provide written improvement measures. During re-assessment, the Company focuses on monitoring the improvements made by suppliers with previous non-compliance or incoming material quality issues observed during the last assessment. If a supplier fails to make effective improvements within the specified time frame or remains unqualified upon re-assessment, the quality team will draft a formal notification. After approval by the Operations Supervisor and CTO, the supplier's qualified status will be revoked.

In 2025, the Company optimized the supplier approval process by improving the original OA form, *Exemption Application Form for On-Site Evaluation*, into the *Supplier Admission Application Form*. Suppliers are required to provide a basic information questionnaire, business license, agency certificate, and materials for on-site or exempted on-site evaluation.

### ► Supplier Classification

For significant manufacturing-oriented key suppliers, the SQE conducts quarterly reviews of their capabilities to ensure they meet the Company's requirements. The Company evaluates these suppliers based on the *Key Supplier Assessment Scorecard*, focusing on five elements: quality, price, delivery, service, and technology.

### Case Conducting Technical Exchanges and Training for Suppliers Management



Conducting PCB Technical Exchange and Training

In 2025, APsystems invited the Printed Circuit Board (PCB) supplier Elec & Eltek to hold a technical exchange session, in which 40 employees from the Operations Department, Design Department, and Supply Chain Management Department participated. The training focused on in-depth discussions of PCB manufacturing processes, embedded copper process technology, and routine production technical issues. This training promoted a shared understanding of key processes across departments, helped improve collaboration efficiency in R&D design, production operations, and supply quality management, and further strengthened the cooperative relationship with suppliers.

### ► Sustainable Supply Chain Management

Adhering to principles of fairness, equity and transparency, the Company has established a comprehensive supplier, distributor, and service partner selection and evaluation mechanism. Performance indicators related to quality, environmental management, and health and safety management are included in the evaluation dimensions to select high-quality partners. Through regular performance evaluations, the supply chain management is dynamically optimized, achieving win-win development for both the Company and its partners.

Meanwhile, the Company signs a *Supplier Corporate Social Responsibility Commitment* with suppliers and requires the suppliers to strictly abide by the stipulations outlined in the *APsystems Supplier Code of Conduct*, integrating the concept of social responsibility into all aspects of supply chain management to ensure the sustainability of supply chain operations.

#### APsystems' Supplier Code of Conduct

- Labor** Suppliers are required to uphold the human rights of their employees in accordance with globally recognized standards, demonstrating full respect for their workforce and preserving their dignity.
- Health and Safety** Suppliers should acknowledge that a safe and healthy work environment not only reduces work-related injuries and illnesses but also enhances product and service quality. It contributes to increased productivity, higher employee retention rates and improved morale. Suppliers should also recognize the critical role of continuous employee investment and education in identifying and addressing health and safety issues in the workplace.
- Environment** Suppliers are expected to minimize adverse impacts on society, the environment and natural resources during their manufacturing operations, while protecting public health and safety.
- Business Ethics** Suppliers must adhere to the highest ethical standards in all aspects of their business activities.

# 06

## People-Oriented Approach Toward a Better Future

- Employee Recruitment and Rights
- Employee Training and Development
- Occupational Health and Safety
- Contributions to the Society



# Employee Recruitment and Rights

APsystems highly values employees' rights and interests. Adhering to the principle of lawful employment, the Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other laws and regulations. It has formulated internal systems such as the *Human Resources Management Procedure*, and has established a dedicated human resources department fully responsible for the formulation, implementation, and supervision of human resources policies. The Company has systematically established an employee recruitment and rights protection system and is committed to implementing the principles of fairness, justice, and transparency throughout the entire employment cycle, so as to achieve mutual growth for itself and its employees.

## APsystems Human Resources Organizational Structure



## Employee Recruitment

To systematically build a talent pipeline and support business development, the Company has established a standardized recruitment management system. The Company has formulated internal systems such as the *Recruitment Management Process* to evaluate and analyze recruitment needs proposed by various departments, ensuring that job positions are aligned with business strategy and clarifying the full process from recruitment application, channel posting, and resume screening to interview evaluation and offer notification, with the aim of achieving precise and efficient talent selection. At the same time, the Company actively expands and improves diversified recruitment channels to widely attract outstanding talent of all kinds and continuously enrich the Company's talent reserve. In social recruitment, the Company's focus is on online platforms, complemented by on-site recruitment and leveraging headhunting services. The Company has established partnerships with 2 recruitment platforms and 4 headhunting companies to ensure coverage of job opportunities for local and national candidates. For campus recruitment, the Company primarily participates independently in university dual-selection fairs, supplemented by presentation sessions. During the reporting period, the Company organized a total of 13 dual-selection fairs and 5 presentation sessions.

