SUNGROW

2024

SUSTAINABILITY REPORT

About This Report

This report is the tenth sustainability report publicly disclosed by Sungrow Power Supply Co., Ltd., with the aim of engaging in transparent communication with stakeholders regarding the Company's sustainability philosophy, specific actions, and performance. It systematically addresses the sustainability topics of concern to various stakeholders.

Reporting Period

This is an annual report covering the period from January 1, 2024, to December 31, 2024. Some content extends beyond the stated period. The previous report was published in April 2024.

Report Preparation Basis

The preparation of this report is in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 version), and references to the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and the *International Financial Reporting Standards – Sustainability Disclosure Standard No. 2 – Climate-Related Disclosures,* etc.

Report Scope

The scope of this report includes Sungrow Power Supply Co., Ltd. and its subsidiaries/units, consistent with the scope covered in the Company's annual report. A list of the main entities disclosed in this report can be found in the section of "List of Main Enterprises" at the end of the document.

Report Disclosure

This report is disclosed simultaneously with the *Sungrow Power Supply Co., Ltd. 2024 Annual Report* (hereinafter referred to as the *Annual Report*). The financial data disclosed in this report aligns with that in the *Annual Report*. The financial report has been independently audited by a third party. Unless otherwise specified, the amounts mentioned in this report are in RMB.

Terminology

For ease of reference, Sungrow Power Supply Co., Ltd. is referred to as Sungrow or we or the Company in the report. Full names and abbreviations of the companies mentioned in the report can be found in the section of "List of Main Enterprises" at the end of this report.

Report Availability

This report is available in both simplified Chinese and English versions. The electronic version can be downloaded from the Sungrow's official website at www.sungrowpower.com. In the case of any discrepancies between the Chinese and English versions, the simplified Chinese text shall prevail.

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Chairman's Statement

2024 marks the 20th anniversary of the United Nations Global Compact's advocacy of the ESG concept, and the 10th year since Sungrow began publishing the Sustainability Report. Over the past decade, we have consistently honored our commitments through concrete actions, enabling stakeholders to gain a deeper understanding of Sungrow's ongoing efforts in sustainability. Our commitment to long-termism is not only a necessity for our own growth, but also a responsibility we owe to our customers, partners, employees, and society at large.

To further advance our sustainability strategy, we established the ESG Development Center in 2024. Under the guidance of the Strategy and Sustainability Committee and the Sustainability Management Office, the ESG Development Center leads the formulation of ESG policies, sets strategic goals, and drives the implementation of our sustainability initiatives across the Company.

We have remained focused on our core sectors—solar energy, wind energy, energy storage, electric vehicles and charging, hydrogen energy. With trust and support from all stakeholders, our products have been delivered to over 180 countries and regions worldwide. By the end of 2024, Sungrow's cumulative installed capacity of power electronic converters across the world has been above 740 GW, about 470 million* tons CO_2 emissions can be avoided annually together with our customers. We embrace a culture of compliance, evidenced by our ISO 37301 and ISO 27001 certifications. Prioritizing product quality and safety, we completed the world's largest energy storage system combustion test, setting new safety benchmarks. Our digitalization strategy is progressing at full throttle, with over 200 digital projects executed throughout the year. We continue to lead with innovation, investing RMB3.16 billion in R&D in 2024 and securing a total of 5,082 patent grants. We also achieved the industry's first full-scenario solar and storage grid-forming capability, enhancing the resilience of power infrastructure.

We are actively working to ensure that our operations become increasingly eco-friendly. We continue to disclose emissions data with rigor and transparency, conduct climate risk assessments, and enhance our climate resilience. The scope of our organizational carbon inventory has been expanded to cover all directly controlled operations. We are on track to achieve operational carbon neutrality by 2028, with renewable electricity now accounting for 70% of our electricity consumption. In Scope 3 carbon management, we have collected emissions data for approximately 6,000 types of materials and completed organizational carbon inventories for 139 suppliers. We also prioritize sustainable product design—several inverter series have obtained carbon footprint certifications, supporting customers in meeting their evolving sustainability goals.

We strive to ensure the benefits of clean energy reach a broader range of stakeholders. We are fostering a more inclusive, innovative, respectful, and transparent organizational culture, while encouraging the integration of diverse global perspectives. In 2024, we supported over 1,900 employees in obtaining professional certifications and fully funded continued education programs. Through the establishment of Sungrow Foundation, we actively give back to society—supporting ecological environment improvement, community development, popular science and education support, and emergency response and disaster prevention. Our total philanthropic contributions have exceeded RMB86 million. We launched the "Sun Bridge – New Beginnings Program", which has helped nearly 1,000 students pursue university education. Meanwhile, we continue to cultivate a culture of volunteerism, with employees contributing over 8,000 hours in volunteer service.

While global ecological challenges remain formidable, the development of clean technologies is now a shared solution to climate change. Looking ahead, Sungrow will remain steadfast in its mission of "clean power for all", continue to deepen our commitment to clean energy, bridging green ecosystem and better life. Together with our global partners, we will accelerate the energy transition and move toward a more sustainable future.

*Avoided CO_2 emissions are calculated using the global average carbon intensity of electricity generation released by the International Energy Agency (IEA).

Renxian Cao

Chairman of Sungrow Power Supply Co., Ltd.

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ENTERING SUNGROW

01

About Sungrow

As a global renowned renewable energy company, Sungrow Power Supply Co., Ltd. specializes in R&D, production, sales and services of new energy equipment, such as solar energy, wind energy, energy storage, hydrogen energy, electric vehicles and charging, mainly provides photovoltaic inverters, wind converters and motor driver, energy storage system, floating PV system, motor controller and on-board charger for EV, EV charging station, renewable hydrogen production system, smart operation and maintenance, and commits itself to providing first-class life cycle solutions of clean energy.

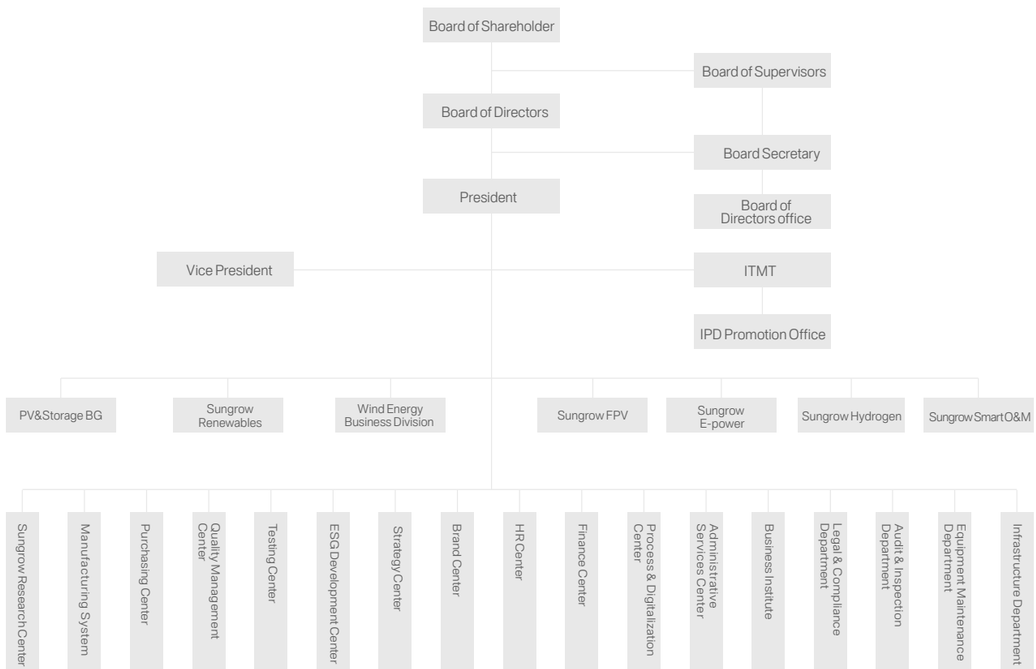
Since the establishment in 1997, the Company has been concentrating on the field of new energy power generation, adhering to market demand orientation, and taking technological innovation as the propellant for development. The Company has cultivated a professional R&D team with solid R&D experiences and strong capabilities of independent innovation. Sungrow has led the drafting of multiple national standards, and is one of the few companies in the industry that have mastered a number of independent core technologies.

Photovoltaic inverters, Sungrow's core products, have been accredited by TÜV, CSA, SGS, and other international authorities, and sold to more than 180 countries and regions in the world. Sungrow's cumulative installed capacity of power electronic converters across the world has been above 740GW by the end of December 2024.

The Company has successively won the awards of China Grand Awards for Industry, National Manufacturing Single Champion Demonstration Enterprise, Top 50 Innovative Chinese Companies, National Intellectual Property Demonstration Enterprise, Global Top 500 New Energy Enterprises, and Best Companies to Work For in Asia. Sungrow is a company with state-level post-doctoral research workstation, a national high-tech industrialization demonstration base, a national enterprise technology center, a national industrial design center, a national green factory, and ranks among the best in the global new energy power generation industry in terms of comprehensive strength.

In the future, Sungrow will adhere to its mission of "Clean power for all", accelerate the development of clean energy power generation system based on the new energy equipment business, innovate and expand new business in the field of clean power conversion technology, keep in close contact with the customers, and strive to build itself into a trusted world-class company.

Organization Structure



Corporate Strategy

Focusing on the clean electricity sector, Sungrow aims to build a technological leadership edge and high brand momentum through innovation and in-depth development, achieving rapid and sustainable growth.

Core Concepts

Mission: Clean power for all

Vision: To be the global leader of clean energy conversion technology

Values: Honest & Reliable, Excellent & Open-minded, Innovative & Respectful, Customer First

Global Presence

Sungrow adheres to a global development strategy, with over 20 subsidiaries established overseas. Our core product, photovoltaic inverters, is sold in bulk to more than 180 countries and regions worldwide.

Value Proposition

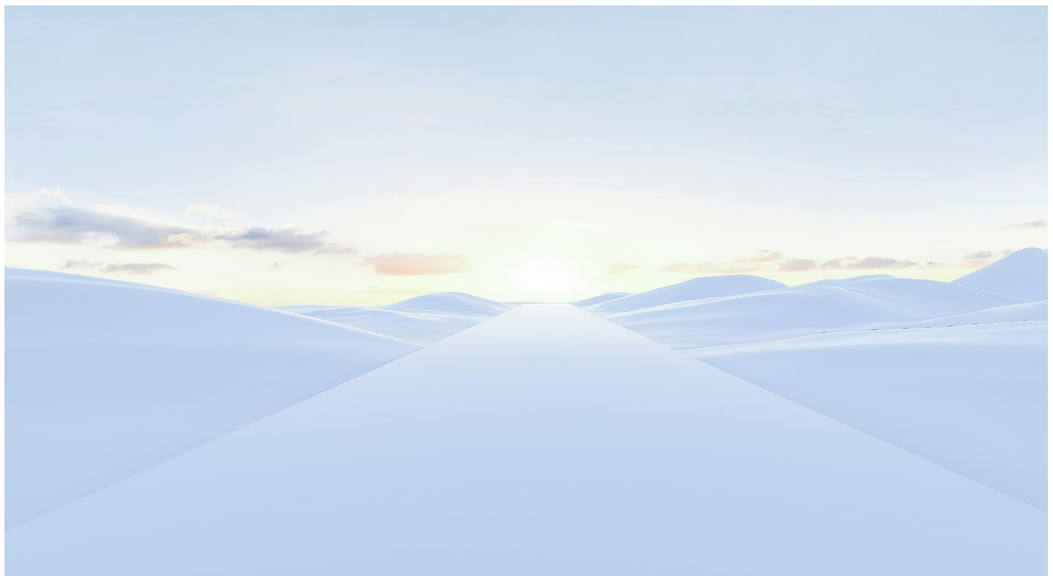
In 2024, Sungrow launched its brand value proposition: "Bridge to a sustainable future" which clearly answers the question, "What value do we provide?" and represents the Company's commitment to stakeholders.

For years, Sungrow has remained firmly focused on the renewable energy sector, deeply engaged in solar power, wind energy, energy storage, electric vehicles and charging, and hydrogen energy. Through continuous technological innovation and practical applications, Sungrow converts natural resources into stable and convenient clean energy, building bridges that connect the world. The Company is dedicated to building, strengthening, protecting, and maintaining these bridges—bridging global customers, industry partners, and ecosystem stakeholders to work together toward a sustainable future.

This proposition embodies the essence of Sungrow's mission, the foundational logic of its technology, and its strategic positioning within the industry. More importantly, it reflects Sungrow's unwavering commitment and vision for a sustainable future.

02

A Recap of 2024



Annual Performance

Operating Income

77.86 billion yuan

Net Profit Attributable to Shareholders of the Company

11.04 billion yuan

Key accounting data and financial indicators over the past three years

Indicators	2024	2023	2022
Operating income (CNY)	77,856,966,964.63	72,250,674,939.46	40,257,239,155.34
Net profit attributable to shareholders of the Company (CNY)	11,036,278,921.36	9,439,561,800.25	3,593,446,514.09
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (CNY)	10,692,731,577.61	9,215,604,036.77	3,385,833,808.21
Net cash flows from operating activities (CNY)	12,068,326,644.66	6,981,838,977.28	1,210,498,485.89
Basic earnings per share (CNY/share)	5.32	4.55	1.73
Diluted earnings per share (CNY/share))	5.32	4.55	1.73
Weighted average return on equity	33.99%	40.96%	20.95%
	As at Dec. 31 2024	**As at Dec. 31 2023**	**As at Dec. 31 2022**
Total assets (CNY)	115,073,771,122.86	82,876,506,727.57	61,627,440,167.96
Net assets attributable to shareholders of the Company (CNY)	36,905,064,146.23	27,705,218,364.40	18,667,293,759.12

Annual Rewards

Ecovadis
EcoVadis Sustainability Rating — Gold Medal

MSCI (Morgan Stanley Capital International)
MSCI ESG Ratings — AA

S&P Global
S&P Global ESG Score — 61 (Top 15%)

Southern Weekly
Southern Weekly 2023 Annual Outstanding Responsible Enterprise

CDP
CDP Climate Change Questionnaire Rating B

CDP
CDP Water Questionnaire Rating B

HR Asia
Asia's Best Employer Gold Award

Brandon Hall Group
Brandon Hall Company Excellence Awards

Forbes China
2024 Forbes China ESG 50

Huxiu
Sustainable Development Model - Environmental Friendly Award

NetEase Finance
Annual CSR Pioneer

Eupd research
Healthy Employer
*Sungrow Australia

The Sunday Times
Best Place to Work
*Sungrow UK

Kununu
TOP Company 2024
*Sungrow Germany

Kununu
Most Wanted Employer 2024
*Sungrow Germany

Great Place To Work®
Great Place to Work
*In 2024, all global subsidiaries of Sungrow received the Great Place to Work award, including those in the United States, India, Spain, Brazil, Israel, Germany, France, Poland, the Middle East, South Africa, and the United Kingdom.

Annual Events

NO.1	The photovoltaic inverter shipment volume ranked first globally for consecutive years, with MLPE products (microinverters, disconnectors, optimizers) being shipped in bulk.
NO.1	The cumulative installed capacity of energy storage systems ranked first globally, with both energy storage systems and PCS (Power Conversion Systems) ranking first in global financing capability. The Company completed the world's largest combustion test, leading safety standards.
100 GW	Sungrow Renewables's development and construction of power stations increased by over 80% annually, while its digital intelligence platform has assessed and designed over 100GW of power stations.
100 million kW	The cumulative global shipment of wind power converters has surpassed 100 million kilowatts, and the Company has taken the lead in launching the 1800V converter.
3 GW	Sungrow Hydrogen's production capacity has increased to 3GW, with the release of the 2000Nm³/h alkaline electrolyzer and the 300Nm³/h PEM electrolyzer.
NO.1	Sungrow FPV led the development of the world's first anchoring standard, maintaining the global market share leader position for seven consecutive years.
2 million	Sungrow E-Power's 2 millionth product rolled off the production line.
480 kW	Sungrow Lecharge pioneered the 480kW isolated air-cooled supercharger.
48%	Sungrow Smart O&M built the first digital intelligence photovoltaic power station, with its business scale increasing by 48%.
9300+	A total of more than 9,300 patents have been applied for, and the Company has won the Best Employer Brand in Globalized Enterprises. The Sungrow Business Research Institute has been honored with the Brandon Hall Gold Award for Education.
100 billion	MSCI ESG Rating achieved AA, and the brand value exceeded RMB100 billion.

*Ranking information is sourced from institutions such as China Energy Storage Alliance, S&P Global, SERIS, CWEA, and the World Brand Lab.

2024 SUSTAINABILITY REPORT

SUSTAINABILITY MANAGEMENT

In April 2024, the Shenzhen Stock Exchange (hereinafter referred to as SZSE) issued the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* (hereinafter referred to as the *Guidelines*), requiring listed companies to disclose sustainability-related information with financial materiality and/or impact materiality.

Sungrow actively identifies sustainability-related material topics, and, in alignment with the *Guidelines*, enhances disclosure on four key aspects for topics with financial materiality: Governance; Strategy; Impacts, Risks & Opportunities Management; and Metrics & Targets. Given the holistic nature of sustainability management, the Company consolidates disclosures on material topics with strong interlinkages across Strategy and Metrics & Targets within this section. A detailed index table below indicates where the core content of these four aspects is disclosed.

Governance

- For the overall governance structure of the Company's sustainable development, please refer to the "Sustainability Governance Structure".
- The governance structures of topics with financial materiality are introduced in the corresponding sections.

Strategy

- For the analysis of Impacts, Risks & Opportunities of each material topic, as well as the corresponding financial impacts, please refer to the "Materiality Assessment".

Impacts, Risks & Opportunities Management

- For the processes and measures of Impacts, Risks & Opportunities Management, please refer to the corresponding sections.

Metrics & Targets

- For the managerial indicators of each material topic and the performance from 2022 to 2024, please refer to the "Sustainability Performance Tables".
- For the sustainability strategic goals and the achievement of 2024, please refer to the “Sustainability Strategic Objectives and Progress”.

01

Sustainability Governance Structure

Sungrow regards sustainability as a core strategy for its long-term growth and continuously optimizes its sustainability governance framework. In 2024, the Company established the ESG Development Center, which is responsible for implementing the ESG goals set by the Strategy and Sustainability Committee and following the guidance of the Sustainability Management Office. The ESG Development Center coordinates the formulation of policies, goal setting, and advancement of ESG practices across the whole Company.

Sustainability Governance Structure

Sustainability Governance Structure of Sungrow

Governance Level	Composition	Responsibilities
Strategy and Sustainability Committee	Directors of the Board	• Makes decisions and approvals on the Company's ESG strategy, ensuring its alignment with the Company's long-term development strategy; • Reviews and approves the Company's ESG policies, goals, and key performance indicators, and monitors their implementation; • Oversees the identification, assessment, and management of major ESG risks and opportunities for the Company; and • Approves the Company's annual sustainability report and other significant ESG disclosures.
Sustainability Management Office	Senior Management of Business Units/Centers	• Evaluates the Company's ESG strategy, goals, policies, and material topics, and reports to the Strategy and Sustainability Committee; • Reviews major ESG risks and opportunities and coordinates cross-departmental responses; • Monitors the Company's ESG performance and proposes measures for improvement; • Reviews the Company's annual sustainability report to ensure its completeness and accuracy; and • Drives consistent implementation of the ESG strategy across all levels of the Company and coordinates ESG-related efforts among departments.
ESG Development Center	Center Members	• Coordinates the formulation of the Company's ESG strategic goals, medium- and long-term planning, policies, and performance targets; • Establishes an ESG risk and opportunity assessment system, identifies material ESG topics and major risks, and provides recommendations for mitigation; and • Drives the implementation of the ESG strategy and the implementation of related goals, assesses performance completion, and provides suggestions for improvement; • Monitors global sustainability trends, organizes ESG-related training, and shares best practices to continuously enhance the Company's overall ESG awareness and capabilities; • Manages ESG stakeholder relationships, improves ESG performance, and strengthens the Company's sustainability impacts; and • Establishes and optimizes an ESG digital platform for systematic management of ESG-related metrics.
Sustainability Implementation Working Group	Representatives from Business Units/Centers	• Implements the Company's ESG strategic plan in line with respective businesses, improves relevant ESG policies for each department, and drives the achievement of ESG goals; • Identifies, assesses, and controls ESG risks in respective businesses, and reports significant risks to the ESG Development Center in a timely manner; • Regularly collects and analyzes ESG-related data, and reports on the completion of ESG performance; • Assists in ESG information disclosure, project implementation, and communications with stakeholders; and • Identifies and promotes ESG best practices, organizes and participates in training, and fosters experience sharing and continuous improvement across departments.

Integration of ESG into Executive Remuneration

To further advance the achievement of sustainability goals, the Company has incorporated ESG performance (such as greenhouse gas emissions, proportion of renewable electricity, pollutant emission intensity, and the coverage rate of ESG audits conducted on suppliers) as key overall performance indicators. These indicators are further reflected in the performance evaluations for the Management and relevant departments. The Company plans to assign appropriate weightings to ESG-related indicators in executives' compensation structure and to implement corresponding incentive and accountability mechanism based on annual evaluations.

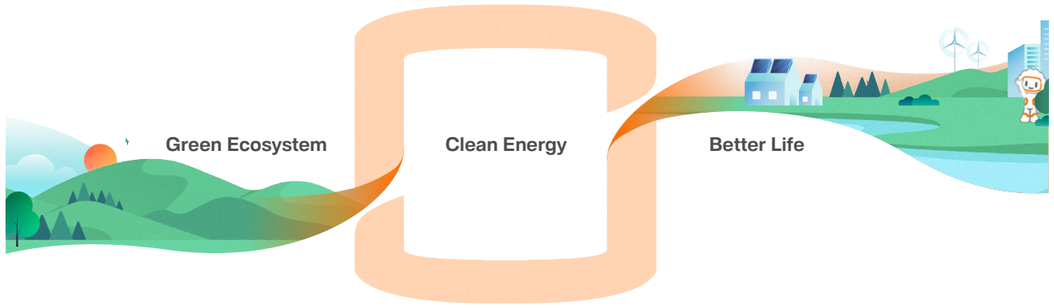
During the reporting period, the Company completed a thorough review and feasibility assessment of the ESG-linked compensation framework. The finalized plan will be launched in 2025 alongside the release of organizational performance indicators and formally integrated into the executives' remuneration system, reinforcing the Company's commitment to sustainability.

02

Sustainability Strategy

Sungrow upholds the mission of clean power for all and creates lasting value in collaboration with stakeholders. We practice the ESG philosophy of Green Mission, Better Life focusing continuously on areas where we can leverage our professional influence. Our five strategic objectives are clearly defined as Excellent Governance, Towards Net Zero, Eco-Friendly Development, Mutually Beneficial Collaboration, and Diversity & Inclusion. Grounded in material topics, we are steadily deepening ESG practices in alignment with the United Nations Sustainable Development Goals (SDGs) most closely tied to the business, committed to creating long-term synergies between commercial value and societal benefit.

Green Mission Better Life



Towards Net Zero

- Addressing Climate Change
- Energy Management

Eco-Friendly Development

- Pollutants and Waste Management
- Resource Efficiency and Circular Economy
- Biodiversity

Excellent Governance

- R&D and Innovation
- Corporate Governance
- Business Ethics
- Digitalization

Mutually Beneficial Collaboration

- Product Quality and Safety
- Customer Relationship Management
- Sustainable Supply Chain

Diversity and Inclusion

- Employee Rights and Interests
- Employee Training and Development
- Occupational Health and Safety
- Public Welfare and Community Engagement

Under the guidance of sustainability philosophy, in 2024, Sungrow continuously improved the sustainability governance structure, with the ESG Development Center coordinating the optimization and implementation of the ESG strategy. The Company focused on advancing five strategic objectives: Excellent Governance, Towards Net Zero, Eco-Friendly Development, Mutually Beneficial Collaboration, and Diversity & Inclusion. As of the report release, 21 out of 40 strategic objectives have been achieved. In 2024, the Company updated strategic goals related to absolute carbon emission reduction, supplier emissions reduction, hazardous waste disposal, and compliance management (see “Sustainability Strategic Objectives and Progress”), continuously enhancing the comprehensiveness and advancement of its strategic goals.

To ensure deep integration of the sustainability strategy with the Company's business, in 2024, all departments set annual ESG goals aligned with the strategic objectives in their strategy planning. The ESG Development Center regularly monitors the progress of ESG goals across various business units. At the same time, to standardize the Company's ESG work, the Company has developed the *Regulations of ESG Management* to continuously improve ESG performance.

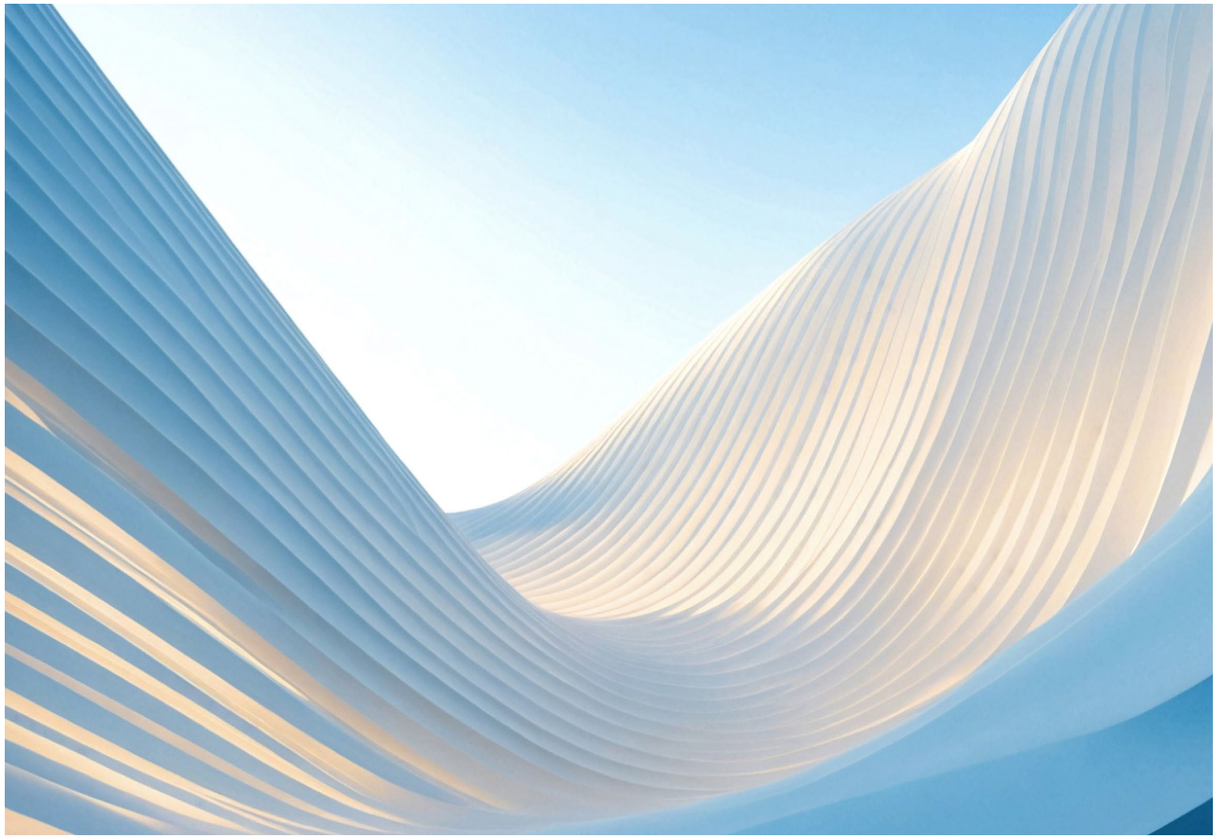
The Company is committed to fostering a culture of ESG, aiming to create an atmosphere where ESG is integrated into business operations, and everyone participates in ESG practices. In 2024, the Company held three sessions of the ESG Innovation and Development Conference series, covering executives, business departments, and partners, over 10 ESG training sessions, 17 ESG popular science sessions such as the Carbon Index Channel and Sustainability Column for all employees, and more than 20 ESG-related events, including international and domestic dialogues, forums, and investor meetings. In 2024, the Company also promoted the development of ESG-related standards, contributing professional expertise to the industry. It successfully published one industry group standard (T/CMEPCA Greenhouse gases-Methods and Requirements for quantifying the product carbon footprint-Inverter) and is currently drafting three national standards and four provincial-level standards.

Case

ESG Digital Management

To continuously improve the Company's ESG performance system and better identify and manage risks and opportunities in the Company's operations, in 2024, the Company systematically reviewed and optimized ESG indicators, covering various ESG regulations, standards, ratings, and disclosure requirements. As of the report release, the Company had managed approximately 400 ESG-related indicators through the ESG digital platform, helping the Company better assess and enhance ESG performance.

In the meantime, the Company launches an upgrade project for the ESG digital platform, expanding its functionality to include ESG performance management, material topic management, report preparation, etc. The aim is to continuously improve the ESG digital platform, enhance the quality and transparency of ESG data, achieve ESG digitalization and intelligence, and help the Company build a leading ESG management system.



03

Sustainability Strategic Objectives and Progress

Sustainability Strategic Objectives and Progress

Strategic Objectives	Metrics	Baseline	Progress in 2024	Quantitative Metrics
Excellent Governance	Establish a comprehensive sustainability governance structure by 2025	The ESG Development Center was established, transforming the previous three-level governance structure into a four-level structure.		
	Link ESG performance to remuneration for all Directors, Supervisors, and Executives by 2025	The ESG-related goals are included in the performance evaluation of each business unit, linked to the remuneration of the Management.		
	Build a comprehensive risk management system with plans to achieve ISO 37301 certification in 2025 to improve the compliance management system	The Company obtained ISO 37301 certification in 2024, covering trade control and sanctions compliance management as well as anti-bribery compliance management.		
	Enhance the diversity backgrounds of Board members	The Company continuously enriched the backgrounds of Board members to enhance the Board's competence and overall governance level.		
	Comply with international conventions and local laws and regulations at operations, promote employees and partners to fulfill their environmental and human rights obligations	The Company conducted due diligence on its own operations and supply chain to ensure compliance with environmental and human rights requirements.		
	Ensure zero incidents of major security attacks and data breaches, with 100% coverage of information security training	Information security training coverage was 100%, with zero major information security breaches in 2024.		
	Conduct business ethics audits at all operational sites at least once every three years	The Company has planned to conduct business ethics audits at all operational sites from 2024 to 2025.		
	Foster a culture of integrity and compliance, with 100% coverage of employee training on compliance and integrity / business ethics	The coverage of employee training on compliance and integrity / business ethics was 100%.		
Towards Net Zero	Achieve 100% of the electricity required for global production and operations sourced from renewable energy by 2028	2020: 23%	70%	2028: 100%
	Achieve operational carbon neutrality (Scope 1 + 2) by 2028	46,487 tCO_2e (Scope 1+2)		
	Achieve supply chain carbon neutrality (Scope 1 + 2 + 3) by 2038	9,109,321 tCO_2e (Scope 1+2+3)		
	Achieve supply chain net-zero emissions (Scope 1 + 2 + 3) by 2048	9,109,321 tCO_2e (Scope 1+2+3)		
	Achieve a 70% reduction in absolute Scope 1 + 2 emissions by 2028 compared to 2023	46,802 tCO_2e (2023)	46,487 tCO_2e (market-based)	14,040 tCO_2e (2028)
	Collect organizational carbon inventory data from 260 suppliers by 2028	34 (2023)	139	260 (2028)
	Collect product carbon footprint data from 330 materials by 2028 (covering high-emission materials).	35 (2023)	66	330 (2028)
	Complete the deployment of the energy management system by 2028, with energy productivity improved by at least 35% compared to 2018	24.12 RMB 10,000/MWh (2020)	33.67 RMB 10,000/MWh (an increase of 40%)	32.56 RMB 10,000/MWh (2028)
	Reduce energy consumption per unit of product by at least 10% by 2025 compared to 2020	0.0948 kgce/kW (2020)	0.0843 kgce/kW (a decrease of 11%)	0.0853 kgce/kW (2025)
Eco-friendly Development	Reduce VOC emissions per unit of product by 30% and Particulate Matter (PM) by 75% compared to 2020 by 2025	VOC: 79.77kg/GW (2020)	VOC: 42.08 kg/GW (a decrease of 47%)	VOC: 55.84 kg/GW (2025)
		PM: 105.22kg/GW (2020)	PM: 12.28 kg/GW (a decrease of 88%)	PM: 26.31kg/GW (2025)
	Achieve 100% coverage of the ISO 14001 system by 2025	50% (2020)	100%	2025: 100%
	Achieve 100% coverage of the ISO 45001 system by 2025	50% (2020)	80%	2025: 100%
	Reduce water consumption per unit of product by 40% compared to 2020 by 2025	0.75 kg/kW (2020)	0.48 kg/kW (a decrease of 36%)	0.45 kg/kW (2025)
	Increase the recycling rate of non-hazardous waste to 70% by 2025	51% (2020)	90%	70% (2025)
	Strictly fulfill environmental responsibilities by safely handling, collecting, storing, and disposing of wastewater; maintain full compliance (100%) in hazardous waste disposal; and ensure zero environmental pollution incidents	100% compliance rate for the disposal of hazardous waste; zero environmental pollution incidents		

Strategic Objectives	Metrics	Baseline	Progress in 2024	Quantitative Metrics
Eco-friendly Development	Comply with hazardous substance regulations, enhance the detection and monitoring capabilities of hazardous materials, and eliminate materials containing potential harmful substances	The Company continuously has been improving the monitoring capabilities for hazardous substances, with the addition of battery hazardous substance testing in 2024, and requiring suppliers to sign environmental commitment letters, with a signing rate of 85.25%.		
	Complete the lifecycle impact assessment for all core products on sale	A total of 21 products have completed product carbon footprint accounting, among which 10 inverters from 4 series have obtained product carbon footprint certification, and 8 inverters from 2 series have received Italy EPD (Environmental Product Declaration).		
	Establish a biodiversity impact monitoring system and conduct regular ecological surveys and assessments	The Company conducted biodiversity assessments for power station projects, fully considering ecological and environmental protection. During the reporting period, there were no Company's operations located within the ecological protection red lines.		
Mutually Beneficial Collaboration	Conduct due diligence on 100% of suppliers by 2028	100% (2023)	100%	100%(2028)
	Conduct ESG audits on 80% of suppliers by 2028	5% (2023)	16%	80%(2028)
	Conduct ESG audits on 98% of new suppliers by 2028	50% (2023)	60%	98%(2028)
	Encourage suppliers to uphold business ethics, aiming for a 98% supplier code of conduct signing rate by 2028	96.79% (2023)	96.93%	98%(2028)
	Drive improvements in supplier ESG performance, aiming for 98% of suppliers to obtain ISO 9001 certification, 85% to obtain ISO 14001 certification, and 70% to obtain ISO 45001 certification by 2028	88.87%(2023) 66.17%(2023) 53.32%(2023)	96.31% 73.77% 62.30%	98%(2028) 85%(2028) 70%(2028)
	Achieve and maintain a customer satisfaction rate of 93% by 2025	92.8% (2020)	93.7%	93% (2025)
	Commit to not sourcing conflict minerals and conduct due diligence on conflict minerals	The Company has conducted responsible mineral due diligence on 195 suppliers throughout the year, with zero revenue generated from products containing conflict minerals.		
	Continuously assist customers in reducing the negative environmental and social impacts of their supply chains.	The Company conducted environmental and social impact assessments for both the Company and its supply chain, and continuously improved environmental and social performance.		
	Increase resource recycling, collaborate with the supply chain to promote eco-design for products, and increase the use of renewable materials in products and packaging to support the circular economy system	The Company has been actively promoting eco-design for products, continuously enhancing the use of recyclable raw materials in both products and packaging.		
Diversity and Inclusion	Achieve a proportion of 22% female employees by 2025	16.9% (2020)	18.7%	22% (2025)
	Achieve a proportion of 15% female managers by 2025	12.6% (2020)	15.4%	15% (2025)
	Achieve a total of 2,500 registered volunteers by 2025	1352 (2023)	2,341	2,500 registered volunteers (2025)
	Achieve a total of 12,000 hours of employee volunteer service by 2025	3442 hours (2023)	8,304 hours	12,000 hours (2025)
	Reduce the lost-time injury frequency rate (LTIFR) to 0.94 by 2025, and maintain this level	0.84 (2023)	0.71	0.94 (2025)
	Establish 5 habitat restoration sites within five years by 2022, with a total planting area of 500 mu	0 mu (2022)	300mu	500 mu (2025)
	Increase public welfare investment in areas such as ecological environment improvement, community development, popular science and education support, and emergency response and disaster prevention	The Company prepared to establish a public welfare foundation in 2024, with approval granted for its establishment in January 2025. Moving forward, the Company will continue to increase its investments in the public welfare and volunteerism sector.		
	Maintain employee diversity, continuously create an equal and inclusive work environment, and keep the local hiring rate at 97% or above	The Company achieved a localization employment rate of 98.4% in 2024.		
	Maintain 100% coverage of employee training and continuously improve the quality of global training and multi-level leadership training	The Company achieved an employee training coverage rate of 100% in 2024.		
	Achieve 100% coverage of occupational health and safety training and maintain zero workplace fatality incidents	The Company achieved a 100% occupational health and safety training rate, with zero fatalities in the workplace in 2024.		

04

Materiality Assessment

Sungrow references globally recognized sustainability disclosure standards and, through ongoing engagement with stakeholders, identifies and consolidates 21 key topics. These topics are determined with consideration of the areas of focus highlighted by rating agencies such as MSCI and S&P Global for the industry and are prominently disclosed in the Company's *2024 Sustainability Report*.

Materiality Assessment Process of Sungrow

01 Understand Company Practices and Business

By interpreting the Company's value chain, and domestic and international sustainability standards (including but not limited to stock exchange requirements, GRI standards, and the Sustainability Accounting Standards Board (SASB) standards), the Company gains an understanding of its sustainability context and identifies the stakeholders affected.

02 Develop a List of Material Topics

Based on the Company's actual situation and stakeholder communications, a preliminary identification and screening of relevant sustainability topics is conducted. The actual and potential impacts, risks, and opportunities related to these sustainability topics are then analyzed.

03 Assess Materiality of Topics

Impact Materiality Assessment:
Stakeholder communications are conducted through surveys, with the assessment based on two dimensions: severity of impact (including scale, scope, and irremediability) and likelihood of impact. Additionally, the Company consults internal and external experts to refine the assessment, resulting in a materiality assessment outcome.

Financial Materiality Assessment:
The communications with Company's executives and relevant members of the sustainability team is conducted through surveys. The assessment is carried out from two dimensions: the likelihood of occurrence and the extent of financial impact. Additionally, the Company consults internal and external experts to refine the assessment, resulting in a materiality assessment outcome.

Summary of Double Materiality:
After normalizing the impact and financial materiality matrices, a double materiality matrix is formed.

04 Topic Confirmation and Approval

Upon review and confirmation by the Company's Board of Directors, topics with higher materiality for 2024 are to be prominently disclosed in the Sustainability Report.

The Company, in accordance with the Guidelines, based on requirements from the *European Sustainability Reporting Standards* (ESRS) and the *European Financial Reporting Advisory Group (EFRAG) Materiality Assessment Implementation Guidelines*, following the double materiality principle, incorporated both the severity of impact (including scale, scope, and irremediability) and likelihood of impact from the impact materiality dimension, and the likelihood of occurrence and extent of financial impact from the financial materiality dimension into the materiality assessment. The Company integrated the double materiality assessment into its risk management process, established risk monitoring and response mechanisms based on the evaluation results, developed mitigation measures for significant ESG risks, and incorporated relevant information into corporate decision-making and governance processes to ensure comprehensive and forward-looking risk management.

Stakeholder Communications

The materiality assessment is conducted through stakeholder communications via surveys, followed by quantitative analysis to assess the materiality of sustainability topics from the double materiality perspective. The stakeholders involved include but are not limited to investors, employees, customers, suppliers, regulatory authorities, community residents, NGOs, the media, consulting firms, the Company's executives, and key personnel involved in the Company's sustainability affairs.

Stakeholders	Key Topics	Communication Methods
Shareholders/ Investors	Sustainable Profitability Corporate Governance Sustainable Supply Chain Responding to Climate Change Employee Rights	Annual Reports, Interim Reports, and Announcements Shareholders' Meeting Earnings Conference Calls Investor Meetings Telephone, Email, and Website Feedback Platform Questionnaire Survey
Clients and Customers	Customer Health and Safety Product Quality and Safety Information Security and Privacy Protection Customer Relationship Management Sustainable Supply Chain	Clients Meetings Customer Satisfaction Survey Global Service Network Exhibitions, Forums, and Conferences
Suppliers/ Distributors /Contractors	Sustainable Supply Chain Business Ethics Responding to Climate Change Product Quality and Safety	Procurement Activities Website and Social Media Partner Conferences Training and Evaluation Site Visits and On-site Research
Employees	Employee Employment and Rights Occupational Health and Safety Employee Training and Development	Employee Representative Assembly New Employee Orientation Training Regular Communication and Training Employee Satisfaction Survey WeChat Culture Group Sunshine Voice Book, Warm Sun and Breeze Forum
Government/ Regulatory Authorities	Compliance and Risk Management Supporting Local Economic Development Public Welfare and Volunteer Activities Corporate Governance Energy Management Environmental Management	Daily Communication and Reporting Special Research and On-site Meetings Conferences and Forum Discussions Standards and Policy Development, Feedback Website and Social Media
NGOs/International Organizations/ Professional Institutions	Responding to International Initiatives Contribution to the UN SDGs Contribution to the Economy, Environment, and Society	Forums, Conferences, and Other Events Sustainable Development Collaborative Projects Visitor Reception and Interviews
Communities	Supporting Local Economic Development Rural Revitalization Reducing Negative Impact on Communities Public Welfare and Volunteer Activities Energy Conservation and Emission Reduction	Site Visits and On-site Research Feedback Website and Social Media
Media/Opinion Leaders/ Industry Organizations	Driving Industry Development Responsible Marketing Information Disclosure and Transparency	Forum Events Visitor Reception and Interviews Website and Social Media
Environment	Energy Usage Waste Management Energy Conservation and Emission Reduction Hazardous Substances Biodiversity	Low-carbon Promotion Ecological and Environmental Public Welfare Volunteer Activities Disclosure of Environmental Operational Data

Due Diligence

The Company has conducted an analysis of the impacts, risks & opportunities related to the identified sustainability topics, including the impacted stages, timeframe, and extent of the impact. The details are shown in the table below. The Company has implemented effective measures for each topic's impacts, risks, and opportunities, which can be reviewed in the relevant sections of the report.

Note: The Company defines the timeframe as follows: Short-term (within 1 year [inclusive]), Medium-term (1 to 5 years [inclusive]), and Long-term (over 5 years).

Analysis and Management of the Impacts, Risks & Opportunities related to Materiality topics of Sungrow

Topics	Impacted Stages			Impact Type	Key Risks/Opportunities	Time Frame	Financial Impact	Strategies & Practices
	Value chain upstream	Own operations	Value chain downstream					
Responding to Climate Change	√	√	√	**Actual Positive Impact:** The Company accelerates the global energy transition to a green and low-carbon structure by continuously promoting the research, develop-ment, and application of clean energy technologies.	**Market Opportunity:** The intensification of climate change is driving increased investment in renewable energy and energy storage sectors by various countries. At the same time, the introduction of government subsidies and policy incentives continues to stimulate market demand, providing opportunities for the Company to expand its international business.	Short-term, Medi-um-term, Long-term	In 2024, the Company continued to deepen its focus in the clean energy sector, driving both revenue growth and profit improvement.	The Company is fulfilling its climate commitments by continuously increasing investments in clean energy research and development, promoting the deep integration of green production and operations. For more details, please refer to the "Responding to Climate Change".
Energy Management		√		**Actual Positive Impact:** By implementing an efficient energy management system, the Company continuously optimizes energy usage efficiency in production and operations, reducing environmental impact and promoting green development within the industry.	**Energy Source Opportunity:** The Company is driving the development of an internal digital energy management system, gradually increasing the share of renewable energy usage, while optimizing energy efficiency to help reduce greenhouse gas emissions.	Short-term, Medi-um-term, Long-term	In 2024, the Company built an energy management system with a total investment of RMB7.5 million. After the system goes live, it is expected to achieve annual energy savings worth RMB4.5 million. In 2024, through the implementation of technological and management energy-saving measures, the Company achieved a total energy savings of approximately 2,525 MWh, resulting in an electricity cost saving of about RMB2.02 million.	The Company continuously optimizes its energy management system through technologi-cal and management energy-saving measures, driving energy conservation and emission reduction. For more details, please refer to the "Energy Management".
Water Resources Management		√		**Actual Positive Impact:** Through daily water conservation initiatives, the Company continuously enhances water recycling efficiency and reduces water intensity, thereby lessening the burden on environmental resources. **Potential Negative Impact:** The water consumption demand in the Company's daily operations may put pressure on water resources, especially in areas with water scarcity or ecological sensitivity, exacerbat-ing the local water resource strain.	**Resource Efficiency Opportunity:** Advancing water-saving initiatives helps reduce the Company's water consumption, thereby lowering operational costs. **Policy and Regulatory Risk:** The Company's water resource supply may be affected by extreme weather events or regional water shortages.	Short-term, Medi-um-term, Long-term	Indirect (Operational) Costs: Decrease in water resource-related expenses	The Company implements a water usage planning management system, strengthening water conservation at the source and promoting the renovation of water facilities. For more details, please refer to the "Water Resources Management".
Pollutant and Waste Management	√	√		**Actual Positive Impact:** The Company strictly complies with environmental regulations and has established a comprehensive management system for pollutants and waste. Through the adoption of clean production processes and resource recycling practices, it effectively reduces emissions of air pollutants, wastewater, and solid waste, minimizing its impact on the surrounding ecosystem. **Potential Negative Impact:** If the Company fails to strictly manage waste disposal and exhaust emissions during the production process, it may lead to soil, water, and air pollution, impacting ecosystems and human health.	**Resource Efficiency Opportunity:** The Company's continuous upgrades in pollution control technologies and waste-to-resource initiatives help enhance energy efficiency and optimize resource utilization. **Policy and Regulatory Risk:** With the continuous strengthening of environmental protection regulations both domestically and internationally, if the Company fails to meet environmental standards in a timely manner, it may face fines, corrective actions, or even business restrictions.	Medi-um-term, Long-term	Indirect (Operational) Costs: Decrease in environmental compliance costs	The Company has set pollution and waste reduction targets and developed a monitoring plan to track progress in real time. For more details, please refer to the "Pollutant and Waste Management".
Environmental Compliance Management	√	√		**Potential Negative Impact:** If the Company fails to establish a strict compliance system to monitor and manage production and emission processes, it may lead to risks such as exceeding emission standards and improper waste disposal, thereby exacerbating the pollution burden on water sources, soil, and air.	**Policy and Regulatory Risk:** With the continuous strengthening of environmental protection regulations both domestically and internationally, if the Company fails to meet environmental compliance requirements, such as failing environmental impact assessments for new, modified, or expanded projects, non-compliant emissions, or major environmental pollution incidents, it may face risks such as fines, sanctions, or production restrictions.	Medi-um-term, Long-term	Indirect (Operational) Costs: Increase in environmental compliance costs	The Company implements clean production and energy-saving technologies, strengthens environmental monitoring and emergency management capabilities, and regularly conducts environmental management training. During the reporting period, the Company did not face any environmental penalties or lawsuits. For more details, please refer to the "Environmental Compliance Management ".
Product Lifecycle Management	√	√	√	**Actual Positive Impact:** The Company emphasizes environmental protection principles in product design, production, usage, and recycling stages. It prioritizes the use of low-carbon, renewable materials, reduces resource consumption and pollutant emissions, and effectively lowers the carbon footprint of products throughout their entire lifecycle.	**Market Opportunity:** Effective product lifecycle management helps the Company quickly respond to market demands and technological advancements, driving product innovation and diversification.	Short-term, Medi-um-term, Long-term	Indirect (Operational) Costs: Raw material procurement costs increase in the short term, but decrease in the long term. Increase in revenue	The Company continuously optimizes the product LCA process and material selection, advances product simulation design, and achieves lightweight design and extended product lifespan. For more details, please refer to the "Product Lifecycle Management".

Topics	Impacted Stages			Impact Type	Key Risks/Opportunities	Time Frame	Financial Impact	Strategies & Practices
	Value chain upstream	Own operations	Value chain downstream					
Ecosystem and Biodiversity Protection	√	√	√	**Actual Positive Impact:** In the site selection and construction of photovoltaic power plants and energy storage projects, the Company carefully considers local ecosystems, avoiding construction in ecologically sensitive areas, large forests, and wetlands, thereby minimizing disruption to natural habitats. **Potential Negative Impact:** If the Company does not fully assess the impact on the local ecological environment when expanding production facilities and building new energy projects, it may disturb or damage habitats for plants and animals, threatening biodiversity.	**Reputation Opportunity:** The Company develops eco-friendly projects, such as the fishery-solar hybrid and agriculture-solar hybrid models, which help improve land use efficiency, promote local ecological restoration, and protect biodiversity. This, in turn, enhances the Company's reputation within the industry and market. **Policy and Regulatory Risk:** If regulations related to ecosystems and biodiversity become more stringent, the Company may face legal liabilities or restricted market access if it fails to respond to regulatory requirements in a timely manner or does not conduct a comprehensive assessment of the ecological and environmental impact of its operations.	Medi-um-term, Long-term	Indirect (Operational) Costs: Increase in biodiversity protection costs	The Company fully considers ecological and environmental protection at every stage, including site selection, planning, construction, and operation, ensuring that projects do not cause additional disturbance or damage to the surrounding environmental ecosystem. For more details, please refer to the "Ecosystem and Biodiversity Protection ".
Circular Economy	√	√	√	**Potential Positive Impact:** The Company focuses on the efficient use of resources and material recycling, incorporating circular economy principles into product design and production, reducing dependence on natural resources and minimizing waste generation.	**Resource Efficiency Opportunity:** Improving resource utilization efficiency helps the Company reduce raw material procurement costs and waste disposal expenses, thereby enhancing overall operational efficiency.	Medi-um-term, Long-term	Indirect (Operational) Costs: Decrease in procurement costs and waste disposal-related expenses	The Company promotes the recycling of packaging materials and strengthens waste recycling efforts to reduce pollution. For more details, please refer to the "Circular Economy".
Employee Employment and Rights	√	√		**Actual Positive Impact:** The Company provides fair career development opportunities and a comprehensive benefits system, enhancing employees'sense of belonging and well-being. This contributes to social employment stability and improves overall societal well-being. **Potential Negative Impact:** If the Company's management of employee compensation, benefits, and working conditions is inadequate, it may result in the violation of employee rights, negatively affecting their quality of life.	**Product and Service Opportunity:** The Company adopts a competitive compensation strategy to attract talented individuals, stabilizing and expanding business development. **Technology Risk:** The departure of key employees may result in the Company losing critical industry knowledge and skills, affecting the progress and execution efficiency of projects. **Reputation Risk:** Improper management of labor rights may lead to labor disputes, negatively impacting the Company's brand image.	Medi-um-term, Long-term	Indirect (Operational) Costs: Increase in employee welfare expenses	The Company has established a comprehensive human rights management, employee employment, and compensation benefits system, along with a communication and collective bargaining mechanism to safeguard employee rights. For more details, please refer to the "Employee Employment and Rights".

