

2025 SAJ

Environmental, Social and Corporate Governance (ESG) Report



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About the Report

Overview of the Report

This is the first environmental, social and governance (ESG) report released by Guangzhou Sanjing Electric Co., Ltd (hereinafter referred to as "the Company", "SAJ" or "we"). It aims to fully disclose to shareholders, customers, employees, suppliers, communities and all stakeholders the Company's management philosophy, initiatives and key performance indicators regarding environment (E), social (S) and governance (G) issues for the year 2025, so as to enhance stakeholders' understanding of and trust in the Company's sustainable development capabilities. The Report has been prepared with professional technical support from TÜV Rheinland. Leveraging its expertise in the ESG field, TÜV Rheinland has assisted the Company in systematically organizing sustainable development practices, standardizing information disclosure, and ensuring that the Report objectively and accurately reflects the effectiveness of the Company's ESG management.

Organizational Scope of the Report

The Report covers SAJ as well as its branches and subsidiaries.

Time Range of the Report

The core data and information of the Report cover the period from January 1 to December 31, 2025. To enhance the comparability, continuity and completeness of the contents, certain information related to background, history and long-term strategy may trace back to previous years where appropriate.

Release Cycle of the Report

This is the Company's first ESG report. Going forward, the Company will establish a regular disclosure mechanism and issue annual ESG reports to keep stakeholders informed of its sustainable development progress on an ongoing basis.

Sources of Information

The information and data disclosed in the Report are sourced from the Company's official internal documents, operation and management statistical reports, special ESG records, stakeholder survey materials, and publicly verifiable information.

References for Report Preparation

The Report is prepared in accordance with internationally recognized guidelines including the Global Reporting Initiative Standards (GRI Standards) and the United Nations Sustainable Development Goals (UN SDGs 2030), and incorporates the business characteristics of SAJ, industry development trends, as well as the Company's actual conditions in sustainability management, so as to ensure the comprehensiveness, relevance and standardization of the disclosures.

Disclaimer

The Report contains certain forward-looking statements. Except for the disclosed historical facts, all statements concerning the Company's future strategic plans, development objectives, performance expectations, business layout and other relevant matters are forward-looking statements. Such statements are made based on the Company's current operating conditions, industry trends and available information. However, due to the influence of various variable factors, including the macroeconomic environment, changes in policies and regulations, market competition landscape, and technological iteration, actual future development results may differ materially from those set forth in the forward-looking statements. The Company does not guarantee the accuracy or achievability of such statements. The Report is solely intended to disclose the Company's ESG-related information to stakeholders and shall not constitute any commercial offer, investment recommendation, or other legally binding document.

Chairman's Statement



SAJ Chairman
Ouyang Jiagan

As seasons change, we usher in a new chapter.

2025 marks a pivotal year in which the global energy transition accelerates and sustainable development becomes a central theme of our era. Focusing on the smart energy storage sector, SAJ has stayed true to its corporate mission of "creating a green environment for a fulfilling life together". By deeply integrating the ESG (Environmental, Social and Governance) principle into the global wave of energy revolution and industrial upgrade, the Company has achieved leapfrog development in advancing breakthroughs in green technologies, co-creating ecological value, and enhancing global governance.

With green innovation as its core engine, the Company leads a new paradigm in the global energy transition.

Faced with the dual imperatives of global carbon peaking and carbon neutrality goals and energy security, we have elevated green development from a responsibility to a strategic growth driver. Focusing on breakthroughs in core smart energy storage technologies, we build an integrated green energy solution featuring "hardware+platform+AI". We embed green principles throughout the entire product lifecycle - from low-carbon design and the application of eco-friendly materials to efficient energy management - continuously reducing the environmental footprint of the industrial ecosystem. Empowered by AIoT technologies, we enable smarter energy dispatch and more efficient energy utilization, providing global customers with clean, economical and reliable energy options. Through technological innovation, we address pain points in the energy transition and become a key promoter of global clean energy adoption.

Taking ecological prosperity as the foundation for development, we are committed to building a global community of shared interests.