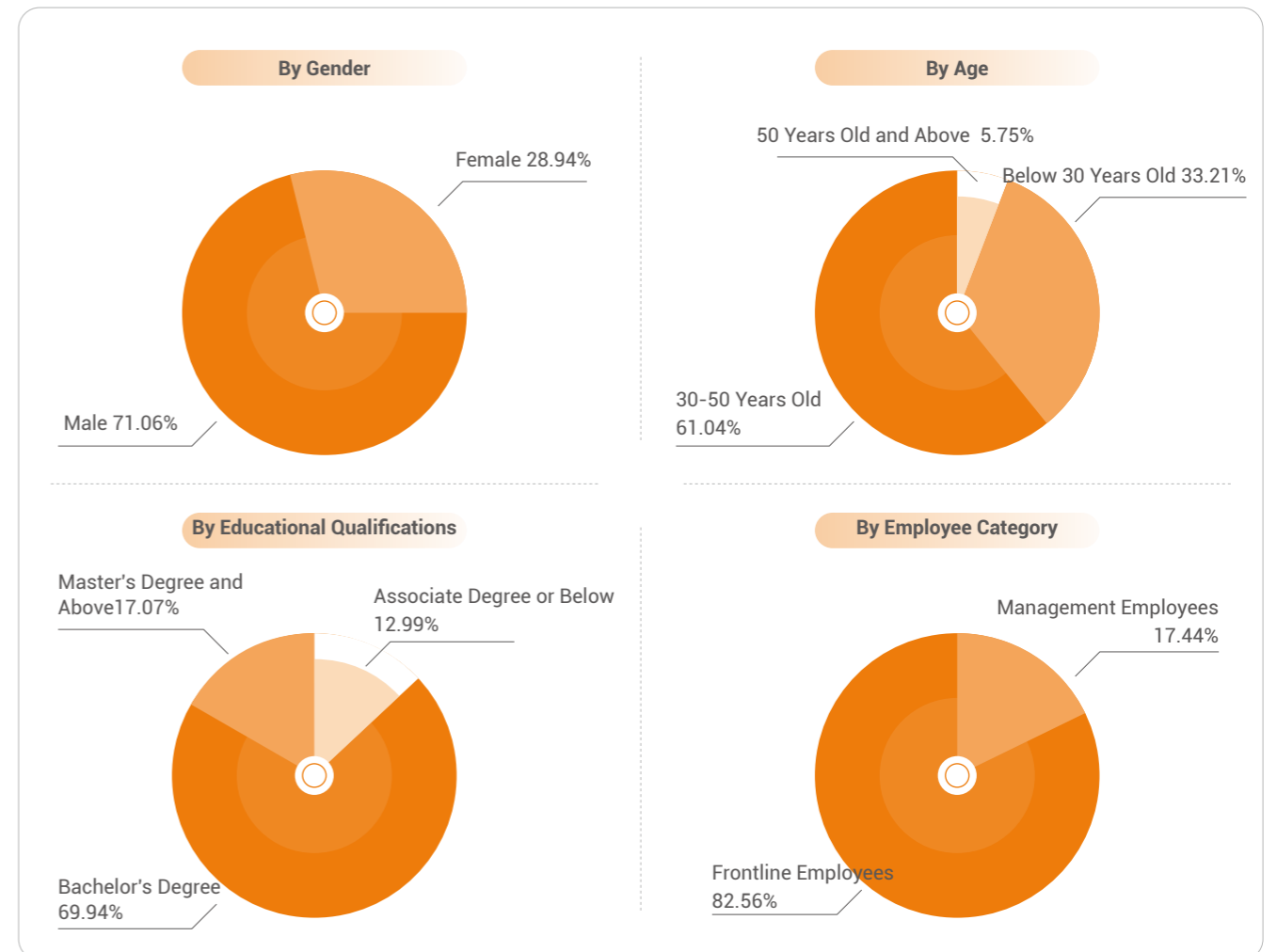


Campus Fair

The Company strictly complies with the Provisions on the *Prohibition of Using Child Labor* and the legal requirements of the regions where it operates. The *Human Resources Management Procedure* clearly states that all employees must be at least 18 years old, and the Company verifies applicants' ages during the recruitment process and firmly prohibits the employment of child labor. In 2025, the Company did not experience any incidents involving the employment of child labor or forced labor.

In employment practices, the Company firmly upholds the principles of fairness and justice and opposes all forms of discrimination. Recruitment, training, compensation, and promotion are all based on job requirements and employee capabilities, without differential treatment on the basis of nationality, ethnicity, gender, religious belief, or any other factors unrelated to work. The Company is committed to building and maintaining an equal, inclusive, and diverse workplace environment and ensuring that every employee enjoys equal rights to employment and development.

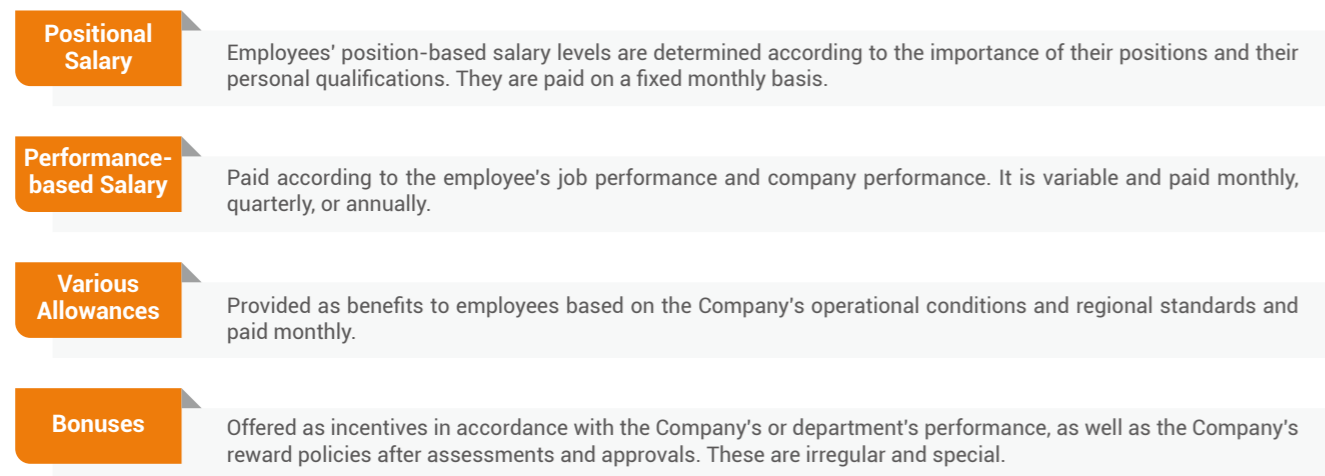
## APsystems Employee Recruitment Performance in 2025