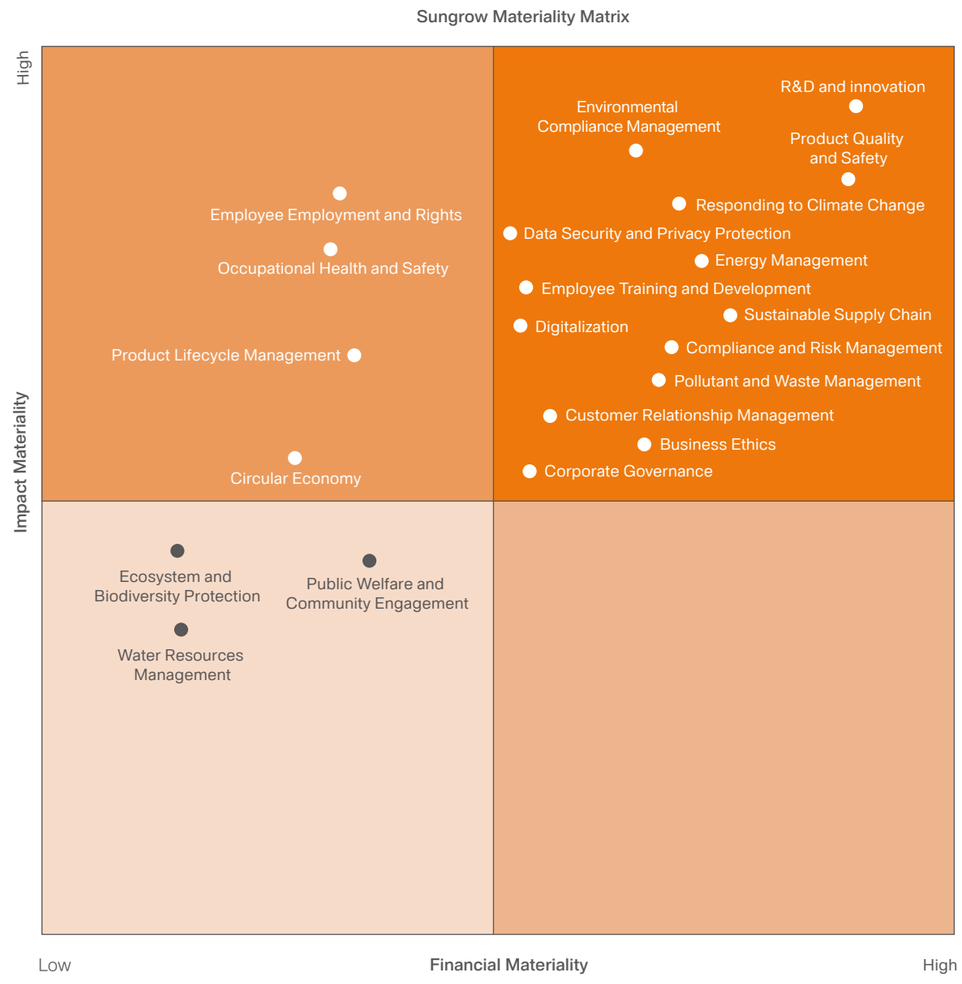
Topics	Impacted Stages			Impact Type	Key Risks/Opportunities	Time Frame	Financial Impact	Strategies & Practices
	Value chain upstream	Own operations	Value chain downstream					
Occupational Health and Safety	√	√		**Actual Positive Impact:** The Company fully ensures employee health and safety, enhancing job stability. **Potential Negative Impact:** If the Company fails to provide adequate safety measures or if the working environment has hazards, it may lead to the risk of employee injuries or occupational diseases, affecting employees'health and quality of life.	**Reputation Opportunity:** The Company places great emphasis on occupational health and safety by establishing a comprehensive management system, implementing stringent safety production standards, and regularly conducting employee safety training. This fosters safe and healthy working surroundings, enhancing the Company's reputation in the industry. **Policy and Regulatory Risk:** Failure to stay updated on changes in laws and regulations may result in inadequate management execution, leading to workplace safety incidents. **Reputation Risk:** In high-intensity production environments, ineffective implemen-tation of safety measures may result in employee injuries or even more severe accidents, damaging the Company's brand image.	Medi-um-term, Long-term	Indirect (Operational) Costs: Increase in employee injury compensation expenses and costs related to compliance lawsuits.	The Company has established an occupational health and safety governance framework, regularly identifies and manages related risks, and implements measures such as training programs to ensure employee health and safety. For more details, please refer to the "Occupational Health and Safety".
Employee Training and Development		√		**Actual Positive Impact:** By providing systematic professional training and development opportunities, the Company helps employees enhance their skills, improve their job competitive-ness, and create favorable conditions for both individual career growth and corporate development.	**Product and Service Opportunity:** Strengthening employee training helps foster innovative thinking, drive product optimization, upgrade services, and expand market reach. This enhances the Company's competitiveness and improves its ability to adapt to market and technological changes.	Short-term, Medi-um-term, Long-term	Increase in revenue	The Company has established clear career advancement pathways, a comprehensive performance evaluation and feedback mechanism, and diverse training programs while regularly monitoring employee satisfaction. For more details, please refer to the "Employee Training and Development".
Product Quality and Safety	√	√	√	**Actual Positive Impact:** The company ensures the high reliability and stability of core products such as photovoltaic inverters and energy storage systems through a strict quality control system and safety management measures, effectively reducing equipment failure rates and providing strong support for grid stability and user safety. **Potential Negative Impact:** If the Company fails to strictly control product quality standards or neglects safety testing, it may result in substandard products entering the market, increasing the risk of equipment failures and accidents, which could pose a threat to user and public safety.	**Market Opportunity:** As the global energy transition accelerates, governments and enterprises are increasingly demanding higher safety and reliability standards for renewable energy equipment. The Company's high-quality, high-safety standard products provide a competitive edge in the highly competitive market. **Market Risk:** Frequent quality issues may lead to increased after-sales service and repairs, which could directly reduce customer satisfaction and put the company at a competitive disadvantage in the market.	Short-term, Medi-um-term, Long-term	Indirect (Operation-al) Costs: Increase in after-sales maintenance costs Increase in Revenue	The Company regularly conducts quality audits and training, and holds quality conferences to promote the enhancement of quality culture. For more details, please refer to the "Product Quality and Safety".

Topics	Impacted Stages			Impact Type	Key Risks/Opportunities	Time Frame	Financial Impact	Strategies & Practices
	Value chain upstream	Own operations	Value chain downstream					
Customer Relationship Management		√	√	**Actual Positive Impact:** The Company provides high-quality customer service, ensuring that customer rights are fully protected. **Potential Negative Impact:** If the Company fails to effectively meet customer needs or communication is inadequate, it may lead to poor customer experience, which could affect service quality and customer trust.	**Product and Service Opportunity:** Through effective customer relationship management, the Company can better meet customer needs, improve customer satisfaction, enhance customer loyalty, and foster long-term cooperation. **Market Risk:** Poor customer relationship management may lead to a decrease in customer trust, resulting in the risk of customer churn.	Short-term, Medium-term, Long-term	Increase in Revenue	The Company has improved its customer lifecycle service, adheres to responsible marketing, ensures smooth communication channels with customers, and regularly conducts customer training and satisfaction surveys. For more details, please refer to the "Customer Relationship Management".
Data Security and Privacy Protection		√	√	**Actual Positive Impact:** The Company strengthens data security management to protect customer privacy information, ensuring the stability and reliability of business operations. **Potential Negative Impact:** If the Company fails to implement sufficient technological measures to protect user personal information, it could lead to data breaches or cyberattacks on the Company's core technologies, posing a threat to industry market order and security.	**Product and Service Opportunity:** Effective compliance management can enhance the Company's brand image, attract more privacy-conscious customers, and increase market share. **Policy and Regulatory Risk:** If the Company violates data security and privacy regulations, it may face legal lawsuits and penalties from regulatory authorities. **Technology Risk:** If the Company fails to continuously invest in cybersecurity infrastructure, such as firewalls, intrusion detection, and data encryption technologies, it may increase the risk of cyberattacks.	Short-term, Medium-term, Long-term	Indirect (Operational) Costs: Increase in costs related to information technology software and services.	The Company has established a data security and privacy protection governance framework, and conducts relevant certifications and audits, third-party vulnerability assessments, and security awareness training. For more details, please refer to the "Data Security and Privacy Protection".
Sustainable Supply Chain	√	√	√	**Actual Positive Impact:** The Company continuously enhances supply chain resilience and collaborates with partners to build a sustainable supply chain that meets customer demands. **Potential Negative Impact:** If the Company fails to ensure that suppliers comply with relevant standards, it may result in the procurement of unsustainable raw materials or improper production processes.	**Market Opportunity:** The Company strengthens supplier ESG management to enhance business stability and market competitiveness. **Market Risk:** As competition in sustainable supply chains intensifies, the Company will face greater challenges in balancing sustainability with cost control, which could impact market competitiveness and profitability.	Short-term, Medium-term, Long-term	Indirect (Operational) Costs: Increase in raw material procurement costs	The Company strengthens procurement ESG criteria, enforces strict supplier onboarding and evaluation processes, and collaborates with partners to promote sustainable supply chains and ensure responsible sourcing. For more details, please refer to the "Sustainable Supply Chain".

Topics	Impacted Stages			Impact Type	Key Risks/Opportunities	Time Frame	Financial Impact	Strategies & Practices
	Value chain upstream	Own operations	Value chain downstream					
R&D and Innovation	√	√	√	**Actual Positive Impact:** The Company continuously drives technological innovation to develop efficient, low-cost renewable energy solutions, promoting the widespread adoption and application of green energy.	**Market Opportunity:** The Company's technological innovation and R&D enhance product competitiveness, helping to expand market demand, attract more customers and partners, drive business growth, and open up more application scenarios and market opportunities.	Short-term, Medium-term, Long-term	Increase in revenue	The Company strengthens its R&D system, advances cutting-edge technology research, optimizes product design, enhances quality standards, and promotes the industrial application of innovative results. For more details, please refer to the "R&D and Innovation".
Digitalization	√	√	√	**Actual Positive Impact:** By establishing a data platform, the Company has initially achieved transparent and digitalized operational management, laying a solid foundation for future digital upgrades and setting a benchmark for the industry's digital transformation.	**Technological Opportunity:** The Company strengthens the application of digital technologies, enabling smarter decision-making. Through predictive analytics, machine learning, and other technologies, it can better optimize resource allocation, improve productivity, and reduce operational costs.	Short-term, Medium-term, Long-term	Indirect (Operational) Costs: Decrease in operational management costs	The Company continuously optimizes operational management processes through big data analysis and intelligent algorithms, driving significant improvements in production efficiency. For more details, please refer to the "Digitalization".
Public Welfare and Community Engagement		√		**Actual Positive Impact:** The Company promotes sustainable development in the environment and communities by organizing various public welfare activities, including those focused on environmental protection, community support, and education.	**Market Opportunity:** By participating in community welfare initiatives, the Company enhances its brand image and strengthens its social responsibility recognition.	Medium-term, Long-term	Increase in revenue	The Company has established a volunteer service management system and continues to carry out charitable activities and employee volunteer services. For more details, please refer to the "Public Welfare and Community Engagement ".
Corporate Governance		√		**Potential Negative Impact:** Inadequate corporate governance may lead to violations of financial transparency, information disclosure, and other relevant regulations, affecting the Company's reputation. This could also result in administrative penalties or civil lawsuits, negatively impacting the Company's financial health and market competitiveness.	**Policy and Regulatory Risk:** If the Company fails to comply with relevant laws and regulations, or if its corporate governance structure is poorly designed or not implemented according to the required standards, it may lead to legal disputes, affecting the Company's normal operations.	Medium-term, Long-term	Indirect (Operational) Costs: Increase in compliance-related expenses	The Company has improved its board structure to ensure transparent and efficient decision-making, enhancing corporate governance and transparency. For more details, please refer to the "Corporate Governance".
Business Ethics	√	√	√	**Potential Negative Impact:** If the Company engages in opaque or unfair practices in transactions with suppliers, customers, or partners, such as price manipulation, false advertising, or corruption, it could harm fair market competition and disrupt the industry ecosystem.	**Policy and Regulatory risk:** If Company employees violate integrity and self-discipline management regulations, such as accepting bribes from customers or suppliers or seeking improper benefits privately, it may directly harm the Company's interests.	Short-term, Medium-term, Long-term	Indirect (Operational) costs: Increase in costs related to compliance litigation	The Company strictly complies with laws and regulations, strengthens anti-corruption and anti-unfair competition measures, and establishes a good business ethics image. For more details, please refer to the "Business Ethics".

Topics	Impacted Stages			Impact Type	Key Risks/Opportunities	Time Frame	Financial Impact	Strategies & Practices
	Value chain upstream	Own operations	Value chain downstream					
Compliance and Risk Management	√	√	√	**Actual Positive Impact:** The Company strictly complies with domestic and international laws and regulations, establishing a comprehensive compliance management system. This not only reduces legal and regulatory risks but also sets a good governance example for the industry, driving the clean energy sector toward higher standards. **Potential Negative Impact:** Inadequate compliance and risk management may result in the Company's inability to respond effectively to emergencies, leading to compliance risks and affecting the normal operation of the Company.	**Reputation Opportunity:** In the context of the accelerated global energy transition, governments, investors, and customers are placing higher demands on companies' compliance capabilities, governance transparency, and risk control levels. The Company's comprehensive compliance management system and strict risk control help reduce legal and operational risks and challenges. **Policy and Regulatory risk:** If the Company fails to effectively identify and address various risks, including legal, financial, environmental, and reputational risks, it may face compliance fines, legal lawsuits, and regulatory investigations.	Short-term, Medi-um-term, Long-term	Indirect (Operational) costs: Decrease in costs related to compliance litigation	The Company regularly conducts legal and regulatory training, strengthens risk identification and assessment mechanisms to promptly detect and address potential risks. For more details, please refer to the "Compliance and Risk Management".

Materiality Assessment Conclusion

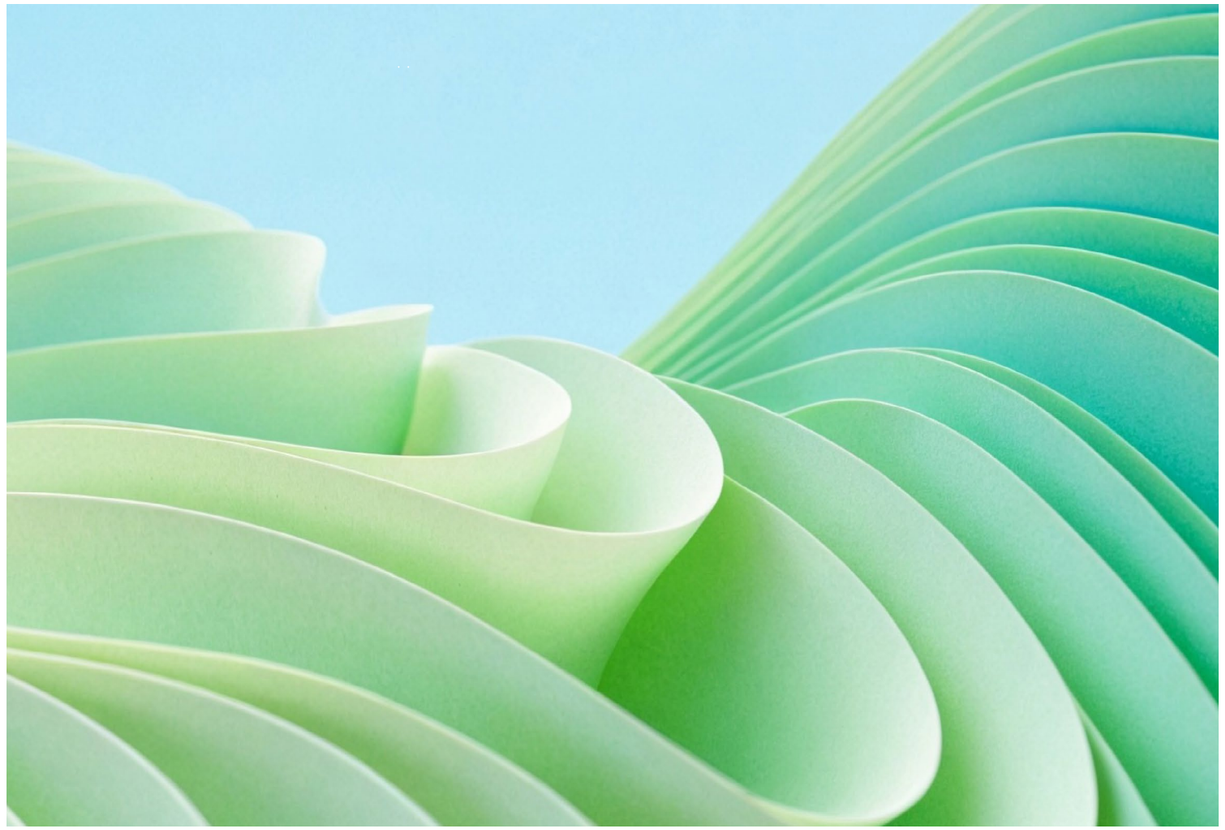


Compared to the material topics in 2023, Responding to Climate Change, R&D and Innovation, and Product Quality and Safety remain the most material topics. Additionally, topics such as Data Security and Privacy Protection, Energy Management, Pollutant and Waste Management, and Sustainable Supply Chain also hold financial and impact materiality.

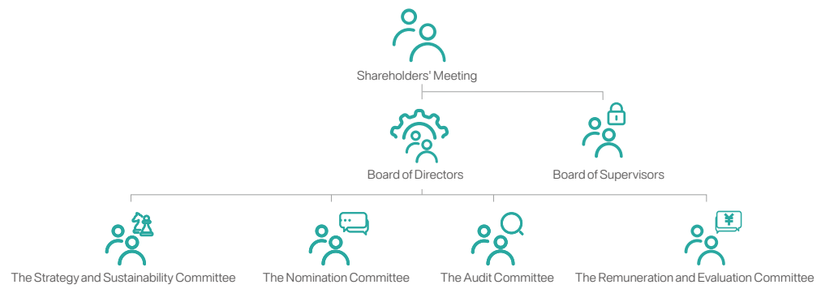
EXCELLENT GOVERNANCE

01

Corporate Governance



Governance



Sungrow complies with the Company Law, the Securities Law, the Shenzhen Stock Exchange GEM Listing Rules, the *Code of Corporate Governance for Listed Companies,* the *Administrative Measures for Information Disclosure of Listed Companies,* the *Guidelines for the Articles of Association of Listed Companies,* the *Regulatory Guidelines No. 10 for Companies Listed on Shenzhen Stock Exchange – Market Value Management,* the *Interim Measures for the Administration of the Reduction of Shareholdings by Shareholders of Listed Companies,* and the *Shenzhen Stock Exchange's No. 2 Regulatory Guidelines for Listed Companies — Standardized Operation of GEM-Listed Companies* and *No. 17 – Sustainability Report (For Trial Implementation)* . Internally, the Company has established governance policies such as the *Articles of Association, Independent Director Working Rules, Investor Relations Management Policy, Information Disclosure Management Policy, Insider Information Registration Management Policy, Confidentiality and Archival Management Policy for Overseas Securities Issuance and Listing,* and the *Supplementary Guidelines for Group and Related Party Transactions.* A governance structure consisting of the shareholders' Meeting, Board of Directors, Board of Supervisors has been established, forming a well-structured, clearly defined, balanced, and efficient governance system, to continually enhance governance transparency and effectiveness.

The Company prioritizes the effective implementation of governance policies. During the reporting period, in accordance with relevant laws, regulations, and regulatory requirements, and based on the actual operations, the Company revised and updated key governance documents such as the *Articles of Association, Rules of Procedure for the Shareholders' Meeting, Rules of Procedure for the Board of Directors,* and *Rules of Procedure for the Board of Supervisors*, further improving corporate governance standards.

To mitigate compliance risks related to related-party transactions and to regulate transactions between the Company and its related parties, the Company introduced the *Supplementary Guidelines for Group and Related Party Transactions* in 2024. This guideline outlines the principles, management processes, and execution requirements for related-party transactions.

Shareholders' Meeting

The Shareholders' Meeting is the highest authority of the Company. The Company strictly follows the *Rules for Shareholders' Meeting of Listed Companies,* the *Articles of Association,* and the *Rules of Procedure for the Shareholders' Meeting* to convene and hold the Shareholders' Meeting, ensuring that shareholders can lawfully exercise their rights and that all shareholders are treated equally. The Company also strives to facilitate shareholder participation, enabling them to fully exercise their rights. In 2024, the Company held two shareholders' meetings.

Board of Directors

The Board of Directors diligently implements the resolutions passed by the Shareholders' Meeting, fulfilling its duties and obligations with due diligence to ensure the Company's sustainable, healthy, and stable development. At the same time, the Board of Directors promotes the Company's standardized operations and protects the legitimate rights and interests of the Company and public shareholders. The Board of Directors consists of eight directors, including three independent directors, and has set up the Strategy and Sustainability Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Evaluation Committee. These Committees have clear responsibilities, each performing its respective duties, supporting the independent operation of the Company, effective checks and balances, and coordinated operations, driving efficient, scientific, and standardized production and business activities. In 2024, the Company held seven meetings of the Board of Directors.

Board of Supervisors

The Board of Supervisors is the supervisory body of the Company, responsible for overseeing major transactions, related-party transactions, financial conditions, and the legality and compliance of the duties performed by directors and senior management. The Board of Supervisors consists of three supervisors, including two employee representative supervisors. In 2024, the Company held six meetings of the Board of Supervisors.

For detailed information on corporate governance, please refer to the *Annual Report*, or visit the Company's official website . The Company's Shareholders' Meeting, Board of Directors, Board of Supervisors, and Special Committees are responsible for reviewing major matters related to the Company's development.

Board Diversity and Independence

The Company has revised and issued the *Working Rules of Independent Directors* to regulate the behavior of independent directors, fully leverage their role in corporate governance, and promote the improvement of the Company's quality. An independent director may serve as an independent director in no more than three domestic listed companies and should ensure that they have sufficient time and energy to effectively perform their duties as an independent director.

Board Independence	
The target share of independent directors on the board	The Company complies with the *Rules for Independent Directors at Listed Companies*, ensuring that independent directors make up no less than one-third of the Board of Directors.
The director must have no personal services contract(s) with the Company or a member of the Company's senior management.	Not Signed
The director must not be affiliated with a not-for-profit entity that receives significant contributions from the Company.	Not Applicable
The director must not have been a partner or employee of the Company's outside auditor during the past year.	No Accountability
The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.	No Conflict of Interest

The composition of the Company's Board of Directors fully considers diversity, continuously enriching the backgrounds of Board members to enhance the Board's competence and overall governance level. At the end of the reporting period, the Board of Directors consisted of eight members, who possessed strong professional backgrounds in the industry or extensive experience in corporate governance. Among them, there were 3 independent directors, who were experts in law, finance, and the industry. The Company has one female director, accounting for 12.5% of the total number of Board members.

The Company has established specialized committees within the Board, each with distinct responsibilities:

Committee	Responsibilities	Members		
		Name	Position	Expertise/Skills
The Strategy and Sustainability Committee	• Mainly responsible for conducting feasibility studies and providing recommendations on the Company's long-term development strategy, major strategic investments, operational risk management, ESG (Environmental, Social, and Governance) strategic goals and policies, etc., reporting work and being accountable to the Board of Directors.	Cao Renxian	Chairman, President	Industry Expert
		Gu Yilei	Vice Chairman, Senior Vice President	Industry Expert
		Zhang Xucheng	Director	Industry Expert
The Audit Committee	• Mainly responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work, and overseeing internal control activities. • All members are independent directors, including financial experts, legal experts, and industry experts, who provide recommendations on risk management in areas such as the Company's finances, legal matters, and industry development.	Gu Guang	Independent Director	Finance Expert
		Li Mingfa	Independent Director	Legal Expert
		Zhang Lei	Independent Director	Industry Expert
The Nomination Committee	• Mainly responsible for formulating the selection criteria and procedures for directors and senior management, and for selecting and reviewing the qualifications of candidates for directors and senior management positions. • Two-thirds of the members are independent directors, with an independent director serving as the chairman of the committee.	Li Mingfa	Independent Director	Legal Expert
		Gu Guang	Independent Director	Finance Expert
		Cao Renxian	Chairman, President	Industry Expert
The Remuneration and Evaluation Committee	• Mainly responsible for the remuneration and performance evaluation of the Company's directors and management. • Two-thirds of the members are independent directors, with an independent director serving as the chairman of the committee.	Zhang Lei	Independent Director	Industry Expert
		Li Mingfa	Independent Director	Legal Expert
		Cao Renxian	Chairman, President	Industry Expert

Board Effectiveness Assessment

In 2024, the Company's Board of Directors operated in accordance with the laws, regulations, and the *Articles of Association*, diligently executing the resolutions of the Shareholders' Meeting. The Company has established the *Working Rules of Independent Directors* to focus on the capability of independent directors. Independent directors may serve as independent directors in no more than three domestic listed companies, in compliance with the laws, administrative regulations, China Securities Regulatory Commission (CSRC) requirements, and stock exchange regulation rules.

During the reporting period, the attendance rate of the Board members was 100%. All directors performed their duties diligently, exercised their powers in accordance with regulations, and made full use of their professional knowledge and skills to provide scientific decision-making for the Company's major matters.

The Company's Annual Report provides detailed information in the chapters of *Directors' Performance of Duties During the Reporting Period* and *Operation of Special Committees under the Board of Directors During the Reporting Period*.

Compensation and Performance Evaluation

The remuneration of the Company's directors and supervisors is determined by the Shareholders' Meeting, while the remuneration of senior management is decided by the Board of Directors. Directors, supervisors, and senior management members receive remuneration based on their specific positions. The remuneration of directors, supervisors, and senior management is determined and distributed according to the Company's *Working Rules of Remuneration and Evaluation Committee*, which takes into account their performance, work capability, job level, and other performance criteria.

The total remuneration and shareholding status of each director, supervisor, and senior management member can be found in the *Annual Report*.

The Remuneration and Evaluation Committee is responsible for the remuneration and performance evaluation of the Company's directors and management. It makes recommendations to the Board of Directors regarding the remuneration of directors and senior management, the formulation or modification of equity incentive plans, employee stock ownership plans, and the conditions under which incentive recipients may exercise their rights. The Committee also advises on matters such as the proposed stock ownership plans for directors and senior management in the event of a potential spin-off of subsidiaries.

The remuneration plan for the Company's directors proposed by the Remuneration and Evaluation Committee must be approved by the Board of Directors and then submitted to the Shareholders' Meeting for review and approval before it can be implemented. Shareholders have the right to vote on remuneration-related matters, with voting taking place once a year. The scope of shareholder voting on remuneration matters includes all directors on the Board. The remuneration distribution plan for senior management must be approved by the Board of Directors and fully disclosed.

Investor Relations Management

Information Disclosure

The Company strictly adheres to the *Regulations for Information Disclosure by Listed Companies* and fulfills its information disclosure obligations. In 2024, a total of 214 materials were disclosed, including four periodic reports, 130 temporary announcements, and 80 other materials. All announcements were disclosed truthfully, accurately, timely, completely, and fairly, with zero corrections, demonstrating excellence in information disclosure. The Company's information disclosure has received high recognition from regulatory authorities. In the information disclosure rating evaluation conducted by the SZSE, the Company has achieved the highest rating of A (Excellent) for three consecutive years.

Investor Protection

In 2024, the Company revised the *System of Investor Relations Management* to strengthen effective communication between the Company and investors, improve the quality of governance, and protect the legitimate rights and interests of investors, especially small and medium-sized investors. The Company has dedicated positions and personnel to maintain communication with investors, securities analysts, and other parties to ensure they fully understand the Company's strategy, operations, and development dynamics. The Company serves investors through various channels, including online earnings conference calls, investor meetings, investor hotlines, emails, and the website, proactively and thoroughly communicating the Company's information to the capital markets and investors.

The Company fully protects the rights of small and medium shareholders. The Shareholders' Meeting adopts a cumulative voting system, combining on-site voting with online voting, allowing all small and medium shareholders to participate and exercise their voting rights. In 2024, the Company conducted four institutional surveys and held online earnings conference calls for the results of 2023 and the first quarter of 2024. Through the SZSE Investor Relations Interactive Platform, the Company promptly responds to investor inquiries and maintains communication and exchange both online and offline regarding topics of concern to investors, such as corporate governance, development strategies, business conditions, sustainability, and production operations, ensuring that all types of investors can fairly access the Company's operational and development information.

At the same time, the Company strictly implements the *Guideline No. 5 for Companies Listed on Shenzhen Stock Exchange – Insider Information and Insider Registration System* to standardize the reporting, transmission, and confidentiality procedures for major internal information, ensuring the safety of insider information. This is beneficial for the Company's shareholders to timely understand and grasp the Company's operational dynamics, financial status, and the progress of major matters, effectively safeguarding the legitimate rights and interests of investors.

02

Business Ethics

Governance

Anti-corruption

The Company maintains a "zero-tolerance" stance towards corruption, strengthening deterrence to ensure that employees "dare not engage in corruption," reinforcing systems that make it "unable to corrupt," and fostering a self-discipline mindset where employees "do not wish to corrupt." This approach guarantees that the Company's operations remain compliant, orderly, and efficient. The Audit Committee, a board-level committee within the Board of Directors, serves as the highest governing body for anti-corruption initiatives. The committee holds overarching responsibility for integrity-building across all business units, including supervising and implementing internal audit mechanisms and formulating guiding policies for anti-corruption efforts. The Company operates an independent Audit and Inspection Department, which autonomously conducts audits and inspections, establishing a comprehensive set of anti-corruption regulations and procedures. The department investigates employees who violate the Company's integrity management policies and reports quarterly to the Audit Committee on anti-corruption work.

The Company strictly adheres to relevant laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Company Law of the People's Republic of China* and actively builds an anti-corruption prevention system. Internal documents, such as the *Code of Conduct for Middle and Senior Management,* the *Internal Aduit System,* the *Regulations of Internal Audit and Inspection Management,* the *Regulations of Employee Integrity and Self-Discipline Management, Anti-Corruption Management Policy,* the *Regulations of Whistleblowing and Appealing Management, Integrity, Compliance, and Self-Discipline Commitment Letter, and Code of Conduct for Compliance*, are established to ensure there are clear guidelines for anti-corruption work.

All employees are required to sign the *Integrity, Compliance and Self-Discipline Commitment Letter* before joining the Company, with a 100% signing rate, and this is incorporated into employee performance management. In 2024, the Company established the *Guidelines for Integrity and Compliance Advocates* and the *Gift Management Regulations*, thereby strengthening internal risk control coverage, enhancing risk management maturity, and effectively mitigating the risk of employee corruption.

Anti-bribery

The Company remains steadfast in its commitment to compliant operations and maintains a zero-tolerance stance toward all forms of bribery. We adhere to applicable anti-bribery laws, regulations, governmental policies, international conventions and treaties, as well as internal control policies across all jurisdictions in which we operate. Integrity and honesty underpin our business conduct, and we consistently uphold the highest standards of ethical behavior.

The Company's Legal and Compliance Department is responsible for overseeing anti-bribery matters and regularly reports to the designated Vice President. To guide business conduct, the Company has established the *Anti-Bribery Compliance Guidelines*, which outline common bribery-related scenarios and corresponding compliance requirements. The *Guidelines* emphasize the need to strengthen bribery controls across operations, including enhanced oversight of third-party partners, reinforced employee management, internal audit and control measures, as well as proper maintenance of accounting books and records.

To implement anti-bribery compliance requirements, the Company has optimized its gift application and reimbursement processes, ensuring that all exchanged gifts conform to accepted norms and reasonable value standards. In addition, the Company conducts regular identification of anti-bribery compliance obligations through risk register management, assesses related risks, implements control measures, and periodically tests their effectiveness.

Business Ethics Risks Management

The risks and opportunities associated with business ethics include legal and regulatory violations, conflicts of interest, and information leaks. The operation of the Company's business ethics system, in the long run, yields greater benefits than costs, which can be reflected in the following aspects:

- Reducing Direct Losses: In the absence of effective management of business ethics, the Company may face substantial fines for regulatory violations, high penalty fees for breaching commercial agreements, employee corruption and embezzlement due to inadequate internal controls, and related litigation costs. Effective management of business ethics can significantly reduce these direct losses.
- Creating Long-Term Value: A sound business ethics management system conveys corporate values, demonstrates the Company's commitment to responsibility, enhances stakeholder trust—particularly among customers—and strengthens brand reputation and market competitiveness, thereby attracting more clients and investors.

To address the risks related to business ethics, Sungrow has implemented a three-line defense risk prevention and management mechanism involving the Business Departments, Legal and Compliance Department, and Audit and Inspection Department.

Whistleblowing & Appealing Mechanism

The Company has established the *Regulations of Whistleblowing and Appealing Management*, creating efficient, accessible, and transparent reporting channels. Whistleblowers can report violations of business ethics 24/7 by/through telephone hotlines, mobile apps, WeChat, or email. The Audit and Inspection Department, in accordance with the *Regulations of Internal Audit and Inspection Management*, handles all reports and complaints regarding breaches of business ethics, or actions that harm the interests of the Company, its employees, or partners, and assigns relevant departments to investigate and address these issues. The Audit and Inspection Department reports its findings to the Audit Committee on a quarterly basis.

If the whistleblower disagrees with the handling results, they have the right to request a ruling from the department's supervising leader, ensuring a fair and just resolution process.

Sungrow Whistleblowing Hotline: 0551-65327830

TEL (same as WeChat): 18655168110

Email: complain@sungrowpower.com

Reporting Address: Room 606, Audit and Inspection Department Office, A1 Building, Sungrow Headquarters, No. 1699 Xiyou Road, High-tech Zone, Hefei

The Company offers rewards and protection to whistleblowers who provide valid leads and evidence that help verify violations. Whistleblowers will receive substantial rewards based on an appropriate percentage of the verified amount. The Company ensures strict confidentiality of whistleblowers' information and guarantees the personal safety and legal rights of whistleblowers, informants, and their close family members. No one is allowed to discriminate against or retaliate against whistleblowers, and violators will face severe penalties according to the *Regulations of Employee Reward and Punishment Management*. If a violation constitutes a criminal offense, it will be referred to the national judicial authorities for further action.

The Company also protects the legal rights of individuals who are the subject of reports. In accordance with the *Regulations of Whistleblowing and Appealing Management*, the Company is committed to combating malicious or false accusations. If necessary, the Company will clarify and explain to the accused and their unit, and take corrective actions, including eliminating adverse impact, restoring the individual's reputation and providing economic compensation to safeguard their legal rights.

During the reporting period, a total of 25 whistleblowing and complaint cases were received through the whistleblowing and appealing mechanism. All 25 cases were handled or reviewed, resulting in a 100% resolution rate. The Company's Audit and Inspection Department was responsible for following up each case through to closure.

Whistleblowing and Appealing Handling Process

Complaint acceptance	Responsible department: **Audit and Inspection Department**	Processing cycle: **2 working days**
Complaint transfer	Responsible department: **Audit and Inspection Department**	Processing cycle: **1 working day**
Case investigation	Responsible department: **Investigation Department** Audit and Inspection Department /Finance Center/Legal and Compliance Department/Human Resources Center/Quality Management Center/Process and Digitization Center	Processing cycle: **up to 6 months**
Results feedback	Responsible department: **Centralized Investigation Department/Responsible Leader**	Processing cycle: **3 or 5 working days**

Business Ethics Audit

The Company's Audit and Inspection Department, in accordance with the *Internal Audit System*, conducts specialized audits across various functional centers, business units, and subsidiaries. The audit plan covers all core businesses and operational points every two years, with audits for 2024-2025 encompassing all main business operations and locations. The audit scope includes asset and resource audits, business and management audits, investment audits, financial audits, performance audits, exit audits for key personnel, engineering audits, infrastructure audits, logistics audits, and compliance with policies such as anti-corruption management policy. The Department also handles complaints related to violations of business ethics (including corruption and bribery) that harm the interests of the Company, employees, and partners, and coordinates with relevant departments for investigation and resolution. Through comprehensive internal control audits, specialized audits, and investigations into unethical conduct, the Audit and Inspection Department continuously enhances the Company's risk management and internal control systems.

During the reporting period, the Audit and Inspection Department completed over 40 audit and inspection projects and terminated the labor contracts of 19 individuals, 6 of whom were referred to the judiciary. The following is a summary of the violations related to corruption or bribery, discrimination or harassment, customer privacy data, conflicts of interest, and other issues that occurred within the Company in 2024.

Types of Violations(Internal)	Number
Corruption or Bribery	16
Discrimination or Harassment	0
Customer Privacy Data Leaks	0
Conflicts of Interest	2
Money Laundering or Insider Trading	0

The Company remains committed to the principle of integrity in operations, reinforcing its anti-corruption defenses through regular audits and inspections. During the reporting period, violations identified were individual actions taken by employees who were fully aware of the Company's regulations. Cases involving criminal offenses were already duly referred to judicial authorities in accordance with the law.

The Company upholds a zero-tolerance attitude toward any violations, investigating and addressing each case once identified. It continues to improve preventive mechanisms through case-based warning education and optimized reporting channels, promoting professional integrity and safeguarding a healthy corporate ecosystem.

Business Ethics Culture and Training

The Company conducts anti-corruption and integrity education for its employees and partners through training, awareness campaigns, and other initiatives, fostering a culture of self-discipline and integrity. Between October and November 2024, 16 senior executives of the Company were invited to participate in integrity and compliance interviews, with the videos recorded and shared through the Company's internal communication platform to all employees, effectively conveying the Company's integrity and compliance requirements.

In 2024, the Company conducted training on anti-corruption and business ethics standards for all employees, including contractors, part-time employees and interns, achieving a 100% coverage rate.

- Specialized Business Ethics Training: In 2024, the Company organized 101 sessions of anti-corruption training and educational activities. Additionally, specialized business ethics training was provided to all new employees, achieving 100% coverage.
- Business Ethics Exams: The Company regularly conducts exams about systems of internal management. In 2024, exams were held on policies such as the *Regulations of Whistleblowing and Appealing Management* and the *Confidentiality Management Measures for Confidential Personnel*, covering all employees.
- Online Business Ethics Courses: The Company launched courses on the Sungrow e-learning platform, such as the *Regulations of Employee Integrity and Self-discipline Management* and *Anti-commercial Bribery Compliance,* providing learning resources to all employees.
- Other Initiatives: The Company created the Integrity Sungrow WeChat public account, with six articles on integrity published. Additionally, a Compliance Service column was launched on the internal office platform, which posted over 20 articles, covering topics such as holiday integrity reminders, case-based warnings, and legal regulations awareness campaigns.

In July 2024, the Company organized a seminar on the theme "Collaborative Development for Compliance, Building Capacity to Control Risks," focusing on anti-bribery issues. The event featured senior lawyers from a law firm who delivered a specialized lecture on "Anti-commercial Bribery Laws and Judicial Practices in China and Key Global Jurisdictions."

Anti-Unfair Competition

The Company complies with antitrust laws, anti-unfair competition laws, and other regulations related to market competition in the jurisdictions where it operates. It actively participates in establishing and maintaining a fair and orderly market environment, working to prevent and resist monopolistic practices, abuse of market dominance, and anti-competitive behaviors such as mergers and acquisitions that harm market competition.

The Company has established the *Fair Competition and Anti-Monopoly Compliance Management Measures*, which require the prevention and avoidance of misconduct such as abuse of market dominance, false advertising, infringement of trade secrets, and unlawful business concentrations. These measures aim to ensure full legal and regulatory compliance across our global operations. In addition, the Company regularly identifies obligations under anti-unfair competition laws through a compliance risk register, evaluates relevant risks, and implements targeted risk mitigation measures with periodic effectiveness testing.

The Company's relevant departments, including branding, marketing, sales, and other functions, implement fair competition compliance requirements in business systems and practical operations. They ensure adherence to the principles of fair competition and work to prevent unfair competitive practices. Upon identifying related risks or discovering compliance issues, these departments promptly report them to the Company's Legal and Compliance Department, collaborating to prevent risks and address incidents effectively.

03

Compliance and Risk Management

Governance

Compliance as the Foundation, Progressing with Excellence. Sungrow has always placed great importance on compliance management. In 2024, the Company introduced the compliance culture of "Lawful and Compliant, Transparent and Open, Everyone Engaged, Continuous Improvement," which, alongside its digital and quality cultures, forms the three core professional cultures at Sungrow. This compliance culture is a key component of the Company's overall culture, and is being progressively implemented at all levels to ensure the Company's sustainable and steady development. The Company's compliance strategy is structured in three phases: the foundational improvement phase, the development and enhancement phase, and the value creation phase.

Foundation Improvement Phase: Ensuring the certification of the compliance management system in key compliance areas, building the framework of foundational compliance, implementing requirements of compliance management, embedding compliance into business processes, and establishing a compliance culture to support business development.

Development and Enhancement Phase: Implementing comprehensive compliance risk management, strengthening compliance reviews, conducting compliance performance management, promoting a culture of compliance across the organization, and building a positive ecosystem for overall compliance management.

Value Creation Phase : Setting a benchmark for compliance management in the renewable energy industry, enhancing brand reputation through compliance, boosting corporate competitiveness, and creating value for business development through compliance.

The Board of Directors and the Board of Supervisors serve as advocates and overseers of compliance management. The Chairman is responsible for defining the guiding principles, core policies, and overall direction of compliance management. The Vice President in charge drives the enhancement of the compliance management system, approves system development plans and annual work programs, and leads the response to major compliance risks. The Legal and Compliance Department is responsible for organizing and developing the compliance framework, establishing policies, ensuring implementation, and fostering a culture of compliance across the Company. Integrity and compliance officers, as well as liaison personnel, act as advocates within a virtual organization, collaborating with the Legal and Compliance Department to carry out compliance initiatives within their respective subsidiaries and departments.

Case

Integrity and Compliance Liaison

Integrity and Compliance Liaisons are part-time roles appointed across all Company departments and subsidiaries. These liaisons serve as connectors between their respective departments or subsidiaries and the Group's Legal and Compliance Department and Audit and Inspection Department. They are responsible for implementing integrity and compliance initiatives locally, promoting adherence to compliance requirements throughout business activities, and encouraging a culture of Company-wide compliance and accountability. Integrity and Compliance Liaisons are subject to a structured performance evaluation and incentive mechanism. Performance is assessed using a point-based system accumulated quarterly. Liaisons, ranking in the top 80% of the point distribution, receive quarterly stipends. As of the end of 2024, there were 38 appointed Integrity and Compliance Liaisons across the Company.

In alignment with the Company's fundamental compliance policies—the *Corporate Compliance Management Measures* and the *Code of Conduct*—and with reference to international standards such as ISO 37301, the Company continues to design, refine, and operate a robust compliance management framework. In 2024, the Company successfully obtained ISO 37301 certification for its compliance management system. This certification enhances the Company's internal governance framework, improves operational efficiency, strengthens risk mitigation capabilities, and demonstrates strong corporate governance. It also communicates a positive compliance message to business partners, external rating agencies, and regulatory authorities, fostering their trust in the Company's commitment to responsible conduct.

Compliance Risk Management

Risk management helps businesses reduce operational risks, minimize financial losses, better adapt to changes in the external environment, and enhance the company's resilience to risks. In accordance with the *Corporate Compliance Management Guidelines*, the Company adopts a three-line defense compliance risk control mechanism, involving the Business Departments, the Legal and Compliance Department, and the Audit and Inspection Department.

First line of defense

Each functional department and business unit
Assume primary responsibility for ensuring compliance within its respective area

Second line of defense

The Legal and Compliance Department
Leads and organizes compliance management efforts, supervises the functional departments and business units in fulfilling their compliance responsibilities, and regularly reports compliance issues to the Company's relevant vice president

Third line of defense

The Audit and Inspection Department
Responsible for supervising the compliance duties of the functional departments and the Legal and Compliance Department within its authority, handling compliance-related reports, and organizing or participating in investigations into violations

To address specific compliance risks, the Company has innovatively implemented an integrated risk management approach referred to as the "multi-list integration" model. This involves the establishment of comprehensive *Compliance Obligation Identification and Compliance Risk Assessment Checklists* across 20 key compliance areas, covering more than 300 distinct compliance risk items. These 20 key compliance areas include: occupational health and safety, work safety, environmental protection, intellectual property, trade secrets, tendering and procurement, business partners, tax and financial compliance, anti-money laundering, asset use and management, data and information security and privacy protection, trade controls, anti-corruption and anti-bribery, conflict of interest, labor and employment, corporate governance, investment and financing, fair competition and anti-monopoly, product quality and safety, and customs compliance.

Compliance Obligation Identification and Risk Assessment Approach (as outlined in the *Compliance Obligation Identification and Compliance Risk Assessment Checklist*):

① Compliance Obligation Identification	• Determine the sources of obligations, including mandatory requirements and voluntary commitments. • Systematically identify, categorize, and organize compliance obligations across the Company's operations.
② Compliance Risk Assessment	• Classify risks by category: criminal, administrative, civil, and other categories. • Apply a 1-3-5 scoring system to scientifically assess both the likelihood and potential impact of risks, forming an overall risk rating (low, medium, and high). • Implement risk-based tiered management and establish monitoring mechanisms for key risk items. • Adopt differentiated management strategies for priority areas.
③ Compliance Risk Response	• Develop targeted response measures based on risk assessments, with regular validation and effectiveness testing. • Clearly assign responsibilities to specific departments, positions, and individuals to ensure that mitigation measures are precise, effective, and timely, with robust control over identified risks.

By conducting validation and testing of control measures across these key compliance areas, the Company continuously refines relevant systems and processes to ensure effective implementation of compliance management. Looking ahead, the Company will promote the digitalization of the checklist system to enable compliance risk control measures that are monitorable, auditable, and assessable.

In 2024, the Company did not experience any medium- or high-risk compliance incidents, and overall operations remained stable.

Compliance Culture

Compliance in Action, Compliance in Heart; Nurtured Like Spring Rain, Focusing on Long-term Strength. The effective dissemination of a compliance culture can drive a positive shift in employees' mindset from "compliance is required of me" to "I choose to comply." To enhance overall compliance awareness and foster a strong compliance culture, the Company conducts compliance culture training and educational activities for all employees, creating a "2+1+X" compliance culture activity matrix.

"2+1+X" — The "2": Compliance Training + Compliance Courses

Focusing on key compliance areas such as anti-bribery, trade controls and sanctions, data and information security, fair competition, and antitrust, the Company organized multiple specialized compliance training sessions using a combination of online and offline formats. These sessions covered regulatory status, typical violations, and compliance essentials, and were open to all employees. To enhance interactivity and asynchronous learning, the Company developed several compliance courses, which were uploaded to the internal learning platform "Sungrow e-Learn." An incentive-based points system was introduced to encourage all employees to actively engage with the content.

"2+1+X" — The "1": Integrity and Compliance Series Activities

In the fourth quarter of 2024, the Company launched the inaugural Integrity and Compliance Series under the theme "Make Compliance the Standard, Integrity the Habit." This initiative was led by Company management, with active employee participation, bringing compliance culture into daily work and life. The offline integrity and compliance activities included the following modules:

- "Integrity and Compliance in Your Mind": Through submissions via WeChat public account, external partners and employees are encouraged to share their insights and perspectives on integrity and compliance, expressing their thoughts on the subject.
- Integrity and Compliance Online Quiz: Using a competitive quiz format, employees are assessed on their understanding of the Company's integrity and compliance management knowledge, deepening their comprehension of the topic.
- Integrity and Compliance Messages from Management, Integrity and Compliance Interviews with Executives: Senior management calls on all employees to uphold integrity and compliance standards and contribute to building a culture of compliance, emphasizing the value of integrity and compliance work, and setting expectations for both managers and employees.
- "I Am Sungrow's Idea Contributor": A platform for collecting integrity and compliance suggestions, where employees can freely express their views, ideas, and expectations regarding integrity and compliance.
- Offline Integrity and Compliance Activities: Activities include a culture wall check-in, integrity and compliance signature campaign, and interactive games, allowing employees to experience the positive atmosphere of a strong integrity and compliance culture.

"2+1+X" — The "X": Daily Promotion and Education

- Operate an internal compliance service account, regularly pushing original compliance knowledge content to all employees both domestically and internationally.
- Share compliance news, professional knowledge, and research reports periodically on the internal platform "Sungrow Risk Control Circle."
- Conduct compliance knowledge tests to assess employees' understanding of compliance topics.
- Host internal live broadcasts to share the latest compliance updates and knowledge.

Case

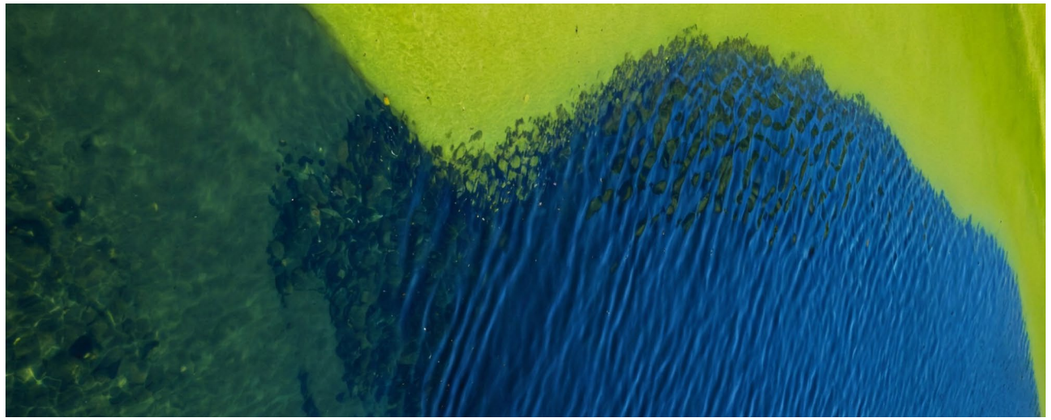
Thematic Compliance Workshop — Driving Compliance through Collaborative Development, Strengthening Risk Control through Capability Building

In July 2024, the Company organized a thematic compliance workshop under the theme—Driving Compliance through Collaborative Development, Strengthening Risk Control through Capability Building. The event featured expert lectures from senior lawyers of partner law firms on key topics such as anti-commercial bribery, trade controls, and corporate law. In addition, representatives from relevant internal departments shared insights based on their practical experience, with topics including Trends and Challenges in Compliance Management, Emerging Trends in Overseas Contract Risks, and Innovation and Intellectual Property Protection.