We firmly believe that sustainable development is, in essence, symbiosis of shared value. Internally, we adhere to the people-oriented principle, fostering a fair and inclusive workplace and a full-cycle career development system, enabling every employee to realize personal value amid corporate growth; externally, we drive the supply chain to upgrade from win-win cooperation to ecological prosperity, integrating sustainability standards throughout the entire cooperation process, and working with global partners to enhance the industrial sustainable competitiveness, accessibility and community development. We convey corporate care through rural revitalization at home and public welfare assistance abroad, fostering a virtuous cycle among enterprises, society and the environment with concrete actions.

With excellent governance as strategic support, we solidify the institutional foundation for global leadership.

We regard governance capacity as a core element of the Company's global competitiveness, and have established a three-tier ESG governance structure comprising the governance level, management level and execution level, so as to achieve efficient coordination among strategic decision-making, operational implementation and risk management and control. We emphasize a bottom-line mindset for compliance and the development of business ethics, while improving management and control systems covering data security, intellectual property protection and cross-border compliance. We win the trust of global stakeholders through transparent and sound governance. With the continuous iteration of the governance system, we transform ESG from a management requirement into a driver of innovation and a source of competitive advantage, providing solid support for the Company's global expansion and long-term development.

With a global vision as the foundation of the long-term development, SAJ is committed to becoming a global leader in smart energy storage.

At this historic point of the global energy revolution, SAJ will continue to take ESG as its strategic compass, and deepen its development path featuring "technology leadership, green and low-carbon development, and shared ecological prosperity". Going forward, we will focus on making breakthroughs in core technologies, drive the continuous iteration of green energy solutions, and support the global shift to cleaner and smarter energy. We will deepen global ecological collaboration, expand the breadth and depth of sustainable cooperation, and jointly build an open and inclusive industrial ecosystem with global partners. We will keep refining our ESG governance and disclosure practices, respond proactively to the UN Sustainable Development Goals with a stronger sense of responsibility, and contribute the wisdom and strength of a Chinese enterprise to global energy security, climate action and shared prosperity.

The journey ahead may be long and arduous, but with sustained actions, we will eventually reach our destination and embrace a brighter future.

SAJ will always uphold the vision of "becoming a global leader in smart energy storage", stay true to our commitment to sustainable development, and move forward hand in hand with all stakeholders. While creating commercial value, we will continue to generate significant environmental and social value, and jointly build a green, inclusive and win-win sustainable future for humanity.

About SAJ

Company Profile

SAJ was established in 2005, focusing on providing users with safer, more efficient and highly profitable full-scene smart energy storage solutions that integrate power generation, power storage, power consumption, and energy operations service. Through our leading battery management, energy conversion, energy storage equipment integration technology, smart energy storage management technology, and smart energy storage operation, we achieve the goal of growing the energy storage value. The Company's products are designed in compliance with standard requirements of major countries worldwide, and have obtained more than 200 domestic and international certificates. Our products are exported to over 80 countries and regions across the globe. Key certifications include China CQC Certification, EU CE Certification, Germany TÜV Certification, France BV Certification, Australia SAA Certification, Netherlands Dekra Certification, and UK Intertek Certification.

20 years

Established in 2005

85+

Export countries and regions

1,000+

Global employees

200+

Domestic and international certificates

4

R&D and manufacturing centers

Manufacturing Capability

SAJ has established an eco-friendly and highly efficient intelligent manufacturing center in Ganzhou City, Jiangxi Province, covering an area of 65 mu with a construction area of 110,000 square meters. The factory specializes in the production of grid-connected PV inverters, energy storage systems, as well as motor drive and control products. The project adopts a full set of digital systems, including Manufacturing Execution System (MES), Quality Management System (QMS), Warehouse Management System (WMS) and Supplier Relationship Management System (SRM). These systems are designed to achieve lean new product design, technological productization, standardization of components and intelligent logistics.