## Employee Compensation and Benefits

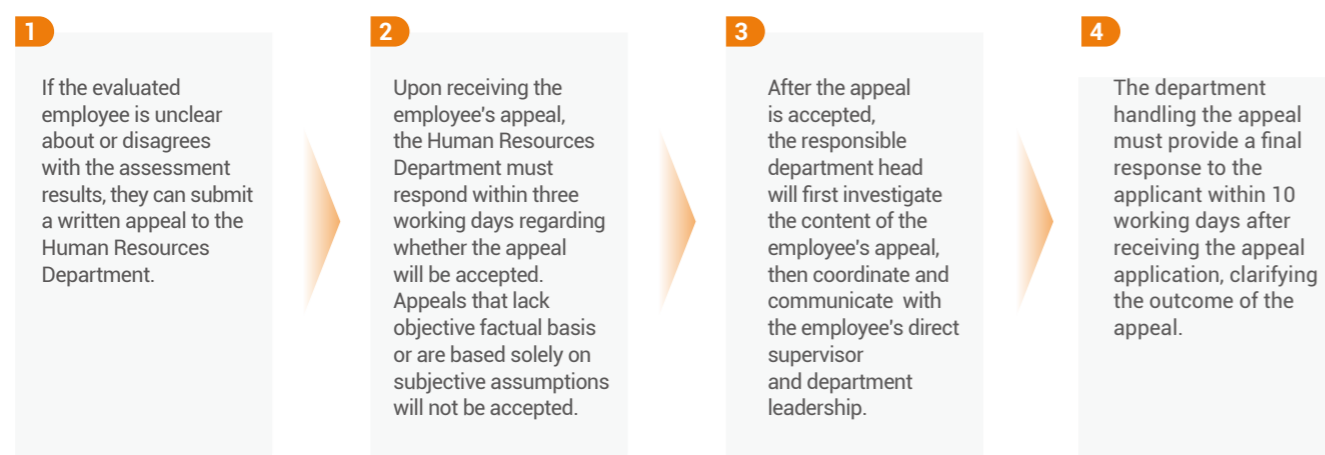
The Company's compensation management follows the principles of internal equity and external competitiveness. The Company signs labor contracts with employees in accordance with the law and clearly regulates the compensation management system in the Human Resources Management Procedure, covering salaries, performance bonuses, and various benefits. A dynamic incentive mechanism centered on employee capability growth and value contribution has been established to continuously stimulate organizational vitality and talent effectiveness. In addition, the Company's shareholders' meeting approved the restricted stock incentive plan in 2024, covering dozens of key employees, with the aim of establishing a long-term incentive mechanism that shares development with the core team, improving the governance structure, and promoting sustainable development.

### APsystems Compensation Structure



In addition, the Company has established a digital performance management system centered on the online system Beisen, under which assessments are conducted once every six months to realize full-process online management covering goal setting, process tracking, result evaluation, and feedback recording. Performance results are linked to compensation incentives and are communicated bilaterally through a combination of system synchronization and one-on-one performance interviews, following the principle of affirming achievements, identifying shortcomings, and jointly discussing improvements. If employees have objections to the assessment results, process, or data, they may submit formal appeals in accordance with the relevant system to ensure fairness and transparency in evaluation.

### APsystems Performance Appeal Handling Process



The Company values employees' working hours and leave arrangements and regulates them in accordance with the *Leave and Attendance Management System*. In addition to ensuring that employees enjoy national statutory holidays, the Company also provides annual leave, sick leave, personal leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, bereavement leave, and work-related injury leave, while also specifying overtime application and compensatory leave mechanisms. The system follows the principle of combining legality, fairness, and standardization, and departments may, when necessary and upon approval, arrange working hours with appropriate flexibility. The Company also demonstrates comprehensive care for employees' physical and mental well-being by paying social insurance and housing provident fund contributions on time, providing commercial insurance, employee dormitories, high-temperature allowances, regular physical examinations, and holiday gifts, thereby actively fostering a harmonious and stable working atmosphere.

## Employee Satisfaction Survey

To gain deeper insights into the Company and employees' truthful perspectives, senior leadership utilizes various channels such as SMS/WeChat platforms, rationalization proposals, employee satisfaction surveys, forums, department meetings of frontline staff, recreational activities and luncheons. These initiatives aim to gather feedback and suggestions, and assess employee satisfaction.

Each year, the human resources department conducts a satisfaction survey covering all employees. The *Employee Satisfaction Survey Questionnaire* is distributed through the Beisen system and is completed and submitted anonymously online by employees on a voluntary basis. The survey covers multiple key dimensions, including overall satisfaction with work, evaluation of office hardware facilities such as equipment performance, site space, environmental comfort, and logistics support, views on the alignment of compensation with industry standards and personal contribution, and satisfaction with the transparency and fairness of the promotion system. Gathering employee feedback allows the Company to further optimize its management practices and work environment and create a satisfying work atmosphere for employees. In 2025, the participation rate in the employee satisfaction survey was 98.18%, and overall employee satisfaction was 94.14%.

## Employee Communication and Care

The Company's labor union independently carries out its work in accordance with the *Trade Union Law of the People's Republic of China* and the *Constitution of All-China Federation of Trade Unions* and continuously improves the democratic management system centered on the employees' representative congress. The labor union signs the Comprehensive Collective Contract with the Company on behalf of employees and is committed to building stable and harmonious labor relations and effectively safeguarding the lawful rights and interests of employees and the Company. In addition, the labor union has established an employee medical mutual assistance mechanism, deepened employee care, and promoted harmonious labor relations. It also plans employee welfare activities in an integrated manner and provides financial support for cultural, sports, fitness, and leisure exchange activities, with the aim of promoting employees' physical and mental health and strengthening communication and cohesion among colleagues.

The Company not only prioritizes employees' career growth but also dedicates itself to enriching their lives and enhancing their overall well-being. During the reporting period, the Company organized various cultural and team-building activities, including the fifth fun sports meeting, Christmas activities, Family Open Day, and the employee badminton tournament, creating a relaxed and enjoyable working environment where employees can find enjoyment in work, stimulate vitality, and engage in their work more actively. Moreover, the Company encourages employees to pursue their personal interests and hobbies outside of work, promoting a healthy work-life balance and maintaining their physical and mental health.



Family Open Day



Fun Sports Day



Christmas Activities



Employee Badminton Tournament

The Company holds a steadfast belief in the indispensable role of female employees in the Company's development, dedicating to cultivating an inclusive, equitable and supportive work environment where every female employee can fully unleash her potential. During International Women's Day, the Company set up holiday benefits, distributed gifts to all female employees to enhance their sense of belonging. This has increased the happiness and cohesion of female employees, and promoted the harmonious development of the team.



International Women's Day Activities

## Employee Training and Development

APsystems regards talent as the core driving force of corporate development and places great importance on talent cultivation and pipeline development. Through systematic training and effective incentive mechanisms, the Company continuously unleashes employee potential and is committed to building a high-quality and professional talent team, viewing continuous employee development as a key support for maintaining competitive advantages and driving the Company's sustainable development.