The event was met with enthusiastic feedback from participants, who expressed high recognition and appreciation for both the organization and content of the workshop.

04

R&D and Innovation



Governance

The Company is centered on clean power conversion technologies and remains focused on key sectors within the clean energy landscape, including solar power, wind energy, energy storage, electric vehicles, and hydrogen energy. By closely tracking emerging trends in the energy ecosystem, the Company is committed to deepening its expertise in power conversion technologies and continuously expanding its competitive edge. Efforts are consistently directed toward strengthening technological leadership, product performance, talent density, and intellectual property portfolio, with the goal of achieving original technological breakthroughs and firmly establishing its reputation as a technology-driven leader.

The Company places great emphasis on building independent innovation capabilities and has established six major R&D centers worldwide in Hefei, Shanghai, Nanjing, Shenzhen, Germany, and the Netherlands. The Company continuously enhances its R&D organizational structure, management systems, and processes, driving innovation across the entire value chain — from product development and engineering design to intelligent manufacturing and digital management. Existing product lines are constantly upgraded, ensuring continuous product iteration and advancement.

Throughout the entire lifecycle — from new product project initiation and development to production, sales, transportation, maintenance, and end-of-life management — the Company adheres to principles of continuous technological innovation, cost reduction in product development and operations, improved energy efficiency, and ongoing integration of eco-design into R&D, actively fulfills its social responsibilities in design and R&D processes, supporting sustainable and green development.

The Company's R&D structure consists of the Central Research Institute and dedicated R&D systems within each business unit.

The Central Research Institute focuses on cutting-edge technology research, addressing key technical challenges, and establishing high-value intellectual property portfolios in the early stages. It provides robust platform services and innovative management mechanisms to support product and technology development across the Company, while also nurturing and developing high-caliber R&D and management talent, continuously strengthening the Company's core technological competitiveness.

Each business unit has established independent platform R&D teams and business-oriented R&D teams. The platform R&D teams focus on developing general-purpose technologies and tackling technical challenges, while the business R&D teams are responsible for customized, business-driven innovation. Technologies required for critical projects are broken down and allocated to ensure accountability, with the completion rates of key project milestones incorporated into the performance evaluations of business unit leaders and relevant R&D personnel.

The Company adopts the Integrated Product Development (IPD) framework as its core management process, and tailors it to specific business needs by integrating requirements from Advanced Product Quality Planning (APQP) and the Capability Maturity Model Integration (CMMI). Different R&D projects apply different combinations of these methodologies, thereby enhancing the system's effectiveness in areas such as quality control, process standardization, risk management, cross-functional collaboration, and resource integration throughout the R&D process.

In addition, the Company has established an Integrated Portfolio Management Team (IPMT), comprising leaders from R&D, manufacturing, finance, marketing, human resources, and strategy. This team is responsible for defining overarching strategic goals and steering the Company's R&D direction. Furthermore, an Integrated Technology Management Team (ITMT) has been set up to formulate the Company's 3–5 year technology development strategy, define the focus areas for major technological breakthroughs over the next 2–3 years, and develop corresponding technology roadmaps, while providing technical guidance and decision-making support to R&D teams across all business units.

R&D Investment

The Company continues to strengthen its technological capabilities by increasing R&D investment, enhancing the development of its high-end scientific and technological talent pool, and maintaining long-term innovation momentum. In 2024, the Company's R&D investment reached RMB 3.16 billion, representing a year-on-year growth of 29.3%. By the end of 2024, the Company employed 6,989 R&D and technical personnel, accounting for 40.4% of the total workforce. The number of employees holding doctoral degree reached 138, reflecting a year-on-year increase of 55%.

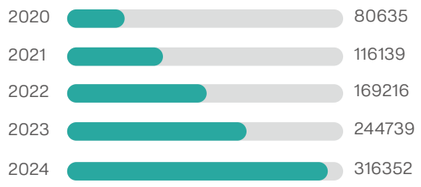
The amount of R&D investment in 2024 (RMB10,000)

316352

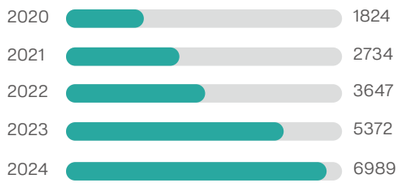
The number of R&D and technical personnel in 2024

6989

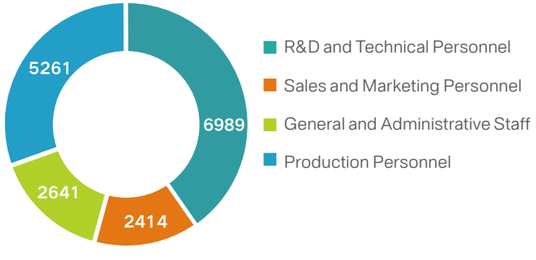
The amount of R&D investment (RMB10,000)



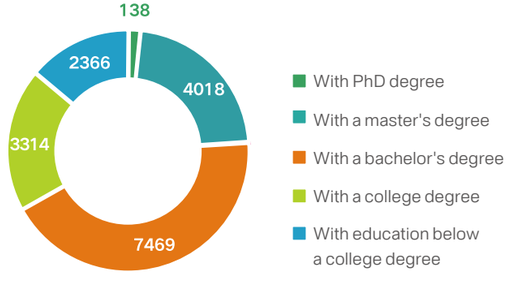
The number of R&D and technical personnel



Employee Categorization (by Function)



Employee Categorization (by Education Level)



Product Innovation

With the strong support of its R&D system and sustained high-level investment in research and development, Sungrow is driving continuous technological innovation and product advancement, contributing to the high-quality development of the industry.

1.Energy Storage Combustion Test

In June 2024, Sungrow proactively initiated a combustion test of the PowerTitan 1.0 prototype, announcing the completion of the world's first large-scale combustion test for an energy storage system. In November, the Company invested RMB 30 million to conduct a real-life combustion non-spreading test of the 20MWh PowerTitan 2.0, witnessed by DNV in Norway and over 100 global clients.

Compared to the conventional industry combustion tests lasting 4-8 hours, this challenge extended the test duration by 3-6 times. After 25 hours and 43 minutes of uninterrupted combustion, the structure of the single cabinet in thermal runaway remained intact, and the system could still be hoisted as a whole. The fire did not spread outward, demonstrating the explosion venting design, fire-retardant capability, and shock resistance of PowerTitan 2.0.

Simulating extreme conditions, the test involved four storage cabinets, each fully charged at 100% capacity, with only a 15cm gap between Cabinet A and Cabinet B—this distance is at the extreme limit (industry standard for actual power plants typically has a 3-meter gap). The test results showed that the thermal runaway of Cabinet A did not spread to the nearby Cabinet B. Even when the flame temperature in Cabinet A reached 1385°C, the battery cells in Cabinet B remained within the normal 40°C range, proving the excellent fire resistance and heat insulation capability of PowerTitan 2.0 under extreme spacing.

During the test, all fire suppression systems in the cabinets were deliberately turned off, placing the cabinets in an unprotected state, which significantly increased the safety risk. However, thanks to the passive fire protection structural design, all four storage cabinets' doors remained undamaged, and the spread and destructive power of the fire were minimized. This demonstrated the energy storage system's strong autonomous response capability when faced with extreme fire situations.

2.PowerStack 835 CS

Sungrow's first liquid-cooled C&I energy storage system tailored for 10/20kV large industrial scenarios — PowerStack 835CS — marks the beginning of a new era of scenario-specific customization in the C&I storage market. Designed to meet the growing demands of large industrial users for enhanced cost-effectiveness, convenience, and safety in energy storage, the new system features an industry-leading suite of technologies and solutions, including an optimal 836kWh capacity, AC-coupled architecture, stem-cell grid technology, and a customized EMS. With improved economics, easier operation, and higher safety, PowerStack 835CS is redefining the energy experience for large industrial users.

The system adopts an AC storage architecture with a one-cluster-one-PCS design, enabling full charging and discharging cycles. It integrates AI-powered bionic thermal balance technology that intelligently detects cell conditions, ambient temperature, and operational states. Three automatic temperature control modes — rapid cooling, precision cooling, and heating — help reduce overall energy consumption by 45% and extend system lifespan by 2 years. Thanks to these innovations, PowerStack 835CS achieves a system round-trip efficiency of up to 90.5%, with total discharged energy over its lifecycle increased by more than 8%.

3.All-Scenario Grid-Forming Validation for PV-Storage Systems

In March 2024, Sungrow's "Stem-Cell Grid Technology" received the industry's first all-scenario grid-forming performance verification report for solar-plus-storage systems, setting a benchmark for technological innovation and engineering application in grid-forming solutions.

At the Yanweijuyan Solar Plant operated by SPIC Gansu Branch, an expert panel established a comprehensive test environment for grid-forming PV-plus-storage systems. The Sungrow system underwent a rigorous evaluation across seven major categories and sixteen sub-items, covering grid scenarios such as ultra-weak grids, weak grids, strong grids, and off-grid conditions.

Key performance aspects assessed included autonomous voltage establishment, power quality, and short-circuit ratio adaptability. The results validated the system's all-scenario grid-forming capabilities, including enhanced continuous high/low voltage ride-through, flexible inertia support, microsecond-level voltage construction, and rapid black start. These capabilities are expected to play a critical role in building a new power system with renewable energy as the core.

4.300Nm³/h PEM Electrolyzer

At the Smart Energy Week 2024 H_2 & FC EXPO in Japan, Sungrow Hydrogen unveiled its 300Nm³/h PEM electrolyzer. This cutting-edge system features a patented sealing structure with a working pressure of up to 3.5MPa. Its innovative integrated design and multifunctional flow field significantly reduce the rated DC electricity consumption to below 4.15kWh/Nm³ H_2. The system offers a load adjustment range of 5%-110% and a load adjustment rate of 10%/s, making it particularly advantageous in scenarios requiring dynamic performance tuning. Additionally, it employs a multi-gradient coating structure, enhancing corrosion resistance and greatly extending the electrolyzer's lifespan.

As the global hydrogen industry accelerates, its application spans various fields, with offshore wind-powered hydrogen production accounting for approximately 50% of the total global electrolytic hydrogen project reserves. In the current green hydrogen market, flexible hydrogen production technology is better suited to adapt to fluctuations in wind and solar power, operating stably at low power. This technology has already been applied in several domestic centralized alkaline water electrolysis and distributed PEM electrolysis hydrogen production systems. Sungrow Hydrogen has integrated dynamic scenarios with its intelligent hydrogen energy management system, vividly demonstrating how flexible hydrogen production systems powered by renewable energy can optimize operations in multiple scenarios and variable power conditions. The Company's strategic investments and initiatives in clean technologies such as hydrogen energy are detailed in the "Opportunities in Clean Technology".

Intellectual Property Management

The Company is committed to the philosophy of Intellectual Property Safeguarding the Sungrow Business, implementing comprehensive intellectual property (IP) management and protection services. To strengthen IP governance, the Company has established an Intellectual Property Center, a Decision-Making Committee, and a Review Committee. It has also developed key policies such as the *Patent Application Management Regulations, Patent Operations Management Regulations,* and *Patent Incentive Management Regulations*, forming a robust IP strategy and regulatory framework to enhance intellectual property protection.

In 2024, the Company introduced the *Regulations of Business Cooperation Logo Usage Management* to standardize the trademark review process for using client logos in business collaborations. This policy aims to mitigate trademark infringement risks, protect the Company's reputation, and safeguard the brand image.

In 2024, the Company submitted 2,177 new patent applications. As of the end of 2024, the total number of valid patent applications reached 9,401, including 8,145 domestic applications and 1,256 international applications. The total number of granted patents is 5,082, reflecting a growth of 23.3%. Among the granted patents, 1,786 are invention patents, accounting for 35.1% of the total.

Total number of valid patent applications in 2024

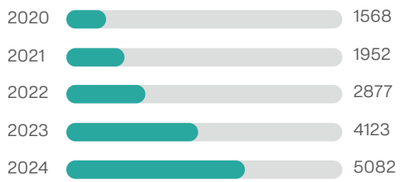
9401

Total number of granted patents in 2024

5082

Total number of valid patent applications

Total number of granted patents



The Company has established a comprehensive patent early warning system. It regularly publishes patent alert reports and patent technology landscape surveys to support research and development strategy planning. The Company also conducts patent risk searches and analyses to reduce the risk of product infringement. A dedicated intellectual property and legal team has been formed to proactively address intellectual property disputes and fully protect the Company's legitimate interests.

In 2024, the Intellectual Property (IP) Center completed 6 key patent analysis reports, thoroughly exploring patent accumulation and technological distribution in these areas. The reports analyzed the Company's strengths and weaknesses in respective technical fields, supporting research and development (R&D) innovation. Additionally, the IP Center organized 80 patent interpretation and exploration activities.

To enhance employee awareness of intellectual property protection, the Intellectual Property Center organized a series of training programs along with the themed campaign “Creativity and Protection: The Beauty of Design and the Power of Intellectual Property.” In addition, external experts are regularly invited to deliver role-specific training sessions for IP engineers, supporting the development of specialized competencies.

After years of continuous efforts, the IP Center has deeply instilled the awareness of intellectual property protection in all employees. IP-related activities have been fully integrated into the entire product development process, achieving a shift in mindset from “I have to apply” to “I want to lay out a strategy.” This shift not only enhances the Company's innovation capacity and core competitiveness but also lays a solid foundation for its sustainable development.

Case

TRIZ Project

TRIZ, or Theory of Inventive Problem Solving, is a comprehensive innovation problem-solving theory that provides feasible paths, models, and tools for addressing various conflicts and issues during the innovation process. In 2021, the Company introduced the TRIZ innovation methodology, establishing a talent development system to assist various business units in solving technical challenges, generating project outcomes, enhancing R&D employees' ability to identify, analyze, and resolve problems, and broadening innovative thinking.

From 2021 to 2024, over four years and six training sessions, the TRIZ project has produced a series of significant outcomes:

Key Achievements

- Creative Proposals: 300+ proposals generated, with 24 validated solutions, leading to economic benefits exceeding RMB100 million, and 140+ patents produced.
- Training Camp Participation: 200+ participants, with 121 obtaining international Level 1 certifications.
- Internal TRIZ Trainers: 15 internal trainers developed.
- TRIZ Course Development: Sungrow TRIZ Innovation Course created.

TRIZ Project in 2024 enrolled 42 participants of whom 29 obtained Level 1 certification. The camp produced 65 solutions and 28 patents.

Industry-Academia-Research Collaboration

The Company leverages its position as an industry leader to continuously drive industry development through various initiatives. These include establishing industry collaboration platforms, advancing technological progress, leading and participating in the revision of national and international standards, and strengthening industry-academia-research partnerships. In 2024, the Company participated in and led the development of 18 standards, 10 of which were national standards. By the end of 2024, the Company has been involved in the formulation of 97 standards, including 45 national standards.

National Standard	GB/T 36547-2024	Technical requirements for connecting electrochemical energy storage station to power grid
National Standard	GB/T 44113-2024	Specification of grid connection management for user-side electrochemical energy storage system
National Standard	GB/T 44026-2024	Technical specification for prefabricated cabin type lithium ion battery energy storage system
National Standard	GB/T 36548-2024	Test code for electrochemical energy storage station connected to power grid
National Standard	GB/T 44228.1-2024	Smart photovoltaic power station—Part 1: General
National Standard	GB/T 44650-2024	Testing code for grid performance of inverter in photovoltaic power station based on hardware-in-the-loop simulation
Energy Sector Standard	NB/T 11680-2024	Code of planning and Design of High Penetration Distributed Renewable Energy Generation cluster System

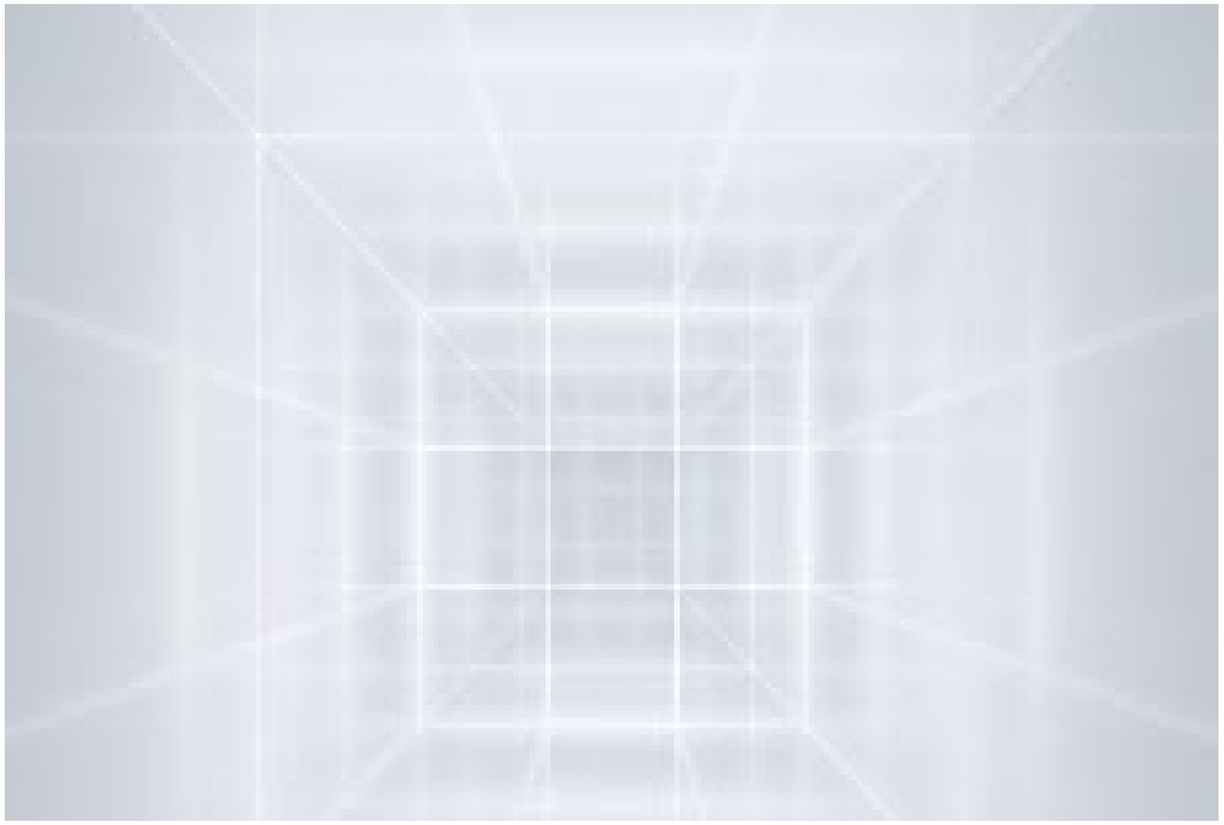
The Company has established documents such as the Regulations of Industry-Academia-Research Project Management, the *Regulations of Central Research Institute Intern Attendance Management,* and the *Guidelines of Industry-Academia-Research Review* to standardize the management of its industry-academia-research projects. Currently, the Company is collaborating on over 20 projects with prestigious universities both domestically and internationally, including Hefei University of Technology, Zhejiang University, Huazhong University of Science and Technology, Xi'an Jiaotong University, Virginia Tech in the United States, Aachen University in Germany, and Aalborg University in Denmark.

In addition, Sungrow actively participates in industry organizations and plays key roles, collaborating with partners to promote industry development and drive innovation. The main organizations the Company is a part of are as follows:

Organization/Institute	Role
China ESG Leaders Association	Member Unit
China Photovoltaic Industry Association	Chairman Unit
China Power Supply Society	Vice Chairman Unit
China Green Supply Chain Alliance	Director Unit
Trust and Integrity Enterprise Alliance	Member Unit
Asia Photovoltaic Industry Association	Vice President Unit
China New Energy Chamber of Commerce	Vice President Unit
China Renewable Energy Society	Director Unit
China Energy Storage Alliance	Vice Chairman Unit
China Industrial Design Association	Director Unit
New Energy Electric Union	Vice Chairman Unit
Anhui Renewable Energy Association	Vice President Unit

05

Digitalization



Digital transformation is a key strategy for the Company to adapt to the modern market environment and ensure sustainable development. Looking ahead to the next 5-10 years, Sungrow has set a digital vision to "Build a Smart and Digital Sungrow, Achieving Global Leadership." To better achieve this vision, the digital transformation efforts are divided into three phases:

Digitalization 1.0

The Company is advancing business process and management transformation by leveraging data platforms to enable initial transparency and digitalization across operations.

Digitalization 2.0

Through integrated data platforms and executive dashboards, full-spectrum data connectivity has been established, delivering end-to-end transparency in business operations and enabling comprehensive digital transformation.

Digitalization 3.0

By harnessing artificial intelligence and big data analytics to support informed decision-making, the Company is accelerating its transition toward an intelligent enterprise. Simultaneously, it is building an industry ecosystem to empower upstream and downstream partners across the value chain.

The Company is currently in the second year of its Digitalization 1.0 phase. Between 2024 and 2025, the Company will continue to improve the functionality of systems across various fields and expand its global coverage.

Governance

In terms of digital governance, the Company has established the Digital Transformation Management Committee, with the Chairman serving as the primary leader. The Committee is composed of leaders from various business areas, and Mr. Zheng Guibiao serves as the Chief Information Officer (CIO). The Committee is responsible for making decisions on major matters related to digital strategy and resource allocation. It addresses significant challenges and key issues during the digital transformation process, resolves disputes and difficulties that arise during project execution, and ensures the timely and high-quality completion of digital projects. Additionally, the Committee drives digital performance management, promotes awareness, and fosters the implementation of a digital culture.

The Process and Digitalization Center, in collaboration with business teams from various sectors, supports the work of the Digital Transformation Management Committee by driving business process changes, planning and executing digital projects, and managing data assets. The Company's subsidiaries follow the relevant regulations of the headquarters and collaborate in the digital transformation efforts.

To advance the digital transformation process, the Company has developed several key policy documents, including the *Regulations of Digital Project Implementation Management,* the *Regulations of Main System Promotion and Replication Project Management, Sungrow Document Management Procedures,* and the *Regulations of China Data Export Management.* These documents serve to guide and regulate the implementation of digital initiatives across the organization.

Digital Opportunities Identification and Management

In alignment with the Company's business strategy, the Process and Digitalization Center, in collaboration with various business departments, identifies core business processes and scenarios (such as supply chain optimization, customer experience enhancement, etc.). By studying the best digitalization case solutions from the industry, the team develops business architecture, digital application architecture, data architecture, and technical architecture. Using maturity models and gap analysis through case comparisons, they establish a clear digital transformation path.

In 2024, the Company made investments in areas such as R&D, production, supply chain, marketing services, human resources management, energy and carbon management, and ESG management. As a result, progress has been made in improving management efficiency, reducing costs, and enhancing customer satisfaction.

Case

Energy and Carbon Management System

In 2024, the Company officially launched the Energy and Carbon Management System, achieving 100% online management for 14 core functions, including energy consumption management, energy efficiency management, smart energy monitoring, carbon inventory, and carbon footprint tracking. This system has standardized energy management, digitized energy consumption data, enhanced data interaction efficiency, and enabled one-stop scientific calculation and analysis for carbon management. As a result, the precision and efficiency of energy and carbon management have significantly improved. The system has established a multi-layered, dedicated digital platform for energy and carbon management at Sungrow, providing crucial data support and facilitating scientific decision-making for the Company's carbon neutrality goals.

Key Practices of Digitalization of Sungrow

Practice	Main contents
Achieving Continuous and Efficient Product Innovation	The Company launched the PLM (Product Lifecycle Management) project to optimize R&D demand management, project management, and the product development and sales processes. It also integrated R&D tools and established a collaborative R&D platform, further enhancing material and process management.
Empowering Distributors and Serving Customers to Enhance Operational Efficiency	The Company initiated a global integrated marketing service platform to optimize end-to-end work order and order processes. The platform facilitates collaboration with service providers and distributors, empowering partners, improving operational efficiency, and enhancing customer experience.
Rapid Project Response and Timely Delivery	The Company successfully launched the Energy Storage MOM (Manufacturing Operations Management) system, enabling real-time data transmission, sharing, and analysis. This has optimized production capacity and improved delivery timelines.
Supply Chain Efficiency Improvement	In 2024, the Company completed the reconstruction of the SRM (Supplier Relationship Management) system, optimizing supply chain business flows. This also strengthened cross-departmental standardized collaboration, reduced repetitive tasks, and achieved a 40% increase in online business coverage, leading to an overall procurement efficiency improvement of approximately 10%.
Logistics Management System (TMS) Efficiency Improvement	Through the implementation of the TMS system, the Company has achieved 98% online payment settlement for logistics, with 100% real-time monitoring of the entire transportation process. The system provides graphical reports and lists for monitoring the full logistics process.
Warehouse Management Efficiency Improvement	The Company implemented the second phase of the WMS (Warehouse Management System), achieving 100% coverage of headquarters' factory-type warehouses. The unified system operation platform has significantly improved warehouse management, reducing manual intervention, and increased warehouse operational accuracy by 10%.

Digitalization Culture Development and Training

In 2024, the Company organized 13 offline digital training sessions and released 11 online digital courses. The second Digitalization for All innovation empowerment program was held, where employees applied digital thinking and innovative thinking to successfully incubate 13 outstanding projects. These projects covered key business scenarios such as project management, overseas service management, overseas freight management, order data, system operation and maintenance, proposal improvement, and equipment repair.

A total of 102 colleagues were awarded the title of "Light Application Practitioner," and 11 colleagues received the title of "Light Application Developer."

TOWARDS NET ZERO

01

Responding to Climate Change

In 2024, Sungrow refined its climate change management framework in alignment with the recommended framework of the International Financial Reporting Standards *Sustainability Disclosure Standard No. 2 – Climate-related Disclosures* (IFRS S2) and the climate-related disclosure requirements outlined in the SZSE guidelines. The Company continues to drive low-carbon transformation across its operations while actively contributing to both climate change mitigation and adaptation.

Climate Change Management System of Sungrow

Pillars	Content
Governance	• The Board of Directors, as the highest governing body for climate change strategy and oversight, is responsible for the Company's overall strategic direction, target setting, and supervision in response to climate change. • The Strategy and Sustainability Committee under the Board is responsible for reviewing and making decisions on major ESG matters, including climate-related issues, overseeing the climate strategy, and assuming full accountability. • Executive Management – Sustainability Management Office serves as the primary body for climate-related management, responsible for monitoring climate-related initiatives and providing guidance. • Executive Management – ESG Development Center is responsible for coordinating ESG-related strategies, policies, target setting, and implementation, including climate-related matters.
Strategy	• Through interviews, surveys, and other methods, the Company has systematically identified and analyzed 18 climate-related risks and opportunities, assessing their impact on the Company's business model, operations, and both current and projected financial performance. • To advance the net-zero strategic goals, the Company has actively responded to climate challenges and opportunities by optimizing target achievement pathways, increasing the share of renewable electricity, implementing energy efficiency upgrades, and establishing a carbon database for supplier operations and materials.
Impacts, Risks & Opportunities	• By conducting interviews with key business and operational departments and engaging external climate experts and industry advisors for evaluations, the Company has continuously refined the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities. This has ensured the seamless integration of climate risk and opportunity management into the Company's overall risk management framework. • Building on existing scenario analysis results, the Company has periodically updated quantitative assessments for five representative asset sites, analyzing potential impacts under the latest climate scenarios. By calculating Physical Value-at-Risk (PVaR) and Carbon Value-at-Risk (CVaR), the Company has quantitatively assessed the impact of climate change on the Company's current and projected financial performance, providing a scientific basis for decision-making.
Metrics & Targets	• The Company annually calculates Scope 1, 2, and 3* GHG emissions, strengthening emission management across all stages of the value chain. • The Company includes 100%-owned subsidiaries in the Company's annual GHG accounting to ensure comprehensive emissions tracking. • The Company optimizes the energy and carbon management system by enhancing data granularity and establishing refined energy and carbon reduction targets.

* Only subsidiaries involved in product manufacturing conduct Scope 3 accounting for their business activities.

Governance

Sungrow remains committed to strict compliance with domestic and international laws and regulations on climate change and GHG emissions while continuously advancing its sustainability philosophy. In 2024, the Company further optimized its top-down management framework, refining a climate governance structure that integrates the Board of Directors – Strategy and Sustainability Committee – Sustainability Management Office – ESG Development Center – Sustainability Implementation Working Group. This ensures seamless coordination between decision-making and execution, driving the achievement of climate-related goals.

Climate Change Governance Framework of Sungrow

Board of Directors	• Responsible for the Company's overall strategic direction, target setting, and oversight in response to climate change. • Approves climate-related strategies and major decisions, regularly assesses climate risks and opportunities, and monitors their current and projected impact on the Company's long-term development.
Strategy and Sustainability Committee	• Promotes the integration of sustainability and climate change response into the Company's strategy, providing decision-making recommendations to the Board of Directors. • Reviews the implementation of climate-related strategies and goals, and regularly reports progress to the Board of Directors.
Sustainability Management Office	• Coordinates the Company's medium- and long-term climate change planning, providing guidance for the Company's climate-related efforts. Regularly reports progress to the Strategy and Sustainability Committee and the CEO.
ESG Development Center	• Oversees the development and implementation of the Company's climate change-related policies, targets, and practices. • Under this framework, the Climate and Carbon Management Team is responsible for identifying and assessing climate-related risks and opportunities, formulating the Company's GHG emission management strategy and reduction targets, advancing carbon management throughout the product lifecycle, and participating in international climate initiatives and the development of international carbon standards.
Sustainability Implementation Working Group	• Composed of representatives from departments and functional areas related to climate change. Executes specific tasks such as energy conservation, emission reduction, and the transition to renewable energy.

Climate Change-Related Management Policies of Sungrow

Areas	Management Policies
Greenhouse Gas Management	*Greenhouse Gas Management Handbook* *Procedures for Quantification of Greenhouse Gas Emissions and Product Carbon Footprint*
Emergency Management	*Emergency Preparedness and Response Control Procedures*
Procurement and Bidding	*Regulations of Supplier Sustainable Development Management*

Board of Directors' Governance Mechanism for Climate Change

The Board of Directors (hereinafter referred to as the Board) is the highest governance body responsible for the Company's climate change strategy and oversight, which is supported by the Strategy and Sustainability Committee (hereinafter referred to as the Committee), which is responsible for conducting feasibility studies and providing recommendations on the Company's ESG-related strategies, goals, and policies, including those on climate change. The Committee reports its work to the Board and is accountable to it.

The Board is responsible for setting the overall strategic direction, target setting, and overseeing the execution of climate change initiatives, ensuring that the climate-related strategies and actions align with the Company's overall development strategy. Additionally, the Board regularly evaluates and monitors climate-related risks and opportunities, as well as their current and projected impact on the Company's long-term development, ensuring that climate change is integrated into the Company's overall strategic planning and long-term goals.

In accordance with the *Work Rules of the Strategy and Sustainability Committee*, the Committee's responsibilities regarding climate change are clearly defined, ensuring that it conducts feasibility studies and offers recommendations on climate change strategies, goals, and policies. The Committee meets at least once a year to oversee the execution of climate-related work, regularly reviews reports on the Company's sustainability and climate-related matters, and reports on the progress of climate change and other key performance indicators to the Board.

The Committee consists of three directors, all with extensive experience in the renewable energy industry. They provide strategic support from a professional perspective, offering in-depth and forward-looking guidance on climate change matters. The Committee is chaired by Cao Renxian, who currently serves as the Chairman of the China Photovoltaic Industry Association and has delivered a video speech at the 28th UN Climate Change Conference (COP28) at the China Pavilion, analyzing the role of photovoltaics in mitigating global climate change. For additional details on the Committee's members' professional backgrounds, please refer to the section on "Board Diversity and Independence "in this report.

Management Level's Governance Mechanism for Climate Change

The Company has established a Sustainability Management Office (hereinafter referred to as the Office) at the management level, responsible for coordinating medium- and long-term climate change planning and providing guidance for the Company's climate-related efforts. The Office regularly reports to the Committee (with the Chairman as one of the members). The Office consists of senior executives from relevant business divisions and functional departments.

In 2024, the Company set up the ESG Development Center under the Sustainability Management Office, tasked with overseeing the development of climate change-related policies, target setting, and implementation. The Director of the Sustainability Management Office also serves as the General Manager of the ESG Development Center, directly reporting to the Chairman of the Board on progress. The ESG Development Center includes a Climate and Carbon Management Team, responsible for identifying and reporting climate-related risks and opportunities, as well as overseeing carbon management efforts.

Based on a risk-oriented approach, the Company adopts the PDCA (Plan-Do-Check-Act) cycle to carry out sustainability and climate change-related work, ensuring the full support of resources, addressing issues in a closed-loop process, and minimizing the adverse impacts of climate change while seizing emerging opportunities to drive the Company's sustainable development.

Stages	Content
Plan (P)	• Establish an effective stakeholder identification and engagement mechanism to clarify key issues related to climate change. • Identify and assess the impact of climate-related risks and opportunities on the Company's financial status in the short, medium, and long term, incorporating them into the overall strategic planning. At the same time, define climate-related metrics and targets, as well as the resources required to achieve the results.
Do (D)	• Implement the plan, including improving relevant regulations and systems, developing action plans, building the necessary systems and platforms, implementing risk control measures, and conducting training for relevant personnel.
Check (C)	• Monitor and evaluate the implementation process and results based on the planning, targets, requirements, and activities. The results (e.g., sustainability reports) will be used for internal and external communication and disclosed periodically.
Act (A)	• Based on the monitoring and evaluation results, take necessary corrective actions to improve management performance and effectiveness, and regularly report to the Board of Directors and the Strategy and Sustainability Committee.

Impacts, Risks & Opportunities

Climate-related Risks and Opportunities Management

Sungrow places significant importance on the challenges and opportunities presented by climate change, proactively integrating climate change response into the Company's overall strategy. By referencing international standards such as IFRS S2, the Company has established a systematic process for managing climate-related risks and opportunities, covering identifying, assessing, prioritizing, and monitoring. This process enhances the Company's resilience to climate-related risks while uncovering potential business value and opportunities.

The ESG Development Center conducts systematic analysis based on climate-related information gathered from government policies, industry trends, international standards, and internal operations. This analysis identifies climate-related risks and opportunities that may impact the Company's operations, value chain, and market environment. The results are reviewed by the Office and reported to the Chairman of the Board and the Committee.

The Board, based on the research and recommendations provided by the Committee, dynamically adjusts the Company's climate-related strategies, policies, and goals. Additionally, climate-related risk management processes are integrated into the Company's overall risk management system, aligning with key business operations and activities.

Climate-related Risk and Opportunity Management of Sungrow

Identification

Identify climate-related risks and opportunities that may impact the Company's business operations, financial performance, and strategic objectives. This process ensures comprehensive coverage of the current and anticipated effects of climate change across legal, technological, market, and environmental aspects. The ESG Development Center conducts periodic cross-departmental discussions with relevant business and operational units to ensure a holistic assessment of climate change impacts from multiple perspectives.

Assessment

Building on the identified information, conduct in-depth evaluations through qualitative analyses (e.g., expert interviews, industry research) and quantitative methods (e.g., data modeling) to assess the severity of risks and the potential value of opportunities.

For material risks, the ESG Development Center quantifies their potential impact on the Company's financial performance, operations, and brand. It also evaluates the potential benefits of opportunities, such as market growth, technological innovation, and cost savings. The Sustainability Management Office provides resource support and reviews the assessment process.

Prioritization

Climate-related risks and opportunities are ranked based on factors such as likelihood, impact severity, and management costs.

The Committee conducts regular reviews and provides recommendations on adjusting priorities to ensure that critical risks and opportunities are effectively managed in a timely manner. This process also serves as a foundation for the Board's strategic decision-making.

Monitoring

The ESG Development Center regularly tracks key management measures for climate-related risks and opportunities, assessing their implementation and reporting progress to the Office. The Office, in turn, updates the Chairman of the Board and the Committee on execution status and outcomes.

The Committee provides dynamic adjustment recommendations for the Company's climate strategy based on external developments and internal feedback. It also reports to the Board to ensure the Company remains agile and forward-looking in its response to climate change.

The Company continuously strengthens its ability to identify and manage climate-related risks and opportunities, incorporating these risks into the existing risk management processes. In 2024, the Company identified a total of 18 climate-related risks and opportunities, including 6 physical risks, 9 transition risks, and 3 opportunities.

Climate-related Risks and Opportunities of Sungrow

Risks/Opportunities	Types	Main drivers
Physical Risks	Acute Physical Risks	1、Floods and heavy rainfall 2、Heatwaves (sudden events) 3、Extreme cold (including snowstorms) 4、Hurricanes, tornadoes, and other extreme weather events
	Chronic Physical Risks	5、Heatwaves (rising average temperatures) 6、Rising sea levels
Transition Risks	Policy and Regulatory Risks	7、Limited availability of tradable carbon resources and rising carbon prices 8、Implementation of carbon tariffs 9、 Enhanced carbon emissions reporting and carbon footprint disclosure obligations 10、Policy and regulatory carbon reduction requirements for existing products and services 11、Carbon emissions in production operations not meeting policy and regulatory requirements
	Technology Risks	12、Increased demand for the development of low-carbon technologies in existing products and services
	Market Risks	13、Increased customer demands for carbon reduction in existing products and services 14、Limited supply of low-carbon raw materials and renewable energy
	Reputation Risks	15、Failure to achieve publicly committed carbon reduction targets
Opportunities	Policy and Regulatory Opportunities	16、International/national support for the renewable energy industry
	Market Opportunities	17、Expansion of the carbon market trading volume
	Product and Service Opportunities	18、Increase in demand for low-carbon products and services (such as photovoltaics and energy storage)

The Company has established a standardized approach for identifying and addressing climate-related risks and opportunities. All risk and opportunity assessment results are documented in the *Risk and Opportunity Assessment Analysis Table*. Based on the impact severity and the likelihood of occurrence of the risks and opportunities, each is evaluated to determine its materiality. Based on the assessment results, the Company develops corresponding measures and continuously monitors their implementation to ensure the effectiveness and progress of these measures. For the identified physical and transition climate risks, the Company has taken appropriate measures for adaptation and mitigation. No significant events related to climate risks occurred during the reporting period.

Climate Scenario Analysis

To meet the financial disclosure requirements of IFRS S2 regarding climate-related risks and opportunities, and to assess the financial impacts of climate change, the Company has enhanced its climate scenario analysis based on the existing results.

The Company has selected five representative asset points and calculated the Physical Value-at-Risk (PVaR) and Carbon Value-at-Risk (CVaR) for each point. These metrics quantify the risks and opportunities that the Company's assets face under specific climate scenarios. Both PVaR and CVaR are financial indicators used to estimate the potential financial losses (or gains) in Company value caused by physical and transition climate risks, helping the Company to quantify and manage these risks effectively.

Analysis of Climate-related Physical Risks

- **Types of Climate-related Physical Risks**

Based on the materiality of climate-related physical risks on the Company, the types of physical risks and key risk drivers covered in this climate scenario analysis include flooding, heatwaves, extreme cold, hurricanes, and sea level rise.

- **Climate-related Physical Scenario Selection**

The Company's climate-related physical risk analysis selects the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 scenario, which reflects the risk situation under extreme climate change conditions.

Scenario	• IPCC RCP8.5
Projected Global Temperature Rise by 2100	• More than 4°C above pre-industrial levels
Characteristics	• High warming scenario
Scenario Assumptions	• A high-emission scenario with no climate change-related policy interventions: Global GHG emissions and concentrations continue to increase, with global average temperatures rising by more than 4°C above pre-industrial levels by the end of this century.
Analysis Timeframe	• 2100

Note: RCP (Representative Concentration Pathways) scenarios, developed by the IPCC, represent different greenhouse gas concentration trajectories. RCP 8.5 is the highest-emission scenario, indicating a global radiative forcing of 8.5 W/m² by 2100.

- **Climate-related Physical Risk Analysis Process & Key Assumptions**

Climate scenario analysis integrated loss model	The analysis is conducted from three dimensions: disaster severity, vulnerability, and exposure: • Disaster Severity: Primarily considers factors such as the location of assets and the degree of specific physical disasters under the selected scenario. • Vulnerability: Primarily takes into account asset type characteristics and corresponding loss functions. • Exposure: Primarily considers factors such as the total asset value.
Key Assumptions	• Asset locations remain unchanged throughout the analysis timeframe. • No consideration of insurance coverage or climate risk mitigation measures.

- **Key Model Factors**

Risks Types/Main Drivers	Model Factors
Floods	• River flood risk index • Number of days with heavy rainfall • Maximum daily rainfall
Extreme cold	• Number of freezing days • Number of frost days • Number of cold wave days • Annual average daily minimum temperature

Risks Types/Main Drivers	Model Factors
Heatwaves	• Number of days with high temperatures • Number of summer days • Annual average daily maximum temperature
Hurricanes	• Hurricane return period • Surface wind speed • Maximum historical hurricane intensity
Rising sea levels	• Sea level rise height • Sea level rise rate

- **Key Output Results**

Physical Value-at-Risk (PVaR) is used to estimate the percentage of asset value lost due to climate physical risks, calculated as, where:PVaR=(Climate Disaster-Related Losses)/(Corporate Asset Value)

Climate-related Physical Risk Scenario Analysis Results in 2024 of Sungrow

Assets	Locations	Physical Value-at-Risk(PVaR)				
		Flood	Heatwave Risk	Extreme Cold Risks	Hurricane Risk	Sea Level Rise Risk
Sungrow Power Supply Co., Ltd.	Hefei, China	3.78%	6.27%	1.33%	6.94%	0.19%
Sungrow Renewables Development Co., Ltd.	Hefei, China	4.72%	7.84%	1.66%	8.67%	0.24%
Sungrow Energy Storage Technology Co., Ltd.	Hefei, China	3.78%	6.27%	1.33%	6.94%	0.19%
SUNGROW DEVELOPERS INDIA PRIVATE LIMITED	Bangalore, India	0.34%	29.40%	0.00%	0.99%	0.00%
SUNGROW DEVELOPERS (THAILAND) CO., LTD.	Chonburi, Thailand	0.40%	29.88%	0.00%	0.49%	2.39%

Note: In 2024, in the climate-related physical scenario analysis, the climate factor scenario data for various risks had been updated. For flood risk, some factor databases had been replaced, with the database from the National Center for Atmospheric Research (based on the IPCC Fourth Assessment Report) being adjusted to the World Bank Group database (based on the IPCC Sixth Assessment Report). The methodology for sea level rise risk analysis had also been iterated, increasing the weight of factors such as ground elevation. As a result, the 2024 scenario analysis results differed from the previous year.

The results show that under the RCP8.5 scenario, with the continued intensification of climate disasters, the Company faces relatively high heatwave risks among various types of physical risks. In particular, the locations of the Company's factories in India and Thailand experience sustained high temperatures year-round. By the end of this century, the annual average daily maximum temperature will exceed 30°C, with more than 140 days exceeding 35°C. Without considering the mitigation measures already implemented or potentially to be implemented, the heatwave PVaR is close to 30%. The company will focus on heatwave risk prevention measures at these specific locations.

In terms of hurricanes, the Company faces relatively higher potential risks, primarily concentrated at the asset site in Hefei, China, where the PVaR exceeds 5%. The historical maximum intensity of hurricanes in this area is high, with the maximum wind speed exceeding 120 km/h, much higher than in Bengaluru, India, and Chonburi, Thailand. Additionally, in this scenario analysis, the frequency of hurricanes in this location is relatively high, with a return period of approximately 4 years.

Regarding sea level rise, among the Company's representative assets, the factory in Thailand faces certain risks due to its low elevation. Under the RCP8.5 scenario, the sea level in the area is expected to rise by approximately 1.4 meters by the end of this century.

In terms of flooding and extreme cold, the potential risks to the Company's representative assets are relatively low, with the PVaR for both below 5%. The extreme cold PVaR for all asset sites is below 2%, with only the asset site in Hefei, China, potentially facing minimal asset losses due to extreme cold.

Analysis of Climate-related Transition Risks

- **Climate-related Transition Scenario Selection**

The Company's climate-related transition risk analysis selects the delayed transition scenario from the Central Banks and Supervisors Network for Greening the Financial System (NGFS) to reflect the risks and opportunities under an unordered transition.

Scenario	• NGFS Delayed Transition Scenario
Projected Global Temperature Rise by 2100	• 2°C above pre-industrial levels
Characteristics	• Disorderly transition scenario
Scenario Assumptions	• The government delays the introduction of low-carbon transition policies (usually after 2030) and suddenly implements them, with the policy intensity increasing rapidly each year, ultimately achieving the 2°C temperature control goal set by the Paris Agreement.
Analysis Timeframe	• 2030, 2050

Note: The Delayed Transition scenario from the Central Banks and Supervisors Network for Greening the Financial System (NGFS) typically refers to a situation in which the financial system fails to take sufficient measures in a timely manner during the process of green finance and climate change response. As a result, the transition to a low-carbon economy is delayed, potentially leading to greater economic and financial risks.

- **Climate-related Transition Risk Analysis Process and Key Assumptions**

Climate Scenario Analysis Process	• Based on the past 3-5 years of greenhouse gas emissions data for each asset (for individual assets, electricity consumption and the share of renewable energy usage are used for estimation), carbon reduction targets, and other data, simulate the future carbon emission pathways for each asset. • Considering the regional carbon reduction policies and reduction pressures based on the location and industry of each asset, calculate the carbon emission gap for each asset. • Based on the industry of the asset, installed capacity, key product shipments, and average carbon emission factor of the grid, calculate the amount of carbon emissions avoided by the renewable energy generation of the owned power plants and the equipment produced that supports renewable energy generation. • Based on the scenario carbon price for each asset's respective country, calculate the CVaR value.
Key Assumptions	• This scenario analysis only considers the impact of policy risks (carbon pricing) and does not take into account other factors such as the lifespan of power plants and equipment, or the decline in generation and charging/discharging efficiency. • It is assumed that the installed capacity of owned power plants and key product shipment volumes remain unchanged. • The company's carbon reduction target is to reduce Scope 1 + 2 greenhouse gas emissions by 70% compared to 2023 levels by 2028. It is assumed that the absolute emissions for each asset will decrease by 70%.

- **Key Model Factors**

Carbon price refers to the cost of avoiding or releasing carbon dioxide emissions, reflecting the marginal cost of emission reductions under various climate policies.

Under the NGFS Delayed Transition scenario (REMIND model), carbon prices in China, India, and Thailand are at relatively low levels in 2030, at 5.95 US$(2010)/t$CO_2$, 1.54 US$(2010)/tCO_2, and 5.95 US$(2010)/t$CO_2$, respectively. Following the strong introduction of emission reduction policies after 2030, by 2050, the carbon prices in these three countries will rise to 279.00 US$(2010)/t$CO_2$, 266.73 US$(2010)/tCO_2, and 149.38 US$(2010)/t$CO_2$, respectively.

- **Key Output Results**

Carbon Value at Risk (CVaR) is used to estimate the percentage of an asset's value affected by climate transition risks primarily driven by carbon pricing, reflecting the potential gains or losses. Asset gains or losses are based on the net carbon cost of the asset's emissions, where:

CVaR=(Climate transition-related asset gains or losses driven by carbon price)/(Corporate Asset Value)

Here, the climate transition-related asset gains or losses driven by carbon price are calculated as: Carbon total cost = Carbon emission gap x Carbon shadow price; Total opportunities = Carbon emissions avoided by supporting renewable energy generation x Carbon shadow price.

If CVaR is positive, it indicates that the total carbon emission cost exceeds the total opportunities. If CVaR is negative, it means the total opportunities for avoiding carbon emissions exceed the total carbon emission cost.

- **Results of Climate-related Transition Scenario Analysis**

Assets	Locations	Carbon Value-at-Risk（CVaR）	
		2030	2050
Sungrow Power Supply Co., Ltd.	Hefei, China	-2.19%	-36.98%
Sungrow Renewables Development Co., Ltd.	Hefei, China	-0.55%	-13.39%
Sungrow Energy Storage Technology Co., Ltd.	Hefei, China	-0.26%	-4.48%
SUNGROW DEVELOPERS INDIA PRIVATE LIMITED	Bangalore, India	-3.46%	-100.00%
SUNGROW DEVELOPERS (THAILAND) CO., LTD.	Chonburi, Thailand	-8.20%	-76.70%

Note: In 2024, the climate-related transition scenario analysis incorporated the Company's actual carbon emissions data and emission reduction targets, and performed emission pathway fitting. It used the fifth version of the REMIND carbon price updated by NGFS at the end of 2024 and iterated the opportunity calculation methodology. Opportunities were defined as the monetary value of carbon emissions avoided by the Company's (supported) renewable energy generation. Therefore, the results of the 2024 scenario analysis showed significant changes compared to the previous year and were not comparable.

In the NGFS Delayed Transition scenario, whether for the near term in 2030 or the medium term in 2050, the CVaR of the Company's five representative assets was negative, indicating that climate-related transition opportunities outweigh the risks. As policy intensity increases and carbon prices rise, the potential value for the company increases. In the future, the Company will continue to track the development and changes in climate-related transition policies, focusing on mechanisms that can be transformed into economic benefits and exploring carbon asset management to generate additional revenue.

Strategy

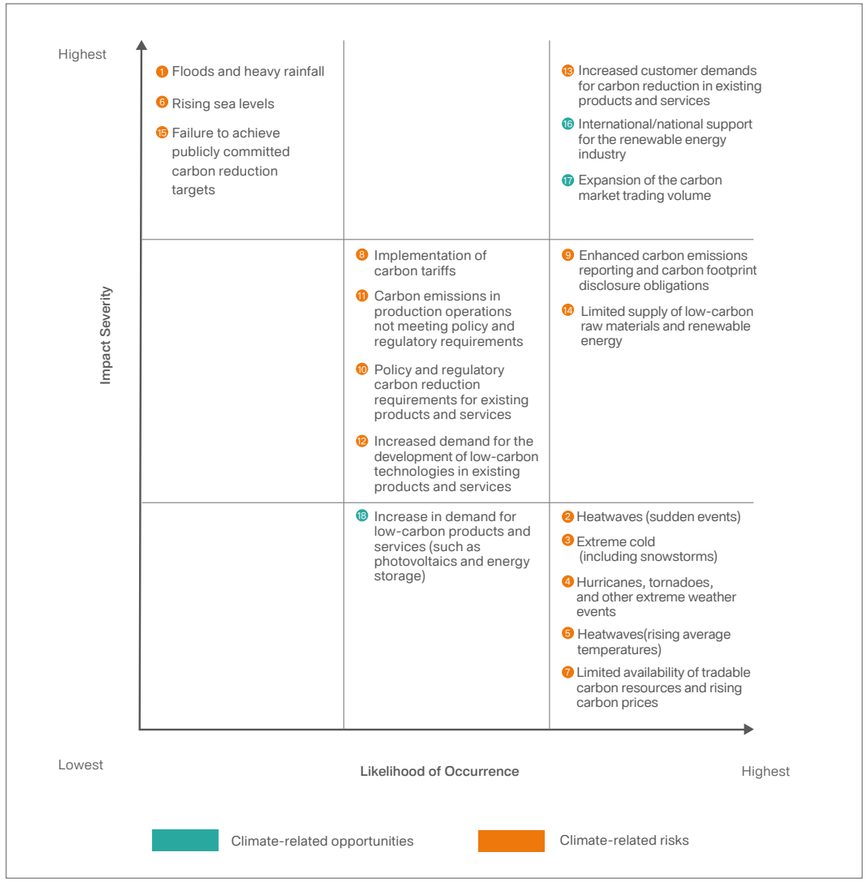
Climate-related Risks and Opportunities

Sungrow aligns the classification and definition of environmental and climate-related risks with IFRS S2. Based on its business landscape and characteristics, the Company conducts industry risk reviews, materiality assessments, and departmental interviews while incorporating insights from external experts. Risks and opportunities are evaluated and prioritized based on their materiality, considering factors such as impact severity and likelihood of occurrence.