110,000 m²

Area of intelligent manufacturing centers

9GW

Inverters/year

3.6GWh

Storage energy system/year

520,000 sets

VFD sets/yea

Corporate Culture



Vision

Becoming a Global Leader in Smart Energy Storage



Mission

Creating a Green Environment for a Fulfilling Life Together



Values

Customer Orientation, Active Innovation, Pursuit of Excellence and Openness & Inclusivity



Three Value-added Dimensions

Safer, More Efficient, Highly Profitable



Milestones

2025

- The HS3 all-in-one ESS sold well in Europe, ranking **TOP 2** in the Swedish market in Q4
- Launched CM2 C&I liquid-cooling all-in-one BESS
- Self-developed elekeeper: Large-scale application of AI Saving 2.0 establishes SAJ's leading position in new energy +AI segment
- From a leader to the undisputed No.1, SAJ tops Brazil's distributed PV market, reaching another historic milestone
- Awarded the title of National Key Little Giant

2005

Established in Guangzhou with VFD as core business

2011

Established the renewable energy division focusing development of PV inverters

2013

Established the wholly-owned Belgian subsidiary

2014

- Guangzhou Headquarters 1.0 was put into service
- Recognized as Intertek Satellite Laboratory

2015

- Entered the residential energy storage solar inverter sector
- Awarded the **Top 10** in the Annual China PV Brand Ranking for String Inverter Brand Value

2016

- Established the wholly-owned subsidiary Jiangxi SAJ
- Awarded the TÜV Rheinland's Certification of Witness Laboratory
- Awarded the **Top 5** in the Annual China PV Brand Ranking for String Inverter Brand Value

2018

- Recognized by the China Quality certification Center as the primary standard drafter
- Released residential All-in-One solution - first-generation AC coupled energy storage system
- Awarded the Winner Prize of Medium-Power Commercial PV Inverters at the Solar & ESS Congress 2025

2021

- R&D Wuxi Center was put into service
- Awarded the China Distributed PV Innovation Brand

2022

- Awarded iF and Red Dot Design
- Awarded the National Intellectual Property Advantage Enterprise

2023

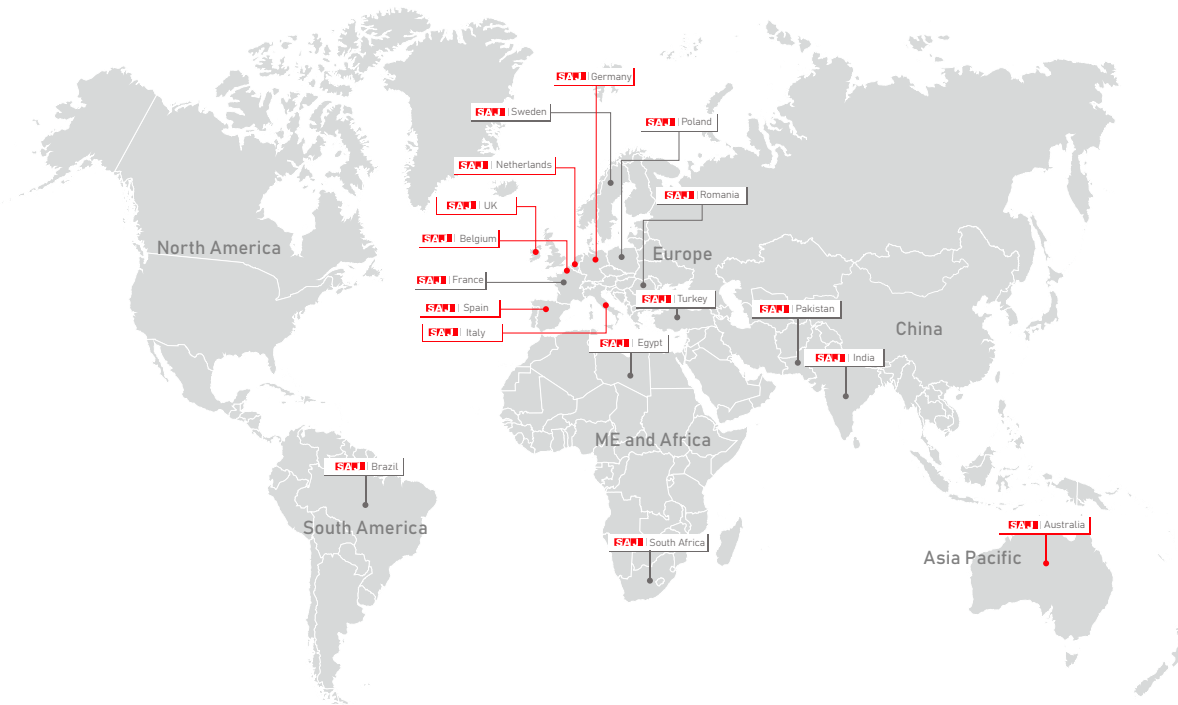
- Manufacturing factory in Ganzhou Economic Development Zone in Jiangxi was put into operation
- Awarded the Top 10 Residential Energy Storage Brands of the Year
- Awarded the title of "Little Giant" Enterprise