### Employee Training System

To better respond to intense market competition, support the realization of the Company's strategic objectives, enhance corporate competitiveness, build employee development momentum, and create a learning organization, the Company will continue to strengthen the improvement of the training system and talent development efforts. In light of each department's annual training plan and training needs survey results, the Company has specially formulated the 2025 *Annual Training Plan*. The plan covers training ranging from basic quality-oriented training to improve employees' overall competencies, to management skills training focused on core capabilities for managerial positions, and further to in-depth professional training for different specialized fields. It adopts a combination of internal and external training as well as online training to ensure that all employees can participate in course learning and receive comprehensive and systematic support in achieving capability enhancement. In 2025, the Company invested CNY97,400 in employee training, with a training coverage rate of 100%.

### APsystems 2025 Training Content

#### Corporate Profile and Culture

Including company introduction, product knowledge, rules and regulations and processes, corporate culture, production, and information security, helping employees understand the Company's core information and value orientation.

#### Management Capability Training

Including leadership development, management capability enhancement, team motivation, and talent management, effectively improving the overall management level of the Company's managers.

#### General Competency and Skills Training

Including systems thinking and decision-making, workplace professionalism, office skills, and communication and collaboration, strengthening fundamental workplace skills and adapting to the needs of diverse work scenarios.

#### Professional Skills Training

Including marketing, technical, functional, and operations and delivery training, focusing on core job requirements and strengthening practical professional competence.

#### Others

Including language, industry hot topics, AI applications, and digitalization, closely following industry trends and the digital wave and expanding the boundaries of knowledge and skills.

### APsystems 2025 Training Formats

Training Formats	Training Content
Internal Training	<ul style="list-style-type: none"> <li>Internal trainers or experienced employees of the Company serve as lecturers to deliver knowledge and skills.</li> <li>Discussion and sharing sessions: employees gather to discuss and exchange views on a specific topic, share experiences and insights, and promote knowledge sharing and team collaboration.</li> <li>Practical learning: employees learn and improve their skills through actual projects, work tasks, or simulation exercises.</li> <li>Knowledge competitions: focused on specific competition themes and directions, the Company combines training and employees' self-learning to enhance knowledge reserves related to the industry, the Company itself, and its products, thereby effectively empowering business and individual advancement.</li> </ul>
External Training	<ul style="list-style-type: none"> <li>Inviting external experts or institutions to deliver training: based on the Company's training needs, well-known industry experts or lecturers from professional training institutions are invited to provide training at the Company and impart the latest knowledge and skills.</li> <li>Participation in external courses: employees attend courses organized by external training institutions, colleges, enterprises, or other professional venues to broaden and improve their knowledge, skills, or overall competencies.</li> </ul>
Online Training	<ul style="list-style-type: none"> <li>The Company officially launched the Beisen human resources system. Its training module brings together rich and multidimensional learning resources, further expanding the diversity of learning channels as well as the breadth and depth of content coverage, fully meeting employees' needs for flexible and feasible self-directed learning and helping them improve their capabilities through convenient and efficient learning paths.</li> </ul>

In addition, the Company has established the "APsystems Academy" as a professional technology empowerment and knowledge sharing platform. Adhering to the concept of "technology leadership and professional empowerment", it conducts systematic training through various forms such as online live broadcasts, offline study sessions, technical salons, and certification training. The training targets all partners of the Company, including but not limited to distributors, installers, and all professionals interested in APsystems' products and solutions. The aim is to enhance the professional capabilities of partners and promote technological progress and ecosystem development in the photovoltaic industry. The Academy has established a complete organizational structure and regular activity mechanism, building a closed-loop process from course development to training implementation and providing continuous support for the high-quality development of distributed energy.

#### Case Conducting Humanities Training on the Theme of Industry + AI to Promote the Shared Growth of Individuals and the Organization

APsystems held open day events themed AI Navigation, A New Journey for Photovoltaics and Energy Storage in Jiaxing, Nanjing, Shanghai, and other locations. Internal employees and external industry expert lecturers provided humanities training on the theme of Industry + AI for all employees, introducing the development history and key technologies of AI. Through detailed cases and data, the events vividly demonstrated how AI technology is gradually penetrating every corner of social production and enabling multiple integrations across energy, transportation, large models, intelligent agents, and other fields, thereby opening up a new cognitive horizon for employees and inspiring in-depth thinking on AI empowering the photovoltaic, storage, and charging sectors.



#### Case Organizing Practical Technical Workshops on Photovoltaics + Empowerment to Promote the Shared Development of Partners and the Industry

In 2025, APsystems Academy successfully held two Balcony Photovoltaic Technology Empowerment Workshops. Closely targeting the rapidly growing balcony DIY photovoltaic market, the immersive training effectively improved the core capabilities of partners such as distributors and installers in system design, installation, operation and maintenance, and market development.



#### Case Recognized as an ACCA Approved Employer, Empowering the Global Development of Finance Talent

APsystems obtained ACCA Approved Employer status, marking that the Company has reached ACCA's global standards in the cultivation and development of finance talent. After becoming an Approved Employer, the Company may obtain ACCA's professional support in both recruitment and training. In terms of recruitment, this includes services such as free use of its job board, priority participation in National Careers Day activities, and customized internship bases. In terms of training, employees may participate in industry seminars free of charge, enjoy examination discounts, and gain access to customized finance capability enhancement programs, including Finance Talent Development Courses and Big Data Analysis Talent Development programs.