Definition of Climate-related Risks and Opportunities of Sungrow

Impact Timeframe	• Different climate-related risks and opportunities will impact the Company over varying timeframes, categorized as short-term (0–1 year), mid-term (2–5 years), and long-term (6+ years). The Company formulates corresponding strategies for each period to ensure business resilience and sustainability. • **Short-term:** Establishes a rapid response mechanism, implements flexible management measures, and swiftly adjusts operational plans to keep risks under control while maximizing opportunities. • **Mid-term:** Develops a comprehensive climate adaptation strategy, optimizes resource allocation, and enhances execution efficiency; proactively explores new opportunities in green transition and sustainable development. • **Long-term:** Continuously monitors the potential long-term impacts of climate-related risks and opportunities. By integrating industry trends and external developments, forecasts risks and opportunities, dynamically evaluates them, and adjusts the Company's strategy accordingly to maintain long-term competitiveness and resilience.
Impact Magnitude	• **Impact Assessment:** The overall impact on the Company is determined by analyzing the severity of climate-related risks or the potential benefits of opportunities, along with their likelihood of occurrence. Key factors considered in the evaluation include financial losses, legal actions or penalties, the loss of strategic partners, and potential business gains. • **Prioritization Criteria:** The impact level is categorized as low, medium, or high, covering aspects such as direct economic losses, increased indirect costs, and changes in potential benefits. This ensures a comprehensive and precise evaluation.
Likelihood of Occurrence	• **Likelihood of Occurrence:** Refers to the probability of a risk or opportunity occurring within a specific timeframe. This is assessed through a comprehensive evaluation of external scenario analysis, progress in policy implementation, and expert predictions. • **Prioritization Criteria:** Risks and opportunities are classified as low, medium, or high in terms of likelihood, providing a clear categorization to guide subsequent management actions.

Climate-related Risks and Opportunities Materiality Matrix of Sungrow



Impact Boundaries of Climate-related Risks and Opportunities of Sungrow

Risks/ Opportunities	Main Drivers of Risks/Opportunities	Value Chain					
		Upstream		Self-operation		Downstream	
		Purchased Goods & Services	Upstream Transportation & Distribution	Technology R&D	Production & Manufacture	Downstream Transportation & Distribution	Use and Maintenance of Sold Products
Physical Risks	1、Floods and heavy rainfall						
	2、Heatwaves (sudden events)						
	3、Extreme cold (including snowstorms)						
	4、Hurricanes, tornadoes, and other extreme weather events						
Chronic Physical Risks	5、Heatwaves (rising average temperatures)						
	6、Rising sea levels						
Policy and Regulatory Risks	7、Limited availability of tradable carbon resources and rising carbon prices						
	8、Implementation of carbon tariffs						
	9、Enhanced carbon emissions reporting and carbon footprint disclosure obligations						
	10、Policy and regulatory carbon reduction requirements for existing products and services						
	11、Carbon emissions in production operations not meeting policy and regulatory requirements						

Risks/ Opportunities	Main Drivers of Risks/Opportunities	Value Chain					
		Upstream		Self-operation		Downstream	
		Purchased Goods & Services	Upstream Transportation & Distribution	Technology R&D	Production & Manufacture	Downstream Transportation & Distribution	Use and Maintenance of Sold Products
Technology Risks	12、Increased demand for the development of low-carbon technologies in existing products and services						
Market Risks	13、Increased customer demands for carbon reduction in existing products and services						
	14、Limited supply of low-carbon raw materials and renewable energy						
Reputation Risks	15、Failure to achieve publicly committed carbon reduction targets						
Policy and Regulatory Opportunities	16、International/national support for the renewable energy industry						
Market Opportunities	17、Expansion of the carbon market trading volume						
Product and Service Opportunities	18、Increase in demand for low-carbon products and services (such as photovoltaics and energy storage)						

Note:

High Impact　　Moderate Impact　　Low Impact

Climate-related Risks and Opportunities of Sungrow and Their Impacts

Risks/ Opportunities	Main Drivers	Timeframe	Regions Concentrated	Detailed Descriptions	Financial impact	
					Current period (2024)	Projected Period (short-term / mid-term / long-term)
Acute Physical Risk	1、Floods and heavy rainfall	Short-term, Mid-term, Long-term	China	Floods may lead to the submergence of the Company's factory area, causing damage to production infrastructure. The Company will need to carry out maintenance or replacement of equipment. When floods submerge power stations in mountainous or remote areas, especially during the project warranty period, the Company needs to allocate operation and maintenance resources to repair the power stations, including using water pumps to drain the water from the distribution room and checking whether the product performance is affected.	The Company did not experience any equipment damage or production shutdowns due to floods or heavy rains.	Indirect (operational) costs: facility maintenance costs increase; product repair and warranty costs increase.
	2、Heatwaves (sudden events)	Short-term, Mid-term, Long-term	Bangalore, India; Chonburi, Thailand	Heatwaves may trigger government policies to limit power consumption for high-energy enterprises, leading to delays in supplier shipments and logistics disruptions. There may also be a risk of factory shutdowns, extending production cycles. High temperatures will increase the Company's cooling demands, and employees may face difficulties commuting due to the hot weather, which could affect the Company's normal operations. During high-temperature weather, the physical strain of labor-intensive and outdoor tasks significantly increases. To ensure employee safety, avoiding high-temperature periods may reduce production and installation efficiency, thus extending production cycles.	Heatwaves had no significant impact on the Company's factories in India and Thailand. The Company purchased and distributed heat protection and cooling workwear for employees, totaling RMB410,000. High temperatures resulted in an increase of RMB2.4 million in air conditioning electricity costs. Reduced factory production efficiency due to high temperatures.	Indirect (operational) costs: warehousing costs increase, factory electricity costs increase, labor protection costs increase. Indirect (operational) costs: after-sales product repair costs increase.
Acute Physical Risk	3、Extreme cold (including snowstorms)	Short-term, Mid-term, Long-term	China	Extreme cold weather may lead to delays in supplier shipments and logistics disruptions, thus extending production cycles. In extremely cold conditions, heating demands increase, and employees may face difficulties commuting due to the severe weather, potentially disrupting the Company's operations. In areas severely affected by extreme cold (e.g., Northwest and Northeast China, and certain parts of Northern Europe), some projects may not be able to proceed as scheduled. Extreme cold or heavy snowfall may damage power station facilities, such as power stations being crushed or unable to operate due to excessive snow accumulation.	The Company purchased and distributed cold protection workwear for employees, totaling RMB457,000, of which RMB67,000 was spent on cold protection items and RMB390,000 on winter clothing. Extreme cold weather led to an increase of RMB2.27 million in air conditioning electricity costs. Due to force majeure clauses in contracts with customers, and customer requests for delayed shipments, the Company did not incur fines or penalties. However, additional demurrage costs amounted to RMB554,000.	Indirect (operational) costs: warehousing costs increase, factory heating costs increase, labor protection costs increase. Indirect (operational) costs: Breach of contract costs due to products not being delivered on time, after-sales product repair costs increase.
	4、Hurricanes, tornadoes, and other extreme weather events	Short-term, Mid-term, Long-term	China	Extreme weather events such as hurricanes and tornadoes may lead to supplier shipment delays and logistics disruptions, thereby extending production cycles. In the case of a meteorological orange/red alert, the Company may be forced to suspend certain production and operational activities. Extreme weather may directly damage the Company's infrastructure or disrupt operations due to fallen trees, collapsed power lines, or other forms of destruction. Due to safety concerns arising from extreme weather, some business activities may have to be temporarily suspended, affecting normal operations and project progress.	There were no production or operational disruptions resulting in shutdowns due to hurricanes or tornadoes.	Indirect (operational) costs: warehousing costs increase, labor protection costs increase.
Chronic Physical Risks	5、Heatwaves (rising average temperatures)	Mid-term, Long-term	China, Bangalore, India, and Chonburi, Thailand	Ongoing heatwaves may lead to government-imposed power restrictions on high-energy-consuming enterprises, causing delays in supplier shipments and decreased logistics efficiency, which in turn could impact production schedules and delivery timelines.	The rising average temperatures did not cause any disruptions to the Company's business operations.	Indirect (operational) costs: warehousing costs increase, factory electricity costs increase, labor protection costs increase.

Risks/ Opportunities	Main Drivers	Timeframe	Regions Concentrated	Detailed Descriptions	Financial impact	
					Current period (2024)	Projected Period (short-term / mid-term / long-term)
Acute Physical Risk	6、Rising sea levels	Mid-term, Long-term	China, Bangalore, India, and Chonburi, Thailand	Rising sea levels may pose a threat to coastal factories, warehouses, and office facilities, potentially exposing them to flooding, erosion, or prolonged inundation. Power stations and projects located in low-lying or coastal areas may face risks of facility damage, operational interruptions, or early decommissioning due to seawater backflow, salinity, or flooding.	Sea level rise did not yet cause any damage to the Company's business operations.	Revenue: Reduced production efficiency in flooded areas leads to lower product output, resulting in a decrease in revenue.
Policy and Regulatory Risks	7、Limited availability of tradable carbon resources and rising carbon prices	Mid-term, Long-term	China	The rise in carbon prices may lead upstream suppliers in the supply chain to incur higher carbon costs, which could be passed on to the Company. High carbon costs may weaken product price competitiveness, especially in international markets with stricter carbon footprint requirements. Increased volatility in carbon markets may force the acceleration of carbon reduction technology research and development, as well as low-carbon product innovation, while raising the demand for internal carbon management and monitoring external market dynamics, further increasing pressure on resource allocation. The European Union's fluorine quota application is no longer free, and under the new regulations, companies will need to pay for the corresponding quotas.	Due to internal and external environmental emission reduction requirements, the Company purchased VCS carbon credits as a solution to offset unavoidable emissions, mitigating the risks of carbon price fluctuations. The total cost was approximately RMB117,000. The Company's expenditure on purchasing green electricity was approximately RMB145 million. The premium cost of the green electricity purchased compared to coal-fired electricity was in total approximately RMB360,000.	Direct costs: raw material procurement costs increase, low-carbon R&D costs increase. Indirect (operational) costs: costs for adopting low-carbon emission reduction technologies increase. Capital expenditures: costs for purchasing energy-efficient equipment increase.
	8、Implementation of carbon tariffs	Mid-term, Long-term	EU, North America	The European Union's Carbon Border Adjustment Mechanism (CBAM) is set to be officially implemented in 2026, at which point the EU will impose carbon tariffs on imported goods. The United States' Clean Competition Act (CCA) also proposes similar carbon tariff measures. If carbon tariffs in the future apply to the Company's products (such as inverters and energy storage devices), there may be risks of compliance pressure and increased costs.	The Company was not within the scope of CBAM/CCA regulation.	Indirect (operational) costs: costs for exporting products increase.

Risks/ Opportunities	Main Drivers	Timeframe	Regions Concentrated	Detailed Descriptions	Financial impact	
					Current period (2024)	Projected Period (short-term / mid-term / long-term)
Policy and Regulatory Risks	9、Enhanced carbon emissions reporting and carbon footprint disclosure obligations	Mid-term, Long-term	EU, North America	The Company's business is primarily concentrated in Europe and North America. As regulatory bodies overseas, such as the EU, gradually introduce stricter carbon emission and product carbon footprint disclosure requirements, especially the EU Battery Regulation requiring the disclosure of carbon footprints for batteries, the Company will need to publicly disclose the carbon footprint of its energy storage products, such as batteries.	The Company's total costs for carbon inventory, product carbon footprint, and EPD certification amounted to RMB893,000, of which RMB179,000 was spent on organizing the carbon inventory, and RMB714,000 was spent on carbon footprint calculation, EPD accounting, and certification.	Indirect (operational) costs: information disclosure costs increase; carbon accounting costs increase.
	10、Policy and regulatory carbon reduction requirements for existing products and services	Mid-term, Long-term	China	The EU Battery Regulation standardizes the calculation method for battery carbon footprints, the carbon footprint performance grading system, and sets clear maximum carbon footprint thresholds. It requires battery manufacturers to reduce carbon emissions across the entire lifecycle of the battery, from raw material production and processing to usage and recycling. This demands that the Company's energy storage system products meet specific carbon reduction standards, requiring adjustments in product development and manufacturing processes. The Commission de Régulation de l'Energie (CRE) has updated the Tender Specifications for the Construction and Operation of Solar Power Facilities (AO PPE2 PV Sol) and introduced new requirements for the simplified carbon assessment (ECS) of photovoltaic modules starting from April 1, 2023. This means that photovoltaic export companies must comply with the latest CRE requirements before bidding.	To meet low-carbon product regulatory requirements, the Company continues to increase investment in product research and development.	Direct costs: costs for researching and developing low-carbon products increase.
	11、Carbon emissions in production operations not meeting policy and regulatory requirements	Mid-term, Long-term	China	Failure to effectively reduce carbon emissions during the production process may result in fines or other penalties from government regulatory authorities for violating carbon emission regulations. Failure to meet carbon emission requirements in a timely manner could lead to risks such as restricted product exports or damage to the brand image, especially in carbon footprint-sensitive markets.	The Company has implemented multiple energy-saving and emission-reduction measures to avoid the risk of non-compliance with carbon emission regulations in production. In 2024, the Company spent approximately 7.5 million RMB to build an energy management system. After the system is officially launched, it is expected to generate annual energy savings of about RMB4.5 million.	Direct costs: costs for adopting low-carbon emission reduction technologies increase. Capital expenditures: costs for purchasing energy-efficient equipment increase.

Risks/ Opportunities	Main Drivers	Timeframe	Regions Concentrated	Detailed Descriptions	Financial impact	
					Current period (2024)	Projected Period (short-term / mid-term / long-term)
Technology Risks	12、Increased demand for the development of low-carbon technologies in existing products and services	Short-term, Mid-term, Long-term	Globe	In response to the increasing requirements for low-carbon emission technologies, the Company must invest significant funds in technology research and development. This includes hiring specialized researchers, acquiring advanced equipment, and upgrading experimental and production facilities. Failure to effectively keep up with industry technological advancements or achieve the expected innovation outcomes.	The Company's R&D investment amounted to RMB 3.16 billion	Direct costs: costs for researching and developing low-carbon products increase.
Market Risks	13、Increased customer demands for carbon reduction in existing products and services	Mid-term, Long-term	Globe	An increasing number of overseas clients are now explicitly requesting the Company to provide carbon footprint data for products and are making purchasing decisions based on a horizontal comparison of the carbon intensity of products from different suppliers. Clients' carbon footprint requirements not only focus on the Company's own emissions but also demand transparency of carbon emissions at every stage of the supply chain. The Company will need to invest more resources to ensure the accuracy and traceability of supply chain carbon emission data.	To meet customer requirements for low-carbon products, the Company continues to increase investment in product research and development as well as product carbon footprint accounting.	Direct costs: costs for researching and developing low-carbon products increase. Indirect (operational) costs: costs for low-carbon management efforts increase, costs for adopting low-carbon emission reduction technologies increase. Capital expenditures: costs for purchasing energy-efficient equipment increase.
	14、Limited supply of low-carbon raw materials and renewable energy	Mid-term, Long-term	China	Products with green attributes typically come with a green premium, especially low-carbon raw materials (such as biodegradable packaging, green transportation, green electricity, etc.), which are more expensive than traditional materials. To achieve the supply chain's net-zero emissions goal, the Company is imposing higher carbon management requirements on its suppliers. This will increase the complexity of supplier management and the resources invested.	Upgrading the Supplier Relationship Management (SRM) system to add carbon data collection fields incurred a development cost of approximately RMB3,000. Developing iCarbon system functionality for supplier management cost approximately RMB630,000. Conducting carbon inventory work for 139 suppliers and carbon footprint calculation for 60 suppliers cost approximately RMB10,000.	Indirect (operational) costs: costs for supply chain carbon emission data management and establishing intelligent management systems increase. Direct costs: costs for purchasing green raw materials increase.

Risks/ Opportunities	Main Drivers	Timeframe	Regions Concentrated	Detailed Descriptions	Financial impact	
					Current period (2024)	Projected Period (short-term / mid-term / long-term)
Reputation Risks	15、Failure to achieve publicly committed carbon reduction targets	Long-term	Globe	The Company has joined the global initiatives, RE100 and EP100, and has committed to achieving net-zero emissions. Failure to meet these public commitments on time could lead to a loss of trust with international organizations, thereby damaging the Company's brand reputation and market value.	No such situation occurred.	Indirect (operational) costs: financing costs increase.
Policy and Regulatory Opportunities	16、International/national support for the renewable energy industry	Short-term, Mid-term, Long-term	Globe	The Company benefits from the national dual carbon policy, which brings a series of policy supports, market opportunities, and technological innovations to the renewable energy industry. With the gradual introduction of policies such as the European Green Deal and carbon tariffs, the demand for renewable energy products like photovoltaics and energy storage is continuously increasing, driving the development of the renewable energy industry. The Company can seize this opportunity to expand its share in overseas markets.	The Company focuses on the clean energy sector, achieving an increase in revenue in 2024.	Revenue: revenue increases, cost of unit production decreases.
Market Opportunities	17、Expansion of the carbon market trading volume	Mid-term, Long-term	China	With the gradual opening of the carbon market, the Company will have the opportunity to participate in the expanding carbon trading market. The growth of this market will provide the Company with additional revenue streams and offer more market-based support for its products and services.	With the gradual opening of the carbon market, the Company will have the opportunity to further unlock the carbon reduction value of its photovoltaic business by participating in voluntary carbon markets (such as VCS and CDM). Under these mechanisms, emission reduction projects based on photovoltaic power generation can be accounted for and generate tradable carbon credits, providing a new revenue stream for the Company. This not only helps clients achieve greenhouse gas reductions but also facilitates the entry of projects into international carbon markets, enhancing their economic viability and market appeal.	Revenue: revenue increases.
Product and Service Opportunities	18、Increase in demand for low-carbon products and services (such as photovoltaics and energy storage)	Mid-term, Long-term	Globe	As global demand for low-carbon products and sustainable energy solutions increases, photovoltaic and energy storage technologies have become key areas of focus. This provides the Company with significant market growth opportunities.	The Company focuses on the clean energy sector, achieving an increase in revenue in 2024.	Revenue: revenue increases.

Climate Strategy and Transition Plan

As a global leader in the clean energy sector, Sungrow is proactively addressing the global challenge of climate change by setting a strategic transition goal toward net-zero emissions. Through technological innovation, Sungrow is committed to fostering the deep integration of green production and operations. At the heart of this transformation plan is the creation of a sustainable, low-carbon industrial chain, with the aim of achieving net-zero emissions across both company operations and the entire supply chain, thereby contributing to the global green energy transition.

In 2024, Sungrow further refined its climate goal management system, fully aligning with the ISO 14068-1:2023 standard. The Company's carbon neutrality and net-zero emission targets now cover a comprehensive range of seven greenhouse gases: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. This alignment ensures the scientific rigor and completeness of the Company's climate transition and greenhouse gas management efforts.

Climate-related Physical Risk Management Mechanism

Through lifecycle management measures, the Company comprehensively addresses the physical risks posed by climate change across all stages, from product development, supply chain management, production, delivery to operation and maintenance. By optimizing design, upgrading protection, and implementing refined management, the Company effectively reduces the impact of extreme weather on business operations.

Climate-related Physical Risk Management Mechanism of Sungrow

Stages	Actions
Supply chain management	• The Company implements a combined model of stock-based and order-based production to flexibly respond to changes in regional climate policies. • The Company conducts in-depth analysis of power restriction policies in supplier locations (e.g., the two days on, five days off, three days on, four days off policy in Guangdong) and comprehensively assess relevant supply chain risks. • The Company allocates regional resources in real-time, optimizing quota distribution and delivery speed, and mitigates the potential impact of power restrictions on the supply chain.
Production R&D	• The Company continuously optimizes product design to enhance cold resistance, water resistance, and high-temperature performance, ensuring efficient operation of products under varying climatic conditions.
Production Manufacturing	• The Company develops dedicated production plans for high temperatures, low temperatures, and extreme weather conditions based on the characteristics of climate disasters. • The Company implements protective measures at factories, including adjusting working hours, stocking emergency supplies, and strengthening personnel protection. • The Company establishes an emergency management system, implements fixed roles for personnel, and enhances employees' emergency response capabilities through disaster drills and emergency awareness training. • In 2024, the Company invested a total of RMB867,000 in labor protection materials for cold and heat prevention, including RMB410,000 for heat prevention supplies, RMB67,000 for cold prevention supplies, and RMB390,000 for winter clothing.
Product Delivery	• The logistics department optimizes transportation plans based on weather alerts, avoiding the impact of extreme weather to ensure transportation safety and on-time delivery. • Materials are prepared in advance, and temperature and humidity-controlled warehouses are used for storage to minimize the impact of climate on storage. • The Company strengthens communication with customers and establishes a delivery warning mechanism to ensure the stability of logistics progress.
Product Operation and Maintenance	• The Company evaluates and purchases property insurance for relevant products as needed, to mitigate potential economic losses caused by extreme weather events.

The Company has always placed great importance on its ability to respond to emergencies. It continuously organizes various emergency drills, further optimizes emergency response procedures, and enhances the awareness and emergency handling skills of all employees. At the same time, the Company ensures adequate and effective management of emergency rescue material reserves to provide a solid guarantee for responding to various natural disasters and emergencies. This approach minimizes the potential impact on the safe and stable operation of the company's equipment and facilities.

In 2024, the Company conducted multiple comprehensive emergency drills for disaster types such as earthquakes, floods, and typhoons. These included seven heatstroke emergency drills, one flood prevention drill, and two unplanned power outage emergency drills. The drills simulated the full process, including disaster occurrence, emergency dispatch, and power restoration, further enhancing practical capabilities and effectively ensuring business continuity and the safety of employees' lives and property.

Sungrow Unexpected Power Outage Emergency Plan

In order to scientifically respond to unexpected power outage incidents, quickly mitigate the impact, prioritize employee safety, the operation of critical businesses, and important equipment, minimize losses, and ensure the continuity of Company's operations such as production, office work, and research & development, this emergency plan has been developed.

The Company designates the Equipment Maintenance Department to be responsible for the daily power safety management work and the implementation of safety production responsibilities to prevent power outage accidents. The Safety and Environmental Comprehensive Management Department is responsible for defining the responsibilities for power use in different areas. If necessary, the Company will set up a temporary power safety inspection team to carry out power safety hazard investigation and power restoration work during unplanned power outage repairs.The emergency plan handling process for unplanned power outages is as follows:

Identify and confirm the scope of the power outage. The workshop supervisor shall immediately contact the Equipment Maintenance Department and confirm the details of the incident.

>

The Equipment Maintenance Department is responsible for troubleshooting the fault and taking appropriate measures based on the type of incident. If necessary, the faulty circuit should be disconnected, and power supply to other workshop loads should be restored first.

>

After troubleshooting the fault, restore the power supply, summarize the power outage incident report, and keep proper records.

Case

Emergency Drill for Unexpected Power Outage at Industrial Park

In 2024, the Company conducted an emergency drill for a sudden 110KV power outage, simulating a fault caused by a switch tripping on the power supply line, which was an external fault. The purpose of the drill was to enhance the response capability of each department in the event of an unexpected power outage, ensuring that the power supply can be restored quickly and effectively during similar incidents, safeguarding employee safety and production order.

Climate-related Transition Risk & Opportunities Management Mechanism

The Company implements comprehensive low-carbon transformation initiatives across technology R&D, manufacturing, supply chain management, logistics, and product lifecycle management. Through carbon inventory assessments and carbon footprint calculations, the Company continuously optimizes its own and its supply chain's carbon emissions performance. Additionally, it drives innovation in renewable energy technologies, advances hydrogen energy deployment and carbon trading technologies, promotes green logistics and sustainable packaging practices, and actively participates in domestic and international carbon market transactions and policy development—consistently reducing the environmental impact across its operations and product value chain.

Conducting Internal Carbon Inventory Assessment

In 2024, the Company conducted an internal carbon inventory assessment in accordance with ISO 14064 and the GHG Protocol standards, expanding the assessment boundary from the original five entities to fourteen. The results of this internal carbon inventory will help the Company gain a comprehensive understanding of its carbon emissions, providing essential data to formulate carbon reduction strategies and implement low-carbon initiatives.

Reducing Operational Carbon Footprint

The Company has established an efficient energy management system to reduce energy consumption in its operations and optimize energy use in production and business processes (For detailed energy-saving initiatives, refer to the “Energy Management”).

For unavoidable carbon emissions, the Company offsets its footprint by purchasing carbon credits. In 2024, the Company made its first carbon credit purchase in the voluntary carbon market (VCS, Verified Carbon Standard). The purchased credits cover projects such as afforestation, wind power generation, and high-efficiency stoves, offsetting 54.23% of the Company's Scope 1 greenhouse gas emissions for the year.

Driving Value Chain Carbon Reduction

The Company continues to enhance carbon management within its supply chain. In 2024, it conducted organizational carbon accounting, product carbon footprint assessments, and green supply chain training. Additionally, for the third consecutive year, the Company hosted the Partner Conference – ESG Innovation and Development Forum, fostering discussions on sustainable development and supporting suppliers in establishing a sustainability-oriented management mindset.

Supply Chain Carbon Reduction Practices of Sungrow

To support the digitalization of supply chain carbon management, the Company has added a carbon footprint module to its Supplier Relationship Management system. By the end of the reporting period, approximately 6,000 materials had completed carbon emission data reporting, laying a solid foundation for achieving comprehensive supply chain decarbonization goals.	In 2024, the Company further expanded the scope of supplier carbon management, completing operational-level carbon footprint assessments for 139 suppliers and product carbon footprint calculations for 60 types of materials.
In 2024, the Company conducted carbon management training for 121 suppliers, with a total training duration of 216 hours.	The Company conducted specialized carbon management training for suppliers and other related initiatives to enhance the overall sustainability capacity of the supply chain.

The Company optimized transportation routes and logistics networks, significantly reducing empty mileage and transportation distances, thereby decreasing fuel consumption and carbon emissions. Additionally, the Company launched a Transportation Management System (TMS) to manage product transportation data in a refined manner. The TMS is integrated with the Company's carbon management system, enabling seamless data connectivity, which effectively enhances the accuracy of logistics carbon emission quantification and management efficiency.

Logistics and Transportation Carbon Reduction Practices of Sungrow

The Company has launched a transportation management system and is focusing on upgrading the environmental performance of transportation vehicles by introducing more electric and hybrid material handling vehicles to promote carbon reduction in logistics.	In 2024, the Company continued to improve the efficiency of its logistics and transportation, with electric and hybrid vehicles accounting for 15% of its logistics fleet.

Carbon Reduction Practices in Packaging Materials of Sungrow

The Company actively promotes the use of recyclable packaging materials in the logistics and transportation process and optimizes the design of the minimum packaging unit to reduce the environmental impact of packaging waste.	In 2024, the Company initiated pallet recycling, reducing waste generation while also decreasing greenhouse gas emissions from the incineration of recycled wooden pallets. By the end of the reporting period, the use of green packaging materials for spare parts had increased by 30%.

Opportunities in Clean Technology

The Company, with the mission of Clean Power for All, has built a comprehensive business layout in various new energy sectors based on its photovoltaic inverter products. After more than 20 years of dedication, the Company has accumulated extensive experience in renewable energy electronic power technology and manufacturing. It has established a collaborative development approach across photovoltaic, wind power, energy storage, electric vehicles, and hydrogen energy sectors.

Sungrow's Clean Technology Business

The cumulative installed capacity of our power electronic converters worldwide has exceeded **740 GW**

By partnering with global customers, the amount of CO_2 emissions avoided is approximately **470 million tons** CO_2*

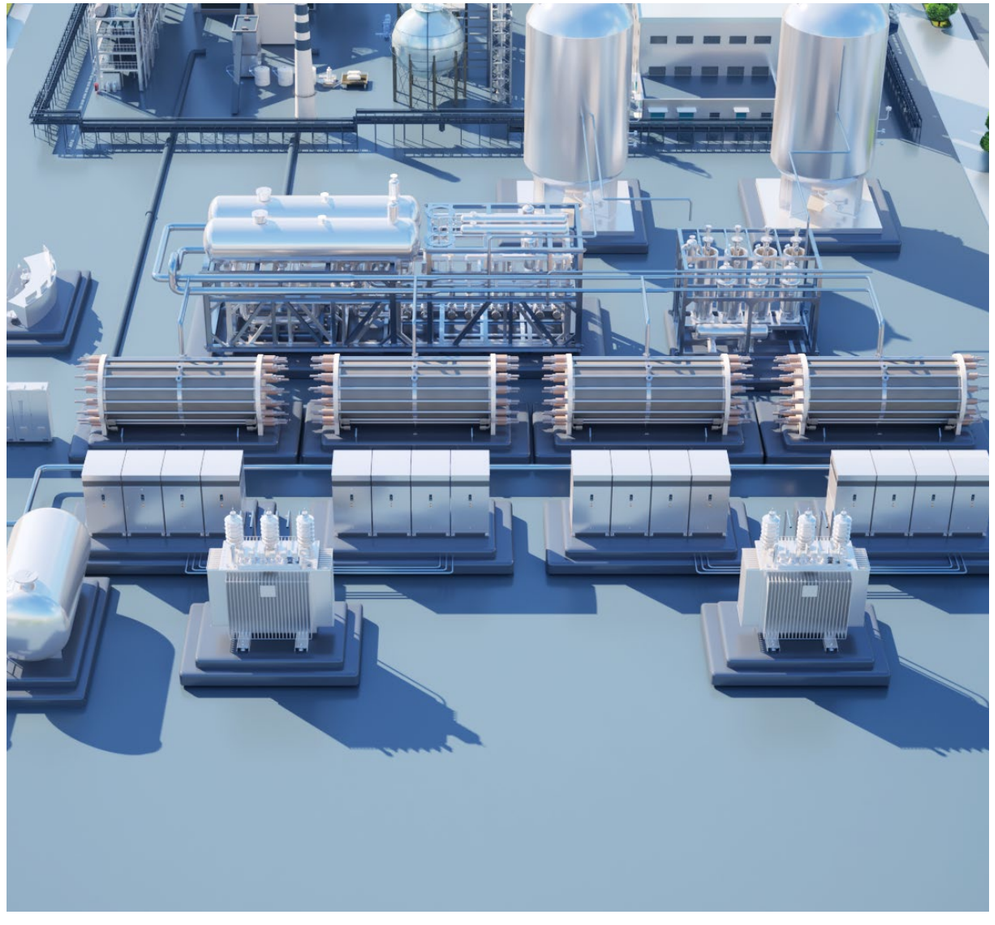
*Avoided CO_2 emissions are calculated using the global average carbon intensity of electricity generation released by the International Energy Agency (IEA).

Case

Hydrogen Energy Layout

As one of the earliest new energy companies in China to enter the hydrogen energy field, the Company is committed to providing efficient, intelligent, and safe renewable energy-based hydrogen production systems and solutions. It has the capability to research, manufacture, and deliver integrated system equipment, including PWM hydrogen power supplies (Pulse Width Modulation), ALK (Alkaline Electrolyzer), PEM electrolyzers (Proton Exchange Membrane Electrolyzer), gas-liquid separation and purification equipment, and intelligent hydrogen energy management systems. The company has also developed hydrogen production system solutions for off-grid, grid-connected, and microgrid modes.

The Company has pioneered the construction of a domestic leading 20 MW electrolysis-based hydrogen production pilot plant and has also established demonstration platforms for renewable energy-based variable power hydrogen production and hydrogen storage for power generation, a PEM electrolysis hydrogen production technology joint laboratory, a research center for key materials in electrolysis hydrogen production, and the German Hydrogen Energy Research Institute.



Metrics & Targets

In 2024, the Company revised its climate targets based on the ISO 14068-1:2023 standard and conducted carbon assessments in accordance with ISO 14064-1:2018 and the Greenhouse Gas Protocol.

During the reporting period, the GHGs involved in the Company's emissions included Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur Hexafluoride (SF_6), and Nitrogen Trifluoride (NF_3). These emissions primarily stem from direct emissions in production operations (such as the combustion of gasoline, diesel, natural gas, and gas leaks), indirect emissions (such as the use of purchased electricity), and indirect emissions in the value chain (such as employee commuting, business travel, procurement of goods and services, and waste disposal).

Sungrow's Pathway towards Net Zero (Base Year: 2023)

Scope 1 Emissions (Direct emissions from production and manufacturing)		Gradually replace fuel-powered vehicles with electric vehicles, with no new fuel vehicles being added. Replace fuel-powered forklifts with electric forklifts. Promote the conversion of canteens from gas to electricity, with all new canteens being electric-powered. The Company's power distribution system will no longer include ring main units containing SF_6.
Scope 2 Emissions (Indirect emissions from energy consumption)		Increase the proportion of renewable electricity usage. Implement energy-saving transformations to reduce energy consumption per unit of product.
Scope 3 Emissions	Upstream indirect emissions in the value chain	Require suppliers to provide carbon inventory and material carbon footprint data, gradually establishing a supplier material carbon database for the company. Conduct ESG audits and assessments of suppliers. Increase the usage rate of green packaging materials.
	Downstream indirect emissions in the value chain	Optimize transportation routes and logistics networks, increasing the proportion of electric and hybrid vehicles in the transportation fleet. Develop and promote low-carbon products, among other initiatives.
Unavoidable Emissions		Purchase carbon credits to offset unavoidable carbon emissions and achieve carbon neutrality.

Note: The organizational scope of the Company's carbon neutrality and net-zero emissions targets, as well as carbon assessments includes Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technology Co., Ltd., Hefei Sungrow Zhiyuan Technology Co., Ltd., Sungrow FPV Sci & Tech Co., Ltd., Hefei Sungrow E-Power Co., Ltd., Bozhou Daoyang Power Technology Co., Ltd., Hengjun Testing Technology Co., Ltd., Sungrow Smart O&M Technology Co., Ltd., Sungrow Power Supply (Shanghai) Co., Ltd., Sungrow Power Supply Equipment (Beijing) Co., Ltd., Sungrow Power Supply (Shenzhen) Co., Ltd., Sungrow Power Supply (Nanjing) Co., Ltd., Sungrow Developers (Thailand) Co., Ltd., and Sungrow Developers India Private Limited. If there are any changes in the Company's operational control scope, the target organizational boundaries will be adjusted accordingly.

Climate-related Metrics of Sungrow (Unit: tCO_2e)

Coverage	Metrics		2022	2023[2]	2024	Changes from 2023 to 2024[3]
Total	Total GHG emissions		43,257	9,000,664	9,186,747(Scope 2, location-based) 9,109,321(Scope 2, market-based)	1.21%
	Scope 1 GHG emissions		3,459	3,806	6,426	68.84%
	Scope 2 GHG emissions		39,798	42,996	117,487(location-based) 40,061 (market-based)	-6.83%
	Scope 3 GHG emissions		/	8,953,862	9,062,835	1.22%
Domestic Operations[1]	Scope 1 GHG emissions		3,311	3,722	6,145	65.10%
	Scope 2 GHG emissions		37,816	39,982	113,311(location-based) 35,886(market-based)	-10.24%
	Scope 3 GHG emissions		/	8,953,862	9,062,835	1.22%
Global Operations	Sungrow Developers (Thailand) Co.,Ltd.	Scope 1 GHG emissions	7	28	215	668%
		Scope 2 GHG emissions	1,046	1,980	2,405(location-based) 2,405(market-based)	21.46%
		Scope 3 GHG emissions	/	/	/	/
	Sungrow Developers India Private Limited	Scope 1 GHG emissions	141	56	66	17.86%
		Scope 2 GHG emissions	936	1,035	1,770(location-based) 1,770(market-based)	71.01%
		Scope 3 GHG emissions	/	/	/	/

Note 1: In this report, the domestic operations in 2022 cover Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technologies Co., Ltd., and Hefei Sungrow Zhiyuan Sci. & Tech. Co., Ltd. In 2023 and 2024, the domestic operations include Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technology Co., Ltd., Hefei Sungrow Zhiyuan Technology Co., Ltd., Sungrow FPV Sci & Tech Co., Ltd., Hefei Sungrow Electrical Equipment Co., Ltd., Bozhou Daoyang Power Supply Technology Co., Ltd., Evertest Technology Co., Ltd., Sungrow Smart O&M Technology Co., Ltd., Sungrow Power Supply (Shanghai) Co., Ltd., Sungrow Power Supply Equipment (Beijing) Co., Ltd., Sungrow Power Supply (Shenzhen) Co., Ltd., and Sungrow Power Supply (Nanjing) Co., Ltd.

Note 2: In the Sungrow 2023 Sustainability Report, the carbon emission data for domestic operations covered Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technology Co., Ltd., and Hefei Sungrow Zhiyuan Sci. & Tech. Co., Ltd. To ensure a scientifically sound and consistent tracking of annual emission changes, the 2023 carbon emission data has been revised during the reporting period. Carbon inventories for 2023 were supplemented for Sungrow FPV Sci & Tech Co., Ltd., Hefei Sungrow Electrical Equipment Co., Ltd., Bozhou Daoyang Power Supply Technology Co., Ltd., Evertest Technology Co., Ltd., Sungrow Smart O&M Technology Co., Ltd., Sungrow Power Supply (Shanghai) Co., Ltd., Sungrow Power Supply Equipment (Beijing) Co., Ltd., Sungrow Power Supply (Shenzhen) Co., Ltd., and Sungrow Power Supply (Nanjing) Co., Ltd., in order to align the organizational boundary for carbon inventories in 2023 and 2024 and enhance data comparability.

Note 3: The Scope 2 emissions used for comparison in 2024 are based on market-based emission data.

Climate-related Targets and Progress of Sungrow (Unit: tCO_2e)

Metrics	Baseline (Base year 2023)	Target year	Target	% reduction target from base year (2023)	Progress in 2024
Absolute Target	46,802	2028	Operational carbon neutrality (Scope 1+2)	70%	↓0.67%
	9,000,664	2038	Supply Chain carbon neutrality (Scope 1+2+3)	——	9,109,321
		2048	Supply chain net zero(Scope 1+2+3)	——	

Indicators for Scope 3 GHG emissions of Sungrow

Category	Subdivide categories	2023	2024	Notes & Calculation Formulas
Category 1	Purchased goods and services	8,471,338.75	8,491,155	The extraction, production, and transportation of goods purchased or acquired by the Company in the reporting year
Category 4	Upstream transportation and distribution	61,287.66	90,481	Upstream transportation, distribution, and warehousing activities associated with the purchase of goods and services by the Company in the reporting year
Category 5	Waste generated in operations	501.27	1,547	The treatment/disposal and transportation of waste generated by the Company and the transportation of waste in the reporting year
Category 6	Business travel	5,093.50	8,317	Employee transportation related to business activities in the reporting year
Category 7	Employee commuting	506.31	696	Employee transportation between their residence and workplace in the reporting year (using vehicles not owned or operated by the reporting company)
Category 9	Downstream transportation and distribution	45,236.56	45,813	The transportation and distribution of products sold by the company in the reporting year between the company's operations and the end users
Category 11	Use of sold products	369,898.21	367,121	The final use of products and services sold by the company in the reporting year
Category 12	End-of-life treatment of sold products	/	57,704	Disposal of products sold by the Company at the end of their useful life in the reporting year.

*Based on the identification and evaluation of significant indirect greenhouse gas emissions, other undisclosed categories under Scope 3 are not considered material sources of indirect emissions and are therefore not identified or quantified.

02

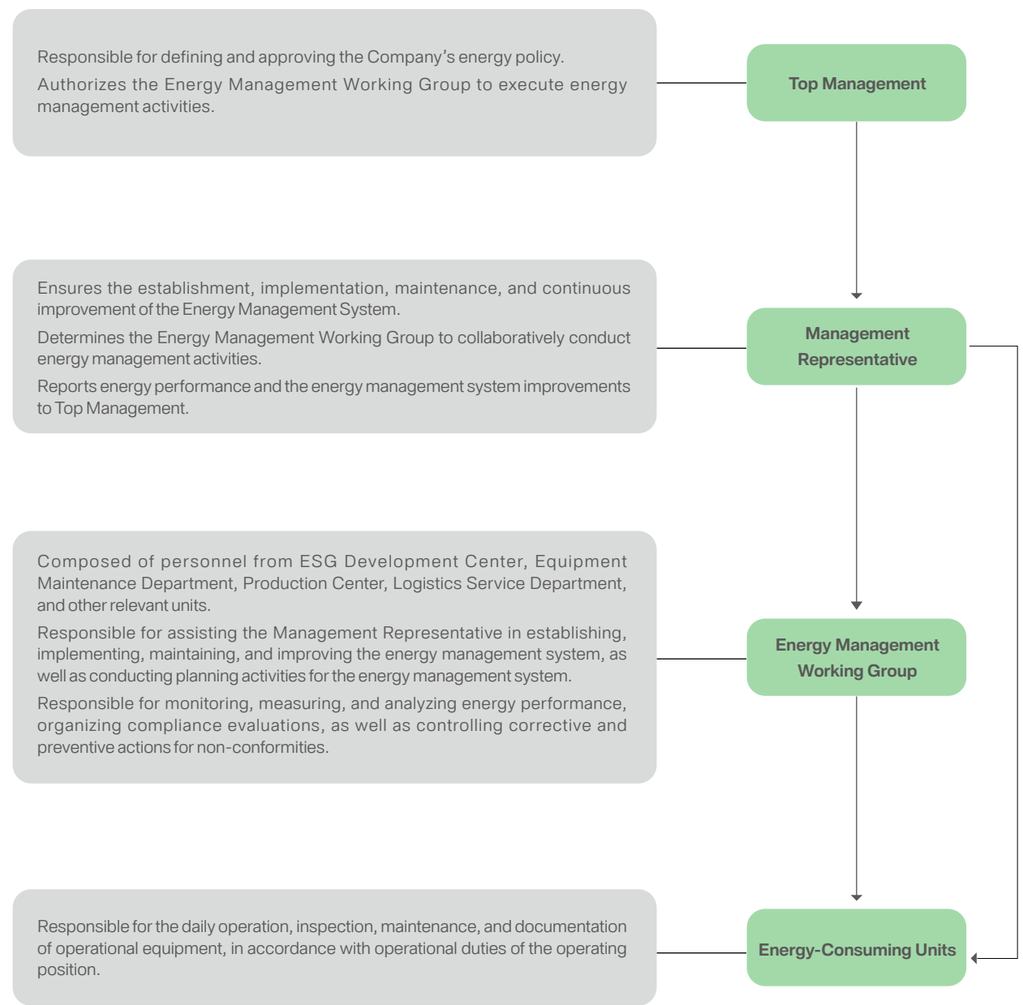
Energy Management

During daily office operations and production processes, Sungrow primarily utilizes energy sources such as gasoline, diesel, natural gas, and electricity. The Company strictly adheres to laws and regulations including the *Energy Law of the People's Republic of China,* the *Energy Conservation Law of the People's Republic of China,* the *Electric Power Law of the People's Republic of China,* and the *Renewable Energy Law of the People's Republic of China*, as well as standards such as ISO 50001, GB/T 23331, GB/T 2589, and GB/T 17167, ensuring compliance and efficiency of energy usage.

Governance

In accordance with the ISO 50001 Energy Management System standards, Sungrow has established an energy management structure involving Chairman (Top Management), Director of the Sustainable Development Management Office (Management Representative), Energy Management Working Group, and Business Units/Centers. The Company has formulated internal management systems, including the *Energy Management Manual,* the *Energy Monitoring and Analysis Control Procedures,* the *Energy Review Control Procedures,* and the *Energy Targets, Metrics and Energy Management Plan Control Procedures*, to ensure effective implementation of energy management policies throughout production and operations. In 2024, the Company obtained ISO 50001 Energy Management System certification, covering Sungrow and its subsidiaries Sungrow Energy Storage and Sungrow E-Power.

Energy Management Structure of Sungrow



Strategy

By establishing an efficient energy management system, the Company reduces its own operation and supply chain's energy consumption, optimizes energy efficiency in production and operation processes, effectively conserves resources, and mitigates environmental impacts. Through the development of energy management technologies and intelligent platforms, the Company promotes energy conservation, emission reduction, and green development across industries. The Company identifies energy management-related risks and opportunities, analyzes their timeframes, impacts on value chain segments, and financial implications to formulate targeted strategies.

Energy Management-related Risks and Opportunities of Sungrow

Risks/Opportunities	Detailed Descriptions
Policy & Regulatory Risks	• According to documents such as the Catalogue of the Elimination of High-Energy-Consuming and Backward Electromechanical Equipment (Products) issued by the MIIT, if the Company's existing equipment fails to meet the latest energy-saving and environmental requirements, it will face the risk of being phased out. Simultaneously, the Company must upgrade or replace existing equipment to ensure compliance with national energy efficiency standards. • Strategies: Sungrow does not use high-energy-consuming equipment listed documents such as the Catalogue of the Elimination of High-Energy-Consuming and Backward Electromechanical Equipment (Products), and is continuously renovating and updating existing equipment, prioritizes the procurement of high-efficiency equipment, consistently improves energy utilization efficiency.
Operational Risks	• Emergencies such as power or natural gas supply disruptions may lead to production line halts, equipment malfunctions, and even cause equipment damage or material waste, resulting in operational downtime, efficiency losses, or complete shutdowns. • Strategies: Sungrow has formulated the Emergency Plan for Unplanned Power Outages of Sungrow to ensure the safety of employees and the continuity of the Company's production, office, and R&D activities.
Resource Efficiency Opportunities	• By deploying an internal digital energy management system, providing precise energy consumption analysis and prediction, the Company enables real-time monitoring and optimization of energy usage, driving overall energy efficiency improvements. • Strategies: Sungrow has established an energy management system to achieve refined management and analysis of energy data.

In response to the above risks and opportunities, Sungrow has developed energy-focused strategies centered on technological and managerial energy conservation, promoting energy conservation and emission reduction through technological upgrades and awareness campaigns. The Company continuously increases investment in research and development to enhance energy digitalization and intelligent management, to ensure efficient and sustainable energy usage.

Impacts, Risks & Opportunities

To mitigate energy-related risks and seize opportunities, the Company integrates the management of energy-related impacts, risks, and opportunities into internal management processes, ensuring the normalization and standardization of energy management practices.

Energy Management-related Impacts, Risks, and Opportunities Management Process of Sungrow

Identification: Based on external laws, regulations, and standards, and aligned with the focus areas of external stakeholders and the Company's business operations, the Company determines key segments impacted by energy management, and identifies risks and opportunities that energy management may pose to the Company's own operations and value chain activities.

Assessment: Based on identified impacts, risks, and opportunities, a comprehensive evaluation and prioritization is conducted through expert analysis and quantitative analysis methods to assess the likelihood, as well as the degree of impact in the short-, medium-, and long-term of related impacts, risks, and opportunities.

Management & Monitoring: Short-, medium-, and long-term energy management objectives are established. The Energy Management Working Group regularly monitors, measures, and analyzes energy performance indicators with support from the EMS (Energy Management System). Periodic reviews of risks and opportunities are conducted to identify deviations from predefined thresholds. Adjustments to energy strategies and management measures are made as needed, and progress is reported regularly to Top Management and stakeholders.

To enhance energy efficiency, the Company continuously optimizes its energy management system through technological and managerial energy conservation, driving energy saving and emission reduction. In 2024, the Company saved approximately 2,525 MWh of electricity, reducing electricity costs by RMB 2.02 million.

Key Energy Management Practices of Sungrow in 2024

Technological Energy Conservation
• The cooling source for the original air-cooled units in M6 and M7 workshops of Industrial Park has been upgraded to ice machines at the power station, with an estimated annual electricity savings of 1,500 MWh. • The 5#8 aging platforms in M9 Workshop of Industrial Park have been switched from grid-connected mode to back-to-back testing mode, reducing single-unit 1+X power loss by 33kW. This is expected to save 713 MWh of electricity annually. • In M8 Workshop of Industrial Park, the aging time for SD175 was reduced by 0.5 hours using a platform built with two SC units, resulting in an estimated annual electricity savings of 71 MWh. • The aging time for two PCS200 units in M7 Workshop of Industrial Park was reduced from 8 hours to 4 hours, with an expected annual electricity savings of 240 MWh. • The auxiliary power supply in the charging/discharging area of the Energy Storage Factory has been upgraded to automatic switching control, shifting from serial power supply to parallel logic. This reduces serial load loss and selectively applies parallel loads, lowering no-load and standby losses. Annual electricity savings are projected to reach 0.7 MWh. • A balcony photovoltaic system with an installed capacity of 204kW has been completed in the dormitories of Industrial Park, expected to generate 157 MWh of renewable electricity annually. • By expanding self-owned photovoltaic power stations and purchasing green electricity, continuously increasing the proportion of renewable energy.

Managerial Energy Conservation

- **Energy Audits:** The Energy Review Team conducts energy reviews annually, identifying energy-saving improvement opportunities from aspects such as energy management compliance, identification of major energy use, and potential for energy performance improvement. In 2024, the Company carried out 12 energy audits in total, including 2 external audits of the energy management system, 2 internal audits of the energy management system, 1 audit by government agencies, and 7 audits related to customer energy management. The energy audits covered areas such as office, residential, and production sites of Sungrow, Sungrow Energy Storage, and others.
- **Energy Management System (EMS):** Establishing an EMS (Energy Management System) to build an intelligent energy-saving platform (details below).
- **Energy-saving by service providers:** The Company provides a capped electricity subsidy to food service providers. Any electricity expenses exceeding the subsidy are borne by the providers themselves, thereby encouraging them to conserve energy. Regular energy-saving trainings are provided to outsourced teams to strengthen their awareness of electricity conservation. In addition, after the daily closing of the restaurant, the status of the power switches in the front hall and the kitchen are checked to ensure the energy-saving measures are effectively implemented.
- **Energy-saving Promotion:** All employees are required to comply with internal regulations such as the Energy Conservation Management Rules and actively promote the concepts of energy conservation and green office practices. In July 2024, the Company used the internal system ISG to send energy-saving tips to all employees regarding the use of office equipment, air conditioning, lighting, and elevators, aiming to raise employees' awareness of energy conservation in their daily lives.