2024

- Awarded the Pilot Demonstration Enterprise for Intelligent PV
- Awarded the Guangdong Provincial Manufacturing Industry Single Champion
- Fully upgraded elekeeper, a smart residential and C&I energy management platform
- Microinverter M2 enabled SAJ among **Top 2** in solar inverter installations in Brazil

Global Presence

SAJ actively advances its global business and adopts a localized operation strategy. It has set up liaison offices in countries and regions including Brazil, France, Sweden, Poland, Romania, Pakistan, Turkey, India, South Africa and Egypt. Its products are exported to 85 countries and regions such as the United States, Italy, Germany, Spain, the United Kingdom, the Netherlands, Belgium, Australia and Brazil.



● **Subsidiaries:**

Germany, Italy, United Kingdom, Netherlands, Spain, Australia, Belgium

● **Contact offices:**

Germany, Italy, United Kingdom, Netherlands, Spain, Portugal, Belgium, Sweden, Ireland, Poland, Romania, Brazil, Colombia, Mexico, Australia, Pakistan, Vietnam, Thailand, Myanmar, Egypt, Syria, Nigeria, Zimbabwe, Kenya, South Africa, etc.

● **Marketing regions:**

Europe, China, Asia Pacific, Middle East & North Africa, Southern Africa, North America, Latin America

Honors and Awards in 2025

No.	Honor or Award	Issuing Authority
1	National Fourth Batch of Smart Photovoltaic Demonstration Enterprises	Ministry of Industry and Information Technology
2	Enterprise in National List of Standardized Conditions for Photovoltaic Manufacturing Industry	Ministry of Industry and Information Technology
3	National-level Specialized and Sophisticated "Little Giant" Enterprise	Ministry of Industry and Information Technology
4	National Key "Little Giant" Enterprise	Ministry of Industry and Information Technology
5	National Intellectual Property Advantage Enterprise	China National Intellectual Property Administration
6	Guangdong Provincial High-tech Enterprise	Department of Science and Technology of Guangdong Province
7	Guangdong Provincial Enterprise Technology Center	The Economic & Information Commission of Guangdong Province
8	Guangdong Provincial Engineering Technology Research Center for PV Inverters	Department of Science and Technology of Guangdong Province
9	Guangdong Provincial Innovative SME	Department of Industry and Information Technology of Guangdong Province
10	Guangdong Province Manufacturing Industry Single Champion	Department of Industry and Information Technology of Guangdong Province
11	Guangdong Provincial Industrial Design Center	Department of Industry and Information Technology of Guangdong Province
12	Enterprise in Guangdong Provincial Key Trademark Protection Directory	Key Trademark Protection Committee of Guangdong Trademark Association
13	Guangzhou Industrial Design Center	Guangzhou Municipal Industry and Information Technology Bureau
14	Guangzhou Provincial Enterprise Technology Center	Industry & Information Technology Commission of Guangzhou Municipality
15	Enterprise Nurtured under the Guangzhou Program for Fostering Excellent Private Specialized and Sophisticated Enterprises	Guangzhou Federation of Industry and Commerce
16	Guangzhou Honest Small and Medium-sized Enterprise	Selection & Organizing Committee of Guangzhou Honest Small and Medium-sized Enterprises
17	Gazelle Enterprise in Huangpu District	Science and Technology Bureau of Huangpu District, Guangzhou
18	Leading Private Enterprise in Huangpu District	People's Government of Huangpu District, Guangzhou