## Talent Development

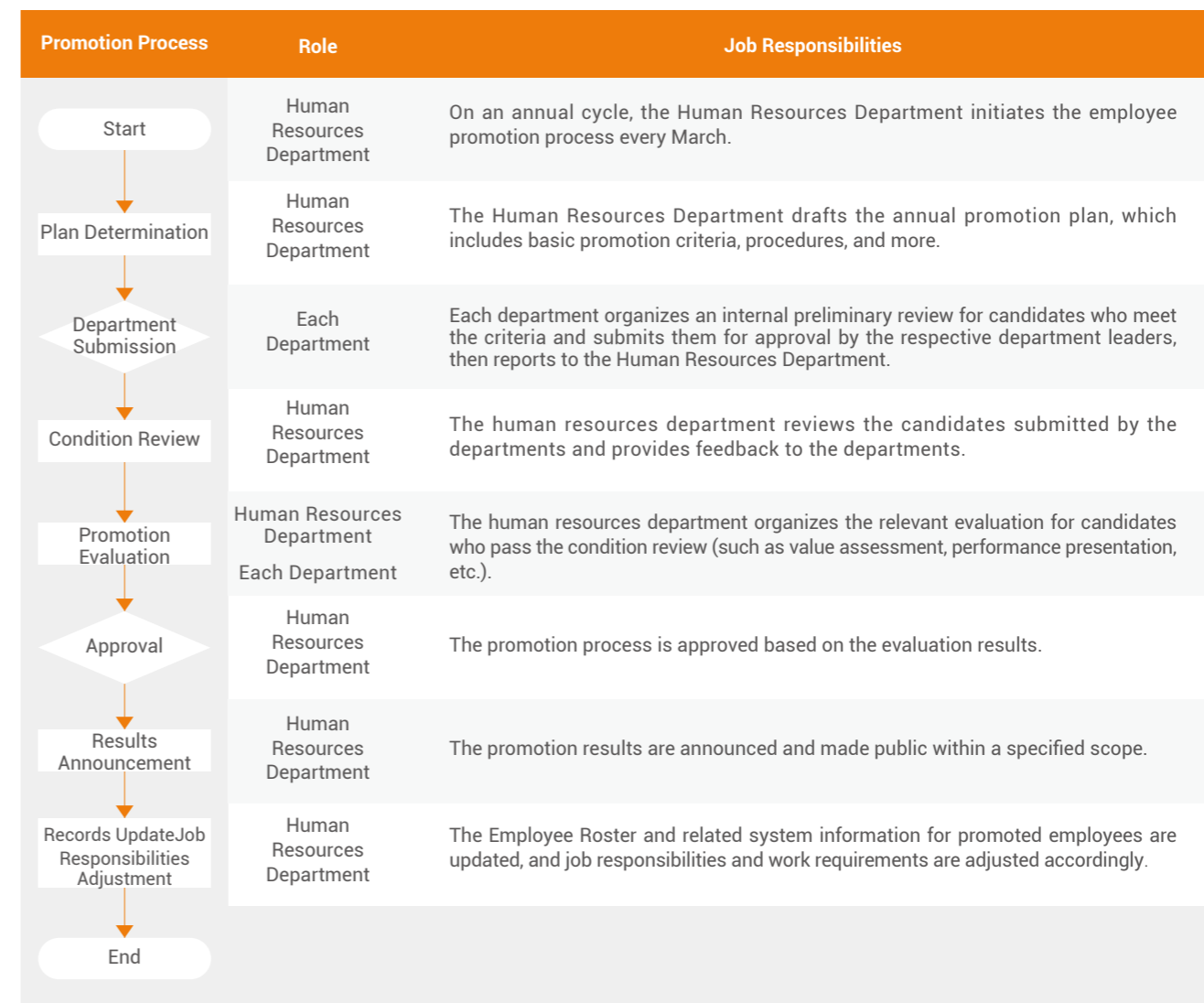
To systematically establish employee career development channels and stimulate organizational and talent vitality, APsystems has formulated a system of rules including the *Position Grade System Management Rules*, the *Measures for Employee Promotion Management*, and the *Provisions on Employee Rewards and Punishments (Interim)*, clarifying career development paths, promotion standards, and codes of conduct, so as to ensure that employees have pathways for growth, standards for promotion, and rewards for contributions.

The Company has established a dual-track position grade system featuring a parallel management sequence (M) and professional sequence (P), providing employees with clear vertical promotion paths and horizontal development space. Employees may not only develop upward within their own track, but may also move across sequences according to their capabilities and aspirations. Through clear position grade standards, standardized promotion and demotion mechanisms, and systematic capability assessment, this system closely integrates individual growth with organizational goals.

Dual-Track Position Grade System Table

Management Track (M)			Professional Track (P)	
Job Tie	Job Tier	Job Title	Definition of Job Tiers	Job Tier
Company Level	M10	Chairman of the Board of Directors / General Manager	Authority	P10
	M9	Vice general manager		P9
Director Level	M8	Senior Director	Expert	P8
	M7	Director		P7
Manager Level	M6	Senior Manager	Key Talent	P6
	M5	Manager		P5
			Old-stager	P4
				P3
				P2
			Entry Level	P1

## APsystems Position Level Promotion Process



To further enhance employees' professional skills and overall competencies, the Company encourages employees to pursue relevant professional certifications. During the reporting period, the Company invested CNY11,875 and a total of 19 technical professionals participated in continuing education training covering public required subject training and professional subject training. The objective was to comprehensively elevate employees' knowledge and skills. The Company and employees each bear half of the training costs, thereby reducing the financial burden on employees. In 2025, a total of 19 employees obtained junior certificates, 19 obtained intermediate certificates, and 6 obtained senior certificates.

# Occupational Health and Safety

APsystems places employee occupational health and safety at the forefront of the Company's business operations. The Company strictly complies with laws and regulations including the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. The Company has systematically established and continuously improved an occupational health and safety management system that covers the entire business process. Through forward-looking risk prevention, routine safety training, and strict implementation oversight, the Company strives to create and maintain a safe, healthy, and compliant working environment for all employees, effectively safeguarding their lives and physical and mental well-being while supporting the Company's sustainable and high-quality development.

## APsystems' Occupational Health and Safety Management System

### Governance

- **System:** Formulated internal management systems such as the *Work Safety Responsibility System* and the *Occupational Health Management System*.
- **Governance Structure:** Established a Work Safety Leadership Group and an Occupational Health Management Leadership Group.

### Strategy

- **Impacts, Risks, and Opportunities:**
  - **Risk:** Policy and Regulatory Risks: Violations may occur due to updates in laws and regulations, stricter regulatory requirements, or incidents, which may result in direct fines, compensation, and rectification costs. Additionally, work stoppages may lead to reduced operating revenue.
- **Response Strategy:** Systematically manage risks through sound systems, regular training, clear accountability, and dynamic monitoring to ensure compliance and minimize losses.

### Impacts, Risks, and Opportunities Management

- The Company actively implements relevant safety production policies, provides safety education and training, promptly handles safety incidents, and regularly conducts occupational disease hazard factor testing, taking timely measures for identified risks.

### Indicators and Targets

- **Targets:** 100% employee coverage of work-related injury insurance; and zero safety incidents.
- **Indicators:** In 2025, the employee work-related injury insurance coverage rate was 100%, and the number of safety incidents was zero.