To achieve digitalization in energy management, in 2024, the Company completed the implementation of Energy Management System (EMS). By collecting, aggregating, and analyzing operational data from power distribution systems, compressed air systems, air conditioning systems, and various sensors, the system establishes an intelligent, standardized, and digital smart energy-saving platform. This initiative enhances energy management efficiency and precision across three dimensions: energy performance evaluation, refined energy management, and intelligent energy management.

Energy Management System of Sungrow

Energy Performance Evaluation

Through remote metering, the Company achieves refined management and automated data collection of workshop electricity consumption, providing support for multi-level energy performance assessments and energy consumption statistics and analysis for "factory - workshop - key production lines."

Refined Energy Management

Through the EMS system, the Company provides required energy consumption reports and analyses, offering data analysis capabilities for the supply side, offset side, and load side. The EMS system establishes a scientific proportion for each energy type. By combining data from the factory's photovoltaic, energy storage, and charging stations, the Company analyzes the potential optimization space for the distribution network's maximum load demand and proposes scientific and rational cost-reduction strategies.

Overall Distribution	Headquarters Campus: Power distribution systems, air compressor systems, VRV air conditioning, gas data, water data. Phase I-III Industrial Parks: Power distribution systems, air conditioning units, exhaust gas systems, air compressor system, air energy
Platform Management	Builds intelligent edge, IoT platform, data platform, and algorithm platform; establishes data standards, and conducts data processing tasks such as equipment data cleaning, statistics, and integration.
Product Control	Develops energy efficiency management products for precise assessment of overall energy consumption indicators; develops smart energy-saving products for digitalized control that fits business scenarios. Sets up functions such as energy management dashboard, energy consumption overview, energy consumption management, energy efficiency management, smart control, billing management, alarm management, and equipment management.

Intelligent Energy Management

The Company integrated algorithm model capabilities into the EMS energy management platform, combining edge gateways and PLC control cabinets to achieve intelligent control of auxiliary systems and real-time parameter adjustments for optimization.

Algorithm Models	Application Scenarios
Load prediction model	Load prediction & energy-saving control
Fault diagnosis model	Preventive maintenance
Operational optimization model	Energy-saving recommendations & control
Equipment characteristic learning	Learning equipment characteristic curves

Metrics and Targets

The Company has joined the RE100 and EP100 initiatives, committing to enhancing energy utilization efficiency and increasing the proportion of renewable energy adoption. Aligning with its operational scope, the Company has established energy management targets such as energy consumption per unit of production and energy productivity, while defining measurable energy performance indicators. Annual monitoring of progress toward these objectives is implemented to ensure their full achievement.

Energy Management Targets and Progress of Sungrow

Target Category	Metrics	Baseline Year Performance	Long-term Targets	2024 Progress
Energy Consumption Intensity Targets	Energy consumption per unit of product production	2020 (0.0948 kg standard coal/kWh)	2025: Reduce by at least 10% compared with 2020	0.0843 kg standard coal/kWh (11% reduction compared with 2020)
	Energy management system & energy productivity (EP100 target)	2018 (241.2k RMB/MWh)	2028: Fully complete the deployment of energy management system and improve energy productivity by at least 35% compared with 2018	336.7k RMB/MWh (an increase of 40% compared with 2018)
Renewable Electricity Targets	Proportion of renewable electricity usage in production/operations worldwide (RE100 Target)	2023 (55%)	2028: 100% of the electricity needed for production and operations worldwide is generated by renewable electricity	70%

ECO-FRIENDLY DEVELOPMENT

01

Environmental Compliance Management

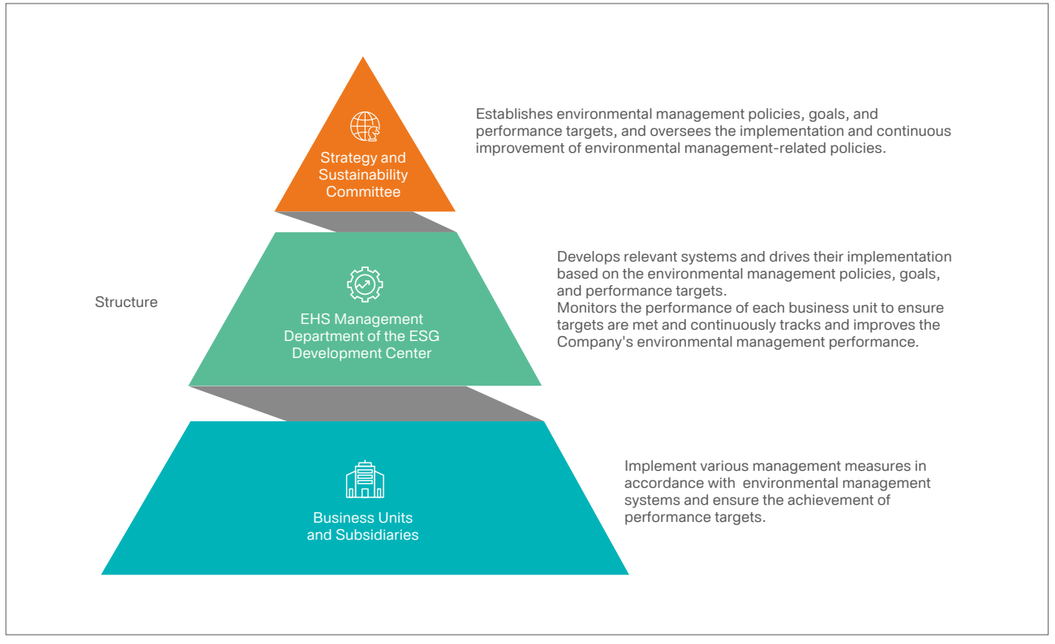
The Company places great emphasis on environmental compliance management, continually investing resources and adopting systematic measures to minimize the negative impact of its operations on the environment. The Company actively promotes clean production and energy-saving technologies, strengthens environmental monitoring and emergency management capabilities, and regularly conducts environmental management training to raise awareness across all employees. These efforts reflect the Company's commitment to fulfilling its social responsibility for environmental protection.

Governance

The Company's highest governing body for environmental compliance, as well as the management of pollutants, waste, and water resources, is the Strategy and Sustainability Committee. The EHS Management Department of the ESG Development Center serves as the coordinating body, providing guidance and oversight to business units and subsidiaries, ensuring they implement environmental management measures in alignment with established policies and standards.

The Company has incorporated ESG performance indicators, such as pollutant emission intensity and environmental compliance, into the performance evaluations of the Management and relevant departments. Corresponding reward and penalty measures are implemented based on the annual assessments. During the reporting period, the Company completed a thorough review and feasibility assessment of the environmental performance-linked compensation framework. The finalized plan will be launched in 2025 alongside the release of organizational performance indicators and formally integrated into the executive remuneration system, reinforcing the Company's commitment to sustainability.

Governance Structure of Environmental Compliance Management



The Company complies with relevant environmental laws and regulations, including the *Environmental Protection Law, Water Pollution Prevention and Control Law, Air Pollution Prevention and Control Law, Noise Pollution Prevention and Control Law, Solid Waste Pollution Prevention and Control Law, Soil Pollution Prevention and Control Law, Regulations of Pollutant Discharge Permit Management, Regulation of Environmental Protection Management for Construction Projects, Comprehensive Emission Standards for Air Pollutants, Comprehensive Emission Standards for Wastewater, Standards for the Control of Non-Organized Emissions of Volatile Organic Compounds, Environmental Impact Assessment Law, Urban Drainage and Sewage Treatment Regulations, Radioactive Pollution Prevention and Control Law, Management Regulations for Hazardous Waste Transfer, Emergency Response Law, Emergency Management Regulations for Environmental Incidents,* and the *Cleaner Production Promotion Law.*

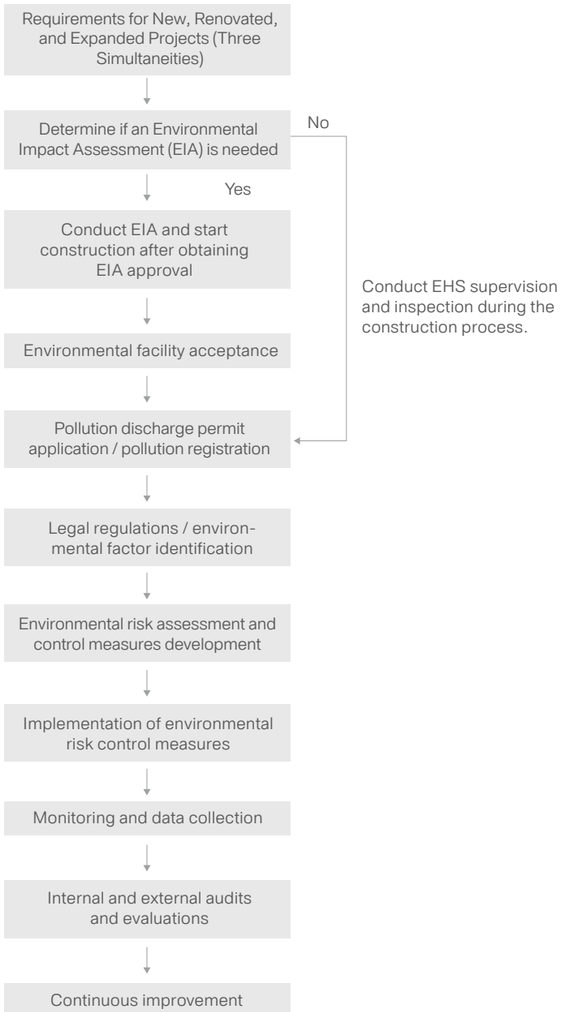
In addition, the Company has established and issued several policy documents, including the *Environmental Management Policy, Pollutant Environmental Protection Regulations, Resource Conservation Management Guidelines,* and *Management Regulations for Non-Value and Obsolete Materials*, integrating environmental management into all business operations. The Company leverages robust management strategies to continuously fulfill its environmental responsibilities. The *Environmental Management Policy* clearly outlines the Company's commitment to environmental protection, including reducing pollution, conserving resources, improving energy efficiency, and enhancing environmental management across the entire supply chain.

By the end of the reporting period, the Company achieved 100% coverage of ISO 14001 Environmental Management System certification across its global production bases. During the reporting period, the Company did not incur any administrative penalties or lawsuits due to violations of environmental laws and regulations, and there were zero major environmental pollution incidents. The number of administrative penalties from environmental authorities was zero, and the pollutant discharge compliance rate was 100%.

Environmental Compliance Risk Identification and Management

Risk Identification

The Company, in accordance with national laws, regulations, and industry standards, has developed the *EHS Factors Identification, Evaluation, and Control Planning Procedure*, establishing a comprehensive environmental risk management system. The Company regularly conducts environmental risk identification and assessment to identify potential environmental risks. Based on this, targeted control measures are developed and implemented to ensure that all activities comply with environmental protection standards.



In 2024, the Company identified 18 key environmental factors, primarily including the indiscriminate disposal of hazardous waste, air pollution, chemical spills, etc. The Company has established regulations on chemicals, waste disposal, and related processes, along with a maintenance plan for air pollution control equipment. Regular inspections, cleaning, and filter replacements are conducted to ensure the proper functioning and treatment effectiveness of the equipment. During the reporting period, all key environmental factors were effectively controlled, and no environmental incidents occurred.

Environmental Compliance Management Investment

The Company had continuously invested in environmental protection, with a total investment of RMB10.264 million in 2024, which includes efforts in pollution control, regular monitoring, and training and education.

Pollution Control (RMB6.84 million)	Investment in the improvement, renovation, and maintenance of pollution control and protective equipment. This includes operational costs for air and wastewater treatment equipment, hazardous waste disposal, consumables and replacement costs for treatment facilities, and maintenance and repair costs for pollution control systems.
Environmental Emergency Response (RMB491,000)	Expenses for tools and equipment used for the prevention, collection, and cleanup of chemical or other pollutants.
Technical Consulting (RMB162,000)	Expenditures for environmental risk assessments, environmental management services, environmental remediation plans, and consulting for improving environmental management capabilities.
Daily Operations and Maintenance (RMB2.22 million)	Costs related to maintaining the plant environment, including landscaping, pest control, cleaning, and waste removal.
Regular Monitoring (RMB194,000)	Expenses for monitoring the operational status of pollution control facilities and pollutant discharge monitoring.
Training and Education (RMB357,000)	Expenditures on environmental protection awareness campaigns, education, and training, including online education, internal training, external training, and certification for legally required qualifications.

Environmental Incident Emergency Response

The Company has established a systematic environmental risk management framework to ensure a rapid and effective response in the event of an environmental emergency. Each department is tasked with conducting a comprehensive identification of potential environmental factors arising from production and operations, with a focus on wastewater, exhaust gases, solid waste, noise, and chemical spills as key environmental risks. Through scientific risk assessment methods, environmental risk levels are determined, and corresponding control measures are formulated.

Based on the environmental risk identification, the Company has developed an *Emergency Response Plan for Environmental Incidents*, which outlines the structure of emergency organization, division of responsibilities, emergency response procedures, resource allocation, and disposal measures. After the plan was completed, relevant experts in the field were invited for a review to ensure its scientific validity, practicality, and operability. Once approved, the plan was submitted for filing with the relevant government authorities.

The Company, based on the types and contents of the emergency response plans, and in alignment with actual circumstances, has developed an annual emergency drill plan. This plan covers various types of potential environmental incidents, such as chemical spills, fires and explosions, and water pollution. It clearly defines the time, location, participating departments and personnel, objectives, and evaluation criteria for each drill. Each department organizes emergency drills according to the annual drill plan. During these drills, realistic incident scenarios are simulated to test the feasibility and effectiveness of the emergency response plans, while also enhancing the emergency team's rapid response capabilities and teamwork. The drills include tabletop exercises, live drills, and integrated exercises. Upon completion of the drills, the Company organizes a comprehensive evaluation by the relevant departments, analyzing any issues or gaps identified during the exercise. An evaluation report is produced based on this analysis. Following the evaluation, the emergency response plans are revised and improved to ensure they are aligned with actual needs. Furthermore, issues identified during the drills are incorporated into a continuous improvement plan to further enhance the emergency management capabilities.

In 2024, the Company conducted a total of 23 environmental emergency drills focused on four high-risk areas identified in the environmental risk assessment, including chemical spills, hazardous waste leakage, environmental control equipment malfunctions, and X-ray radiation accidents. This represented a 35.3% increase compared to 2023. The drills involved 316 participants, a 63.7% increase from the previous year.

Environmental Compliance Audit

All of the Company's production bases undergo annual environmental management system audits by external third-party auditing organizations, while internal audits and evaluations are conducted periodically to ensure continuous improvement of environmental performance. Issues identified during audits are addressed through a corrective action process, with responsible departments required to complete the corrective actions within the specified timeline, and these issues are included in subsequent key monitoring areas. Additionally, the Company regularly commissions third-party organizations to conduct emissions testing for wastewater, waste gas, noise, and other pollutants, with monitoring results fully compliant with national and regional standards. During the reporting period, the Company did not receive any penalties related to ecological and environmental protection.

External Audits:

- Environmental Management System audits cover all production bases and are conducted once a year. During the reporting period, 10 audits were carried out.
- Regulation authority inspections cover all production bases, and 7 inspections were conducted during the reporting period.
- Customer audits are conducted irregularly across all business units of the Company. During the reporting period, a total of 168 audits were performed.

Internal Audits:

- ISO Management System audits (including ISO 14001 Environmental Management System audits, ISO 9001 Quality Management System audits, etc.) cover all business units and wholly owned subsidiaries of the Company, with an average of one audit every two months. A total of 37 audits were conducted during the reporting period.
- Flying audits were conducted at project sites and R&D centers, covering the Thailand factory, Germany R&D center, Netherlands R&D center, Spain after-sales service center, etc. A total of 11 flying audits were conducted during the reporting period.

Environmental Compliance Culture and Training

The Company has established an EHS training course library and conducts an annual EHS training needs survey. Based on the survey results and the employee capability matrix, an EHS training plan is developed. During the reporting period, 14 sessions of environmental management knowledge training were organized, with a total of 627 participants, an increase of 53.7% compared to the previous year. In addition, the Company has launched courses on EHS Regulations Awareness and Environmental Protection on its online learning platform, aimed at fostering environmental compliance awareness and enhancing the capabilities of all employees.

02

Pollutant and Waste Management

Pollutants, Waste & Corresponding Operational Stages of Sungrow

Types of pollutants and waste	Corresponding operational stages
Air pollutant: VOC	Steel mesh cleaning, flux spraying, conformal coating spraying, and dot dispensing.
Air pollutant: Particulate Matter	Reflow soldering, wave soldering, selective soldering, laser welding, and laser cleaning.
Water pollutants: COD, ammonia nitrogen (NH_3-N), total nitrogen, total phosphorus, BOD_5, etc.	Canteen wastewater, restroom wastewater, dormitory wastewater, air conditioning condensate water, and floor scrubber wastewater.
Hazardous waste: waste circuit boards, waste adhesives, empty waste barrels, waste activated carbon, etc.	Production process defects, on-site customer failures, PACK dispensing, empty chemical containers, replacement of activated carbon in exhaust gas treatment facilities, etc.
General solid waste: waste cardboard boxes, waste wooden pallets, waste sheet metal parts, waste complete machines, etc.	Scrapped packaging materials for raw and auxiliary materials, scrapped transport pallets for raw and auxiliary materials, waste scraps from machining processes, and scrapped machines from customer site failures, etc.

To strengthen the management of pollutants and waste, the Company has formulated the *Regulations of Pollutant Environmental Protection Management* and set related objectives. At the same time, the Company has enhanced the daily management of pollution control facilities and equipment, standardized the establishment of operation records, developed monitoring plans, and regularly conducted pollutant monitoring. During the reporting period, there were no major administrative penalties or criminal liabilities, and there were no significant deficiencies in the pollutant and waste monitoring plans and risk management measures.

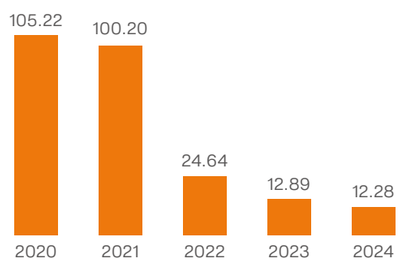
Exhaust Gas Management

The exhaust gases involved by the Company are treated by pollution control facilities to meet standards and are then discharged through a 15-meter-high emission outlet, with no impact on employees or the surrounding community. The Company does not involve the emission of sulfur oxides (SOx) or nitrogen oxides (NOx). The Company has established control measures and defined responsibilities in accordance with the *Regulations of Pollutant Environmental Protection Management*, set up systems and processes, and strengthened exhaust gas management. A monitoring plan has been developed, and regular exhaust gas monitoring is conducted. The Company has set targets to reduce particulate matter emissions per unit product by 75% by 2025 compared to 2020, and VOC emissions per unit product by 30% by 2025 compared to 2020, with these targets already achieved ahead of schedule. Data on various exhaust gas emissions can be found in the "Sustainability Performance Tables".

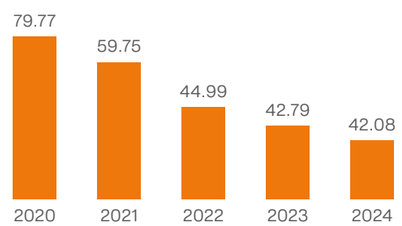
The Company reduces exhaust gas emissions at all production bases through source substitution, optimization of treatment facilities, and other methods, while strengthening exhaust gas management.

- **Source Substitution:** Expanding the use of UV-cured coating materials (VOCs content 22g/L) to replace polyurethane solvent-based three-proof coatings (VOCs content 529g/L), thereby reducing VOC emissions. The current substitution rate was 64%.
- **Optimization of Treatment Facilities:** Optimizing and renovating exhaust gas pipelines to improve the overall collection efficiency of the exhaust gas system, improving dust removal processes, enhancing particulate matter filtration efficiency, and reducing particulate matter emission concentrations.

Particulate matter emissions per unit product (Unit: kg/GW)



VOC emissions per unit product (Unit: kg/GW)



Waste Management

The Company complies with laws and regulations such as the *Regulations of Anhui Province Household Waste Classification Management,* the *Regulations of Hazardous Waste Transfer Management,* the *Regulations of Electronic Waste Pollution Environment Prevention and Control Management,* and the *Standards of Hazardous Waste Storage Pollution Control.* Internally, the Company has formulated the *Regulations of Pollutant Environmental Protection Management* and set a goal to achieve a 70% recycling rate for *non-hazardous* waste by 2025, which had already been achieved. Data on waste disposals can be found in the "Sustainability Performance Tables".

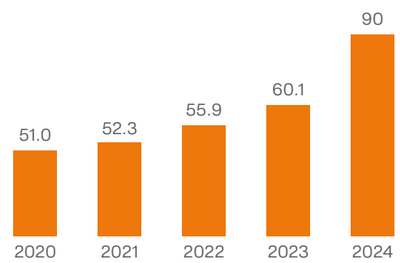
The Company identifies all waste generation links and types through environmental assessments, process analysis, and raw material lists. It evaluates waste classification against the hazardous waste catalog, establishes a directory of hazardous and general waste, and provides training to waste-producing departments to ensure that all waste management processes, including generation, on-site storage, transportation, and warehousing, comply with relevant regulations and systems. The Company selects qualified waste disposal units for transportation and disposal, and conducts periodic inspections of the disposal units' compliance with regulations and contract requirements to ensure lawful disposal.

In addition, the Company strictly implements pollution discharge permit requirements in daily management, ensuring compliance through various checks, including inspections by government authorities, internal and external audits, external customer audits, regular EHS management checks, and self-inspections by responsible departments.

Targeted waste disposal measures are implemented at all production facilities:

- **Source Reduction:** Key raw materials were packaged using recyclable tooling to replace traditional packaging materials like cardboard boxes and wooden pallets, with internal recycling of wooden pallets. The Company's production center planned to promote the use of returnable carts by circuit breaker manufacturers in 2024 to replace wooden packaging boxes and pallets. One returnable cart could replace eight wooden packaging boxes and eight small pallets with one large pallet, reducing packaging costs by approximately RMB3 million annually.
- **Increasing Recycling Rate at the End:** Used coolant barrels were collected and recycled by the manufacturers (which could reduce hazardous waste by about 80 tons), and waste barrels (such as adhesive barrels) were cleaned by disposal units for reuse.
- The Company has established general solid waste warehouses and hazardous waste warehouses for temporary storage, with all waste subsequently transferred to qualified disposal units for proper treatment.

Recycling rate for non-hazardous waste (%)



Wastewater Management

The Company's operations primarily generate domestic wastewater, with industrial wastewater limited to spray testing runoff and condensate discharge. The industrial wastewater contains only conventional pollutants such as COD and ammonia nitrogen, all of which are discharged in compliance with relevant standards. Wastewater is first settled through a septic tank system and then discharged via the municipal pipeline network. For detailed data on various wastewater pollutant discharges, please refer to the "Sustainability Performance Tables".

03

Resource Management

Product Life Cycle Management

The Implementation path for low-carbon products

- **Raw material acquisition**
- **Production and manufacturing**
- **Distribution**
- **Install & Use**
- **Disposal**

- The new products in the photovoltaic energy storage sector, which account for 100% of the main sales, urgently begin full lifecycle carbon footprint accounting. The accounting results are verified with no discrepancies.
- Additionally, the EPD certification project for key photovoltaic energy storage models is initiated to systematically assess the carbon footprint of our products and the impacts of other stages, enhancing data disclosure transparency.
- Annually, the Company produces a competitive product carbon footprint analysis report and an iterative product carbon footprint analysis report, using scientific data analysis to identify carbon reduction opportunities.
- The Company applies to lead the drafting of two national carbon footprint standards and two provincial standards, participates in the drafting of one national standard and one group standard, and gradually strengthens the Company's influence within the industry.

Raw material acquisition

- The completion and application of carbon footprint calculations for 34 high-emission materials can help reduce our company's product carbon footprint by 1.5%, compared to using a database.
- A total of 5,000 materials have submitted carbon attribute data online through the SRM system, achieving online management of material carbon data.
- Through design optimization, the carbon emissions at material stage of one of our product have decreased by nearly 10%.

Production and manufacturing

- By implementing energy-saving and consumption-reducing measures, the energy consumption per unit of product has continued to decline.
- The VOCs and particulate matter per unit of product have decreased, leading to a reduction in corresponding greenhouse gas emissions and environmental impact.

Distribution

- The implementation of the TMS system has enabled refined management of material data, improving the accuracy of carbon footprint calculations.

Install & Use

- Promote the use of recyclable packaging materials to reduce carbon emissions from packaging disposal during the installation phase.
- Enhance product efficiency, reducing energy consumption during the product usage phase.

Disposal

- PV Cycle certification ensures that our product disposal methods and recycling rates comply with WEEE requirements.

The Company manages the entire product lifecycle—from raw material acquisition, manufacturing, distribution, installation, and usage to waste disposal—based on the ISO 14004 and ISO 14044 standards. The Company has formulated the *Greenhouse Gas Emission and Product Carbon Footprint Quantification Management Procedure* to strengthen the management of product carbon footprints. By 2025, the Company plans to set low-carbon and low-waste targets and incorporate them into the Integrated Product Development (IPD) process.

Raw Material Optimization	The average carbon emissions per 1kg of primary electrolytic aluminum is approximately 23.5kg, while low-alloy steel ranges from 1.4 to 2.2kg. By gradually replacing aluminum with high-strength, thin-walled steel, carbon emissions are reduced. *
Product Lightweight Design	For a particular project, simulation modeling reduced the need for prototype verification experiments for five supporting schemes, saving prototype and testing costs and reducing the project timeline. Based on the optimal design, the copper bar support scheme was selected. Compared to the initial design, each product reduced 32 M6 screws. With an annual production of 10,000 units, this results in a reduction of 320,000 screws and a savings of 2,000 hours in labor.
Product Lifespan Extended	Through simulation modeling, the optimized stress at the base of a flat tube in a particular product is only 6% of the original design, leading to an approximate 85% increase in product lifespan. The product is now in formal mass production.

*The calculation data is sourced from ecoinvent.

Environmental Product Certification

In 2024, Sungrow completed the EPD registration and publication for the 1+X series photovoltaic inverters on the EPD Italy platform, following the SG350HX series. This is the Company's second EPD declaration published on EPD Italy. In accordance with international standards such as ISO 14044, ISO 14025, EN 50693, and the PCR032 methodology guidelines issued by EPD Italy, the Company conducted a full lifecycle impact assessment for these products. The impact categories included in the assessment are: global warming potential, abiotic depletion (fossil fuels, minerals), water resource depletion, acidification, ecotoxicity, eutrophication, ozone depletion, photochemical ozone formation, etc.

In addition, in 2024, the Company initiated the EPD certification process for its PowerTitan series of energy storage battery modules and systems, with official release expected in 2025. Based on ISO 14044 and ISO 14067 standards, as well as applicable Product Category Rules (PCRs), the Company completed product carbon footprint assessments for 21 products. Among these, four series (10 products) of inverters received Product Carbon Footprint Certification, and two series (8 products) obtained Italian EPDs. Notably, the second-generation SG350HX product was optimized in both circuit and packaging design, achieving a reduction in raw material usage compared to the first generation. The total product weight was reduced by approximately 6%, which contributed to carbon reduction across all stages of the product lifecycle, including nearly a 10% reduction in carbon emissions during the raw material acquisition phase.

Circular Economy

Guided by the principles of factory centralization, raw material harmlessness, clean production, waste resource utilization, and low-carbon energy, the Company optimizes resource allocation, improves resource efficiency, and reduces environmental pollution to achieve a harmonious balance between economic, social, and environmental benefits. The ESG Development Center, as the coordinating department, works to integrate the circular economy concept into product design, procurement, and production stages by coordinating various departments, including R&D, procurement, production, logistics, and equipment.

- **Product Design Stage:** The entire lifecycle of the product is considered, and through modular design, detachable design, and material selection, the recyclability and reusability of the product are enhanced.
- **Raw Material Selection:** The Company encourages suppliers to establish procurement, production, marketing, recycling, and logistics systems focused on resource conservation and environmental friendliness. This promotes the improvement of resource utilization efficiency and environmental performance across the supply chain, aiming for high resource efficiency and minimal environmental impact.
- **Packaging Recycling:**

  Special tooling carts and tailboard boxes (standard packaging) are used to replace traditional cardboard boxes and wooden pallet packaging for transportation.

  Suppliers of coolant packaging barrels are responsible for their recycling. The coolant barrels (120 liters), previously disposed of as hazardous waste, began being recycled in September 2024 (data collection is available). This has already reduced hazardous waste disposal by 50 tons, saving about RMB30,000 in costs.
- **Product Recycling:** The Company collaborates with organizations and customers to recover products at the end of their lifecycle in compliance with WEEE (Waste Electrical and Electronic Equipment) Directive requirements.
- **Waste Recycling:** Disposed items like cardboard boxes and wooden pallets are given to recycling disposal units. For example, cardboard is made into recycled paper, wood is processed to replace traditional boiler fuel, and waste adhesive barrels are cleaned and reused.
- **Water Reuse:** By 2025, the Company plans to add a water collection and treatment system in the canteen for road cleaning and landscaping. A water recycling system will also be established in the water spray laboratory at the energy storage plant, which is expected to save 16,000 tons of water annually.

Water Resources Management

The Company's operations primarily involve domestic water usage, including water for office use, cafeterias, landscaping, and dormitories, all sourced from municipal water supplies. Both Sungrow and Sungrow Energy Storage conduct water spray tests during incoming material inspections and finished product inspections. This portion of water involves industrial water use and drainage.

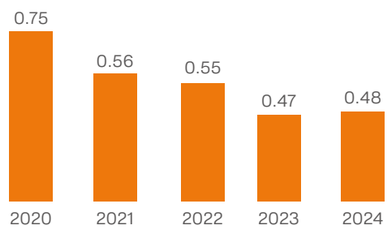
The Company complies with laws and regulations such as the *Water Law*, the *Regulations of Water Conservation*, and the *Regulations of Anhui Province Water Conservation*. Internally, the Company has developed management systems such as the Regulations of Water Conservation Management.

The Company has set a strategic goal to reduce water consumption per unit product by 40% compared to 2020 by 2025, and this target has already been achieved ahead of schedule.

The Company follows a water conservation management approach, regularly monitoring, analyzing, and publishing water usage and water-saving status. While ensuring supply, the Company strives to conserve water resources.

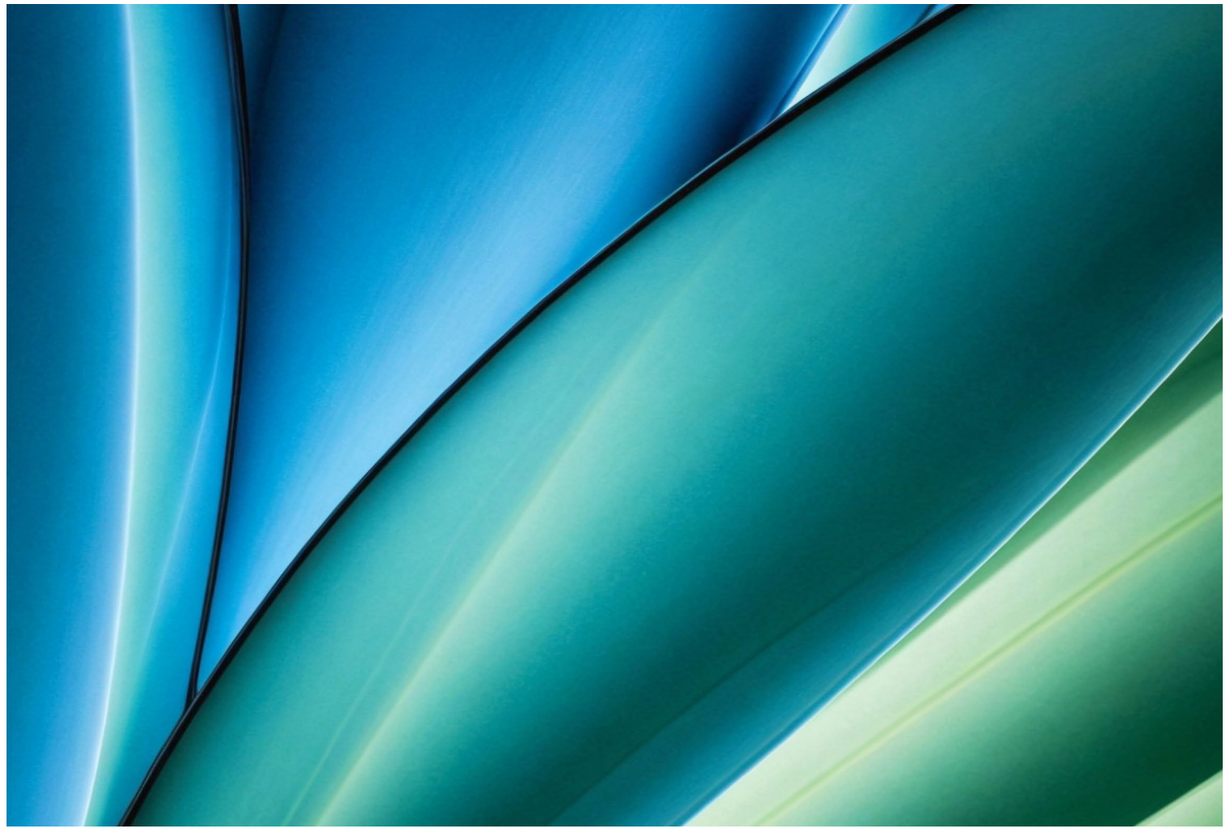
- Strengthening Source Water Conservation: New water-using equipment is selected with priority given to low-water-consumption and green products.
- Rainwater Harvesting and Storage: Green and ecological building designs are incorporated in new constructions and renovations, with a focus on integrated rainwater collection and storage.
- Water Facility Renovations: The coverage of sensor-operated faucets was increased. The Company renovates old and dispersed cooling towers by centralizing them to reduce their number while adopting water-saving chillers to decrease water consumption. Additionally, water-efficient sprinklers are prioritized for landscaping irrigation.

Water consumption per unit product (Unit: kg/kW)



04

Ecosystem and Biodiversity Protection



The Company prioritizes ecosystem and biodiversity protection, adhering to the principle of "Ecology First, Green Development" throughout the development of its renewable energy power station business. In all stages—site selection, planning, construction, and operation—the Company thoroughly considers ecological protection to ensure that projects do not cause additional disturbance or damage to the surrounding ecological surroundings. During the reporting period, none of the Company's operational sites were located within ecological protection red lines, and no incidents of infringing on the rights of indigenous people occurred.

Renewable Energy Power Station Operation Sites of Sungrow

Operation Sites	Ecosystem Types	Operation Stages
China	Mountainous Areas, Agricultural Land (excluding basic farmland), Coastal Areas, Aquaculture Water Surfaces, Grasslands (excluding basic grasslands), Forests (excluding Class I protected forest areas and key state-owned forests in Northeast China and Inner Mongolia), Desert Areas, Gobi Desert, Saline-Alkaline Land, Building Roofs and Parking Lots	Self-built power stations, independent power stations of partners
South America	Mountainous Areas, Agricultural Land, Grasslands, Lakes, Reservoirs	Self-built power stations
East Europea	Mountainous Areas, Agricultural Land, Grasslands, Lakes, Reservoirs	Self-built power stations
Mid-Asia	Mountainous Areas, Agricultural Land, Grasslands, Lakes, Reservoirs, Desert Areas	Self-built power stations
Southeast Asia	Mountainous Areas, Agricultural Land, Grasslands, Forests, Lakes, Reservoirs, Rivers, Coastal Areas	Self-built power stations
Australia	Agricultural Land, Grasslands, Desertified Land (Land affected by desertification)	Self-built power stations

Governance

To protect ecosystems and biodiversity, the Company has established a dedicated task force during the development of renewable energy power stations. This task force primarily handles environmental assessments, environmental remediation, soil and water conservation, disaster risk evaluation and management, animal migration, and biodiversity-related issues. The team ensures that when ecological and environmental concerns arise during project implementation, qualified professionals are involved in decision-making and provide relevant solutions.

The Company complies with external regulations related to biodiversity conservation, including *Environmental Protection Law, Wildlife Protection Law, Regulations on Nature Reserves, Forest Law, Soil and Water Conservation Law, Environmental Impact Assessment Technical Guidelines on Ecological Impacts, Convention on Biological Diversity, National Strategy and Action Plan for Biodiversity Conservation*. Internally, the Company has developed regulations related to biodiversity protection, including *Regulations on Environmental Factor Identification, Environmental Impact Assessment, and Control Management, EHS Management Handbook (Project EHS Management Section), Regulations of Wind Power Project Design Process Management, Regulations of Photovoltaic Project Design Process Management, Regulations of Domestic Project Redline Map Management*. The Company has also formulated and publicly published the *Environmental Management Policy*, making a commitment to protect ecosystems and biodiversity.

Ecosystem and Biodiversity Risk Identification and Management

Sungrow conducts biodiversity risk assessments to identify and evaluate biodiversity-related dependency and impact risks in its business operations.

Aspects	Potential impacts	Practices
Red-line Areas including Forest Land, Wetlands, Prime Farmland, Nature Reserves, Drinking Water Source Protection Areas, and Ecological Protection and so on	If red-line areas are occupied, the Company will face penalties from the relevant authorities, and any existing structures will be subject to forced demolition. The establishment of these red-line zones restricts the development of wind and photovoltaic projects to some extent.	The Company, when selecting project sites, refers to the Regulations of Domestic Project Red Line Map Management to ensure that the project does not occupy any red-line areas. Additionally, project developers and the relevant personnel will verify the red-line boundaries with the appropriate authorities and obtain a site approval letter from the administrative department regarding the project location.
Bird Migration Protection	In wind power projects, if the bird impact assessment (bird survey) does not meet the required standards, the wind turbines that have already been constructed may need to be dismantled, resulting in financial losses.	When undertaking related projects, the Company invites professional third-party organizations to conduct bird impact assessments (bird surveys). Only after obtaining the relevant approvals or expert opinions can the project proceed.
Noise Impact of Wind Power Projects	If the noise assessment for a wind power project does not meet the required standards, it may lead to complaints from local residents, who may demand compensation from the company. Additionally, the project could face the risk of being dismantled.	Before starting the project, the Company will invite qualified third-party environmental assessment agencies to conduct an environmental impact assessment. The project will only commence after receiving the relevant approval from the environmental protection authorities. Additionally, low-noise wind turbines will be selected for installation to minimize noise impact.
Impact of Wind Power and Solar Power Projects on Solid Waste, Liquid Waste, and Electromagnetic Radiation	If the solid waste, liquid waste, or electromagnetic radiation generated by wind and solar power projects fails to meet regulatory standards, it may lead to complaints from local residents, resulting in compensation claims against the company. Additionally, the project's environmental acceptance review will not be approved.	Before project commencement, a qualified third-party environmental assessment agency will be invited to conduct an environmental impact assessment, and construction will only proceed after obtaining approval from the environmental authorities. Throughout the pre-construction, construction, and post-construction phases, various protective measures will be implemented, such as installing septic tanks, integrated wastewater treatment units, liquid waste storage areas, solid waste storage areas, main emergency oil pools, and oil separation and containment measures.
Ecologically Fragile Areas	Building photovoltaic and wind power projects in ecologically fragile areas, such as desertified regions and areas with severe soil erosion, can exacerbate soil loss and damage the environment. The high cost of protective measures further adds to the challenge. Without proper management and safeguards, these projects risk failing soil and water conservation as well as environmental protection assessments in the later stages.	During project site selection, the Company avoids ecologically fragile areas whenever possible. If construction in such areas is unavoidable, the Company engages a qualified third-party organization to conduct assessments on soil and water conservation as well as environmental protection, obtaining necessary approvals or expert opinions. Additionally, the Company implements strict soil conservation and ecological restoration measures throughout project design and construction to minimize environmental impact. Regular environmental monitoring and assessments are conducted both during and after project completion to promptly identify and address any issues, ensuring long-term sustainability. For projects in desert regions, the Company undertakes soil stripping and reuse while preserving native flora and fauna. In mountainous areas, the Company focuses on soil and water conservation, vegetation restoration, and planting species suited to the local ecosystem. For projects near water bodies, the Company conducts research to assess the impact of photovoltaic installations on existing hydrological systems. In saline-alkali regions, the Company examines the effects of heavy metal absorption on local vegetation.
Disputes with local villagers over land acquisition compensation, road transportation, construction noise, and drainage.	These issues may lead to villagers obstructing construction, filing complaints, or even physical conflicts, resulting in project delays, increased costs, and potential injuries.	A communication team consisting of project staff, initial personnel, development teams, and sustainable development-related technical experts will be formed to listen to and address the residents' concerns. At the same time, effective communication channels with the local village committee will be actively established. When collective interests are involved, democratic voting will be conducted. Transportation routes for construction materials will be planned in advance, and construction noise will comply with daytime and nighttime decibel requirements. Dust that may arise will be controlled with water spraying, and during the rainy season, drainage paths will be timely planned to prevent soil erosion that could affect local farmland and residents' accommodations.

For biodiversity conservation, the Company regularly conducts relevant training, primarily targeting development, preliminary, technical, and engineering personnel. The Company has also invited external experts to provide specialized training on multiple occasions. In addition, during the implementation of photovoltaic and wind power projects, the Company fully leverages the advantages and characteristics of integrated fishing and solar, agriculture and solar, forestry and solar, and grassland and solar systems. While promoting the local economy, the Company actively incorporates environmental protection, biodiversity conservation, and soil and water conservation into the core operations, ensuring that projects are developed in harmony with the environment.

Case

100 MW Phase II Photovoltaic Power Generation Project at Taohongpo, Jiaokou County, Lüliang City, Shanxi Province.

The construction of photovoltaic power generation projects requires a significant amount of land. While China has vast land resources, the per capita land availability is limited, which leads to most photovoltaic power generation projects being located in areas rich in solar resources, such as deserts, abandoned farmland, water bodies, mountains, and mining reclamation areas. Building photovoltaic power projects in mining reclamation areas can save land resources and contribute to the protection and restoration of the local ecological environment. However, mining reclamation areas often face a range of environmental and geological issues, including severe soil erosion, slope failure, and damage to photovoltaic panels and wiring.

In the 100 MW phase II photovoltaic power project at Taohongpo, Jiaokou County, Lüliang City, Shanxi Province, the Company designed drainage and environmental management strategies specifically tailored to mining reclamation areas. These strategies included the development of drainage solutions, land leveling and reclamation, slope stabilization, gully backfilling, and the integration of photovoltaic systems with green planting. This approach not only enhanced the overall efficiency of land resource utilization but also improved the power generation environment of the photovoltaic project, increasing its electricity output. At the same time, it restored and improved the geological and ecological environment of the mining area, effectively addressing water and soil erosion and rehabilitating the mining site's environment.

MUTUALLY BENEFICIAL COLLABORATION

01

Product Quality and Safety

Governance

The Quality Management Center oversees the Company's product and quality matters, with regular reports submitted to the General Manager of the Quality Management Center, the Senior Vice President in charge, and the Chairman of the Board.

The Company's product quality and safety management encompasses a wide range of products, including inverters (for utility-scale power plants, commercial and industrial applications, residential systems, and energy storage batteries), energy storage systems (energy storage converters), electrical control systems, and charging stations. The Company complies with the *Product Quality Law* and operates under the ISO 9001:2015 quality management system. Additionally, it advances the operation of relevant businesses in compliance with the IATF 16949:2016 automotive quality management system, IECQ-QC080000:2017 hazardous substance process management system, ISO 27001:2022 information security management system, ISO 27701: 2019 privacy information management system, ESD 20.20 electrostatic discharge protection standards, and other industry- and product-specific standards. By integrating these frameworks, the Company has established a systematic, replicable, and differentiated management system that is both structured and efficient. Furthermore, the Company references ISO 37301: 2021 compliance management and ISO 22301:2012 business continuity management standards to identify operational gaps, drive corrective actions, enhance system resilience, and strengthen risk management capabilities — ensuring sustained, high-quality growth. During the reporting period, no violations related to product quality or safety occurred, nor were there any product recalls.

To maintain the continuous effectiveness and relevance of its quality management system, the Company has implemented the *Regulations of Internal Audit Management*, forming a dedicated internal audit team that conducts regular assessments to ensure business process compliance. In addition, a problem-oriented approach is adopted, emphasizing issue resolution and risk mitigation through reverse audits. With a strong focus on product quality enhancement, the Company has built an end-to-end quality management system covering R&D quality, supply chain quality, manufacturing process quality, and customer quality—aligning with various regulatory and industry standards. Throughout the product lifecycle, key performance indicators such as quality cost rate, product failure rate, testing defect rate, incoming material inspection pass rate, process yield rate, and final product inspection pass rate are established and evaluated on a quarterly and annual basis. Any operational deviations trigger corrective measures to drive continuous improvement, ensuring the Company's commitment to excellence.

Full Lifecycle Quality and Safety Management

- **R&D:** The Company follows the Integrated Product Development (IPD) framework and develops new product quality management plans, integrating target and metric management as well as risk and issue management. At the strategic level, the Company has further strengthened risk identification capabilities and the effectiveness of issue resolution by piloting the Design Failure Mode and Effects Analysis (DFMEA) from the early stages of product design to proactively identify risks, ensure the quality of the R&D process and enhance product reliability. During R&D, the Company considers hazardous substance control, electrical safety, mechanical safety, and electromagnetic compatibility to ensure compliance with safety standards. SG75/110/125CX-P2 has obtained safety certifications such as ISO 9001:2015, IATF 16949:2016, and IECQ-QC080000:2017, covering the requirements of the European Union and IEC standards. PowerTitan 2.0 and ST5015HX Series have acquired UL 9540 safety certification, ensuring compliance with electrical, battery, and thermal management requirements.
- **Supply Chain:** The Company has improved supplier management standards and performance evaluation mechanisms. The supplier qualification review, annual audit, and in-process assessment frameworks have been refined to ensure comprehensive and structured evaluations. An annual assessment plan has been implemented to regulate supplier reviews and improve supply chain management systematically. A full-lifecycle material quality control system is in place, incorporating digital management tools and risk-based thinking to monitor critical material selection, certification testing, and standardized delivery requirements. Suppliers are required to sign an *Environmental Commitment Letter* and upload it to the SRM system. A reliability laboratory has been established and certified by CNAS, enabling 100% coverage of production materials and full monitoring of key project parameters.
- **Manufacturing Process:** Based on product characteristics and industry requirements, standards such as the Visual Inspection Specification for Complete Units and the Finished Product Inspection Specification for Grid-Connected Photovoltaic Inverters have been established to effectively evaluate product quality performance during the manufacturing process. Detailed management regulations, including the Challenging Components Management Guideline for Production Lines and the Tiered Audit System Management Guideline, have been developed to ensure end-to-end refined process control from prevention to improvement, leveraging automation and digital technologies to enhance inspection efficiency. Integrated functional testing has been implemented with 100% coverage; automation rates for critical process steps exceed 90%; and machine vision inspection has been introduced, reducing critical process defects to zero. The Nonconforming and Suspected Product Control Procedure has been revised to ensure that nonconforming products are properly identified, isolated, and recorded. Intelligent control is implemented via digital systems to prevent unintended use or delivery of nonconforming products. Product safety items are mandatory in the final inspection process. During production, electrical clearance between critical components is measured, and complete units undergo safety tests in accordance with international, national, and industry standards, including dielectric withstand voltage, insulation resistance, and ground resistance tests, ensuring product design complies with relevant safety standards and design specifications.
- **Customer Quality Management:** The Company has established systems such as the *8D Management Procedure, Product Failure Feedback and Handling Procedure,* and *Product Quality Risk Control Measures* to ensure a comprehensive and systematic approach to quality management. The Quality Management System (QMS) has been integrated with the Global Service Platform (GSP) to ensure real-time monitoring, quick response to client feedback, and efficient failure analysis. The Company implements specialized management approaches for key projects and major clients while continuously improving the problem-resolution mechanism to enhance customer satisfaction and reduce quality risks.

Quality Audit

To ensure the continuous applicability and effectiveness of the quality management system, the Company has established the *Regulations of Internal Audit Management* and formed an internal auditor team. Regular internal audits are conducted to continuously assess the compliance of business processes. In addition, problem-driven, risk-avoidance-focused special audits are carried out, concentrating on identifying and addressing issues. In 2024, 14 internal audits were conducted, covering the entire process from sales, supply chain, R&D, production, to after-sales. A total of 1,669 audit items were reviewed, with 371 non-compliances identified, resulting in an internal audit closure rate of 100%. And the Company had identified 69 potential safety and compliance risks, all of which had undergone risk analysis and improvements. During the reporting period, no safety and compliance-related issues were reported by customers.

Quality Culture & Training

The Company holds an annual Quality Conference each year to strengthen quality management throughout the entire process and enhance product reliability. Additionally, a high-level quality seminar is organized to adjust the quality organizational structure, ensuring that business units take on primary responsibility for product quality and begin considering quality at the product design stage.

In line with ISO 10015 and ISO 10018 standards, the Company optimizes the quality training process by aligning the training content with the job responsibilities of the participants. In 2024, a total of 135 customized quality training sessions were conducted for the Company's business units and departments, with a participation of 4,596 person-hours in total.