Associations and Initiatives in 2025

China Photovoltaic Industry Association

Council Member

New Energy Chamber of Commerce of the All-China Federation of Industry and Commerce

Member

Electric Energy Storage Alliance

Council Member

Hebei Photovoltaic & New Energy Chamber of Commerce

Member

Jiangsu Renewable Energy Industry Association

Standing Council Member

Malaysian Photovoltaic and Sustainable Energy Industry Association

Silver Member

Selangor Human Resource Development Centre

Sponsor

Australia SEC

Essential Member

South African Photovoltaic Industry Association

Associate Member

Africa Solar Industry Association

Corporate Member





01

Sustainability Management

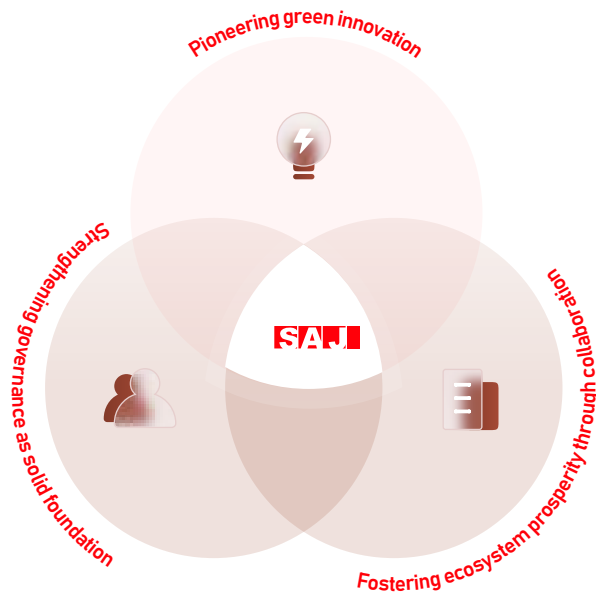
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SAJ deeply integrates sustainable development into its entire corporate strategy and operation process. Upholding the mission of "Creating a Green Environment for a Fulfilling Life Together" and the core values of "Customer Oriented; Initiative & Innovative; Pursuit of Excellence; Open & Inclusive", the Company takes its ESG strategy as the guiding principle to improve its governance structure, respond to global agendas, establish communication mechanisms, and focus on core issues. It promotes the standardized and systematic development of ESG practices, so as to achieve the synergy of commercial value, environmental value and social value.

Sustainability Management

ESG Strategy

With the vision of becoming a global leader in smart energy storage, the Company elevates ESG as a core strategic engine, deeply integrating it into the global energy transition and industrial upgrade. We build a three-dimensional strategic system featuring "pioneering green innovation, fostering ecosystem prosperity through collaboration, and strengthening governance as solid foundation," thereby realizing the synergy of business, environmental, and social value.



Pioneering Green Innovation

Address key pain points in the energy transition to accelerate the adoption of clean energy and low-carbon development

Key initiatives include: focusing on making breakthroughs in core technologies for smart energy storage to develop an integrated green energy solution of "hardware + platform + AI"; integrating the green philosophy throughout the entire product lifecycle to achieve low-carbon design, application of eco-friendly materials and efficient energy management; and promoting technological innovation to optimize the low-carbon footprint of operations and support the achievement of the global "dual carbon" goals.



Fostering Ecosystem Prosperity Through Collaboration

Build a sustainable ecosystem featuring win-win outcomes among enterprises, employees, partners and society

Key initiatives include: adhering to the principle of "people-oriented", improving the system for full-cycle development and rights protection of employees, and fostering a fair and inclusive workplace; promoting the upgrade of the supply chain from "cooperation" to "common prosperity" to integrate sustainability standards throughout the entire cooperation process and enhance industrial competitiveness; and practicing social responsibility by focusing on inclusive energy access, rural revitalization, and international public welfare assistance.