## Safety Production

The Company consistently implements the principle of "Safety First, Prevention First, and Comprehensive Management", adhering to the principles that those responsible for production must also be responsible for safety and that whoever supervises is accountable. The Company has formulated and strictly implemented the *Work Safety Responsibility System*, clarifying safety responsibilities for all units and personnel at all levels and strengthening safety awareness among all employees. The Company obtained the Level 3 Work Safety Standardization Enterprise Certification, marking that the Company's safety management system has reached a standardized and regulated level.

During the reporting period, the Chairman and General Manager signed the 2025 *Work Safety Target Responsibility Letter* with the heads of various functional departments. Safety responsibilities were further extended to frontline employees. A total of 320 Employee Safety Commitment Letters were signed throughout the year, with a signing rate of 100%, ensuring full coverage of safety responsibilities across all employees and throughout all processes.

To enhance emergency response capabilities, the Company fully implemented three-level safety education for new employees and regularly conducted various specialized emergency drills to strengthen preparedness for unexpected incidents. During the reporting period, the Company organized a company-wide fire emergency drill covering evacuation and escape procedures, proper use of fire extinguishers, and initial fire suppression. Comprehensive evaluations and summaries were conducted afterward, effectively strengthening employees' practical skills and coordinated response capabilities.

In accordance with the *APsystems 2025 Training Plan*, the Company continued to conduct employee safety training covering policies and procedures, risk identification, protective measures, and accident case studies. The training was delivered through on-site instruction, and professional trainee records were established to continuously enhance employees' safety and health awareness and capabilities. During the reporting period, the Company did not experience any major work safety liability accidents.

### Case Conducting Fire Emergency Drill

In December 2025, the Company organized a comprehensive fire emergency drill covering all employees. The drill was coordinated by the Operations Department and simulated a real fire scenario, systematically conducting two key components: emergency evacuation and escape, and initial fire suppression (practical operation of dry powder fire extinguishers). The drill effectively tested the feasibility of the emergency response plan and the emergency response procedures, enhanced employees' risk awareness and self-rescue and mutual-rescue skills, and improvement measures were formulated for operational details identified during the drill. This formed a normalized safety management closed loop of "drill, evaluation, and improvement".



## Occupational Health

The Company has established a systematic occupational health management system and strictly follows the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Occupational Health Management System* to safeguard employees' long-term occupational health. In 2025, the Company established an Occupational Health Management Leadership Group, led by the Director of the Operations Department, to comprehensively implement full-process management from hazard identification to performance evaluation while ensuring employees' right to participate in consultation.

The Company conducts regular monitoring of occupational hazard factors in the workplace and entrusts qualified third-party testing institutions to carry out professional monitoring of production sites. According to the latest testing results, the concentration and intensity of occupational disease hazard factors in the Company's workplace comply with relevant national occupational exposure limit standards. At the same time, the Company continuously maintains and ensures the effective operation of various engineering protective facilities to control occupational health risks at the source.

In terms of health surveillance, the Company regularly organizes employees in relevant positions to undergo occupational health examinations at medical institutions qualified to conduct occupational health checks, and standardized personal occupational health surveillance records have been established for all employees exposed to occupational hazards. No occupational disease cases were identified in the occupational health examinations conducted in 2025.

In addition, the Company continues to promote occupational health knowledge through various approaches, including posting standardized warning signs in workplaces and conducting dedicated awareness campaigns. These efforts enhance employees' awareness and ability for self-protection and help create and maintain a safe and healthy working environment for all employees.



Occupational Disease Prevention Day promotion



Occupational health hazard notification signs

## Contributions to the Society

APsystems deeply integrates social responsibility into the Company's corporate mission of "Drive a zero-carbon future and make smart energy accessible to everyone". The Company actively expands cooperation network with professional public welfare organizations both domestically and internationally, striving to apply the Company's clean energy expertise to social welfare projects and contribute APsystems' strengths to public good initiatives.

In 2025, the Company continued to advance public welfare support by donating 855 portable power stations (Yudianbao) to Zhejiang Anfulisheng Charity Foundation and Shanghai Charity Foundation, with a total product value of CNY2,394,000. Through these actions, the Company conveyed corporate warmth and fulfilled its social responsibility.

### Case Donation of PPS Portable Power Stations and Other Supplies to Charitable Organizations

In 2025, APsystems donated 555 PPS portable power stations to Zhejiang Anfulisheng Charity Foundation (An Foundation) and 300 outdoor portable power stations Yudianbao to Shanghai Charity Foundation to support rescue teams in disaster relief operations and provide green energy for public rescue activities.



Group Photo with Rescue Teams



Donation Certificate

In addition, the Company upholds a global public welfare philosophy. From 2020 to 2025, the Company has collaborated multiple times with the overseas public welfare organization "The Extend the Day" to donate solar lamps and other supplies to regions including Bangladesh and Africa. To date, the Company has donated more than 8,000 solar lamps and more than 1,800 PPS portable power stations.

In the future, the Company will continue to deepen collaboration with various public welfare partners and innovate participation models. Leveraging the Company's technological and product advantages in the photovoltaic sector, the Company will further empower and expand initiatives such as photovoltaic poverty alleviation, solar lamp donations, and photovoltaic science education for children. Through the Company's professional capabilities, the Company aims to give back to society in a more targeted and effective manner and support sustainable community development.

In the 2025 China Top 500 Corporate Philanthropy Rankings, the Company received the titles of China Top 500 High-Tech Enterprises in Philanthropy and China Top 500 Private Manufacturing Enterprises in Philanthropy.



China Top 500 High-Tech Enterprises in Philanthropy



China Top 500 Private Manufacturing Enterprises in Philanthropy

## ESG Data Tables and Notes

### Corporate Governance Performance Table

Indicator	Unit	2024	2025
Number of Shareholders' Meetings	Times	4	2
Number of Proposals Reviewed at Shareholders' Meetings	Piece	27	14
Number of Board Members	Person	7	7
Number of Female Directors	Person	1	1
Proportion of Female Directors on the Board	%	14.29	14.29
Number of Independent Directors	Person	3	3
Proportion of Independent Directors on the Board	%	42.86	42.86
Number of Board Meetings	Times	10	9
Number of Proposals Reviewed at Board Meetings	Piece	59	43