Sungrow Certification System

Certification Body	Certification System	Certification Agency
Sungrow Power Supply Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Hazardous Substances Process Management System IECQ QC080000:2017	SGS
	Social Responsibility Management System SA8000®:2014	SGS
	Energy Management System ISO 50001:2018	TÜV
	Information Security Management System ISO/IEC 27001:2022	DNV
	Privacy Information Management System ISO/IEC 27701: 2019	DNV
	Laboratory Accreditation ISO/IEC 17025:2017	CNAS
	ESD Management System IEC61340-5-1:2016 ANSI/ESD S20.20-2021	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	SGS
	Evaluation System for After-Sales Service of Commodity GB/T 27922-2011	HXC (Beijing) Certification Center Co., Ltd.
	Compliance Management System ISO 37301:2021	BSI
Sungrow Renewables Development Co., Ltd.	Quality Management System for Engineering CQC Construction Enterprise GB/T 19001-2016/ISO 9001:2015 + GB/T 50430-2017	CQC
	Environmental Management System GB/T 24001-2016/ISO 14001:2015	CQC
	Occupational Health and Safety Management System GB/T 45001-2020/ISO 45001:2018	CQC

Certification Body	Certification System	Certification Agency
Sungrow Energy Storage Technology Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Energy Management System ISO50001:2018	TÜV
	Social Responsibility Management System SA8000®:2014	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	SGS
Sungrow FPV Sci.& Tech. Co., Ltd.	Quality Management System GB/T 19001-2016/ISO 9001:2015	CQC
	Environmental Management System GB/T 24001-2016/ISO 14001:2015	CQC
	Occupational Health and Safety Management System GB/T 45001-2020/ISO 45001:2018	CQC
	Hazardous Substances Process Management SystemIECQ QC：080000:2017	SGS
Hefei Sungrow E-Power Technology Co., Ltd.	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Quality Management System for Automotive Sector IATF 16949:2016	BV
	Energy Management System ISO 50001:2018	TÜV
	Road Vehicles Functional Safety System—ASIL-D ISO26262：2018	SGS-TÜV Saar
Sungrow Smart O&M Technology Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Information Security Management System ISO/IEC 27001:2013	SGS
Sungrow Hydrogen Technology Co., Ltd.	Quality Management System ISO 9001:2015	BV
	Environmental Management System GB/T 24001-2016/ISO 14001:2015	CQC
	Occupational Health and Safety Management System GB/T 45001-2020/ISO 45001:2018	CQC
Sungrow iCarbon Technology Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Information Security Management System ISO27001:2013	DNV
	Energy Management System ISO 50001:2018	SGS
SUNGROW DEVELOPERS INDIA PRIVATE LIMITED	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	SGS
SUNGROW DEVELOPERS THAILAND CO,LTD	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	SGS

02

Customer Relationship Management

Governance

Sungrow prioritizes localized service supported by intelligent system platforms, building an integrated online-offline service support ecosystem. The Company provides full lifecycle services and solutions for its products, enhancing service efficiency and response speed through professional and high-quality operations to exceed customer expectations and create sustained value. During the reporting period, no breaches of marketing communication regulations (including advertising, promotions, and sponsorships) or voluntary codes were recorded.

Customer Full Lifecycle Services

Pre-sales services

Implement the "iron triangle model" to provide customer-centered lifecycle product management services

In-sales services

Provide innovative services based on a global service platform and digitalize customer cases with the help of the AI platform

After-sales services

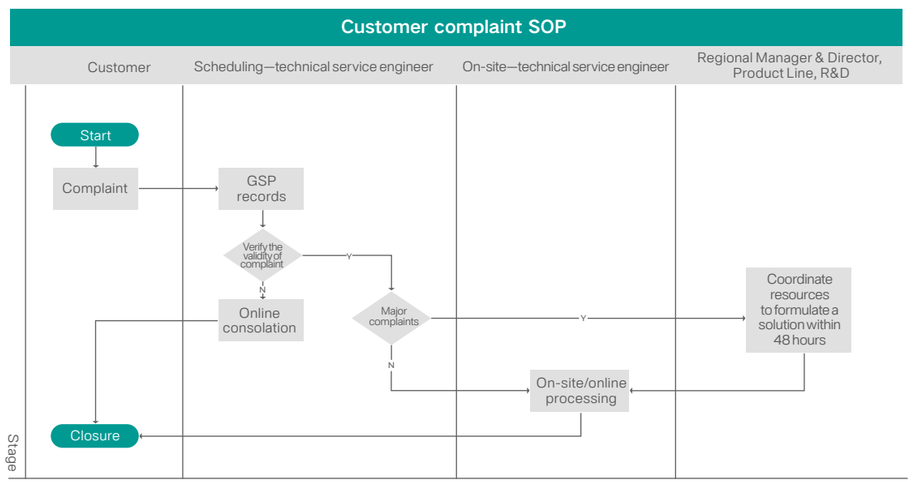
Provide all-round services and solutions, improve service and response efficiency based on professional and quality services, and support customized customer training through a tiered international talent training system, so as to continuously exceed customer expectations and create greater value for customers

The Company complies with the *Law of the People's Republic of China on the Protection of Consumer Rights* and Interests and other relevant regulations. To more effectively manage customer relationships, the Company has established policies such as the *After-Sales Incident Handling Procedure* and the *Paid Service Management Regulations*. In response to risks related to customer relationships—such as customer complaints and crisis management—the Company adopts various approaches, including customer communication, customer training, responsible marketing, and customer satisfaction surveys, to continuously enhancing the customer experience.

Customer Communication

The Company actively safeguards customer rights by establishing diversified customer communication channels through official websites, complaint hotlines, online customer service, emails, written complaints, cloud platforms, face-to-face meetings, and other methods. By 2025, the Company plans to build a unified global customer service center platform that integrates omnichannel customer information including phone hotlines, emails, social media, and official websites. This will be enhanced through AI-powered customer service robots to improve service efficiency and communication experiences.

For customer complaints, the Company has defined complaint handling processes and responsible parties. In accordance with the *Customer Complaint Management Regulations*, a customer complaint response mechanism and workflow have been established. The process includes receiving complaints, analyzing issues, responding to customers, resolving problems, and providing feedback. It adheres to the principles of "rapid response, thorough investigation of every case, timely resolution, and corrective/preventive measures," ensuring standardized multi-level complaint handling.



Customer Training

The Company has established a three-tier technical support system spanning business regions, the Global Technical Empowerment Department, and Research and Development (R&D). The Global Technical Empowerment Department's technical support engineers serve as the central hub of this system, acting as headquarters service representatives to deeply engage in product development. They provide installability and maintainability recommendations for new product R&D, deliver product maintenance and training materials, and empower regional technical service engineers. Technical service engineers conduct on-site customer training to enhance the technical capabilities of operations and maintenance (O&M) engineers, standardize safety and technical operations, and improve rapid troubleshooting for common issues.

The Group Headquarters has established a Training Practice Center, where internally certified instructors serve as trainers to develop systematic training materials for various products, operations, and maintenance, targeting challenges in product O&M at customer power stations and updates in O&M technologies. Through online and offline training formats, the center enhances the comprehensive O&M capabilities of customer teams. In 2024, the headquarters conducted 62 on-site training sessions, 35 field training sessions, and 16 online sessions.

Responsible Marketing

Sungrow adheres to responsible marketing by establishing standardized workflows and criteria for sales, promotion, services, and information security. An internal audit mechanism ensures the completeness and accuracy of information disclosure throughout the marketing process. Compliance awareness is integrated into all stages, aiming to provide customers with reliable products and full solutions for mutual success.

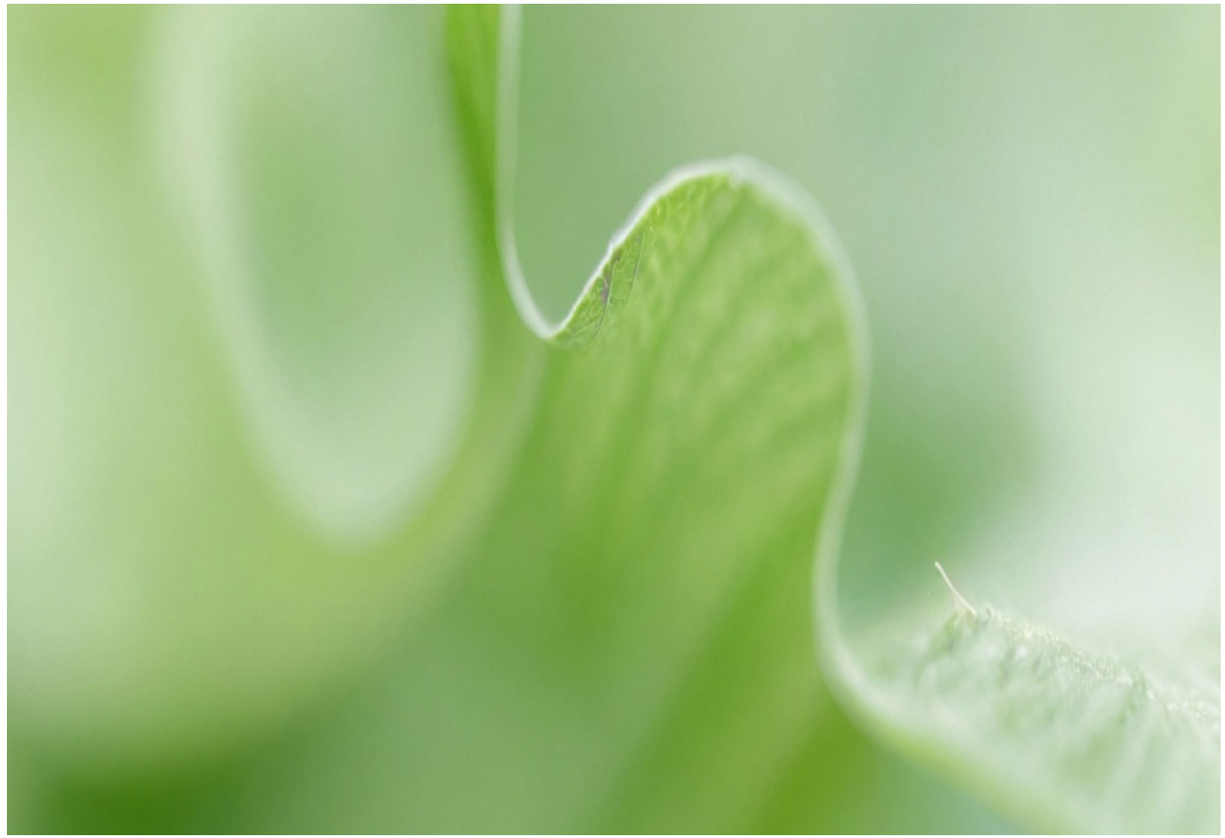
To implement the Company's brand and trademark strategy, ensure the legal and regulated use of trademarks, and protect core brand assets, the Company formulated the *Trademark Usage Management Guidelines* in 2024. Additionally, to standardize the Company's use of customer logos in business collaborations, mitigate trademark infringement risks, promote compliance in trademark usage management, and safeguard the group's reputation and brand image, the Company has established the *Business Collaboration Logo Usage Management Regulations*.

Customer Satisfaction

The Company consistently prioritizes customer-centricity and continuously improves customer satisfaction. In alignment with national standards GB/T 19038-2009 *Guidelines for Model and Methods of Customer Satisfaction Measurement*, GB/T 19039-2009 *General Rules of Customer Satisfaction Measurement*, and the ISO 10001-10004, the Company has optimized complaint resolution processes, redesigned satisfaction surveys, and implemented global customer satisfaction assessments through the GSP system. The adoption of the GB/T 27922 system has refined internal service processes, earning a 12-star certification. In 2024, Sungrow achieved a customer satisfaction rate of 93.7%.

The Company conducts customer satisfaction surveys to identify suggestions and issues raised by customers, and develops corresponding measures and strategies to continuously improve customer satisfaction. By creating outstanding products and services, the Company aims to earn the long-term trust and support of its customers.

- **Improving Product Reliability:** Optimize quality control processes at all stages, strictly control the quality at the planning and design stages, continuously strengthen refined quality management, and comprehensively enhance product quality.
- **Enhancing Delivery Timeliness:** Continuously optimize the supply chain, reasonably allocate production capacity, enhance collaborative delivery capabilities, strengthen the effectiveness of safety stock settings, and reduce potential delivery risks.
- **Strengthening Brand Image:** Continuously pursue excellence, striving to exceed customer expectations with products and services, strengthen the development of localized brand culture, and actively promote the brand image.
- **Accelerating Service Responsiveness:** Strengthen service team training, enhance the team's ability to efficiently resolve issues, establish an intelligent customer service system for common problems, provide quick responses, and reasonably plan manpower.
- **Deepening Customer Training and Communication:** Regularly collect customer feedback on training content, frequency, and methods to optimize training programs. Increase the frequency of communication with customers, promptly understand their needs, continuously improve services, and enhance customer satisfaction.



03

Sustainable Supply Chain

Governance

The Company's management and execution body for supply chain sustainability matters is primarily the Purchasing Center, responsible for planning, implementing, supervising, risk assessment and control, as well as performance evaluation of supplier sustainability. The Purchasing Center also ensures the practice of sustainability throughout the entire lifecycle of suppliers. Regular reports on related matters are submitted to the General Manager of the Purchasing Center, the Senior Vice President in charge, and the Chairman.

To align with the Company's sustainability strategy, the Purchasing Center has established a Supplier Management Team, which oversees both supplier management and sustainability-related matters. The team regularly reports on work plans and progress to the Purchasing Center, while maintaining communication with departments such as the ESG Development Center and Legal and Compliance Department, to stay updated on dynamics and requirements of compliance and sustainability. The ESG Development Center regularly reports the progress of sustainable supply chain practices to the Strategy and Sustainability Committee.

The Company has established a series of regulations and agreements to strengthen supply chain sustainability, including the *Procedure of Supplier Management, Regulations of Supplier Development Management, Regulations of Supplier Performance Management, Regulations of Supplier Sustainability Management, Regulations of Supplier Relations Management, Supplier Code of Conduct, Supply Agreement, etc.* Each subsidiary follows the relevant regulations of the Purchasing Center to manage their supply chains, continuously enhancing the sustainability of the supply chain.

Sustainability requirements are specified at all stages of supplier admission, selection, auditing, and daily management. The Company refers to international standards such as the International Labour Organization (ILO) Labor Standards, the UN Guiding Principles on Business and Human Rights, and the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* to create and continuously revise its *Supplier Code of Conduct*. This Code covers five main areas: human rights and labor rights, health and safety, environmental protection, business ethics, and management systems.

To ensure that procurement practices align with the Company's sustainability requirements towards supply chain, the Company regularly reviews procurement practices to ensure compliance with the *Regulations of Supplier Sustainability Management*. By setting reasonable order conditions, the Company supports suppliers in adhering to the *Supplier Code of Conduct* and sustainability requirements, avoiding potential conflicts between the Company's procurement practices and sustainability goals, and promoting the sustainability of the supply chain.

Sustainable Supply Chain Risk Identification and Management

To ensure the timely detection, control, and prevention of procurement risks, strengthen risk management, and safeguard the Company's interests, Purchasing Center has developed the *Procedure of Procurement Risk Management*. This procedure is designed in accordance with the Company's procurement management requirements and clearly defines the risk management process.

1.Risk Classification	Based on risk factors, supply chain-related risks are divided into social & governance risks and environmental risks. Social & governance risks are further divided into internal system risks and macro social risks. Internal system risks include single supplier risk, information transmission risk, partner risk, etc. Macro social risks include politics, economy, culture, exchange rate, market demand, industry policies, etc. Environmental risks include mountain floods, tsunamis, earthquakes, lightning, thunderstorms, landslides, etc.
2.Risk Identification and Assessment	• Risk Identification • Risk Matching • Risk Assessment
3.Procurement Risk Control	• Clarify risk control measures and risk response strategies • Control plan management • Control plan acceptance
4.Risk Monitoring and Prevention	The Company continuously monitors relevant risks, provides regular updates on risk closure progress, until the risk is eliminated, or the risk control objectives are achieved.

Suppler Screening

The Purchasing Center has established the *Regulations of Supplier Relationship Management* and regularly conducts position evaluations for existing suppliers, categorizing them into strategic, bottleneck, leverage, and general suppliers. The main evaluation dimensions include purchase scale, supply risk, etc.

In addition, the Company's annual ESG audit list is selected based on comprehensive factors. Apart from business, delivery, and quality factors, risk considerations are also incorporated into the evaluation.

- **Business relevance:** Annual procurement amount, supplier positioning, and cooperation level, etc.
- **Specific country risks:** Suppliers located in high-risk countries are subject to controls, such as minerals from the Democratic Republic of Congo and surrounding areas in Central Africa, which can lead to human rights violations and environmental damage risks.
- **Compliance risk mitigation:** Suppliers identified in the previous year's compliance risk screening with potential risks, as well as suppliers whose audit validity period is about to expire.

Supplier Admission

During the supplier admission phase, Purchasing Center references standards such as the Responsible Business Alliance Code of Conduct, ISO 14001, ISO 45001, and SA8000® certifications, as well as relevant environmental, social, and legal regulations, to assess whether the supplier meets the necessary qualifications. Additionally, the Company conducts due diligence on suppliers. Suppliers are required to sign agreements such as the *Integrity Agreement, Confidentiality Agreement, and Supplier Code of Conduct*. Manufacturers are also required to sign the *Supply Chain Origin Information Declaration*. The supplier development management process includes a review mechanism to enhance the scientific and rational nature of sourcing. After the review, suppliers are evaluated based on their ESG performance using the ESG audit report, considering aspects such as environmental protection, labor management, business ethics, and critical mineral management. According to the *Supplier Code of Conduct*, Sungrow will prioritize providing business cooperation opportunities to suppliers with good sustainability performance under equal conditions.

Supplier Admission Process

1.Basic Information Review	The Company reviews the supplier's basic information, including the entity information, the product categories, etc.
2.Business Qualification Review	The Company conducts a business qualification review of suppliers to ensure that the prospective supplier meets the basic requirements for business cooperation. For manufacturers, they are required to have ISO 9001 certification. In addition, manufacturers should establish a plan to gradually introduce certifications such as ISO 14001, ISO 45001, and SA8000®.
3.Compliance Risk Screening	Leveraging publicly available information, the Company conducts risk screenings of suppliers to eliminate major compliance risks and operational qualification risks.
4.On-Site Audit	In principle, on-site audits are conducted for all newly admitted manufacturers. The audit mainly focuses on the supplier's qualifications and business, the supplier's R&D system, the supplier's quality management system, and an ESG audit which is conducted with reference to standards such as the RBA (Responsible Business Alliance) to ensure that prospective suppliers do not pose significant potential risks.
5.Agreement Signing	Suppliers are required to sign several agreements, including the *Integrity Agreement, Confidentiality Agreement*, and *Supplier Code of Conduct*. Manufacturers must also sign the *Supply Chain Origin Information Declaration*. For alternative (R&D) suppliers or alternative (after-sales) suppliers, they must complete the signing of the *Supply Agreement, Environmental Commitment (RoHS Directive Commitment),* and *Environmental Commitment (REACH Directive Commitment).*

Supplier Audit and Assessment

To manage the supplier audit process, provide guidance for all supplier-related audits, standardize the entire audit procedure, and improve audit professionalism, the Purchasing Center has developed the *Regulations of Supplier Audit Management* based on the *ISO 19011 – Guidelines for Auditing Management Systems*, etc.

In terms of audit dimensions, the process primarily covers quality management systems, R&D capabilities, commercial and qualification reviews, and ESG assessments. Regarding the timing of audit engagement, audits are categorized into onboarding audits for new suppliers and annual audits for existing suppliers. As for audit formats, audits are conducted either as Sungrow's second-party audits or through commissioned third-party audits.

Purchasing Center is responsible for formulating the annual ESG audit plan for suppliers, while the Quality Management Center is responsible for formulating the annual supplier quality audit plan. ESG audits and annual quality audits are carried out for key suppliers, and improvement plans are developed based on audit findings. Suppliers are then required to rectify non-conformities within a specified timeframe.

According to the *Supplier Code of Conduct*, suppliers that perform poorly in the annual ESG audit—or violate the Company's sustainability red-line requirements—are required by Sungrow to complete corrective actions within a specified timeframe. In the interim, their procurement share may be reduced or business cooperation opportunities restricted, up to and including termination of the partnership.

Through ESG audits and evaluations, the Company identifies suppliers' excellent practices, areas for improvement, non-conformities, and the corresponding supporting evidence. For non-conformities, the Company requires suppliers to develop a *Corrective Action Plan* (CAP), and the Company monitors the implementation of the CAP to ensure that non-conformities are addressed and the partnership continues to improve. For zero-tolerance audit issues, the Company follows up through the procurement risk management process, overseeing and verifying the corrective actions until they are closed. During the reporting period, the Company conducted ESG audits on 92 suppliers and identified 17 suppliers with significant potential negative impacts. Corrective and improvement measures were implemented for all identified cases. The Company continuously followed up on the CAP process to ensure full closure, and all 17 suppliers completed the required rectifications, effectively eliminating the associated risks.

The Company has obtained QC080000 certification (for the design and manufacture of PV grid-connected inverters), incorporating RoHS, REACH, Battery Regulation, Packaging Directive, and other regulatory requirements into its hazardous substance management system. For hazardous substance control across the supply chain, the Company implements dual-track management at both the supplier and material levels. Control measures include contractual agreements, on-site audits, incoming material inspections, documentation reviews, and performance evaluations. Indicators such as regulated substances and solid waste management have been integrated into the supplier ESG audit checklist. In response to the EU Battery Regulation, the Company revised its *Environmental Commitment Letter* and issued a *Supplementary Agreement to the Environmental Commitment Letter*, requiring all relevant suppliers to review and sign. During the reporting period, 85.25% of suppliers signed agreements pertaining to hazardous substance restrictions.

For anti-corruption and anti-bribery efforts, the Company has developed and signed an *Integrity Agreement* with suppliers and established the *Regulations of Supplier Blacklist Management* to strengthen the Company's efforts in penalizing supplier breaches and dishonesty, prevent commercial bribery and malicious fraud, and regulate the integrity of all personnel in their professional conduct. Suppliers involved in corruption or bribery are classified and managed according to the severity of their impact, with different disciplinary measures applied accordingly. Additionally, the Company communicates the *Supplier Guidelines* annually to suppliers, promoting its anti-corruption and anti-bribery policies. During the ESG audit process, the Company verifies the effectiveness and implementation of suppliers' anti-corruption policies to ensure transparency and ethical business practices throughout the supply chain.

Supplier Training & Development

To enhance capabilities of sustainability and risk prevention within the supply chain, Sungrow regularly organizes ESG capacity-building activities for suppliers, including ESG training, partner conferences, carbon management training, experience sharing, and communications. These activities specifically cover the Company's supply chain ESG promotion, carbon reduction plans, ESG concepts, and key topic practices. In 2024, suppliers participated in a total of 798.9 hours of ESG training. In 2024, the Company conducted ESG training for 138 suppliers and focused on green supply chain capability building for 5 suppliers. The total duration of supplier participation in ESG training was 798.9 hours.

- ***Supplier Code of Conduct* and ESG Audit:** Introducing Sungrow's *Supplier Code of Conduct* to suppliers and holding an ESG kick-off meeting.
- **Responsible Minerals Knowledge and Reporting Requirements:** Providing knowledge on responsible sourcing of minerals and the requirements for reporting.
- **Carbon Footprint:** Explaining the basics of carbon, the requirements, and processes for carbon footprint management.
- **Human Rights and Labor Management:** Introducing the basics of human rights and labor management, along with legal requirements regarding child labor and underage workers.

Additionally, the Company organized one external training session for internal colleagues involved in supply chain management. The training, lasting 16 hours, invited colleagues from the Purchasing Center who were engaged in sustainable supply chain management. The training covered ESG audit standards, ESG risk identification, and management processes.

Case

Supplier Green Supply Chain Coaching

The Company actively promotes the Ministry of Industry and Information Technology (MIIT) Green Supply Chain Certification, encouraging suppliers to conduct self-assessments based on the green supply chain evaluation standards issued by the MIIT, as well as engage in practices such as packaging optimization. In 2024, 80% of new suppliers were engaged by self-assessments for the green supply chain, and, based on past procurement volume, the Company encouraged 139 existing suppliers to undergo green supply chain evaluations. In October 2024, the Company conducted an online/offline Green Supply Chain Coaching and Certification program for five suppliers, one of which underwent on-site coaching.

Supply Chain Resilience Management

Each year, the Company evaluates the resource alignment of suppliers in accordance with the product planning to ensure a stable supply chain. At the same time, in response to the global supply chain development efforts, the Company actively reserves local suppliers to increase the local procurement rate.

In 2024, the Company's local procurement rate in China was 92%. Additionally, the Company has established a real-time, rolling supplier risk database, with an internal push mechanism that supports procurement decision-making and ensures the smooth operation of the supply chain.

Responsible Minerals Management

Governance of Responsible Minerals Management

Tantalum, tin, tungsten, gold, and cobalt are essential materials for the functionality of electronic products. Sungrow does not directly procure minerals and requires its suppliers to refrain from using conflict minerals. The Company develops its responsible sourcing policy by referring to the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or equivalent recognized due diligence frameworks.

The Company has established a Supply Chain Compliance Team responsible for identifying and managing the requirements of relevant regulations and standards related to responsible minerals, as well as verifying supplier compliance.

The Company has developed and requires suppliers to sign the *Supplier Code of Conduct,* the *Commitment to Not Use Conflict Minerals,* and the *Supply Agreement,* which clearly mandate that suppliers commit to compliance regarding conflict minerals and prohibit the use of such minerals. Suppliers are required to establish and implement due diligence policies and management systems to identify risks associated with raw materials and components sourced from conflict-affected and high-risk areas and take appropriate measures to mitigate and control these risks.

Additionally, the Company has formulated the *Regulations of Supplier Sustainability Management*. Based on past survey results and internal and external customer requirements, the Company develops conflict minerals due diligence plan for suppliers, confirming the scope and timeline of the investigation. The Company conducts regular responsible mineral investigations with suppliers to effectively identify and manage related risks.

Responsible Minerals Risk Management

The Company incorporates responsible minerals management into its supplier ESG audit program. Suppliers are audited to ensure they conduct responsible minerals investigations on their upstream supply chain and that their products do not directly or indirectly use minerals sourced from conflict-affected and high-risk areas. Additionally, suppliers are required to apply Sungrow's responsible sourcing requirements to their own suppliers, ensuring these practices are implemented across all levels of the supply chain and that applicable legal and regulatory requirements for supply chain traceability are met.

For key material suppliers, the Company conducts *Conflict Mineral Reporting Template* (CMRT) and *Extended Mineral Reporting Template* (EMRT) investigations. In 2024, a comprehensive survey was conducted with key suppliers, and no violations of conflict mineral regulations were found. The revenue from products containing conflict minerals was zero.

Sungrow encourages its tier-1 suppliers to trace their supply chains upstream, identifying the sources of smelters and

refiners, in order to determine if any conflict minerals are sourced from conflict-affected and high-risk areas. In 2024, the Company conducted material identification for its products, recording key materials that may contain conflict minerals. Suppliers involved with these key materials, who had not previously conducted due diligence in 2024, underwent CMRT and EMRT investigations to assess the risk related to the sourcing of 3TG (tantalum, tin, tungsten, gold), cobalt, and mica in their products. All surveyed suppliers reported 100% conflict-free minerals.

Moving forward, the Company plans to expand conflict minerals investigations to additional suppliers in its supply chain and, as necessary, conduct third-party independent audits to ensure continued compliance.

In 2024, the Company conducted responsible minerals due diligence covering 195 suppliers. Based on data from 2023, the investigation encompassed most key materials that could potentially contain conflict minerals, and no conflict mineral risks were identified. For 2025, the Company plans to expand the scope of the investigation, covering more suppliers, and extend the scope of minerals to include lithium, nickel, and other minerals, ensuring compliance with conflict mineral sourcing regulations.

Although no conflict mineral risks were identified in the 2024 responsible mineral due diligence, 9 suppliers were unable to identify the full list of smelters for all the minerals used. As a result, the Company initiated a risk mitigation initiative, providing training and communication with these 9 suppliers. After further investigation and confirmation, it was determined that the smelters were all located in risk-free regions and did not involve areas affected by conflict.

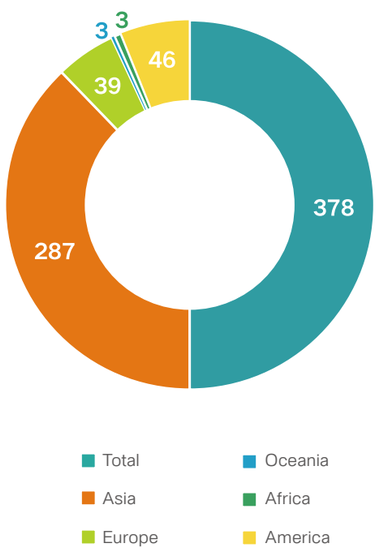
If conflict minerals risks are identified, the Company has developed a comprehensive response strategy to address any potential risks in the future:

1.Smelter/Refinery Certification: the Company screens the identified smelters/refiners to confirm if they are listed in the compliant smelter directory. If smelters/refiners are found outside the directory, the Company works with suppliers to audit and certify the relevant smelters/refiners.

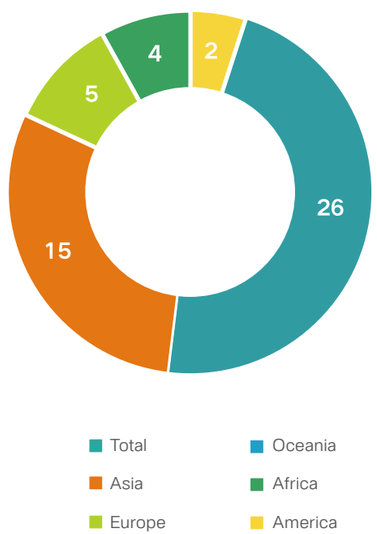
2.Discontinuation of Smelters/Refiners: For non-compliant or un-audited smelters/refiners in the supply chain, the Company promotes participation in audit and certification programs. If a smelter/refinery refuses to undergo an audit or certification, the Company requires suppliers to remove these non-audited or non-certified smelters/refiners from the supply chain.

3.Addressing Other Conflict Minerals Risks: If potential risks related to other conflict minerals are identified, the Company assesses the risks according to its risk management procedures and develops control plans to ensure that these risks are promptly addressed and closed.

Distribution of Compliant Smelters for 3TG in 2024



Distribution of Compliant Smelters for Cobalt and Mica in 2024

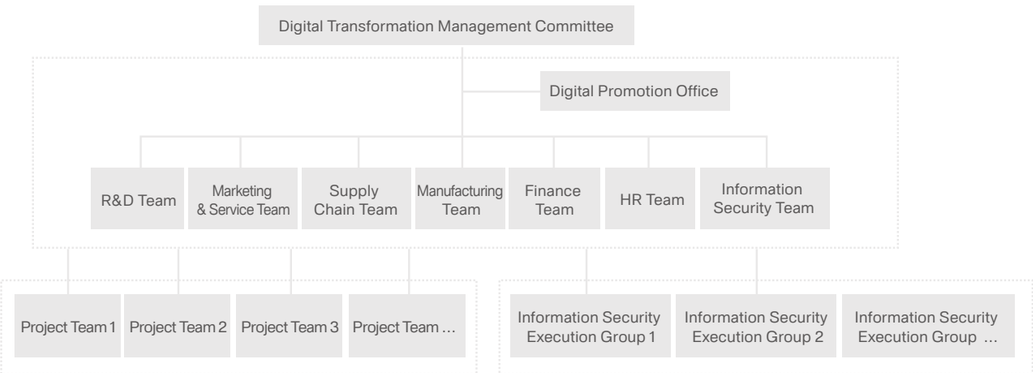


04

Data Security and Privacy Protection

Governance

The Company places great importance on data security and privacy protection for stakeholders such as customers, users, suppliers, and employees. The highest governing body in this regard is the Digital Transformation Management Committee, with Mr. Zheng Guibiao serving as the Company's Chief Information Officer (CIO). The Company has established the Digital Transformation Management Committee, under which the Digital Promotion Office is responsible for daily operations as well as emergency response and handling. In addition, an Information Security Team has been formed to oversee information and privacy security, as well as personal data protection. Each business unit and subsidiary has also set up an Information Security Execution Team responsible for implementing and enforcing information and privacy security measures.



As a dedicated governance body, the Digital Transformation Management Committee is responsible for the overall coordination of the Group's information security and privacy protection management. It guides and supervises the development of the management system, and adopts scientific risk management tools and methodologies to prevent and control information security and privacy risks across the Group. Members of the Digital Transformation Management Committee include the Chairman of the Company, the Chief Information Officer, and other relevant senior executives.

At the management level, the Company has established the Information Security Office and the Information Security Team, which are responsible for developing overarching policies and methodologies for information and privacy security, promoting the overall implementation of information security initiatives, reporting to senior management and regulatory authorities in a timely manner, and notifying personal information subjects as necessary. The Company has also formed Information Security Execution Groups, which are tasked with executing and implementing information and privacy security efforts. At the independent audit level, a Security Compliance Team has been established to supervise and evaluate the Company's performance in data security and privacy protection. Subsidiaries follow the relevant management systems set by headquarters and collaborate in the implementation of information security and privacy protection measures.

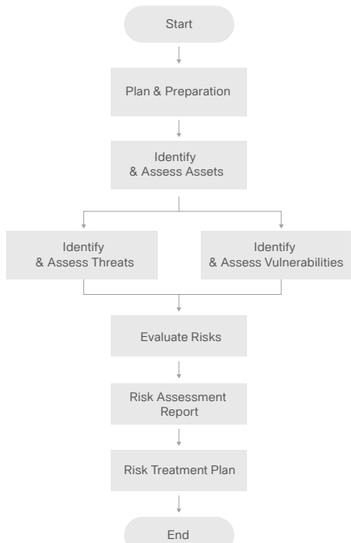
The Company strictly complies with the *Cybersecurity Law of the People's Republic of China,* the *Data Security Law of the People's Republic of China,* the *Personal Information Protection Law of the People's Republic of China,* the *Data Security Management Measures for Industrial and Information Technology Sectors,* and relevant laws and regulations such as the *EU's General Data Protection Regulation (GDPR).* During the reporting period, the Company experienced no data security breaches or incidents involving the leakage of customer privacy.

Aligning with domestic and international regulations, the Company conducts internal compliance risk assessments and external customer demand research. Over 30 internal documents have been established to meet globally recognized standards for information security management and personal privacy compliance, including the *Information Security and Privacy Security Management Regulations,* the *Information Security and Privacy Security Organizational Management System,* the *Information Security and Privacy Security Information Asset Management System,* the *Information Security and Privacy Security Incident Management System,* the *Business Continuity Management System,* the *Business Continuity Plan,* the *Information Security and Privacy Security Compliance Management System,* the *Employee Information Security and Privacy Security Management System,* and the *Information Security and Privacy Security Management Manual.* All internal information security policies are internally available to all employees. In 2024, the Company introduced additional policies such as the *Information Security Inspection Process,* the *Cybersecurity Incident Emergency Response Management Regulations,* and the *Confidentiality Management Procedures* to ensure stable internal operations.

- *Cybersecurity Incident Emergency Response Management Regulations:* This regulation aims to enhance Sungrow's capability to handle cybersecurity emergencies, prevent and minimize potential damage and impacts caused by security emergencies on the Company's assets and customer-facing systems to the great extent, ensure the secure and stable operation of information systems, and maintain normal production operations.
- *Cybersecurity Vulnerability Management Regulations:* This regulation is designed to strengthen Sungrow's ability to address cybersecurity vulnerabilities, reduce their potential harm and impact, clarify the basis and standards for vulnerability handling, establish reward and penalty mechanisms, and formalize a systematic approach to vulnerability management.
- *Information Security Inspection Process:* This process focuses on improving Sungrow's information security capabilities, enabling timely and effective responses to risks such as cybersecurity vulnerabilities, data breaches, and theft. By implementing standardized inspection procedures, it identifies potential security risks, reduces the likelihood of incidents, enhances employee awareness, and fosters a robust and trustworthy information security environment.

Information Security and Privacy Protection Risk Identification and Management

The Company has established a comprehensive risk control process for information security and privacy protection. The Company conducts annual information security risk assessment, and business units carry out audits. Through self-assessment and self-inspection, information security-related risks are identified. The risk management process for information security and privacy protection is as follows:



During the reporting period, the Company identified relevant issues through risk assessment, including security vulnerabilities in VPN systems, regulatory differences related to cross-border data transfer, and insufficiently scientific standards for data classification and grading. In response to these risks, the Company has adopted a series of management measures.

1. Cybersecurity: Evaluate and replace VPN systems, implement secure configurations and operational monitoring; officially launch the UAT (Unified Access Terminal).

2. Cross-Border Data Management: The Company has established a comprehensive data export and cross-border compliance system; formulated the *China Data Export Management Measures* to standardize the management of domestic individuals and sensitive data export, and to implement security measures and declaration obligations. The Company benchmarked against the EU GDPR standards to establish the *EU Cross border Data Transfer Management Guidelines*, ensuring the legal and secure cross-border flow of business data.

3. Data Classification and Grading: The Company has established classification standards to define data categories. Based on these classifications, the Company implements tiered protection measures, reviewing and updating standards regularly to adapt to business and data changes.

4. Commercial Secret Management System and Policy Revision: The Company identifies and classifies commercial secrets, establishing a multi-layered commercial secret system encompassing institutional, technical, and physical safeguards. Policies are regularly reviewed and updated based on changing circumstances, with enhanced employee training to ensure effective protection.

5. Information Security Incident and Vulnerability Management: The Company has established a monitoring and reporting mechanisms to regularly scan for and assess vulnerabilities, implement timely remediation, and handle incidents in accordance with its emergency response plan. New tools are leveraged to enhance efficiency, and post-incident reviews are conducted to drive continuous improvement and ensure a closed-loop management process.

6. Daily Operations: The Company has developed an information security training plan and implements it through diverse formats, covering both new and existing employees. In daily operations, clear procedures are established to enhance management of critical systems and change control. For information security assurance, the Company has established a comprehensive information security assurance framework, collaborating with external partners to obtain threat intelligence. Regular audits and assessments are conducted to ensure compliance and effectiveness.

Information Security and Privacy Protection Certification and Audits

The Company regularly conducts both internal and external independent audits on data security and privacy protection. During the reporting period, a total of 6 internal information security audits, 2 third-party information security audits, and 8 network security registration protection assessments were conducted. Additionally, the Company's Information Security Department launched an information security risk self-assessment covering the entire Company in 2024, generating an information security risk assessment report. Based on the audit results, the Company formulated detailed improvement plans to ensure the continuous optimization of the management system.

- **Internal Audit:** The Company conducts an internal audit of the information security and privacy protection management system once a year.
- **External Audit:** Sungrow and its subsidiary Sungrow iCarbon and Sungrow Smart O&M have obtained ISO 27001 Information Security Management System certification. Sungrow has obtained ISO 27701 Privacy Management System certification. A third-party professional organization conducts an annual surveillance audit and a full recertification audit every three years. These certifications comprehensively cover all information systems involved in the Company's operations and management, ensuring systematic regulation and control from all aspects of information security management to the full lifecycle protection of personal information. Moving forward, the Company will gradually promote information security and privacy protection certifications across its subsidiaries.

Information Security Contingency Plans and Vulnerability Analysis

The Company has formulated the *Information Security and Privacy Security Incident Management Regulations* to strengthen the management of information security and privacy incidents, standardize handling procedures, and establish contingency plans and incident response protocols. These measures ensure rapid reaction, appropriate responses, and minimized negative impacts from security breaches, guaranteeing normal and stable business operations of information systems while protecting and appropriately controlling privacy.

Information Security and Privacy Incident Identification and Management Process:

1. Categorization of Information and Privacy Security Incidents: Information and privacy security incidents are categorized based on factors such as the cause, manifestation, and outcome of the incident. The main categories include seven basic classifications such as harmful program incidents, network attack incidents, information destruction incidents, and other.

2. Classification of Information and Privacy Security Incidents: Incidents are graded based on the extent of information system losses and the scope and degree of impact on the Company's operations.

3. Monitoring of Information and Privacy Security Incidents: Monitoring personnel from each department conduct real-time, 24/7 supervision and response to information security incidents.

4. Reporting of Information and Privacy Security Incidents: When the security incident reporters notice something suspicious in place, they must immediately report it to the department's information security specialist, the information security officer, or the relevant emergency contact for security incidents, as well as to the department, following the *Information and Privacy Security Incident Emergency Contact Form*.

5. Investigation and Evaluation of Information and Privacy Security Incidents: Analyze the causes of security incidents, related countermeasures, and whether there are any gaps in the security regulations themselves. Based on the specific situation, report to the Digital Transformation Management Committee and the Company's management. Develop contingency plans for security incidents, and ensure that the incident response team conducts at least one risk assessment annually.

6. Post-Incident Review of Information and Privacy Security Incidents: Ensure that all activities are properly documented and the information security incident database is updated in a timely manner. Regularly conduct incident retrospectives to review and analyze past events.

The Company regularly conducts third-party vulnerability analysis for data security and privacy protection, including simulated hacker attacks and penetration testing. In the spring and autumn of 2024, the Company organized two "offensive and defensive drills," inviting third-party professional organizations to execute them. These drills aimed to identify potential security risks within the Company's internal information security assets. Through these two practical exercises, several risk vulnerabilities were identified, and relevant vulnerability information was promptly distributed to the respective departments to drive corrective actions and fixes. This effectively reduced the Company's information security risks and enhanced its ability to resist external cybersecurity attacks.

Data Security and Privacy Protection Training

In 2024, the Company conducted 35 specialized training sessions on data security and privacy protection, covering areas such as information security awareness, confidentiality management awareness, secure development training, industrial control security training, and cross-border data compliance training, reaching over 6,000 employees. Regular exams are held for all employees based on institutional documents such as the *Confidentiality Management Procedures*, with related course resources available on the Sungrow e-Learning Platform. Additionally, the Company operates an information security service account on the internal office platform, primarily for daily information security knowledge dissemination, case studies, and more, which is accessible to all employees.

Furthermore, the Company integrates data security and privacy protection management into employee performance evaluation. If a cybersecurity incident occurs due to employees' actions or failure to take timely or adequate emergency measures, the responsible individuals and department leaders will be held accountable. The impact and extent of the damage caused to the company will be assessed, and actions will be taken according to the *Employee Reward and Punishment Management Regulations*, including holding relevant personnel legally accountable as per the law.

DIVERSITY AND INCLUSION

01

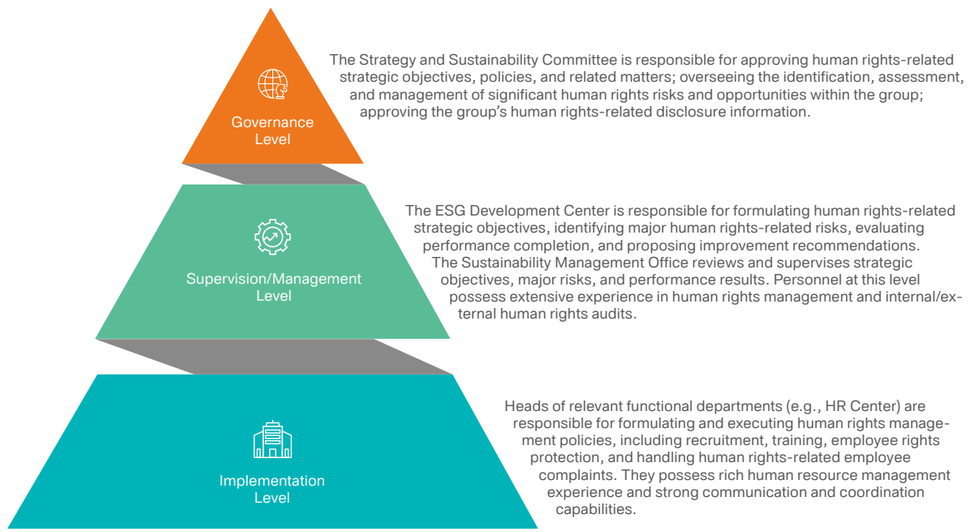
Employee Employment and Rights

Sungrow is committed to respecting and upholding the human rights of all employees, regardless of race, skin color, religion, gender, sexual orientation, age, disability, nationality, or other identity characteristics. The Company has formulated the *Sungrow Social Responsibility Management Manual,* the *Procedures for Prohibition of Forced Labor,* the *Procedures for the Management of Child Labor and Underage Labor,* the *Procedures for the Prohibition of Discrimination, Harassment and Punitive Measures*, the *Management Procedures for the Social Responsibility risk Assessment,* the *Recruitment and Employment Management Regulations,* the *Contractor Recruitment Management Regulations,* and other management documents, in a bid to safeguard the fundamental rights of all employees,including full-time employees, contractors, part-time employees, and interns.

At the same time, the Company unveiled the *Global Human Rights Policy* in accordance with the *Labor Law of the People's Republic of China*, the *Civil Code of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, while drawing reference from the United Nations International Charter of Human Rights, including the *Universal Declaration of Human Rights*, the *International Covenant on Civil and Political Rights*, and SA8000® standards, among others. The *Global Human Rights Policy* includes contents on the prohibition of child labor and forced labor, anti-discrimination, free association and collective bargaining, working hours, and employee health and safety, involving all employees (including full-time employees, contractors, part-time employees, and interns) and the entire business operation process. We also require our suppliers, partners and other stakeholders to proactively observe the Policy.

Sungrow joined the United Nations Global Compact (UNGC) in 2021, following the ten principles of the Global Compact. The Company complies with the 10 core conventions of the International Labour Organization (ILO), including the *Equal Remuneration Convention,* the *Minimum Age for Employment Convention,* the *Child Labour Convention,* the *Employment and Occupation Discrimination Convention,* the *Forced Labour Convention,* the *Abolition of Forced Labour Convention,* the *Occupational Safety and Health Convention,* the *Freedom of Association and Protection of the Right to Organize Convention,* the *Right to Organize and Collective Bargain Convention,* and the *Framework Convention on Occupational Safety and Health Promotion*. At the same time, the Company meets various human rights related regulatory requirements in its global operating locations. The Company has passed the SA8000® system certification, completes two external audits and one internal audit annually, covering all provisions of the SA8000® system. In 2024, two external audits were conducted in March and September, and one internal audit was conducted in August.

Governance



Human Rights Management

The Company has established a comprehensive human rights management system and obtained SA8000®:2014 Social Responsibility Management System certification. The Company has developed robust policies against discrimination and forced labor, fostering a fair and inclusive work environment to ensure labor compliance, thereby enhancing innovation capabilities and competitiveness.

The Company has implemented complaint and reporting mechanisms, allowing employees to anonymously report human rights violations through internal channels. The HR Center is responsible for investigating complaints and providing feedback. The ESG Development Center regularly monitors and evaluates the Company's human rights management efforts to ensure effective policy implementation. Human rights-related objectives (including diversity and anti-discrimination, prohibition of forced labor) are integrated into the performance evaluation system, with regular assessments of departmental and employee performance. Results are reported to the Strategy and Sustainability Committee.

The Company has formulated the *Social Responsibility Risk Assessment Management Procedures*, defining mechanisms for risk identification, evaluation, mitigation, monitoring, and improvement, ensuring effective control of human rights risks and providing a strong foundation for sustainable development.

- **Risk Identification:** Comprehensively consider the Company's human rights management status, relevant legal and regulatory requirements, and stakeholder expectations to comprehensively and systematically identify factors that may adversely impact human rights, such as inadequate protection of employee rights or forced labor in supply chains.
- **Risk Assessment:** Determine risk levels based on the likelihood of occurrence and severity of consequences. Combine qualitative and quantitative analysis methods, incorporating historical data and expert input, to conduct holistic risk evaluations.
- **Risk Response:** Based on assessment results, implement tailored strategies such as risk avoidance, mitigation, transfer, or acceptance. Examples include strengthening supplier human rights audits and enhancing employee safeguards.
- **Risk Monitoring and Improvement:** Establish a robust monitoring mechanism to regularly evaluate the implementation and effectiveness of response measures, adjust strategies as needed. These efforts are taken to identify emerging risks, and ensure the ongoing effectiveness and relevance of risk management approaches.

Human Rights Due Diligence

The Company's human rights due diligence focuses on its own operations, subsidiaries, and value chains, combining internal audits with third-party reviews to support risk management.

For Company-wide human rights risks, annual assessments are conducted using two quantifiable metrics—likelihood and severity—to identify vulnerable issues and stakeholders, implement controls, and continuously improve risk reduction. Due diligence results are consolidated by the ESG Development Center and reported to the Sustainability Management Office and Strategy and Sustainability Committee.

For supplier human rights risk assessments, the Company identifies high-risk suppliers through real-time online platform monitoring and on-site audits. Corrective action plans (CAPs) are enforced for non-compliant human rights practices, with ongoing tracking of supplier improvements.

In 2024, the Company conducted human rights due diligence, and the scope of assessed risks, identified risks, and mitigation measures taken covered 100% of the Company's operational business scope. All core business areas underwent thorough due diligence on human rights risks across aspects including child/minor labor, forced labor, health and safety management, working hours, compensation, discrimination, freedom of association/collective bargaining, and supplier/contractor human rights management. Approximately 57 human rights risks were identified, with 7 classified as medium-to-high. Management measures were applied to 100% of identified risks, driving continuous risk reduction. During the reporting period, no incidents involving child labor, forced labor, or discrimination violating local labor regulations occurred.

Type	Remediation Measures	Targets
Discrimination	Recruitment personnel receive professional training to understand various forms of discrimination and potential scenarios, preventing bias in job postings and interviews.	All employees
Disciplinary Measures	Establish regulations on disciplinary actions and communicate regularly with employees and representatives to prevent inhumane treatment.	All employees
Working Hours	Implement flexible working hours and manage overtime through shift adjustments or compensatory time off.	All employees
Forced Labor	During onboarding, employees learn labor laws and the Company's Prohibition of Forced Labor Control Procedures, with access to complaint hotline. Regular employee interviews are conducted to prevent forced labor incidents.	All employees
Female Employee Protection	Upon notifying of pregnancy, the HR Center is informed immediately. The HR Center immediately ensures compliance with the Special Regulations on Labor Protection for Female Employees, prohibiting strenuous labor, overtime, or hazardous work assignments.	Female employees
Employee Complaints	Management representatives, unions, HR Center, and Audit and Inspection Department handle complaints effectively, hold regular employee meetings, establish whistleblowing procedures, and implement whistleblower protection mechanisms.	All employees
Stakeholder Management	Require suppliers to sign the Supplier Code of Conduct during onboarding, conduct compliance due diligence, and strengthen ESG audits.Specific social responsibility requirements are specified in contractor contracts, and complaint channels are provided at all contractor sites.	Supply chain

Social Responsibility Training

The Company conducts social responsibility-related training and awareness initiatives, covering all full-time employees to ensure their understanding of relevant policies and protection of their rights. In 2024, the social responsibility course series on the Sungrow e-Learning Platform (including topics such as freedom of employment, compensation and benefits, working hours, child and underage labor management, forced labor, etc.) accumulated over 670 learning engagements, with a total duration of approximately 2,680 hours. Additionally, the Company published the *Global Human Rights Policy* and the *Equity, Inclusion & Diversity Policy*, which were shared Company-wide through the internal official platform for mandatory learning.

Employee Employment

The Company has established the *Global Human Rights Policy* and the *Equity, Inclusion & Diversity Policy* to ensure respect and protection of the fundamental rights and dignity of employees, suppliers, customers, and other stakeholders throughout its operations. The *Recruitment and Hiring Management Regulations* explicitly incorporate anti-discrimination principles: the Company firmly opposes any acts, statements, or written content involving distinction, exclusion, restriction, or preference based on race, skin color, religion, gender, sexual orientation, age, disability, nationality, or other protected characteristics.

Based on the Company's 3-5 year strategic planning goals, the HR Center aligns with the implementation of these objectives by proactively planning and preparing to recruit and reserve outstanding backup talent, ensuring effective investment in strategic resources. Meanwhile, each business unit/center formulates an annual human resources demand plan at the beginning of the year, aligning workforce needs with their specific business goals and tasks for the year. During the reporting period, the Company completed internal recruitment of 172 people, creating a dynamic internal talent supply chain and providing employees with diverse development paths.