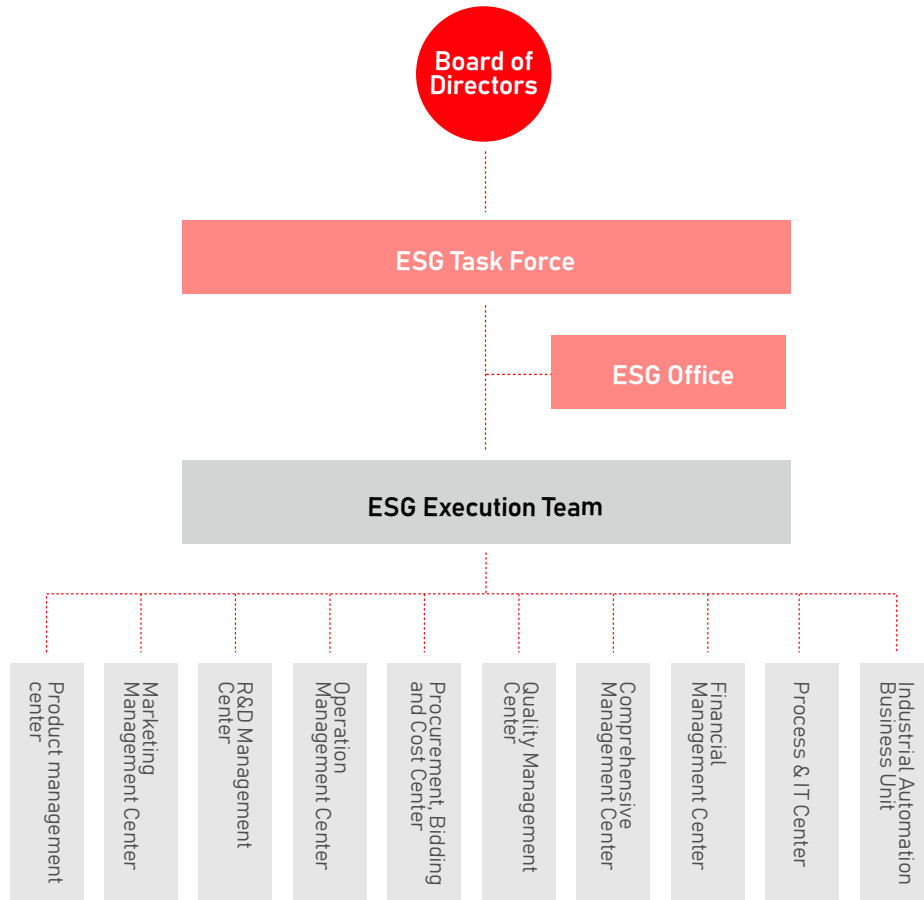
Strengthening Governance as Solid Foundation

Uphold high-standard governance to consolidate the foundation for global development and earn long-term trust from stakeholders

Key initiatives include: deepening the three-tier ESG governance structure comprising the governance level, management level and execution level to achieve efficient coordination between strategic decision-making and implementation; improving control systems for compliance management, data security, intellectual property protection, among others, and upholding the business bottom line; and continuously upgrading governance mechanisms to transform ESG into a driver of innovation and core competitiveness.

ESG Governance

The Company has established a three-tier ESG governance structure comprising the governance level, management level and execution level, with clearly defined responsibilities, authorities and collaboration mechanisms at each level. This ensures the effective top-down communication and implementation of the ESG strategy, forming a closed-loop governance system featuring "scientific decision-making, efficient management and strong execution".



Governance Level (Board of Directors)



Strategic decision-making and supervision

Set medium- and long-term ESG strategies and core objectives; deliberate on major ESG initiatives and resource allocation; oversee the implementation of ESG strategies and risk management and control.

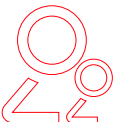
Management Level (ESG Task Force)



Overall management and progress

Formulate special ESG management systems and procedures; decompose ESG objectives to various departments and integrate them into performance assessment; coordinate major cross-departmental ESG projects; and report work progress to the governance level on a regular basis.

Execution Level (ESG Execution Team)







Implementation and execution





Conduct daily management of environmental compliance, workplace safety, employee rights and interests, among others; collect and organize ESG-related data; promote ESG compliance and capability development among suppliers; organize ESG training and cultural promotion; respond to stakeholders' concerns and follow up on rectification.