### Commercial Behavior Performance Table

Indicator	Unit	2024	2025
Number of Directors Trained on Anti-Bribery and Anti-Corruption	Person	7	7
Percentage of Directors Covered by Anti-Bribery and Anti-Corruption Training	%	100	100
Number of Management Personnel Trained on Anti-Bribery and Anti-Corruption	Person	103	94
Percentage of Management Personnel Covered by Anti-Bribery and Anti-Corruption Training	%	90.35	100
Number of Employees Trained on Anti-Bribery and Anti-Corruption	Person	/	539
Percentage of Employees Covered by Anti-Bribery and Anti-Corruption Training	%	/	100
Amount Involved in Lawsuits or Major Administrative Penalties Due to the Company's Unfair Competition Practices	CNY10,000	0.00	0.00

### Environmental Compliance Management Performance Table

Indicator	Unit	2024	2025
Amount of Major Administrative Penalties Imposed by Environmental Authorities Due to Environmental Incidents	CNY10,000	0.00	0.00

### Climate Change Tackling Performance Table<sup>1</sup>

Indicator	Unit	2024	2025
Total Greenhouse Gas Emissions (Scope 1 + Scope 2)	t CO <sub>2</sub> e	932.19	1,448.17
Greenhouse Gas Emissions per CNY 10,000 Revenue (Scope 1 + Scope 2)	t CO <sub>2</sub> e/CNY10,000	0.0053	0.0122
Scope 1 Greenhouse Gas Emissions <sup>2</sup>	t CO <sub>2</sub> e	41.01	38.80
Scope 2 Greenhouse Gas Emissions <sup>3</sup>	t CO <sub>2</sub> e	891.19	1,409.37
Scope 3 Greenhouse Gas Emissions <sup>4</sup>	t CO <sub>2</sub> e	677.36	948.79

Note 1: [Statistical Scope] The climate-related indicators cover the Company headquarters and Jiangsu Advanced Energy Storage Technology Co. LTD.

Note 2: Scope 1 greenhouse gas emissions refer to direct greenhouse gas emissions generated by gasoline consumption of official vehicles. The emission factors refer to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises, the China Energy Statistical Yearbook*, etc.

Note 3: Scope 2 greenhouse gas emissions refer to indirect greenhouse gas emissions generated by the consumption of purchased electricity. In 2025, the Company calculated greenhouse gas emissions from electricity using the location-based method. The emission factor for purchased electricity refers to the *Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity Generation*.

Note 4: Scope 3 greenhouse gas emissions refer to greenhouse gas emissions generated by employee business travel and company-leased public buildings. The relevant data refer to the *GHG Protocol – A Corporate Accounting and Reporting Standard* and the *GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

### Energy Usage Performance Table<sup>1</sup>

Indicator	Unit	2024	2025
Total Comprehensive Energy Consumption	tce	225.62	350.06
Comprehensive Energy Consumption Intensity	tce/ CNY10,000	0.0013	0.0029
Direct Energy Consumption	tce	28.77	23.38
Gasoline Consumption of Official Vehicles	Liter	18,513.20	17,518.67
Self-Generated Renewable Energy Consumption	MWh	70.00	35.00
Indirect Energy Consumption	tce	196.85	326.68
Purchased Electricity Consumption <sup>2</sup>	MWh	1,600.55	2,656.18

Note 1: [Statistical scope] The statistical scope of energy use-related indicators covers the Company headquarters and Jiangsu Advanced Energy Storage Technology Co. LTD.

Note 2: In 2025, the Company's office area expanded, resulting in an increase in purchased electricity consumption.

### Waste Disposal Performance Table<sup>1</sup>

Indicator	Unit	2024	2025
Total Amount of Non-Hazardous Waste	Tons	386.31	220.00

Note 1: [Statistical scope] The statistical scope of waste management-related indicators covers the Company headquarters and Jiangsu Advanced Energy Storage Technology Co. LTD.

### Usage of Water Resources Performance Table<sup>1</sup>

Indicator	Unit	2024	2025
Water Consumption (Office Use)	m <sup>3</sup>	2,160.42	4,376.68

Note 1: [Statistical scope] The statistical scope of water usage-related indicators covers the Company headquarters and Jiangsu Advanced Energy Storage Technology Co. LTD. In 2025, the company's office area increased, resulting in higher water consumption.

### R&D Innovation Performance Table

Indicator	Unit	2024	2025
Number of R&D Personnel	Person	266	275
Proportion of R&D Personnel	%	50.00	51.02
Amount of R&D Investment	CNY10,000	9,405.91	11,880.80
Proportion of R&D Investment to Operating Revenue	%	5.31	10.00
Number of Patent Applications During the Reporting Period	Piece	57	29
Number of Patents Granted During the Reporting Period	Piece	20	39
Number of Valid Patents During the Reporting Period	Piece	156	195
Number of Invention Patents Applied to Main Business	Piece	156	195

### Safety and Quality of Products and Services Performance Table

Indicator	Unit	2024	2025
Amount Involved in Major Safety and Quality Liability Accidents Related to Products and Services	CNY10,000	0.00	0.00

### Data Security and Customer Privacy Protection Performance Table

Indicator	Unit	2024	2025
Amount Involved in Data Security Incidents	CNY10,000	0.00	0.00
Amount Involved in Customer Privacy Breach Incidents	CNY10,000	0.00	0.00

### Supplier Management Performance Table

Indicator	Unit	2024	2025
Total Number of Suppliers	Supplier	114	115
Number of Suppliers in Mainland China	Supplier	/	114
Number of Suppliers in Hong Kong, Macao, Taiwan, and Overseas Regions	Supplier	/	1
Localization ratio of suppliers	%	/	99.13
Total Amount of Procurement Spending	CNY10,000	/	40,296.37
Amount of Localized Procurement Spending	CNY10,000	/	39,363.96
Proportion of Procurement Spending from Local Suppliers	%	/	97.69
Number of Suppliers Assessed for Environmental, Labor, Ethical, and Other Aspects	Supplier	114	115
Proportion of Qualified Suppliers Among Those Assessed for Environmental, Labor, Ethical, and Other Aspects	%	100.00	100.00