The relevant data of various types of employees in the Company can be found in the "Sustainability Performance Tables". The Company has set targets to achieve a proportion of 22% female employees and 15% female managers by 2025, with these goals integrated into departmental and management performance evaluations. By 2025, the Company plans to incorporate employee diversity metrics into senior executives' performance assessments, further strengthening its commitment to ESG principles and harmonizing corporate value with social responsibility.

Employee Compensation and Benefits

In terms of employee compensation and benefits, the Company strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Interim Provisions on Wage Payment,* the *Regulations on the National Social Security Fund, the Law on the Protection of Women's Rights and Interests of the People's Republic of China,* the *Special Regulations on Labor Protection for Female Employees,* the *Regulations on Work-Related Injury Insurance,* the *Measures for National Holidays and Commemorative Days,* and the *Implementation Measures for Paid Annual Leave for Enterprise Employees.*

For overseas operations, the Company ensures salary compliance management through various methods such as benchmarking overseas regulations by its overseas subsidiaries' HR and monitoring by Chinese HR personnel, ensuring that the salary system complies with relevant local laws and regulations. The core regulations that the Company complies with at its main operating points are as follows (Not all regulations are listed here due to the extensive number of provisions).

Country	Laws
America	Fair Labor Standards Act, Equal Pay Act, Employee Retirement Income Security Act, Affordable Care Act, Family and Medical Leave Act, Social Security Act, Federal Unemployment Tax Act, Health Insurance Portability and Accountability Act, Americans with Disabilities Act, Workplace Safety and Health, tax and states law
France	Labour Bargaining Agreement (Whole Sales), French Labour Code, European Labour Court, Company Agreements (sustainable mobility package & paid leave for sick children)
UK and Ireland	Employment Rights Act 1996, Equality Act 2010, The Employment Act 2002, The Health and Safety at Work Act 1974, The Employment Relations Act 1999, ACAS Code of Practice, Employment Tribunal
Germany	Care Support and Relief Act 2023, Income Tax Act (EStG)
Spain	Collective Bargaining Agreement, Workers Statute (Real Decreto Legislativo 2/2015), Law 3/2007, on Effective Gender Equality
The United Arab Emirates	Federal Decree Law No. 34 of 2023 Concerning Combating Discrimination, Hatred and Extremism (UAE Anti-discrimination Law) Federal Decree Law No. 33 of 2021 Regarding the Regulation of Employment Relationship and its amendments (UAE Labour law) Law No. 11 of 2013 Concerning Health Insurance in the Emirate of Dubai (Health Insurance Law Dubai)
South Africa	Basic Conditions of Employment Act (BCEA) , Occupational Health and Safety Act (OHSA), Unemployment Insurance Act (UIA), Compensation for Occupational Injuries and Diseases Act (COIDA), Labour Relations Act (LRA), Employment Equity Act (EEA)
Malaysia	Employment Act 1955, Industrial Relations Act 1967
Japan	Labor Standards Act (Act No. 49 of April 7, 1947)
India	Minimum Wages Act, 1948, Factories Act, 1948 and the Shops and Establishment Acts (SEA)
Korea	Labor Standards Act. (May 10, 1953), Equal Employment Opportunity and Work-family Balance Assistance Act. (Dec 4, 1987), Act on The guarantee of Employee's Retirement Benefits. (Dec 9, 12004)

Compensation Policy

With market pay as reference and in the principles of "remuneration based on position, capability, and performance," the Company has established a value evaluation mechanism that is performance-oriented as well as capability- and position-based, coupled with a value distribution mechanism to reward unremitting value contributors. The Company fully leverages the incentive function of compensation to unlock employee potential and drive the successful implementation of the company's human resources strategy.

Sungrow compensation management structure includes the Compensation Policy Department under the HR Center, implementation teams, and subsidiary-level units, all staffed by HR professionals. The Compensation and Incentives Department within the HR Center is responsible for planning, designing, and optimizing the global compensation and performance system. It implements compensation and performance management strategies (covering compensation and benefits management, performance management, and incentive management) to ensure alignment with corporate strategy. The Company fosters a fair and innovation-driven incentive culture, stimulates employee potential and creativity, attracts and retains talent, and promotes mutual growth for the Company and employees. All compensation policies require approval from the Group President and the relevant Vice President before implementation. Subsidiary compensation departments are responsible for formulating and enforcing localized rules in compliance with country/region-specific laws.

In 2024, Sungrow updated domestic compensation policies including the *Regulations on Compensation and Benefits Management,* the *Employee Attendance and Leave Management Rules,* the *Employee Overtime Management Rules,* and the *Paid Annual Leave Management Rules.* Key revisions include: strengthening competency-based role frameworks in compensation; providing up to 7 days of fully paid sick leave per month; updating leave standards (e.g., maternity leave, childcare leave, paternity leave) to align with national regulations. For overseas operations, the Company introduced the *Sungrow USA Promotion/Salary Increase Policy*, developing a promotion and salary adjustment system for American companies, defining promotion and salary adjustment criteria based on business needs, performance, qualification for the position, and incentives for retention.

The compensation-related policies that remained in effect during this reporting period, although not updated, include the following: the *Performance Compensation Management Rules,* the *Overseas Compensation Management Guidelines,* the *Detailed Rules on Compensation and Benefits for Global Assignees,* the *Employee Welfare Subsidy Implementation Rules,* and the *Interest-Free Loan Benefit Trial Rules.*

Compensation Management

Sungrow's compensation and benefits risk control is managed by the Group's Compensation and Incentives Department, which identifies and assesses risk items, reports them to the Head of the HR Center, the Group's responsible Vice President, and the Remuneration and Evaluation Committee based on risk levels for oversight, management, and decision-making. Comprehensive risk control is implemented through compensation budget management, salary structure design, and market benchmarking of benefits systems.

To address risks and seize opportunities, the Company adopts market-competitive compensation strategies while continuously monitoring efficiency metrics such as personnel cost ratios and human capital investment ratios. Compensation strategies are dynamically adjusted in alignment with medium- to long-term business plans and forecasts. During budget planning, total compensation is controlled by considering projected sales revenue, profit, personnel cost ratios, and human capital return ratios. Decisions on restricted stock plans factor in the Company's current cash flow and profit metrics. Annual compensation strategies incorporate external economic conditions, competitive market analysis of salary level, and internal consistency reviews to finalize policies.

Total Compensation Budget Control	Ensure the annual adjustment ratio of total compensation aligns scientifically and appropriately with business growth rates.
Salary Structure Design	A hybrid structure of "fixed salary + performance-based variable compensation" links employee variable pay to the overall Company performance, enabling coordinated total compensation management and risk mitigation.
Benefits System Market Benchmarking	Scientifically select benchmark companies in the same industry/level, conduct welfare system surveys, and continuously improve the Company's welfare system construction.

Compensation Distribution Mechanism

Overall Compensation Framework

Sungrow strictly complies with labor laws in its key operational regions, including the *Labor Law of the People's Republic of China*, the *Fair Labor Standards Act (FLSA)* of the United States, the *Occupational Safety and Health Act (ArbSchG)* of Germany, and others. The Company has established policies such as the *Regulations on Compensation and Benefits Management* and the *Overseas Compensation Management Guidelines*. Annually, the Company benchmarks market compensation practices and evaluates employee roles, capabilities, and performance to evaluate and allocate compensation. In 2024, the Company further clarified the application of competency-based pay, upgraded its performance management system, and reinforced its philosophy of "pays for position, capability, and performance." The Company adheres to the principle of equal pay for equal work, ensuring globally competitive compensation and benefits for employees regardless of nationality, ethnicity, age, gender, or religion, with no differential treatment based on non-work factors.

Variable Performance-Based Compensation Mechanism

The Company continues to improve the *Performance Pay Management Regulations*. The variable performance pay mechanism covers the Company's research and development, production, marketing, functional and other sequences of all employees. The minimum salary of employees in all regions of the Company is higher than the local minimum wage.

100%

Variable performance-based pay mechanism covers all employees in various functions

100%

The minimum salary for all employees is higher than the local minimum wage

The variable performance salary of research and development positions is related to the progress, quality and technological innovation of research and development projects. Variable performance pay for marketing positions is related to sales revenue and profit, for first-line production positions are related to production efficiency, quality control and production safety, for functional departments are related to the company's overall performance and departmental organizational performance. Based on organizational performance and employee performance, all departments encourage employees to pay attention to and achieve the Company's development goals, and promote the common development of the company and employees.

Restricted stock incentive program

To continuously improve the long-term incentive mechanism and attract, motivate, and retain outstanding talent, the Company implements a restricted stock incentive program for core and key employees at all levels globally, with all employees having the opportunity to participate. The Company has carried out six phases of the restricted stock incentive program, with a total of 2,027 incentive recipients granted, sharing the long-term development results of the Company with its employees.

During the reporting period, the Company's shareholders approved the following incentive programs:

On September 30, 2024, the Board of Directors of the Company reviewed and approved the *Announcement on Granting Reserved Restricted Stock to the Incentive Subjects of the 2023 Restricted Stock Incentive Plan*, granting 1,575,000 Class II restricted Stock shares to 73 incentive subjects with a lock-up period of 60 months.

Employee benefit

The Company provides fair, diversified and competitive non-salary benefits to employees in all regions of the world, and provides paid leave, sick leave, supplementary medical insurance plan/pension security, health care benefits and other benefits in accordance with regional laws and regulations, constantly improving the employee welfare security system.

Eployee Benefit Category	Benefit Description
Social Insurance	The Company complies with national labor regulations by providing social insurance (including pension, medical, unemployment, and work-related injury insurance) for all employees, providing pension or other retirement security plans for 100% employees.
Additional Commercial Insurance	The Company purchases additional private commercial insurance for employees and their immediate family members, including supplementary medical insurance and life insurance.
International Business Travel Insurance	For employees on cross-border business trips or assignments, the Company provides comprehensive coverage through international travel insurance, covering accidental injury, emergency / medical care, lost belongings, emergency rescue, life insurance, and others.
Overseas Business Travel Benefits	The Company offers paid leaves upon return from cross-border business trips to facilitate cultural exchange activities among employees.
Free Meals or Meal Allowances	Employees receive free breakfast, lunch, overtime dinner, and night snacks on workdays. In regions where free meals are not feasible, meal allowances are provided.
Housing Benefits	Tailored to local conditions, the Company offers housing-related benefits such as employee dormitories, rental subsidies, employee housing interest subsidy plan, interest-free home purchase loans, relocation allowances, and remote work subsidies, providing housing security for employees.
Interest-Free Employee Loans	To care for all employees, help them achieve a peaceful and happy life, and support their growth and development, the Company provides interest free loans to eligible employees for continuing education, purchasing housing, major illnesses, or emergency medical care.
Holiday & Birthday Benefits	The Company offers subsidies and organizes events for statutory holidays (e.g., Eid, Women's Day, Christmas), birthdays, weddings, and childbirth, tailored to local customs.
Team-Building Budget	To create a positive team collaboration atmosphere within the Company, the Company has set up a special team building fund, which is used for internal or cross departmental team building projects.
Sport & Health Initiative	The Company organizes annual health checkups with updated medical items, provides on-site fitness facilities or gym memberships, promoting employees' physical and mental well-being.
Workplace Stress Management	The Company provides employees with diverse interest clubs such as musical instruments, dance, various ball games, psychology, and regular free courses and lectures, as well as fitness and reading venues.
Flexible Work Arrangements	To create an innovative atmosphere within the organization, stimulate innovative behavior, and provide employees with flexible working hours/locations, flexible work schedules or working-from-home policies are established.
Paid Leave Benefits	Based on regulations around the world, the Company provides diversified vacation benefits such as maternity leave, paternity leave, parental leave, only child care leave, sick leave, work-related injury leave, examination leave, family visit leave, compensatory leave, and paid annual leave to employees worldwide, helping them achieve work life balance.
Family or Care Leave	Domestic: During the hospitalization period of employees' parents, the Company provides paid child care leave for only children for a total of 20 days per year and non-only children for a total of 7 days per year. Overseas: The Company follows the legal guidelines for child care leave overseas.
Maternity Leave	The Company complies with and implements maternity leave regulations across all regions where it operates. Take Hefei plant as an example, the Company provides female employees with at least 158 days of maternity leave. Take Thai plant as an example, the Company provides female employees with at least 98 days of maternity leave.
Paternity Leave	The Company complies with and implements paternity leave regulations across all regions where it operates. Take Hefei plant as an example, the Company provides 30 days of paternity leave. Take Thai plant as an example, the Company provides 7 days of paternity leave. Take Indian plant as an example, the Company provides 5 days of paternity leave.
Breastfeeding Leave	The Company complies with and implements breastfeeding leave regulations across all regions where it operates. For example, in China, female employees with infants aged one year or younger are entitled to two breastfeeding breaks per month during regular working days, each lasting 30 minutes, including for those who are using formula feeding.
Paid Parental Leave	The Company complies with and implements paid parental leave regulations across all regions where it operates. Take Thai plant as an example, employees with children under the age of 6 are entitled to 10 days of paid parental leave per year.

Unique benefits in overseas regions

Region	Benefit Items
America	Disability Insurance / Employee & Family Insurance / 401K Retirement Plan / Employee & Dependent Health Insurance / Health Savings Account (HSA) / Flexible Spending Account (FSA) / Accidental Death & Dismemberment Insurance / Voluntary Insurance
Germany	Additional Dental & Vision Insurance and Checkups; Supplementary Pension Plan; Company-Provided Vehicle/E-Bike Rentals for Commuting; Local Language Course Reimbursement; Business Travel Insurance
Malaysia	The Company pays 1% Human Resources Development Fund levy for all Malaysian employees, and training subsidies can be applied when needed

Case

Help for employees in difficulty

The Company always upholds the concept of "being people-oriented" and focuses on the well-being of employees and their families. In 2024, the Company provided interest-free loans to a total of 99 employees, with the total support amount exceeding 24 million yuan. One employee, whose father suffered a sudden brain hemorrhage and required treatment in the ICU for 20 days, faced substantial financial pressure due to high subsequent medical expenses. The employee applied to the Company for an interest-free loan to alleviate the financial burden. After understanding the situation, the Company quickly initiated the evaluation process and decided to grant a RMB100,000 interest-free loan to help the employee through this difficult time.

Case

Maternal and child care

The Company adheres to and implements maternity leave, breastfeeding leave, and parental leave policies in all regions, ensuring that female employees' rights during pregnancy and childbirth are fully protected. For example, with paid parental leave, employees in China are provided with 10 days of paid leave annually until their child turns 6 years old. Overseas subsidiaries comply with local statutory parental leave regulations.

The Company has established a 56-square-meter mother-baby room, equipped with facilities such as sofas, air purifiers, refrigerators, sterilizers, and washbasins. The room is divided into four separate areas to provide female employees with a private, clean, comfortable, and safe space for rest, breast-feeding, and milk collection. This offers a more humanized and thoughtful service to help female employees navigate special physiological stages with peace of mind. Additionally, the Company has set up a maternity-friendly restaurant, providing a convenient and comfortable dining environment for pregnant and breastfeeding employees.

Furthermore, the Company provides all female employees with "Women's Health Insurance," a dedicated commercial insurance policy. Female employees are also encouraged to participate in welfare health check-ups and specific job-related health examinations, including screenings for breast cancer and cervical health, enabling them to stay informed about their health. The Company has also established a yoga association and a psychological association, regularly organizing yoga classes and mental health seminars to help female employees relieve work-related stress and improve physical and mental well-being. The Company issues a special monthly welfare allowance for female employees and organizes exclusive activities for women on International Women's Day, Mother's Day, and other relevant holidays.

Employee Communication and Collective Bargaining

The Company continuously improves employee communication and feedback mechanisms, recognizing that only through effective communication and negotiation, while fully respecting employees' rights, can we inspire their enthusiasm and creativity, achieving mutual development for both the Company and its employees. The Company has established diversified communication platforms, including both online and offline channels. The *Communication Control Procedures* have been formulated to promptly and accurately collect and convey relevant information related to product production, quality, etc., ensuring that this information is fully communicated among departments and employees within the company. Based on the characteristics of the production center work, the communication system has been further refined, and the *Production Center Information and Communication Management Procedures* has been developed. During the reporting period, a total of 132 employee complaints were collected, with a 100% response completion rate. Additionally, to further enhance the employee experience, a "Employee Experience Improvement" survey was distributed at the beginning of 2024, gathering 82 pieces of feedback and suggestions regarding mechanisms and systems. Each suggestion was addressed and used to revise and improve relevant policies and procedures, achieving a 100% completion rate.

Online channels	OA Sungrow Speak-up voicemail, the Warm Sunshine forum, Administrative Logistics Service Platform
Offline channels	Production Center Language Box (entrance and exit of various workshops in the Industrial Park), General Manager Direct Train (entrance and exit of various workshops in the Industrial Park)

The Company holds an annual employee representative assembly and union member representative assembly to promptly address employee concerns and provide satisfactory solutions. The Company has established the Freedom of Association and Collective Bargaining Control Procedure to respect employees' rights to freedom of association and collective bargaining. The Company regularly signs collective contracts with employees, and the proportion of employees covered by collective bargaining agreements is 100%. At least one collective negotiation is conducted annually.

In June 2024, the Company completed the revision of the *Collective Contract of Sungrow* through collective bargaining, and held a staff representative conference to pass the draft of the collective contract. The collective contract was renewed in July 2024 with a term of 3 years. The "Supervision and Inspection of Collective Contracts" of Chapter 12 in the collective agreement clearly stipulates under what circumstances opinions can be raised, and requires both parties to provide feedback on the results within 5 working days after consultation. In 2025, based on employee feedback, if necessary, collective bargaining will be organized through the union.

02

Employee Training and Development

Governance

The Company has upheld the value of “accelerating employees' growth and fulfilling employees' dreams” to empower employees in a continuous, systematic and scientific manner. HR Center built a three-level training structure of "Group (leadership/new employees/general ability training) + business department (professional ability training) + department (job skills)". Through the establishment of a virtual organization "Learning Committee", HR Center continues to provide professional training working methods to a larger group of people to ensure the real implementation of the Group's three-level training structure, so as to promote the construction of a learning organization, make learning a part of the corporate culture, and make learning a huge potential and powerful momentum to promote the healthy development of the organization, helping the growth of business performance.

Training and Development: The Company has formulated and implemented a series of rules and regulations, including the *Training Management Regulations*, the *Internal Trainer Management Regulations* and the *On-boarding Tutor Management Regulations* to improve organizational ability. In addition, the Company revised and issued the *Continuing Education Rules for Employees* this year to further encourage employees to participate in continuing education at domestic and foreign universities, fully supporting employees' personal growth and development.

Career Development Path: In 2024, the Company has comprehensively optimized and upgraded the rank and qualification system, revised and issued the *Group Rank and Qualification Management Measures*, built a diversified development channel including management sequence (M), professional sequence (P) and skill sequence (S), further clarifying the development path of post sequence to better meet the growth needs of different employees.

Leadership Development: The Company formulated and issued the *Cadre Management Measures of the Group*, which clarified the direction of cadre management, standardized the management mechanism and process, continuously improved the leadership of cadres, and gave play to the role of cadres as "locomotive".

Employee Training

In 2024, the Company fully utilized online learning platforms, integrated and promoted various online and offline learning resources, and continued to carry out diversified training programs. The Company has invested RMB 21.55 million in training, with a training coverage rate of 100% and an average training time of 90.63 hours per person.

Three-Level Training Structure of Sungrow

Training Structure	Specific Category	Main Content	Coverage of Employees
Level 1	Leadership Development	• Leadership programs for current mid-/senior-level leaders and successors (e.g., "Backbone Sailing," Advanced Leadership, Ascending Leadership, Digital Leadership Forum and so on) • Management capability programs for high-potential/current junior employees and successors (e.g., "Transition Plan," "Blooming Program" and so on)	Program covers all employees (including contractors, part-time employees and interns)
	New Employee Onboarding	• General training for social/campus recruits (e.g., "Light Chaser Initiative," "Sunflower Program" and so on)	
	General Competency Enhancement	• Training in universal skills: project management, English, marketing/R&D competencies, public speaking (e.g., PMP, Going Global, "Win in Speech" and so on)	
	General Course Development	• Corporate-level course development, e.g., internal trainer programs, domain-specific curriculum design and so on	
	Professional System Management/ Competency Improvement	• Problem-solving-oriented and professional capability-enhancement-oriented specialized trainings, learning programs, and workshops • Competency modeling projects, learning pathway programs	
	Learning Platforms	• Sungrow e-Learning (global online learning platform) • Sungrow e-Talk (global language learning platform)	
Level 2	Professional Competency Enhancement	• Specialized training, learning programs, and workshops aimed at enhancing the professional capabilities of the business unit • Various training activities carried out by the business department	
Level 3	Specific Skill Enhancement	• System compliance related training: production safety, safety design, occupational health, mandatory training and so on • Role-specific competency and technical knowledge training • New employee role-specific skill training	

Leadership Training

The Company attaches great importance to the leadership development of managers and has designed systematic training programs for various types of managers, such as the "Transition Plan" for new managers, the "Management Acceleration" for excellent managers, the "Backbone Sailing," "Advanced Leadership," and "Ascending Leadership" programs for middle and senior managers, helping managers enhance their leadership skills. In 2024, the Company newly added the "Digital Lecture Hall" leadership training program, which is accessible to all junior employees, expanding the coverage of leadership learning to a broader employee group. In addition, the Company's online learning platform has a "Leadership Academy" module, which is accessible to all employees, including part-time employees and contractors. The aim is to help employees at all levels improve their leadership by creating a learning atmosphere that involves all employees, and to build a comprehensive succession and development plan for the company at multiple levels.

Case

Innovation Promotion Project implemented by the Business Research Institute

Sungrow Business Research Institute has launched an innovation promotion project specifically designed for R&D personnel. By deeply understanding the actual needs of R&D staff and integrating various innovation theories, the Business Research Institute has developed a three-pronged innovation transformation system focused on mindset reshaping, tool empowerment, and cultural integration. The project aims to help R&D employees break through innovation bottlenecks and transition from technical executors to innovation leaders. In 2024, the project directly empowered 63 employees and indirectly benefited 600 employees. It also resulted in 32 patent applications and contributed significantly to cost reduction and efficiency improvement, with annual savings estimated at RMB9.4 million.

Case

Empowering Company-wide Digital Innovation through Light Applications

As the Company advances its digital transformation, the demand for digital tools among employees has continued to rise. However, many employees face challenges due to a lack of relevant skills and knowledge. To address this, the Company introduced Light Application, a low-code development platform deeply integrated with the corporate instant messaging system. Featuring visual drag-and-drop functionality, efficient configuration, and user-friendly design, it enables short development cycles and flexible deployment to quickly address specific business scenarios. Leveraging this tool, the Company launched a Company-wide Digital Innovation Program, aiming to enhance employees' digital literacy and foster "business + digital" hybrid talents to accelerate overall digital transformation. The program includes four key components: online live sessions, offline hands-on bootcamps, project incubation, and outstanding project selection. External lecturers and internal mentors deliver tailored courses for learners at various levels, supporting their continuous skill development. The program has successfully run for two sessions, certifying 274 employees with digital skills. A total of 123 employees from 32 departments/divisions have developed over 300 applications, generating more than 4 million visits and saving approximately RMB 2 million in development costs.

Employee Development

Rank and Qualification System

Focusing on the value of "accelerating employees growth and fulfilling employees dreams," the Company has optimized and upgraded the ranking and qualification system. The *Measures for the Management of Group Ranks and Qualifications* was issued to build a diversified development channel represented by M (Management sequence), P (Profession sequence) and S (Skill sequence) to meet the development needs of different types of employees. The Company raised the ranking space upward to provide higher development space for employees; optimized the promotion mechanism, shortened the promotion cycle, and accelerated the growth and development of employees. In 2024, a total of 4,057 people (an increase of 144% over the previous year) passed the qualification certification, obtained the rank promotion and synchronous salary increase, improving the Company's talent reserve team construction.

For management talents, on the basis of the internal practice of the Company, the Company systematically sorted out the planning, and solicited the opinions of the management staff, formulated and issued the *Regulations on Cadre Management* to clarify the development mechanism and management process of the three types of cadre groups of operating cadres, management cadres and professional cadres in the "selection, use, education, retention and departure" scenarios, promoting the construction of three types of cadres and the strategic talent reserve team represented by international and digital talents. By developing a clearer cadre management orientation, a clearer mechanism, a more standardized process, the Company creates a perfect, agile, coherent, sustainable, business driven internal talent supply chain, stimulating all Sungrow talent to continuously grow and improve.

For expert-level talents, to better identify, develop, and motivate professionals while reinforcing the Company's image as an "agile and innovative clean energy expert" and strongly supporting business growth, the Company has initiated the "Chief Expert" evaluation and appointment program in accordance with relevant leadership policies. This program aims to provide specialized talents with greater career development opportunities and a faster growth pathway.

Case

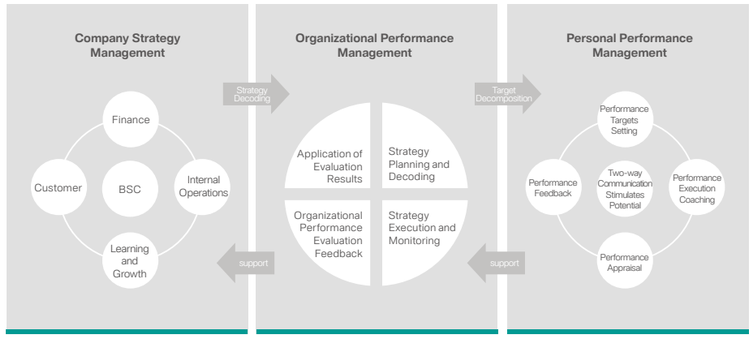
International talent echelon construction

Since June 2023, the Company's HR Center has designed an international talent competency model, which comprehensively considers core competency indicators such as language communication skills, cross-cultural communication abilities, global vision and thinking, and adaptability to international environments. Based on this, three sessions of the international talent development program have been successfully planned and organized. Each session lasted for three months and included a series of innovative and diverse courses such as expert lectures, cultural dialogues, English salons, regional sharing, cross-cultural workshops, and simulation exercises. The program aims to help participants expand their global perspectives, improve cross-cultural communication skills, and enhance adaptability to overseas environments. To date, 180 people have been trained, with 136 individuals successfully graduating as internationally competitive talents, joining the Company's talent reserve pool.

Employee Performance Evaluation and Management

Through a sound performance management system, Sungrow fully links the group's strategic direction, organizational performance objectives at all levels and individual performance objectives of employees, and regularly carries out performance evaluations covering all levels of organizations and all employees according to the *Regulations on Organizational Performance Management* and the *Regulations on Employee Performance Management*. The evaluation covers three aspects, including performance objectives, management objectives, values and behaviors, objectively and impartially evaluating employees' performance and contributions, providing an important basis for employee performance bonus payment, salary adjustment, rank promotion, annual evaluation, post adjustment and other aspects.

In 2024, the Company further improved the performance management mechanism for overseas employees. Under the guidance of the *Regulations on Performance Management for Overseas Employees*, the Company amended the performance management rules in line with local characteristics in combination with the actual situation in North America and Europe. At the same time, the overseas performance management process is further refined and built based on the actual situation of employee performance management in overseas regions. In addition, the Company sorted out the performance index database of each post sequence, and built a digital performance management system to help decompose and undertake strategic objectives layer by layer, empower managers at all levels, optimize employee operating experience, and promote the digital transformation of the whole process of performance management.



Performance Management System

The Company standardized management of organizational performance at all levels of the Company based on the *Provisions on Organizational Performance Management*, including the formulation of organizational performance objectives, performance process follow-up, performance completion evaluation and review summary.

The Company implements employee performance management based on the *Employee Performance Management Regulations* and the Overseas *Employee Performance Management Regulations*, including the formulation of employee personal performance objectives, performance process follow-up counseling, performance evaluation and interview feedback. At the same time, the Company encourages all businesses and overseas regions to develop performance management systems/policies that meet the requirements according to their own conditions, and promote their implementation.

Performance Evaluation Methods and Dimensions

The Company adopts diversified performance management forms, such as implementing balanced scorecard (BSC) in organizational performance management, and using KPI (Key performance indicator) and PBC (Personal Business Commitment) in functional and business positions; in addition, promoting the pilot implementation of OKR (Objectives and Key Results) for innovative research positions such as research and development; adding 360° evaluation to the evaluation of management cadres, so as to make the performance evaluation for all employees more diversified, applicable and scientific.

Performance Evaluation Method

Assessment Type	Specific Content	Target Group (Coverage)	Assessment Frequency
Objective-Based Continuous Performance Appraisal	Based on the Employee Performance Management Regulations, at the beginning of each assessment cycle, employees are required to fill out the performance plan process/form, detailing the assessment indicators. At the end of the assessment period, employees should correspond to each indicator and indicate the completion/progress status. After that, the evaluator will evaluate the performance based on the completion of the goals. During the cycle, the evaluation results will be summarized and analyzed, and real-time face-to-face feedback will be organized to help employees improve and enhance.	All employees of Sungrow	1. Monthly (Production Frontline Positions) 2. Quarterly (Functional, R&D, Marketing Roles) 3. Semi-Annually (Overseas Positions) 4. Annually (Executive Group)
360 Degree Performance Appraisal	Conduct a 360 degree questionnaire survey for management cadres every year, analyze the survey results, form an analysis report, and empower managers in a targeted manner to help them improve management skills.	All managerial personnel of Sungrow	1. Regular: A 360 degree feedback survey is conducted once every year in Q1. In Q3 each year, a 360 degree feedback survey is conducted specifically for senior M/P executives undergoing qualification certification. 2. Irregular: An ad-hoc 360 degree feedback survey is conducted each year for newly promoted executives, providing developmental feedback.
Team-Based Performance Appraisal	Align with the Organizational Performance Management Regulations, the Company has developed a comprehensive organizational performance management system that targets organizations at different levels, and sets and evaluates team performance goals. The results of team performance evaluation are applied to member performance evaluation to ensure a close relationship between team performance and individual performance of team members.	All tiered organizational units	Quarterly

Performance Feedback Mechanism

In various aspects of performance management (performance goal setting, performance implementation and coaching, performance evaluation, performance feedback), the Company advocates that managers communicate with subordinates in a timely manner through formal and informal face-to-face meetings to stimulate employee potential. By signing the *Performance Interview Record Form* and other forms, employees can be informed of their performance situation in a timely manner and develop improvement/enhancement plans to further promote employee growth.

Performance Target Setting
Target Source, Indicator Decomposition, Indicator Measurement, Communication Plan

Performance Implementation and Coaching
Daily Coaching, Effectiveness Follow-up, Performance Communication

Performance Evaluation
Employee Self-Evaluation, Supervisor Evaluation, Confirmation by Superiors at Different levels

Performance Feedback
Result Feedback, Performance Interview, Performance Appeal

Performance Appeal

The complainant shall lodge a complaint within 3 working days after receiving the results of the current performance evaluation, and provide the objective factual basis for disapproving the results of the performance evaluation. According to the performance appeal procedure, the complaint shall be upgraded step by step by the direct superior/superior at the other level, the responsible leader / HRBP, and the Audit and Inspection Department.

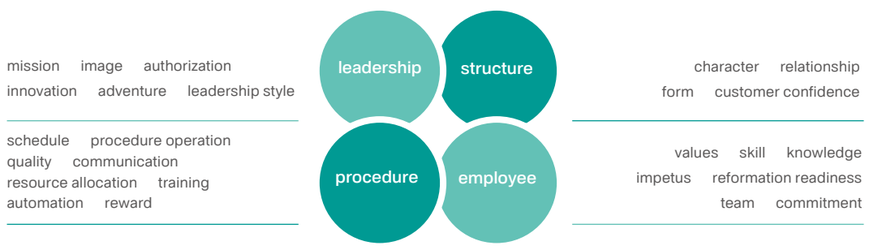
Degree Programs and Certification Support

The Company encourages employees to pursue self-growth and development by enhancing their professional capabilities and supports all employees—including part-time employees, contractors, and interns—in obtaining certifications and continuing education. In 2024, the Company revised and *released the Guidelines for Employee Continuing Education*, encouraging employees to participate in continuing education programs offered by domestic and international universities, fully supporting their personal growth and development. In 2024, over 20 employees participated in continuing education, with total expenses reaching approximately RMB 4.45 million, representing a 35.3% year-on-year increase. In addition, the Company provides professional course resources required for examinations and reimburses fees upon passing. Supported certifications include PMP, high/low-voltage electrician certificates, forklift licenses, welding certificates, among others. In 2024, the Company supported over 1,900 employees in obtaining certifications, with related reimbursement costs totaling approximately RMB 700,000, representing a 49% year-on-year increase.

Employee Satisfaction and Engagement Survey

Sungrow has carried out surveys on organizational health and employee engagement for 14 consecutive years. Through questionnaires, the Company collects employees' views on the Company's operating status, identifies existing problems, and proposes improvement measures and strategies for excellent external practices to enhance organizational vitality and employees' sense of belonging and satisfaction towards the Company.

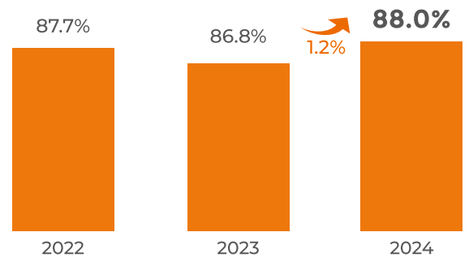
The questionnaire refers to Weisburd's "six-box model" and McKinsey's "7S model," and combines with Sungrow's organizational ability model, forming a total of 46 questions. From the four dimensions of "leadership," "structure," "process" and "employees" and 25 elements, the questionnaire diagnoses the organization and investigates the employees. At the same time, according to Gallup's Q12 engagement survey, employees' job satisfaction and engagement were evaluated through 12 key questions, covering employees' perceptions of work environment, manager support, team atmosphere and self-growth.



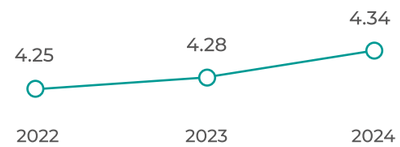
Employee satisfaction survey questionnaire presentation	
Mission & Vision	• I clearly understand the Company's mission and vision. • The Company's mission/vision makes me feel my work is important.
Job Satisfaction	• My job gives me a sense of accomplishment and satisfaction. • I have the opportunity to do what I am skilled at every day.
Purpose	• I am aware of the Company's job requirements for me. • I understand the relationship between my job and other positions in the Company.
Happiness	• In the past 7 days, I have been praised for my excellent work. • In the past 6 months, someone at the Company has talked to me about my progress. • In the past year, I have had opportunities to learn and grow at work. • I notice that my supervisor or colleagues care about me.

In 2024, the employee satisfaction survey covered 12,236 employees at home and abroad, with a participation rate of 81.2% and an overall recognition rate of 88.0%, an increase of 1.2% over the previous year. The employee engagement rate was 4.34, an increase of 0.09 over the previous year. Among them, employees' satisfaction about the purpose of work (intrinsic motivation) is higher, especially when it comes to "I am aware of the Company's job requirements for me" and "I understand the relationship between my job and other positions in the Company."

Furthermore, employee satisfaction and well-being has been raised significantly, especially when it comes to "my job gives me a sense of accomplishment and satisfaction," "I have the opportunity to do what I am skilled at every day," "In the past 7 days, I have been praised for my excellent work," "In the past 6 months, someone at the Company has talked to me about my progress," "In the past year, I have had opportunities to learn and grow at work," and "I notice that my supervisor or colleagues care about me."



Organization Health Index



Employee Engagement

According to the 2024 survey results, the Company plans to continue to improve employee engagement and satisfaction by strengthening empowerment mechanisms, creating a favorable organizational climate, focusing on employee personality development, empowering employee growth, and focusing on talent motivation.

- Through the subjective feedback of employees collected in the survey, the problems concerned by employees are identified, and improvement measures are proposed from the aspects of leadership, structure, procedure and employees respectively:

  ① Deepen the authorization mechanism, improve the authorization ability of managers through training and guidance, so that they can trust and authorize subordinates, thus stimulating the autonomy and innovation ability of the team.

  ② The managers create an inclusive, open, fair and humane organization environment to enhance employees' sense of belonging.

  ③ The managers identify and leverage the core advantages of employees, achieve person-post matching, and pay attention to the personalized development of employees.

  ④ Enable employees to develop, deeply cultivate a learning organization, provide employees with multiple and practical learning resources, and develop training courses suitable for employee development.

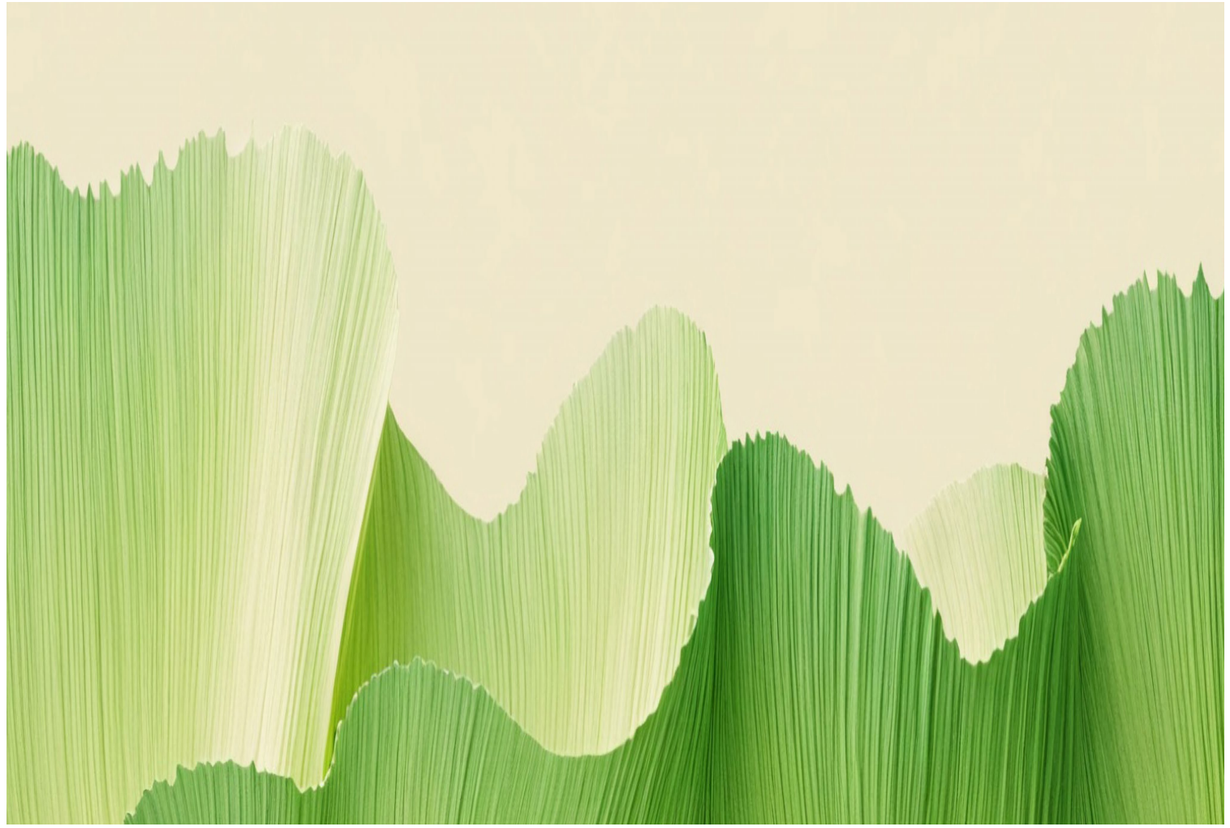
  ⑤ Consolidate the foundation of employee capabilities, continuously refine the job grade and qualification system, and ensure targeted skill development.

  ⑥ Focus on core talent motivation, innovate incentive methods, and stimulate the vitality of organizations and talents.

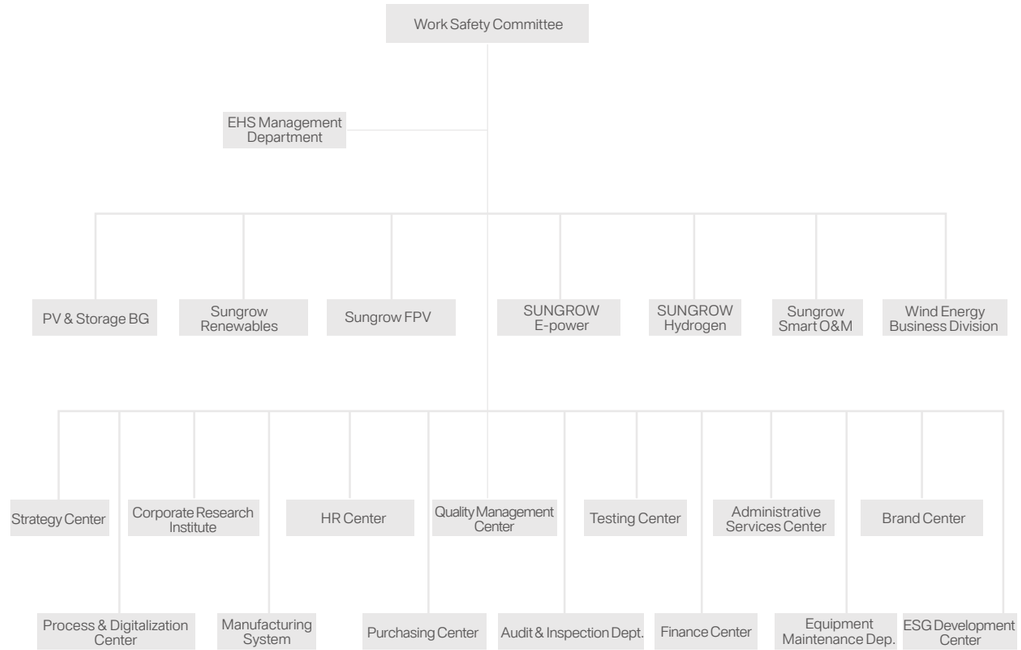
- Align business positioning issues, co-create improvement plans, and conduct quarterly follow-ups on progress and effectiveness to achieve a closed-loop management improvement cycle.

03

Occupational Health and Safety



Governance



The Company has established a Work Safety Committee as the management body for workplace safety and occupational health. The Chairman serves as the Director of the committee, with Board members and senior management acting as committee members. The committee is responsible for reviewing and issuing safety-related policies and making decisions on major safety issues. Quarterly meetings are held to coordinate and advance safety management efforts.

The Company's ESG Development Center has established an EHS Management Department as the dedicated body for environmental, occupational health and safety management. It is responsible for safety supervision, guiding business units and subsidiaries in occupational health and safety management. Each business division and subsidiary has designated EHS management departments or personnel specializing in EHS management. Safety representatives, including employee representatives and general staff, are appointed within each department to assist in internal safety audits, develop safety management regulations tailored to department-specific conditions, and conduct regular safety hazard inspections. This ensures that safety management requirements are comprehensively implemented both horizontally and vertically. The Company has established a tiered safety management grid, clearly defining the safety responsibilities and structured work lists for personnel at different levels. This framework ensures full coverage of safety management at the smallest operational unit level on-site.

The Company complies with domestic and international EHS-related laws and regulations, leveraging multiple channels such as official government platforms and third-party legal databases to monitor policy developments in real time. Through policy screening and compliance risk assessments, the Company formulates risk response strategies to ensure that its domestic and international business activities adhere to legal and regulatory requirements.

The Company complies with laws and regulations including the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and the *Special Equipment Safety Law of the People's Republic of China*. Internally, the Company has established 32 management procedures and policies, including the *Occupational Health and Safety Operation Control Procedure*, the *EHS Risk Hierarchical Control Regulation*, the *EHS Incident (Accident) Reporting and Handling Procedure*, the *Employee Safety Behavior Code Management Regulation*, and the *First Aid Supplies Management Regulation*. In addition, the Company has publicly released the *Health and Safety Management Policy* on its official website, emphasizing its commitment to employee health and safety, and pledging to provide a safe and healthy working environment while preventing workplace accidents and occupational diseases.

The Company has set a goal to reduce and maintain the lost time injury rate (LTIR) at 0.94 per million work hours by 2025 and continuously evaluates progress in reducing and preventing occupational health risks. During the reporting period, no general or major work safety incidents occurred. Additionally, 80% of the Company's global manufacturing sites have established the ISO 45001 occupational health and safety management system and obtained third-party certification.

Occupational Health and Safety Risk Identification and Management

Risk Identification

In response to increasingly stringent health and safety policies both domestically and internationally, the Company regularly screens and identifies health and safety compliance risks, assesses and formulates risk response strategies to ensure that its business operations comply with relevant health and safety laws and regulations across all regions.

The Company has optimized its dual-prevention system for graded safety risk control and hazard investigation and management. It implements tiered and hierarchical management, encourages full employee participation in the identification and assessment of risk points and hazards, and compiles graded control lists. Visual management tools such as four-color charts of safety risk and job-specific risk notification cards are used to enhance awareness. The Company continuously improves the system through rolling updates by adopting engineering and technical protections, inspection and maintenance measures, the provision of personal protective equipment, and the standardization of operational procedures, ensuring continuous improvement in the prevention and control of health and safety risks.

Risk Category	Specific Description
External Environmental Risks	Facility damage caused by natural disasters (e.g., earthquakes, floods)
Stakeholder Activity Risks	Accidents caused by inadequate control of high-risk operations by stakeholders
Operational Management Risks	Increased or uncontrolled risk resulting from inadequate management execution
Product & Technology Risks	Safety risk control deficiencies due to insufficient investment in human resources and funding for new product development or the application of new technologies
Regulatory Risks	Increased operating costs resulting from changes in laws and regulations
Workplace Risks	Poisoning and occupational diseases caused by exposure to harmful substances
Workplace Risks	Employee health damage and occupational diseases in employees caused by noise, vibration, and radiation
Workplace Risks	Lack of ergonomic consideration, leading to negative effects on the human body
Process/Equipment Risks	Accidents caused by unreasonable design, defects, or other related issues
Human Behavior Risks	Accidents caused by improper operations or mistakes

Opportunity Category	Specific Description
Positive Image of Strict Policy Compliance	Strict compliance with regulatory and policy requirements ensures the occupational health and safety of employees, establishes a positive social image, and enhances the Company's visibility
Standardized Management Enhances Health and Safety Levels	By establishing and improving occupational health and safety management processes, the Company strengthens execution and elevates its overall health and safety management standards, thereby reducing the risk of accidents
Strong Performance Gains Client Recognition	Outstanding health and safety performance indicators position the Company as an industry leader in health and safety management, which enhances client recognition and increases willingness for collaboration
Healthy and Safe Working Environment Fosters Employee Belonging	Providing a safe and healthy work environment with comprehensive protective measures helps reduce employee injury risk and promotes greater workforce stability and continuity
Stable and Reliable Foundational Safeguards	Enhancing the safety of equipment and implementing preventive maintenance plans establish solid operational foundations and enable swift responses to emergencies

Risk Response

For the management of occupational health and safety (OHS) risks, the Company conducts regular dynamic tracking, identification, and assessment, issues timely warnings, and formulates and implements control measures to ensure risks are visible and controllable, thereby enhancing the Company's ability to respond to policy changes. At the same time, the Company reinforces the principle of "safety must be managed alongside business operations" by integrating EHS indicators with business performance metrics and synchronizing business decision-making with EHS risk management. As the leadership's commitment to EHS culture deepens, employees' awareness and emphasis on EHS have significantly improved.

The Company has established a major EHS risk warning and prevention mechanism. It regularly identifies and assesses major EHS risks to ensure up-to-date monitoring of dynamic changes. Potential risks are reported to management monthly, and targeted corrective measures are developed in communication with relevant departments. Preventive improvement suggestions are also provided to enhance the Company's capability in preventing and mitigating major EHS risks. In addition, the Company regularly reports on EHS performance indicators across business units and subsidiaries, including occupational injury incidents, hazard investigation and managemen, and high-risk operations management. Underperforming units receive warnings to strengthen accountability and improve EHS management standards.

The Company strengthens health and safety management of suppliers by incorporating clearer OHS requirements into cooperation agreements. The Company has improved the requirements in safety agreements, ensuring that a safety agreement is signed at the contract stage. The occupational health and safety management requirements are included in the agreement, with applicable terms specified for different suppliers. The Company also encourages the implementation of superior health and safety management systems or tools by suppliers. Meanwhile, the Company promotes improvements through regular audits, educational training, discussion sessions, and other methods to ensure compliance with higher standards.

To strengthen the control of environment, health, and safety (EHS) risks during the operation of each business unit, the Company introduced the International Safety Rating System (ISRS). In December 2024, the Company completed its first quantitative assessment and carried out targeted improvements based on the issues identified during the evaluation, continuously enhancing its risk management capabilities both domestically and internationally.

Occupational Health and Safety Projects

The Company continues to increase investment in occupational health and safety projects to ensure the well-being of employees. During the reporting period, a total of RMB 120.91 million was invested.

Cost category	Project	Main Content	Amount (RMB10,000)
Health and safety	Protective equipment	Expenditure on improving, renovating, and maintaining health and safety protective facilities and equipment (excluding health and safety facilities during the initial construction phase), including expenditures for fire prevention, explosion prevention, fall protection, toxic substance prevention, static electricity prevention, corrosion prevention, dust control, noise and vibration control, radiation protection, and isolation operation facilities at production work sites, as well as costs related to various on-site safety management measures	8351.3
	Emergency resources	Expenditure on the provision, maintenance, and servicing of emergency rescue equipment (including first aid supplies and facilities, spill containment devices, firefighting equipment, respirators, protective clothing, etc.), as well as expenditures for building emergency response teams and conducting emergency drills	289.7
	Risk monitoring	Expenditure on the assessment, monitoring, and rectification of major hazards and accident risks; maintenance and inspection of firefighting facilities; expenditure on monitoring of occupational disease hazards; expenditure on health check-up costs for personnel; and expenditure on the inspection and testing of safety facilities and special equipment	745.1
	Technical consulting	Expenditure on health and safety inspections, assessments, audits, consulting, and standardization construction (excluding the initial phase of project construction); expenditure on hazard identification, health and safety consulting services, and specialized health and safety advisory services.	110.3
	Education and training	Expenditure on health and safety publicity, education, and training, including online education, internal training, external training, and training for statutory professional qualification certificates.	443.7
	Labor protection	Expenditure on the provision and update of health and safety protective equipment for on-site workers	1069
	Technology promotion	Improving health and safety performance indicators through the promotion and application of new technologies, standards, processes, and equipment	83.6
	Insurance	Expenditure on safety production liability insurance, workers' compensation insurance, accident insurance, and other related insurance	763.9
	Other	Other expenditures directly related to health and safety production, including repairs of workshop floors, rooftops, and factory roads, as well as indoor air quality management	233.9

Occupational Health and Safety Training

The Company has established an inclusive health and safety training matrix covering all employees, including senior and middle management, newly appointed managers, new employees, technical professionals, and relevant external personnel. Tailored training programs are designed to enhance safety awareness and skills, covering EHS leadership and management, general safety training, specialized operations safety training, and occupational hazard-specific training. To strengthen EHS training faculty, the Company has implemented a monthly professional development plan, offering targeted training sessions based on business needs. A dual evaluation system is in place for trainers and trainees, ensuring continuous optimization based on identified key issues. During the reporting period, the Company conducted 143 emergency drills focused on high-risk EHS areas and accident-prone scenarios, with an increase of 49% over the previous year. A variety of training methods, including offline sessions, online learning programs, panel discussions, and interactive experiences in safety training centers, were held to ensure the effectiveness of EHS education and training.