ESG Actions

Addressing the UN 2030 Agenda for Sustainable Development, the Company aligns the characteristics of its core smart energy storage business with actual operations to translate the 17 UN SDGs into concrete action initiatives for highly relevant core goals, while providing indirect support for other goals to support global sustainable development through corporate actions.

UN SDGs	SAJ's actions
 <p>01 NO POVERTY</p>	<ul style="list-style-type: none"> • Create stable employment opportunities, recruit talents from both home and abroad, provide employees with market-competitive salaries and benefits, and help reduce employment-related poverty; • Carry out public welfare donations: provided funding to the Bureau of Agriculture and Rural Affairs and Science and Technology of Litang County to support rural revitalization; donated materials and launched skills development projects for impoverished communities in South Africa, directly contributing to poverty alleviation.
 <p>02 ZERO HUNGER</p>	<ul style="list-style-type: none"> • No directly relevant initiatives have been launched yet. However, through industrial development, the Company has driven employment and economic growth in the upstream and downstream industrial chains, indirectly raising the income level of regional residents, and providing economic support for food security.
 <p>03 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> • Establish an ISO 45001 occupational health and safety management system to monitor occupational disease hazards in an all-round way, and provide employees with compliant personal protective equipment and annual occupational health examinations; • Regularly conduct workplace safety training and emergency drills for various scenarios (e.g., fire evacuation, chemical spill response, etc.) to enhance employees' safety awareness and emergency response capabilities; • Office areas are equipped with commonly used medicines, fitness and recreational facilities, and flexible rest spaces to safeguard employees' physical and mental health.
 <p>04 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> • Establish tiered and categorized employee training system that offers specialized skill training, management development programs, onboarding training for new employees, and more. In 2025, more than 100 training sessions of various types were held in total, benefiting thousands of participants; • Implement university-enterprise cooperation and internship programs to cultivate a rich talent pool for the industry.
 <p>05 GENDER EQUALITY</p>	<ul style="list-style-type: none"> • Regarding recruitment, promotion, compensation distribution and other processes, adhere to a competency- and performance-oriented approach, eliminate gender discrimination, and provide equal career development opportunities for male and female employees; • Hold care activities for female employees to celebrate the International Women's Day, respect the rights and interests of female employees and foster a gender-inclusive workplace


UN SDGs	SAJ's actions
 <p>06 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> • Develop a sound water resource management system to strictly control domestic wastewater discharge, regularly clean septic tanks, and improve water resource utilization efficiency; • Provide employees with clean and hygienic living facilities including cafeteria catering and dormitory to ensure their basic living and hygiene needs.
 <p>07 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> • The Company's core business focuses on the R&D and manufacturing of energy storage converters and smart energy management platforms. With inverter efficiency reaching over 98%, it provides highly efficient clean energy solutions for residential, commercial and industrial users; • Develop the elekeeper, a smart energy management platform, which enables intelligent energy dispatch through AI algorithms, helping users reduce reliance on fossil fuels and promoting the wider adoption of clean energy; • Products are available in 85 countries and regions worldwide, supplying core equipment for distributed photovoltaic, energy storage power station and other projects to the global transition to clean energy.
 <p>08 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> • Provide employees with a dual-track approach to promotion: managerial position + career development, improve the salary and welfare system as well as occupational health protection to realize decent work; • Drive the coordinated development of the upstream and downstream industrial chains, promote the common growth of partners such as suppliers and service providers, and creates indirect jobs; • Committed to continuous R&D and innovation to enhance its core competitiveness and contribute to regional economic growth and industrial upgrade.
 <p>09 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> • Build three R&D centers in Guangzhou, Wuxi and Changsha, focusing on core technical fields such as BMS, PCS and EMS. It has been granted a total of 270 patents, driving industrial technological innovation; • Promote the construction of intelligent systems as indicated by the launch of information platforms including ERP, MES and PLM, realizing the digital upgrade of production and operation and improving industrial infrastructure; • Provide energy storage-specific core equipment and solutions for the construction of global energy infrastructure, supporting the deployment of clean energy infrastructure.