### Employee Recruitment and Rights Performance Table

Indicator	Unit	2024	2025
Total Number of Employees	Person	532	539
Number of Male Employees	Person	377	383
Number of Female Employees	Person	155	156
Number of Employees Above 50 Years Old	Person	30	31
Number of Employees aged 30-50 Years Old	Person	302	329
Number of Employees Below 30 Years Old	Person	200	179
Number of Employees with Doctoral Degree as Highest Education	Person	4	2
Number of Employees with Master's Degree as Highest Education	Person	78	90
Number of Employees with Bachelor's Degree as Highest Education	Person	376	377
Number of Employees with College Diploma as Highest Education	Person	61	54
Number of Employees with Education Below College Diploma as Highest Education	Person	13	16
Number of Management Employees	Person	114	94
Number of Male Management Employees	Person	/	72
Number of Female Management Employees	Person	/	22
Number of Senior Management Employees	Person	10	19
Number of Middle Management Employees	Person	39	35
Number of Junior Management Employees	Person	65	40

Indicator	Unit	2024	2025
Number of Frontline Employees	%	418	445
Proportion of Female Senior Executives	%	/	23.40
Employee Turnover Rate <sup>1</sup>	%	/	18.18
Male Employee Turnover Rate <sup>1</sup>	%	/	18.80
Female Employee Turnover Rate <sup>1</sup>	Person	/	16.67
Total Number of New Employees	Person	172	106
Number of New Male Employees	Person	127	82
Number of New Female Employees	Person	45	24
Number of Employees from Ethnic Minorities	Person	11	8
Number of Employees with Disabilities	Person	2	2
Number of Labor Dispute Incidents	Piece	0	0
Number of Employee Discrimination Incidents	Piece	0	0

Note 1: [Calculation Method] Employee turnover rate = Number of employee departures / Total number of employees \* 100

### Employee Training and Development Performance Table<sup>1</sup>

Indicator	Unit	2024	2025
Number of Employee Training Attendances	Person	3,719	4,714
Total Number of Employees Receiving Training	Person	459	448
Number of Male Employees Receiving Training	Person	327	320
Number of Female Employees Receiving Training	Person	132	128
Employee Training Coverage Rate	%	100	100
Number of Employee Training Sessions	Session	35	34
Total Expenditure on Employee Training	CNY10,000	21.07	9.74
Total Training Hours Received by Employees	Hour	68,264	95,040
Average Training Hours per Employee	Hour	148.72	212.14
Average Training Hours for Male Employees	Hour	141.75	206.58
Average Training Hours for Female Employees	Hour	166.00	226.05

Note 1: [Statistical scope] The statistical scope of employee training and development-related indicators covers the Company headquarters and Jiangsu Advanced Energy Storage Technology Co. LTD.

### Occupational Health and Safety Performance Table<sup>1</sup>

Indicator	Unit	2024	2025
Number of Safety Production Training Sessions	Person	11	8
Number of Safety Production Training Attendances	Person	1,446	813
Number of Employees Receiving Safety Production Training	Person	459	165
Coverage Rate of Employees Receiving Safety Production Training	%	100	100
Investment Amount in Safety Production Training	CNY10,000	15.10	1.00
Number of Employees Participating in Occupational Disease Medical Examinations	Person	18	12
Lost Workdays Due to Work-Related Injuries	Day	0	14
Number of Employees Covered by Work Injury Insurance	Person	532	539
Coverage Rate of Employees with Work Injury Insurance	%	100	100
Investment Amount in Employee Work Injury Insurance	CNY10,000	35.64	14.86

Note 1: [Statistical scope] The statistical scope of occupational health and safety-related indicators covers the Company headquarters and Jiangsu Advanced Energy Storage Technology Co. LTD.

Note 2: In 2025, the Company experienced one workplace injury incident, which involved a traffic accident occurring during an employee's commute to or from work. An application for work-related injury recognition has been completed in accordance with applicable regulations.

### Public Welfare Performance Table

Indicator	Unit	2024	2025
Amount of Charitable Donations	CNY10,000	377.78	239.40

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## Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) Content Index

Disclosure	Content
Climate change tackling	Climate Change Tackling ESG Data Tables and Notes
Pollutant discharge	The Company adopts the original equipment manufacturing (OEM) production model. Its business premises are mainly for research and development, operation, and management. It has a relatively small impact on environmental pollution and does not belong to enterprises in heavily polluting industries. It has not affected the surrounding environment. Therefore, this topic has a relatively small relevance to the Company.
Waste disposal	Green Operations
Ecosystem and biodiversity protection	The daily operations of the Company are not within the ecological protection red line, and are relatively far from it. There are no nature reserves in the vicinity, nor are there other areas with important ecological functions or areas that are ecologically sensitive and fragile. Therefore, the relevance of this topic to the Company is relatively low.
Environmental compliance management	Green Operations ESG Data Tables and Notes
Energy usage	Green Operations ESG Data Tables and Notes
Usage of water resources	Green Operations ESG Data Tables and Notes
Circular economy	The Company is not involved in production and manufacturing, and has conducted few circular economy practices in daily operations. It will strengthen the management of this topic in the future.
Rural revitalization	Contributions to the Society
Contributions to the society	Contributions to the Society ESG Data Tables and Notes
Innovation-driven	R&D Innovation ESG Data Tables and Notes
Ethics of science and technology	The Company is not engaged in scientific research, technological development, or other activities in science and technology ethics-sensitive fields such as life sciences and artificial intelligence, so the Company is not involved in this topic.

Disclosure	Content
Supply chain security	Supplier Management ESG Data Tables and Notes
Equal treatment to small and medium-sized enterprises	At the end of the reporting period, the balance of accounts payable (including notes payable) of the Company did not exceed 30 billion CNY, and its proportion of total assets did not exceed 50%. It does not fall within the mandatory disclosure scope of the Guidelines, and the Company makes timely payments to small and medium-sized enterprises.
Safety and quality of products and services	Product Quality Management Customer Relationship Management ESG Data Tables and Notes
Data security and customer privacy protection	Data Security and Customer Privacy Protection ESG Data Tables and Notes
Employees	Employee Recruitment and Rights Employee Training and Development Occupational Health and Safety ESG Data Tables and Notes
Due diligence	Materiality Analysis
Communications with stakeholders	Materiality Analysis
Anti-commercial bribery and anti-corruption	Commercial Behaviors ESG Data Tables and Notes
Anti-unfair competition	Commercial Behaviors
Self-disclosed Topics	Corporate Governance Corporate Governance ESG Data Tables and Notes
	Risk Control Management Risk Control management
	Green Business Feature Story: Advancing Global Green Energy Solutions via Innovations
	Digital Transformation Digital Transformation