In addition, the Company organized a variety of health and safety education activities, such as Occupational Disease Awareness Week, Safety Production Month, Fire Safety Day events, the EHS service platform, and Safety Skills Competitions. These initiatives help employees develop a strong safety mindset, proactively identify and report risks in the workplace, and participate in hazard rectification, leading to safer employee behaviors. For relevant stakeholders, the Company conducts regular training and assessments to enhance their safety management capabilities and reduce safety risks associated with their activities.

The Company has established a Work Safety Committee, with employee representatives involved, and holds regular health and safety meetings. Each department also incorporates safety meetings into their monthly work reports. Furthermore, the Company has introduced an "Hazard Snap" feature, allowing employees to easily report safety hazards. In 2024, the Company received 2,336 improvement suggestions from employees, with an increase of 4.06% over the previous year. Among them, there were 326 suggestions related to safety and environmental protection, accounting for 13.59% of total submissions. This encourages employees to actively participate in health and safety improvement initiatives, contribute suggestions, and foster a safety culture where everyone is involved. The Company has launched the "Hazard Snap" module, providing a direct channel for employees to report safety hazards. The privacy of employees who report hazards is protected (only the EHS department can access the reported information, while the responsible department and other departments cannot view it). The EHS Management Department oversees the rectification process to ensure that the identified hazards are addressed and closed-loop management is implemented.

Digital Management of Occupational Health and Safety

The Company is actively advancing the development of its EHS digital management platform, integrating low-code applications to enable full participation in safety hazard inspections, mobile approval for hazardous operations, self-service occupational health registration, and safety points system. Moving forward, the platform will expand to cover EHS training, risk identification and classification, and emergency incident management, continuously enhancing EHS management efficiency and risk mitigation.

In May 2025, the Company will launch the EHS digital management platform, leveraging digital tools for dynamic safety risk control. Through key metrics such as lost time injury rate per million work hours, hazard management data, and EHS performance evaluations, the Company will strengthen risk management measures across all business units.

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Public Welfare and Community Engagement

The Company adheres to the public welfare concept of "Gathering goodwill for a better world," fully leverages its own advantages and professional capabilities, continues to carry out public welfare volunteer projects in the fields of ecological environment improvement, community development, popular science and education support, and emergency response and disaster prevention, striving to give back to society.

The Company complies with laws and regulations such as the *Charity Law of the People's Republic of China*, formulates the *Regulations on the Management of External Donations*, and regulates external donation behavior. In 2024, the Company formulated the *Volunteer Service Management Measures* to strengthen the construction of the volunteer team, standardize volunteer service behavior, and promote the sustainable development of the Company's volunteer service cause. In 2024, the Company donated more than RMB 20 million.

Ecological Environment Improvement

In October 2024, Sungrow, together with the Nature Conservancy (TNC) and Deyang Management Branch of Giant Panda National Park, launched the third phase of "Sun Forest Program", taking Jiudingshan - Tudiling Corridor in Giant Panda National Park as a pilot project to provide systematic solutions for the protection and restoration of giant panda habitat.

- Develop a nature-based restoration scheme and form the Jiudingshan - Tudiling ridge corridor habitat restoration scheme.
- Establish pilot habitat restoration programs. A total of 100 mu of giant panda habitat were selected in the key corridor area of Jiudingshan – Tudiling to carry out restoration and monitoring work, providing a demonstration of habitat ecological restoration for 30 square kilometers of the corridor area.
- Build artificial nests in the wild. Six artificial nests were built in the giant panda habitat to improve the quality of life for the small population and associated animals of giant pandas in Jiudingshan.

The "Sun Forest Program", jointly initiated by Sungrow, the Nature Conservancy (TNC) and Deyang Management Branch of the Giant Panda National Park, plans to plant 500 mu of suitable trees and edible bamboo in 5 years, rebuilding the life corridor and ecological restoration, promoting the restoration of giant panda habitat.

Community Development

Sungrow Renewables launched the Sungrow Positive Energy Public Welfare Action associated with China Social Welfare Foundation in 2023, focusing on rural revitalization topics such as education, elderly care and medical care. Public welfare projects such as Sungrow Smart Classrooms, Sungrow Elderly Care, and Blue Wealthy Village Project in areas such as Qinghai, Guangxi and Gansu. Efforts were made to improve the learning and living conditions of the young and old, and people with difficulties in rural and remote areas, enhancing the sense of happiness and fulfillment.

In January 2025, to support charity and the development of surrounding communities, the Company initiated the "Sungrow Action" community public welfare project, and spent more than RMB 26,000 from the "Sungrow Charity Fund" set up by the Hefei Charity Federation to help a total of 50 needy families in the 3 communities of Xingyuan Center, Tianle Center and Shulu Center in Hefei City.

Case

Bongabon PV project in the Philippines

In the Bongabon PV project in the Philippines, due to the drainage planning of the site, the collected rainwater flowed through drainage channels into the fields of downstream farmers. To prevent erosion and support local community development, the Company proactively planned and constructed drainage channels to assist farmers with water management. The project team engaged with local villagers, listened to their ideas and needs, and ensured that the drainage system was designed to both manage water flow and protect downstream farmland, fostering harmonious development between the project and the local community. During the construction phase, the Company's personnel actively visited local disadvantaged households, providing support and care by donating essential living supplies to those in need.

Popular Science and Education Support

On September 5, 2024, Charity Day, Sungrow donated RMB 5 million to Anhui Charity Federation to jointly launch the "Sungrow Bridge - New Generation Growth Plan" public welfare project. Over the next three years, it will help nearly a thousand needy students majoring in power electronics from ten universities in Anhui realize their university dreams and support talent cultivation in Anhui universities. In addition, the Company actively donated scholarships to Zhejiang University and Hefei University of Technology to support the development of education, continuously deepen the cooperation between industry, academia and research, promote the industrialization of scientific and technological achievements, and inspire more students to strive for progress.

Emergency Response and Disaster Prevention

In August 2024, due to the overrunning of a levee in Yaohai District of Hefei City, the first-floor residents of the surrounding communities suffered severe property losses. The Company donated RMB 200,000 from the Sungrow Charity Fund set up by the Hefei Charity Federation to the Yaohai District Charity Federation to help compensate for the property losses of the affected residents.

On January 7, 2025, Dingri County in Shigatse City, Tibet, was severely hit by a 6.8-magnitude earthquake, causing numerous casualties and extensive house damage. The situation in the disaster-stricken area was heart-wrenching. The Company donated RMB 1 million to the Shigatse Charity Federation. This donation would be used for emergency procurement of relief materials to support relief work in the disaster-hit areas, standing together with the people in the disaster-hit areas to overcome difficulties.

In addition, in 2024, Sungrow USA Corporation donated 25,000 US dollars to the non-profit organization Feeding America. The organization is committed to helping communities affected by hurricanes in North Carolina by providing food, water, and other support relief. In January 2025, Sungrow USA Corporation donated 25,000 US dollars to the American Red Cross to assist areas in California affected by wildfires.

Voluntary Service

In 2022, the Company initiated the program of Global Volunteer Service Week. Themed on "Go for Nature," the Company organizes volunteer services for environmental protection worldwide every year. By the end of 2024, the Company has 2,341 volunteers, with a cumulative volunteer service time of 8,303.5 hours.

From November 29 to December 5, 2024, the third session of Global Volunteer Service Week was successfully held. Volunteers went into Hefei Jingui community, cleaned up garbage, sorted turf, built wooden platforms and transplanted green plants, transforming the sanitary dead corner into a beautiful green landscape, contributing to the better life of the community. Volunteers from Europe, the Middle East, the Americas, Asia Pacific and other regions have conducted a variety of volunteer activities in their local communities around the theme. Volunteers from the United States, Australia, Japan and South Korea went into parks, bays and other outdoor areas to clean up garbage. Indian volunteers went into the orphanage, donated necessary supplies, and accompanied the children to play plentiful games. Volunteers in the United Arab Emirates joined forces with the largest pet rescue center in the region to organize walks with stray dogs and donations of supplies. Volunteers from Brazil and the Netherlands went into farms to help with the cleanup and animal feeding. Volunteers from Germany and South Africa started voluntary tree planting programs, planting saplings and sowing hope. Volunteers protect the ecological environment and promote community development in a series of public welfare volunteer activities.

In addition, the Company held its first Global Volunteer Annual meeting on November 29, during which the abundant practice of Sungrow employees in the field of volunteer service worldwide were reviewed and outstanding volunteers were commended, encouraging more employees to actively participate in volunteer activities and fostering a culture of volunteer service.

Sungrow remains committed to its mission of clean power for all and will continue contributing professional expertise to global sustainable development. In the clean energy sector, we will intensify our efforts in R&D and innovation, deepen our presence in global markets, enhance localization capabilities, and leverage digital technologies to deliver more resilient solutions for low-carbon development worldwide.

We strive to improve ecological outcomes, reduce environmental impacts across our operations and supply chain, accelerate progress toward operational carbon neutrality, and strengthen product life cycle management to support our customers in meeting higher standards for green transformation.

At the same time, we are dedicated to making clean energy accessible to broader communities by fostering a strong organizational culture, investing in talent development, and promoting public welfare and volunteer initiatives.

We firmly believe that through continuous innovation and open collaboration, we can shape a greener and more promising energy future.

FUTURE PROSPECTS

List of Main Enterprises

Full name	Abbreviation
Sungrow Power Supply Co., Ltd.	Sungrow
Sungrow Renewables Development Co., Ltd.	Sungrow Renewables
Sungrow Energy Storage Technology Co., Ltd.	Sungrow Energy Storage
Sungrow FPV Sci.& Tech. Co., Ltd.	Sungrow FPV
Hefei Sungrow E-Power Technology Co., Ltd.	Sungrow E-Power
Sungrow Smart O&M Technology Co., Ltd.	Sungrow Smart O&M
Sungrow Hydrogen Sci. & Tech. Co., Ltd	Sungrow Hydrogen
Sungrow iCarbon Technology Co., Ltd.	Sungrow iCarbon
SUNGROW DEVELOPERS INDIA PRIVATE LIMITED	India Factory
SUNGROW DEVELOPERS(THAILAND)CO.,LTD.	Thailand Factory

Sustainability Performance Tables

Material Topic	Indicator	Unit	2024	2023	2022
Employee Employment and Rights	Number of employees (full-time)	/	17305	13697	9239
	Female	/	3235	2579	1762
	Male	/	14070	11118	7477
	Under 30 years old	/	7689	6503	4177
	31-40 years old	/	8335	6340	4517
	41-50 years old	/	1093	724	449
	Over 50 years old	/	188	130	96
	With PhD degree	/	138	89	64
	With a master's degree	/	4018	3024	2033
	With a bachelor's degree	/	7469	6025	4086
	With a college degree	/	3314	2686	/
	With education below a college degree	/	2366	1873	/
	R&D and technical	/	6989	5372	3647
	Sales and marketing	/	2414	2076	1511
	Administrative	/	2641	1988	1247
	Production	/	5261	4261	2834
	Working in China (including Hong Kong, Macau, and Taiwan)	/	15531	12274	8339
	Working overseas	/	1774	1423	900
	Working in Asia-Pacific (excluding China)	/	542	498	/
	Working in Americas	/	513	397	/
	Working in Europe, the Middle East and Africa (EMEA)	/	719	528	/
	Frontline	/	15182	11806	/
	Female in frontline	/	2908	/	/
	Junior management	/	1317	1292	/
	Female in junior management	/	208	/	/
	Middle management	/	702	529	/
	Female in middle management	/	113	/	/
	Senior management	/	104	70	/
	Female in senior management	/	6	/	/
	% of female in management positions	%	15.4	15.7	13.45
	Local hiring rate globally	%	98.4	98.8	99.6
	Local hiring rate in China	%	99	/	/
	Local hiring rate overseas	%	85	/	/
	Number of ethnic minority employees	/	361	269	107
	Number of new hires	/	4860	/	/
	Female	/	843	/	/

Material Topic	Indicator	Unit	2024	2023	2022
Employee Employment and Rights	Male	/	4017	/	/
	With Chinese nationality (including Hong Kong, Macau, and Taiwan)	/	4285	/	/
	With other nationalities	/	575	/	/
	Under 30 years old	/	2954	/	/
	31-40 years old	/	1719	/	/
	41-50 years old	/	159	/	/
	Over 50 years old	/	28	/	/
	Frontline	/	4667	/	/
	Junior management	/	138	/	/
	Middle management	/	49	/	/
	Senior management	/	6	/	/
	Signing rate of labor contract	%	100	100	100
	% of female in management positions in revenue-generating functions	%	22.2	/	/
	% of female in STEM-related positions(STEM refers to Science, technology, engineering and mathematics.)	%	11.7	/	/
	Number of employee turnover	/	2628	/	/
	Employee turnover rate	%	13.43	15.67	16.68
	Under 30 years old	%	16.22	17.08	18.35
	31-40 years old	%	11.18	14.66	15.75
	41-50 years old	%	10.13	12.28	11.61
	Over 50 years old	%	11.95	15.04	11.43
	Female	%	10.56	11.98	12.35
	Male	%	14.09	16.53	17.59
	Frontline	%	16.5	/	/
	Junior management	%	6.4	/	/
	Middle management	%	4.1	/	/
	Senior management	%	3.7	/	/
	With Chinese nationality (including Hong Kong, Macau, and Taiwan)	%	12.94	/	/
	With other nationalities	%	17.7	/	/
	% of open positions filled by internal candidates (internal hires)	%	3.2	4	/
	Number of open positions filled by internal candidates (internal hires)	/	172	183	/
	% of employees receiving regular performance and career development reviews	%	100	100	100
	% of employees receiving physical examinations	%	100	100	100
	% of employees receiving social insurance	%	100	100	100
	% of employees eligible for parental leave	%	100	100	100

Material Topic	Indicator	Unit	2024	2023	2022
Employee Employment and Rights	Number of employees that took parental leave	/	1233	/	/
	Female	/	237	/	/
	Male	/	996	/	/
	Return to work rate of employees that took parental leave	%	100	/	/
	Female	%	100	/	/
	Male	%	100	/	/
	Retention rate of employees that took parental leave	%	92.7	/	/
	Female	%	94.1	/	/
	Male	%	92.2	/	/
	Number of employees with disabilities	/	26	26	12
	Number of incidents of discrimination during the reporting period	/	0	0	0
	% of all operational sites that have been subject to human rights reviews or human rights impact assessments	%	100	/	/
	% of security personnel who have received formal training in the Company's human rights policies or specific procedures and their application to security.	%	100	/	/
	% of employees across all locations who received training on diversity, discrimination and/or harassment	%	100	/	/
	% of employees across all locations who are covered by formally-elected employee representatives	%	100	100	100
	% of employees who are represented by independent trade unions or covered by collective bargaining agreements	%	100	100	100
Employee Training and Development	Investment in employee training	RMB10,000	2155	2054	/
	Average training investment per employee	RMB10,000	0.1245	0.1500	/
	Employee engagement score	/	4.34	4.28	4.25
	Organizational health score	%	88	86.8	87.7
	% of employees eligible for variable performance-based components to pay	%	100	100	100
	Number of employees supported through hardship assistance programs	/	4	/	/
	Average years employed by the Company for female employees	Year	2.83	/	/
	Average years employed by the Company for male employees	Year	2.78	/	/
	Number of training sessions conducted	/	11482	/	/
	% of employees receiving training sessions	%	100	100	100

Material Topic	Indicator	Unit	2024	2023	2022
Employee Training and Development	Average training hours per employee	Hours	90.63	90	28.62
	Male	Hours	90.2	44.5	/
	Female	Hours	92.51	48.8	/
	Senior management	Hours	86.82	/	/
	Middle management	Hours	87.6	/	/
	Junior management	Hours	85.39	/	/
	Frontline	Hours	91.24	/	/
	Under 30 years old	Hours	106.61	/	/
	31-40 years old	Hours	81.58	/	/
	41-50 years old	Hours	52.51	/	/
	Over 50 years old	Hours	24.23	/	/
	Han ethnicity	Hours	90.63	/	/
	Ethnic minority	Hours	83.8	/	/
	Number of employees receiving leadership training and development programs	/	702	700	/
	Average training hours per employee receiving leadership training and development programs	Hours	61.3	60	/
	Investment in employee education and certification support	RMB10,000	515.13	329	/
	Number of employees supported in obtaining diplomas or certifications	/	1916	/	/
	Number of employees meeting job qualification certification requirements	/	5083	2073	/
	Number of employees promoted	/	4057	1653	/
Sustainable Supply Chain	Number of suppliers	/	695	650	691
	Chinese mainland	/	614	629	673
	Hong Kong, Macau, and Taiwan	/	16	/	/
	Overseas	/	65	/	/
	Number of significant suppliers	/	20	51	/
	Significant suppliers in Tier-1	/	20	/	/
	% of procurement on significant suppliers in Tier-1	%	38	/	/
	Number of significant suppliers in non-Tier-1	/	0	/	/
	% of procurement on local suppliers – China	%	92	/	/
	Number of suppliers in capacity building programs	/	5	/	/
	Number of suppliers participating in ESG training	/	138	/	/
	ESG training hours for supplier	Hours	798.9	/	/
	% of suppliers signing the Supplier Code of Conduct	%	96.93	96.79	89.6

Material Topic	Indicator	Unit	2024	2023	2022
Sustainable Supply Chain	% of suppliers with contracts that include clauses on environmental, labor, and human rights requirements	%	98.34	/	/
	Number of suppliers that have gone through an ESG on-site audit	/	79	33	4
	Number of suppliers that have gone through online ESG audit (e.g., questionnaires)	/	13	/	/
	% of suppliers that have gone through an ESG on-site audit	%	11.37	5.08	0.58
	% of suppliers that have gone through online ESG audit (e.g., questionnaires)	%	1.87	/	/
	Number of new suppliers	/	90	56	95
	Number of new suppliers that were screened using environmental and social criteria	/	90	/	/
	Number of suppliers assessed for environmental and social impacts	/	92	33	/
	Number of suppliers assessed with substantial actual/potential negative environmental and social impacts	/	17	0	/
	Number of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	/	17	0	/
	Number of suppliers with substantial actual/potential negative impacts that were terminated	/	0	0	0
	Number of significant suppliers assessed for environmental and social impacts	/	8	/	/
	% of suppliers that have signed agreements on restricted hazardous substances	%	85.25	/	/
	% of suppliers certified with ISO 14001	%	73.77	66.17	/
	% of suppliers certified with ISO 45001	%	62.3	53.32	/
	% of suppliers certified with ISO 9001	%	96.31	88.87	/
	Number of suppliers that have conducted carbon inventories	/	139	/	/
	Number of materials with calculated product carbon footprint	/	66	/	/

Material Topic	Indicator	Unit	2024	2023	2022
Sustainable Supply Chain	% of buyers who have received training on sustainable procurement	%	43.93	/	/
	% of suppliers that have signed conflict minerals agreements	%	43.02	/	/
	Number of suppliers that have undergone responsible minerals due diligence	/	195	123	/
	Total revenues from products containing conflict minerals	RMB10,000	0	0	0
Energy Management[1]	Total energy consumption	tce	29116.51	23421.69	14407.57
	Direct energy	tce	701.70	/	/
	Indirect energy	tce	28414.81	/	/
	Non-renewable energy	tce	9129.40	/	/
	Renewable energy	tce	19987.11	/	/
	Total electricity consumption	MWh	231202.70	186819.98	131387.29
	Electricity from the grid	MWh	68573.67	89142.29	90476.48
	Self-generated green electricity	MWh	12753.72	10050.71	9105.29
	Green electricity purchased directly	MWh	149875.31	87626.98	31805.52
	Green electricity certificates purchased	MWh	0	5000	18000
	Electricity consumption from renewable energy	MWh	162629.03	102677.69	58910.79
	Wind power	MWh	41365.04	/	/
	% of wind power	%	25.44	/	/
	Solar power	MWh	121263.98	/	/
	% of solar power	%	74.56	/	/
	% of electricity from renewable energy	%	70	55	45
	Natural gas	tce	235.97	143.70	121.13
	Gasoline	tce	47.923	38.93	27.22
	Diesel	tce	417.807	278.88	207.05
	Energy consumption per unit of product	kgce/kW	0.0843	0.0884	0.0899
	Energy consumption per RMB10,000 output value	kgce/RMB10,000	3.74	3.11	3.58
	Clean energy consumption	MWh	20223.08	98846.95	41896.37
	Energy productivity	RMB10,000/MWh	33.67	38.67	37.50
	Amount of energy conservation and saving	tce	310.32	159.77	/

1 The energy consumption statistics boundary is aligned with the organizational boundary for carbon inventory, and subsidiaries not covered account for less than 5% of the company's total energy consumption. In 2024, the company aligned the scope of 2022 renewable electricity usage statistics with that of the comprehensive energy consumption statistics, resulting in corresponding adjustments to the 2022 energy data.

Material Topic	Indicator	Unit	2024	2023	2022
Energy Management	Total installed capacity of power electronic conversion equipment by the end of the year	GW	740	515	340
Public Welfare and Community Engagement	Total hours of employee volunteer service	Hours	8303.5	3442	/
	Amount of charitable donations	RMB10,000	2078.03	587.79	748.07
	Number of registered volunteers	/	2341	/	/
	Sessions of employees participating in volunteer activities	/	1875	/	/
Business Ethics	Number of complaints raised through grievance mechanisms during the reporting period	/	25	19	/
	Number of complaints handled (or reviewed) during the reporting period	/	25	19	/
	Number of complaints resolved during the reporting period	/	25	19	/
	Number of operational sites within the reporting scope	/	10	/	/
	Number of operations assessed for risks related to corruption	/	10	/	/
	% of operations assessed for risks related to corruption	%	100	/	/
	Number of significant risks related to corruption identified through the risk assessment	/	0	/	/
	Number of dedicated integrity training sessions conducted for personnel in high-risk areas	/	25	8	/
	Number of confirmed incidents of corruption (internal & external, incl. suppliers)	/	26	13	/
	Number of confirmed incidents of corruption with corrective actions completed	/	26	/	/
	Number of internal confirmed incidents of corruption	/	18	/	/
	Number of employees in violation of the Employee Code of Integrity and Self-Discipline	/	25	13	/
	Number of employees dismissed for corruption	/	19	13	/
	Number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	/	8	/	/
	Loss due to bribery or corruption-related legal proceedings	RMB10,000	0	/	/
	% of operational sites certified with anti-corruption management systems	%	20	/	/

Material Topic	Indicator	Unit	2024	2023	2022
Business Ethics	Signing rate of Employee Code of Conduct	%	100	/	/
	% of employees that have received training on anti-corruption and business ethics standards	%	100	100	100
	Number of governance level members that have received specialized training on anti-corruption	/	10	/	/
	% of governance level members that have received specialized training on anti-corruption	%	58.80	/	/
	N umber of employees that have received specialized training on anti-corruption	/	8840	4400	/
	% of employees that have received specialized training on anti-corruption	%	51.1	32.12	/
	Hours of employees received in specialized anti-corruption training	Hours	8840	/	/
	Average hours of specialized anti-corruption training per employee	Hours	1	/	/
	% of new employees that have received specialized training on anti-corruption	%	100	100	/
Product Quality and Safety	Number of major product-related safety and quality accidents	/	0	0	0
	Amount of damage caused by major product-related safety and quality accidents	RMB10,000	0	0	0
Compliance and Risk Management	Number of public legal cases regarding corruption brought against the Company or its employees during the reporting period and the outcomes of such cases.	/	0	/	/
	Number of cases identified as involving anti-unfair competition and anti-monopoly practices during the reporting period	/	0	/	/
	Loss due to unfair competition lawsuits	RMB10,000	0	/	/
	Number of training sessions on compliance and risk management	/	53	/	/
Data Security and Privacy Protection	Number of substantiated complaints received concerning breaches of customer privacy	/	0	0	0
	Number of identified leaks, thefts, or losses of customer data	/	0	0	0
	Amount of damage caused by breaches of customer privacy	RMB10,000	0	0	0
	Hours of training on information security and data protection	Hours	7948	/	/
	% of employees that have received training on information security and data protection	%	100	/	/
	Amount of damage caused by data security accidents	RMB10,000	0	0	0

Material Topic	Indicator	Unit	2024	2023	2022
	% of operational sites with ISO 27001 or equivalent ISMS certification	%	30	/	/
Corporate Governance	Number of members in the governance level (including Directors, Supervisors, and Executives)	/	17	18	20
	Number of female members in governance level	/	2	2	1
	Number of Board meetings	/	7	8	9
	Number of Board members	/	8	8	8
	Executive directors	/	4	4	4
	Independent directors	/	3	3	3
	Other non-executive directors	/	1	1	1
	Average tenure of Board members	Year	6.95	/	/
	Average attendance rate of Board meetings	%	100	100	100
R&D and Innovation	Total number of patent applications	/	9401	7756	5410
	Domestic patent applications	/	8145	6725	4691
	Overseas patent applications	/	1256	1031	719
	Total number of granted patents	/	5082	4123	2877
	Granted invention patents	/	1786	1417	1073
	Total number of software copyrights	/	186	/	/
	Number of employees rewarded for patents	/	1580	1273	1878
	Amount of patent-related rewards distributed	RMB10,000	609	585	350
	Number of industry standards developed/participated in	/	18	14	4
	R&D investment	RMB10,000	316352	244739	169216
	% of R&D personnel in total workforce	%	40.39	39.22	39.47
	Number of trademarks approved	/	241	274	93
Responding to Climate Change	Emission reduction by photovoltaic power generation	tCO_2e	7469	5689	5193
	Offsetting amount of domestic green electricity certificates	tCO_2e	0	/	/
	Offsetting amount of international green electricity certificates	tCO_2e	0	2852	10265
	Emission reduction by purchasing green electricity directly	tCO_2e	87767	48871	18139
	Investment for responding to climate change	RMB10,000	1784	/	/
	Greenhouse gas (GHG) emissions	tCO_2e	9109321	9000664	43257(excluding Scope 3)
	Scope 1	tCO_2e	6426	3806	3459
	Scope 2 – location-based	tCO_2e	117487	42996	39798

Material Topic	Indicator	Unit	2024	2023	2022
Responding to Climate Change	Scope 2 – market-based	tCO_2e	40061	42996	39798
	Scope 3	tCO_2e	9062835	8953862	/
	Category 1: purchased goods and services	tCO_2e	8491155	/	/
	Category 4: upstream transportation and distribution	tCO_2e	90481	/	/
	Category 5: waste generated in operations	tCO_2e	1547	/	/
	Category 6: business travel	tCO_2e	8317	/	/
	Category 7: employee commuting	tCO_2e	696	/	/
	Category 9: downstream transportation and distribution	tCO_2e	45813	/	/
	Category 11: use of sold products	tCO_2e	367121	/	/
	Category 12: end-of-life treatment of sold products	tCO_2e	57704	/	/
	GHG emissions – China	tCO_2e	9104865	8997566	41127 (excluding Scope 3)
	GHG emissions – India	tCO_2e	1836	1091	1077
	GHG emissions – Thailand	tCO_2e	2620	2008	1053
	GHG emissions from fuel combustion	tCO_2e	1475	/	/
	GHG emissions from electricity consumption	tCO_2e	40061	/	/
	GHG emissions intensity (Scope 1 + Scope 2)	tCO_2e/GW	175	/	/
	Direct GHG emission reduction from mitigation measures	tCO_2e	95236	/	/
	Scope 1	tCO_2e	0	/	/
	Scope 2	tCO_2e	95236	/	/
	Scope 3	tCO_2e	0	/	/
	Production process redesign	tCO_2e	0	/	/
	Equipment upgrades	tCO_2e	0	/	/
	Process improvement	tCO_2e	0	/	/
	Fuel switching	tCO_2e	0	/	/
	Carbon credits	tCO_2e	3485	/	/
Water Resources Management[1]	Water withdrawal	Tons	695179	459024	316713
	Water withdrawal from all areas with water stress	Tons	0	0	0
	Water discharge	Tons	556143	367219	253370
	Water discharge to all areas with water stress	Tons	0	0	0
	Water consumption	Tons	139036	91805	63343

1 In previous years, only water consumption and discharge volumes were disclosed. In this reporting period, the data disclosure has been expanded to include water withdrawal, consumption, and discharge, and the figures for 2022–2023 have been revised accordingly.

Material Topic	Indicator	Unit	2024	2023	2022
	Water consumption from all areas with water stress	Tons	0	0	0
	Water consumption intensity per unit of product	kg/kW	0.48	0.47	0.55
	Water recycled and reused	Tons	0	/	/
	Water recycling rate	%	0	/	/
Pollutant and Waste Management[1]	Weight of waste generated	Tons	34430.73	17389.89	6472.47
	Waste generated per unit of product	t/GW	119.2	88.7	58.1
	Weight of non-hazardous waste generated	Tons	33107	16937	6553
	Recycled or reused	Tons	29796.58	10179.14	3663.13
	Disposed	Tons	3310.42	6757.86	2889.87
	Landfilling	Tons	0	0	0
	Incineration with energy recovery	Tons	3310.42	6556.56	2747.59
	Incineration without energy recovery	Tons	0	0	0
	Other disposal operations	Tons	0	201.3	142.28
	Non-hazardous waste utilization rate	%	90	60.1	55.9
	Weight of hazardous waste generated	Tons	1184.73	452.89	189.47
	Recycled or reused	Tons	618.3	124.27	19.41
	Disposed	Tons	566.43	328.62	170.06
	Landfilling	Tons	0	0	0
	Incineration with energy recovery	Tons	566.43	0	0
	Incineration without energy recovery	Tons	0	304.33	152.53
	Other disposal operations	Tons	0	24.29	17.53
	Weight of waste recycled or reused	Tons	30414.88	10303.41	3682.54
	% of waste recycled or reused	%	88	59	57
	Compliance rate for hazardous waste disposal	%	100	100	100
	Hazardous waste generated per unit of product	t/GW	4.1	/	/
	Non-hazardous waste generated per unit of product	t/GW	114.6	/	/
	Number of penalties related to waste management	/	0	0	0
Pollutant and Waste Management	Volume of industrial wastewater	m^3	2116	/	/
	Volume of domestic wastewater	m^3	554027	/	/
	Chemical Oxygen Demand (COD)	Tons	78.105	59.49	43.76
	Average COD discharge concentration	mg/L	140.441	/	/
	COD discharge intensity per unit of product	kg/GW	259	287	378
	Ammonia Nitrogen (NH_3-N)	Tons	8.037	8.262	5.184
	Average NH_3-N discharge concentration	mg/L	14.506	/	/
	NH_3-N discharge intensity per unit of product	kg/GW	26.774	39.8	44.7
	Total Phosphorus (TP)	Tons	2.076	/	/

1 In previous years, certain packaging materials and wooden pallets used for raw and auxiliary materials were recovered and disposed of by suppliers, and thus not included in the waste statistics. In this reporting period, the data has been supplemented to reflect these previously excluded items, and figures for 2022–2023 have been revised accordingly.

Material Topic	Indicator	Unit	2024	2023	2022
Pollutant and Waste Management	Average TP discharge concentration	mg/L	3.732	/	/
	TP discharge intensity per unit of product	kg/GW	6.889	/	/
	Biochemical Oxygen Demand (BOD_5)	Tons	16.497	26.44	17.81
	Average BOD_5 discharge concentration	mg/L	29.664	/	/
	BOD_5 discharge intensity per unit of product	kg/GW	54.753	127.5	153.6
	Number of penalties related to water pollution	/	0	0	0
	Air emissions	m^3	16.149	/	/
	Persistent Organic Pollutants (POPs)	Tons	0	/	/
	Average POPs emission concentration	mg/m^3	0	/	/
	POP emissions intensity per unit of product	kg/GW	0	/	/
	Volatile Organic Compounds (VOCs)	Tons	12.157	8.874	5.21
	Average VOC emissions concentration	mg/m^3	0.0035	/	/
	VOC emissions intensity per unit of product	kg/GW	42.08	42.79	44.99
	Particulate Matter (PM10)	tons	3.549	2.673	2.853
	Average PM10 emissions concentration	mg/m^3	0.0025	/	/
	PM10 emission intensity per unit of product	kg/GW	12.28	12.89	24.64
	Number of penalties related to air pollution	/	0	0	0
	Number of recorded significant spills	/	0	0	0
	Volume of recorded significant spills	Tons	0	0	0
	Volume of spills recycled	Tons	0	0	0
Environmental Compliance Management	Environmental protection investment	RMB10,000	1026.4	795	/
	Routine operations and maintenance	RMB10,000	222.0	69.04	/
	Pollution control	RMB10,000	684.0	581.17	/
	Regular monitoring and testing	RMB10,000	19.4	29.92	/
	Technical consultancy services	RMB10,000	16.2	65.78	/
	Training and education	RMB10,000	35.7	42.88	/
	Environmental emergency response	RMB10,000	49.1	6.4	/
	Amount of significant environmental fines for non-compliance	RMB10,000	0	0	0
	Number of non-compliance incidents related to water quality permits, standards, or regulations	/	0	0	0
	Number of environmental projects implemented	/	3	/	/
	% of operational sites certified to ISO 14001	%	100	100	70
Occupational Health and Safety	Investment in health and safety	RMB10,000	12090.5	5623.4	3821.8

Material Topic	Indicator	Unit	2024	2023	2022
Occupational Health and Safety	Investment in employee work injury insurance	RMB10,000	553.52	/	/
	Investment in work safety liability insurance	RMB10,000	660.72	/	/
	% of employee work injury insurance	%	100	/	/
	% of work safety liability insurance	%	100	/	/
	% of operational sites certified to ISO 45001	%	80	80	62.5
	Number of fatalities as a result of work-related ill health	/	0	/	/
	Number of cases of recordable work-related ill health	/	39	/	/
	% of employees that have undergone health check-ups in occupational disease risk positions	%	100	/	/
	Number of employees diagnosed with occupational diseases	/	0	/	/
	Occupational disease incidence rate	%	0	/	/
	Number of employees received training on health and safety	/	13577	5367	/
	Average training hours in health and safety per employee	Hours	10.75	15.98	15.85
	Number of safety training sessions per year	/	385	162	/
	Lost-time injury frequency rate (LTIFR)	lost time injuries / 1 million hours worked	0.71	0.84	0.851
	Number of fatalities due to work injuries	/	0	0	0
	Work-related fatality rate	/	0	0	0
	Number of fatal accidents	/	0	0	0
	Number of severe injuries	/	1	0	1
	Number of minor injuries	/	23	15	11
	Number of recordable incidents	/	39	55	/
	Total recordable incident frequency rate (TRIFR)	%	1.16	3.002	/
	Lost time days rate (LTDR)	%	11.99	6.391	/
	Total recordable injury rate (TRIR)	%	0.23	/	/
	Total working hours	Hours	33648244	23315124	/
	Total work injury hours	Hours	3226.8	/	/
	Number of lost workdays	Days	403.35	/	/
	Number of significant safety incidents	/	0	0	0
	% of all operational sites for which an employee health & safety risk assessment has been conducted	%	100	100	100
	% of employees across all locations represented in formal joint management-worker health & safety committees	%	100	100	100
Customer Relationship Management	Customer satisfaction	%	93.7	93.9	93.8
Economic Performance	Revenue	RMB100 million	778.6	722.5	402.6
	Net profit attributable to shareholders of the Company	RMB100 million	110.4	94.4	35.9

Indicator	Unit	Total	Sungrow Power Supply Co., Ltd. (excluding subsidiaries)	Sungrow Energy Storage	Sungrow Hydrogen Energy	Sungrow E-Power	Sungrow Renewables	Sungrow FPV	Sungrow Smart O&M	Sungrow Power Supply (Nanjing)	Sungrow Power Supply (Shanghai)	India Factory	Thailand Factory	Sungrow Power Supply (Shenzhen)	Sungrow Power Supply (Beijing)	Sungrow ZeroCarbon	Sungrow iCarbon
Number of Occupational Disease Cases	/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR) per Million Work Hours	lost time injuries/ 1 million hours worked	0.71	0.61	1.33	0.00	1.54	0.71	0.00	0.74	0.00	0.00	0.00	7.63	0.00	0.00	0.00	0.00
Number of Work-Related Employee Fatalities	/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Work-Related Fatality Rate	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fatal Incidents	/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Severe Injury Incidents	/	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Minor Injury Incidents	/	23	11	3	0	3	3	0	2	0	0	0	1	0	0	0	0
Recordable Incidents	/	39	15	5	0	8	3	0	5	0	0	0	3	0	0	0	0
Total Recordable Injury Frequency Rate (TRIFR)	%	1.16	0.84	2.22	0.00	4.09	0.71	0.00	1.23	0.00	0.00	0.00	22.89	0.00	0.00	0.00	0.00
Lost Time Injury Severity Rate (LTDR)	%	11.99	9.32	33.32	0.00	6.14	7.10	0.00	27.88	0.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
Total Recordable Injury Rate (TRIR)	%	0.23	0.17	0.44	0.00	0.82	0.14	0.00	0.25	0.00	0.00	0.00	4.58	0.00	0.00	0.00	0.00
Total Work Hours	Hours	33648244.3	17925079.07	22506070.5	641472	1954393	4226112	522000	4052400	18211.25	935008.95	515341	131058	239772.52	6313.01	54709	175767.4
Total Lost Work Hours due to Injuries	Hours	3226.8	1336.8	600	0	96	240	0	904	0	0	0	50	0	0	0	0
Lost Workdays	Days	403.35	167.1	75	0	12	30	0	113	0	0	0	6.25	0	0	0	0
Major Safety Incidents	/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Content Index

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GRI Index

Statement of use	Sungrow has reported in accordance with the GRI Standards for the period January 1 to December 31, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	No applicable sector standard

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosure 2021	2-1	Organizational details	About Sungrow			
	2-2	Entities included in the organization's sustainability reporting	List of main enterprises			
	2-3	Reporting period, frequency and contact point	About This Report			
	2-4	Restatements of information	Energy Management, Responding to climate change, Sustainability Performance Tables			
	2-5	External assurance	Independent Assurance Statement			
	2-6	Activities, value chain and other business relationships	About Sungrow, Materiality Assessment			
	2-7	Employees	Employee Employment and Rights			
	2-8	Workers who are not employees	Employee Employment and Rights			
	2-9	Governance structure and composition	Sustainability Management, Corporate Governance			
	2-10	Nomination and selection of the highest governance body	Sustainability Management, Corporate Governance			
	2-11	Chair of the highest governance body	Corporate Governance			
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management, Corporate Governance			
	2-13	Delegation of responsibility for managing impacts	Sustainability Management			
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Management			
	2-15	Conflicts of interest	Corporate Governance, Business Ethics, Compliance and Risk Management			
	2-16	Communication of critical concerns	Stakeholder Communications			
	2-17	Collective knowledge of the highest governance body	Sustainability Management			
	2-18	Evaluation of the performance of the highest governance body	Sustainability Management, Corporate Governance			
	2-19	Remuneration policies	Compensation and Performance Evaluation			
	2-20	Process to determine remuneration	Compensation and Performance Evaluation			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosure 2021	2-21	Annual total compensation ratio	Omission	2-21-a 2-21-b 2-21-c	Confidentiality constraints	Due to information confidentiality requirements, it is not disclosed temporarily
	2-22	Statement on sustainable development strategy	Chairman's Statement, Sustainability Strategy			
	2-23	Policy commitments	Employee Employment and Rights, Business Ethics, Sustainable Supply Chain			
	2-24	Embedding policy commitments	Business Ethics, Sustainable Supply Chain			
	2-25	Processes to remediate negative impacts	Business Ethics, Compliance and Risk Management, Customer Relationship Management			
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics			
	2-27	Compliance with laws and regulations	Refer to the respective chapters of the report			
	2-28	Membership associations	Industry-Academia-Research Collaboration			
	2-29	Approach to stakeholder engagement	Stakeholder Communications			
	2-30	Collective bargaining agreements	Employee Communication and Collective Bargaining			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment			
	3-2	List of material topics	Materiality Assessment			
	3-3	Management of material topics	Materiality Assessment			
Economic performance						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Performance			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Risks and Opportunities			
	201-3	Defined benefit plan obligations and other retirement plans	Employee Benefits			
	201-4	Financial assistance received from government	Omission	201-4-a 201-4-b 201-4-c	Confidentiality constraints	The information involves the Company confidentiality and is not disclosed temporarily.
Market presence						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Compensation and Benefits			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Compensation Distribution Mechanism			
	202-2	Proportion of senior management hired from the local community	Employee Employment and Rights			
Indirect economic impacts						
GRI 3: Material Topics 2ii021	3-3	Management of material topics	Materiality Assessment, Public Welfare and Community Engagement			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Public Welfare and Community Engagement			
	203-2	Significant indirect economic impacts	Public Welfare and Community Engagement			
Procurement practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Sustainable Supply Chain			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Supply Chain			
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Business Ethics			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics			
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics			
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics			
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Anti-Unfair Competition			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-Unfair Competition			
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics	Omission	3-3	Not applicable	Tax-related issues are not involved in the Company's material issues.
GRI 207: Tax 2019	207-1	Approach to tax	Omission	207-1-a	Not applicable	Tax-related issues are not involved in the Company's material issues. For details regarding the Company's annual taxes payable, please refer to Section X – Financial Statements – Note 7 to the Consolidated Financial Statements – Taxes Payable in the Annual Report.
	207-2	Tax governance, control, and risk management	Omission	207-2-a 207-2-b 207-2-c	Not applicable	Tax-related issues are not involved in the Company's material issues. For details regarding the Company's annual taxes payable, please refer to Section X – Financial Statements – Note 7 to the Consolidated Financial Statements – Taxes Payable in the Annual Report.

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 207: Tax 2019	207-3	Stakeholder engagement and management of concerns related to tax	Omission	207-3-a	Not applicable	Tax-related issues are not involved in the Company's material issues. For details regarding the Company's annual taxes payable, please refer to Section X – Financial Statements – Note 7 to the Consolidated Financial Statements – Taxes Payable in the Annual Report.
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Circular Economy			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Omission	301-1-a	Confidentiality constraints	The information involves the Company confidentiality and is not disclosed temporarily.
	301-2	Recycled input materials used	Omission	301-2-a	Confidentiality constraints	The information involves the Company confidentiality and is not disclosed temporarily.
	301-3	Reclaimed products and their packaging materials	Omission	301-3-a 301-3-b	Confidentiality constraints	The information involves the Company confidentiality and is not disclosed temporarily.
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Energy Management			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management			
	302-2	Energy consumption outside of the organization	Energy Management			
	302-3	Energy intensity	Energy Management			
	302-4	Reduction of energy consumption	Energy Management			
	302-5	Reductions in energy requirements of products and services	Energy Management			
Water resources and effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Water Resource Management			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Resources Management			
	303-2	Management of water discharge-related impacts	Water Resources Management			
	303-3	Water withdrawal	Water Resources Management	303-3-a 303-3-b 303-3-c	Information incomplete	Currently the Company only tracks total water withdrawal data and has not yet categorized water resources in detail.
	303-4	Water discharge	Water Resources Management	303-4-a 303-4-b 303-4-c	Information incomplete	Currently the Company only tracks total water discharge data and has not yet categorized water resources in detail.
	303-5	Water consumption	Water Resources Management	303-5-b 303-5-c 303-5-d	Information incomplete	Currently the Company only tracks total water consumption data and has not yet categorized water resources in detail.
Biodiversity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Ecosystem and Biodiversity Protection			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystem and Biodiversity Protection			
	304-2	Significant impacts of activities, products and services on biodiversity	Ecosystem and Biodiversity Protection			
	304-3	Habitats protected or restored	Ecosystem and Biodiversity Protection			
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ecosystem and Biodiversity Protection			
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Responding to Climate Change			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1	305-1 Direct (Scope 1) GHG emissions	Responding to Climate Change			
	305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change			
	305-3	Other indirect (Scope 3) GHG emissions	Responding to Climate Change			
	305-4	GHG emissions intensity	Responding to Climate Change			
	305-5	Reduction of GHG emissions	Responding to Climate Change			
	305-6	Emissions of ozone-depleting substances (ODS)	Omission	305-6-a 305-6-b 305-6-c 305-6-d	Information incomplete	No significant emissions of ODS, thus not quantified
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollutant and Waste Management			
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Pollutant and Waste Management			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Pollutant and Waste Management			
	306-2	Management of significant waste-re-lated impacts	Pollutant and Waste Management			
	306-3	Waste generated	Sustainability Performance Tables			
	306-4	Waste diverted from disposal	Sustainability Performance Tables			
	306-5	Waste directed to disposal	Sustainability Performance Tables			
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Sustainable Supply Chain			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain			
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Employment and Rights			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefit			
	401-3	Parental leave	Employee benefit			
Labor/management relations						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 402: Labor/Man-agement Relations 2016	402-1	Minimum notice periods regarding operational changes	Omission	402-1-a 402-1-b	Confidentiality constraints	The information involves the Company confidentiality and is not disclosed temporarily
Occupational health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety			
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety			
	403-3	Occupational health services	Occupational Health and Safety			
	403-4	Worker participa-tion, consultation, and communication on occupational health and safety	Occupational Health and Safety			
	403-5	Worker training on occupational health and safety	Occupational Health and Safety			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	Occupational Health and Safety			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety			
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety			
	403-9	Work-related injuries	Occupational Health and Safety, Sustainability Performance Tables			
	403-10	Work-related ill health	Occupational Health and Safety, Sustainability Performance Tables			
Training and education						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Training and Development			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Sustainability Performance Tables			
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development			
	404-3	Percentage of employees receiving regular performance and career develop-ment reviews	Sustainability Performance Tables			
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Board Diversity and Independence, Employee Employment and Rights, Sustainability Performance Tables			
	405-2	Ratio of basic salary and remuneration of women to men	Omission	405-2-a	Confidentiality constraints	Fair remuneration policy is adopted by the Company. Due to the company's confidentiality, the proportion of remuneration for each gender group in each category of employees is not disclosed for the time being.

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 406: Non-discrimi-nation 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights Management			
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Communication and Collective Bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Communication and Collective Bargaining			
Child Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Employment and Rights			
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Employment and Rights			
Security practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Employee Employment and Rights			

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Public Welfare and Community Engagement, Ecosystem and Biodiversity Protection			
Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Public Welfare and Community Engagements, Ecosystem and Biodiversity Protection			
Local communities						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Public Welfare and Community Engagement			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Public Welfare and Community Engagement			
	413-2	Operations with significant actual and potential negative impacts on local communities	Public Welfare and Community Engagement			
Supplier social assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Sustainable Supply Chain			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainability Performance Tables			
	414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain			
Public policy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Omission	3-3	Not applicable	Public policy issue is not involved in the Company's material topics.
GRI 415: Public Policy 2016	415-1	Political contributions	Omission	415-1	Not applicable	The Company's operations do not involve political contributions.

GRI Standards / Other Source	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Customer health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Product Quality and Safety, Customer Relationship Management			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety, Customer Relationship Management			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety, Customer Relationship Management			
Marketing and labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Product Quality and Safety, Customer Relationship Management			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Responsible Marketing			
	417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Relationship Management			
	417-3	Incidents of non-compliance concerning marketing communications	Customer Relationship Management			
Customer privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Data Security and Privacy Protection			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy Protection			

ASSURANCE STATEMENT CN25/00002494

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE *SUNGROW POWER SUPPLY CO., LTD.'S Sustainability Report FOR 2024*

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by SUNGROW POWER SUPPLY CO., LTD. (hereinafter referred to as SUNGROW) to conduct an independent assurance of the Chinese version of SUNGROW POWER SUPPLY CO., LTD. 2024 Sustainability Report (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all SUNGROW's Stakeholders.

RESPONSIBILITIES
The information in the Report and its presentation are the responsibility of Environmental,Social and Governance Committee, Sustainability Management Committee, ESG Development Center and Sustainability Execution Team. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all SUNGROW's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Select specific assurance standards/types and levels included in agreed contract

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content is in accordance with the requirements of *GRI Standards 2021*.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees located at SUNGROW'S Headquarter,No.1699, Xiyou Road, High-Tech Insustry Development Zone, Hefei City, P. R. China; documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION
Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This assurance engagement was restricted to the group level of SUNGROW and did not include traceability of original data from all subordinate institutions.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from SUNGROW, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance engagement performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON *GRI STANDARDS 2021*
The assurance team concludes that the Report has been prepared in accordance with the requirements of *GRI Standards 2021*. The Report adheres to the provisions specified in Section 3 of *GRI 1: Foundation 2021* and, following the guidelines of *GRI 3: Material Topics 2021*, thoroughly addresses SUNGROW's most significant impacts on the economy, environment, and society, including impacts on human rights. It also details the approaches taken to manage these impacts. Moreover, the Report has disclosed material topics in alignment with the relevant GRI topic standards.

FINDINGS AND RECOMMENDATIONS
All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of SUNGROW to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Apr. 18th, 2025
WWW.SGS.COM

Readers' Feedback

Dear readers:

Thank you for reading this report! In order to provide you and stakeholders with more valuable information, enable you to supervise our sustainability practices, and improve our capability and level of fulfilling social responsibility, we sincerely hope that you can evaluate this report and make valuable comments and suggestions.

E-mail: esg@sungrowpower.com

Feedback questionnaire:

1. Did you get the information you seek from this Sustainability Report?

☐ Yes ☐ Partially ☐ No

2. Do you think this Sustainability Report fully reflects the economic responsibilities of Sungrow Power Supply Co., Ltd.?

☐ Yes ☐ Partially ☐ No

3. Do you think this Sustainability Report fully reflects the environmental health and safety responsibilities of Sungrow Power Supply Co., Ltd.?

☐ Yes ☐ Partially ☐ No

4. Do you think this Sustainability Report fully reflects the social responsibilities of Sungrow Power Supply Co., Ltd.?

☐ Yes ☐ Partially ☐ No

5. Do you think this Sustainability Report fully reflects the product and service responsibilities of Sungrow Power Supply Co., Ltd.?

☐ Yes ☐ Partially ☐ No

6. Do you think the content arrangement and layout design of this Sustainability Report are convenient for your reading?

☐ Yes ☐ Partially ☐ No

7. Supplements:

Thank you for your feedback and valuable time!

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Sungrow Official Website

Sungrow Official WeChat