UN SDGs	SAJ's actions
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> Set up special positions for persons with disabilities to provide employment opportunities for vulnerable groups and promote equal employment; Foster a fair and impartial workplace environment internally, with no discrimination in compensation, promotion, training opportunities and other aspects, so as to reduce internal inequality; For overseas business, respect cultural and development differences across regions, and provide localized services and cooperation opportunities to help narrow regional development gaps.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> Products are widely used in urban distributed energy storage, building-integrated photovoltaic and other projects to reduce urban carbon emissions and support the development of sustainable cities; Carry out community public welfare activities, including donations for rural revitalization and support for overseas communities, to help improve community infrastructure and promote development; In production and operation, attach importance to environmental compliance, minimize environmental impacts on surrounding communities, and foster harmonious community relations.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> Build a green supply chain by requiring suppliers to sign commitments on environmental compliance and social responsibility, and manage the sustainability of the supply chain throughout the entire process; Product design follows green principles, using eco-friendly materials and energy-saving processes to reduce the environmental footprint across the full life cycle; Obtain ISO 9001, ISO 14001 and ISO 45001 certifications, and products comply with environmental certifications including RoHS and REACH, practicing responsible production.
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Set up an environmental management system and optimize production processes to reduce carbon emissions during production; Develop and promote high-efficiency energy storage products and smart energy management platforms, helping users cut fossil fuel consumption and carbon emissions; Participate in virtual power plant (VPP) transactions to support peak shaving and valley filling of the power grid, improve energy efficiency, and indirectly reduce carbon emissions across the society.

UN SDGs	SAJ's actions
 <p>14 LIFE BELOW WATER</p>	<ul style="list-style-type: none"> No direct relevant business initiatives have been implemented. However, by strictly controlling wastewater discharge, reducing production pollution, and participating in climate actions, the Company indirectly protects water resources and the ecological environment to guarantee the living habitats of aquatic organisms.
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> No direct ecological conservation projects have been carried out. However, the Company reduces industrial pollution and damage to terrestrial ecosystems through green production and lower energy consumption. The product promotion facilitates the replacement of fossil fuels with clean energy, indirectly mitigating the impact of traditional energy exploitation on terrestrial habitats
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> Strictly abide by domestic and foreign laws and regulations, achieving zero administrative penalties in labor employment, environmental compliance, data security and other fields; and adhere to legal and compliant operation; Improve the corporate governance structure and internal control system, and establish anti-corruption and business ethics systems to build a transparent and fair business environment; Actively participate in industry exchanges, promote the coordination of energy storage industry standards, and safeguard a fair and orderly market.
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> Deepen sustainable cooperation with suppliers and customers, promote ESG coordination across the upstream and downstream supply chain, and build a win-win industrial ecosystem; Carry out industry-university-research cooperation to advance green energy technology innovation; Participate in industry association events and international business cooperation to share sustainable development practices, and work with partners to drive the global clean energy transition.

Communication with Stakeholders

The Company attaches great importance to interactions with various stakeholders. Guided by the principles of "respecting demands, communicating honestly, and achieving win-win cooperation", it identifies core stakeholder groups, and establishes diversified communication channels and a closed-loop response mechanism, so as to promptly respond to the demands of stakeholders.

Stakeholder group	Expectations and demands	Main ways of communication
 <p>Shareholders and investors</p>	<ul style="list-style-type: none"> • Business results and sustainable profitability of the enterprise; • Business strategy and risk control capability of the enterprise; • Corporate governance transparency and scientific decision-making. 	<ul style="list-style-type: none"> • Shareholders' meetings; • Regular communication meetings (online/offline); • Daily communication (telephone calls, email, and meetings); • Special information disclosure including the ESG report.
 <p>Governments and regulators</p>	<ul style="list-style-type: none"> • Compliance in business operation; • Implementation and enforcement of relevant policies; • Information transparency and compliance disclosure. 	<ul style="list-style-type: none"> • Regular submission of disclosure information; • Support for regulatory inspection and survey; • Response to policies and communication meetings.
 <p>Customers</p>	<ul style="list-style-type: none"> • Product quality safety and performance stability; • Professional and effective customer services and technical support; • Customer data security and privacy protection; • Product sustainability (environment-friendly, energy-saving). 	<ul style="list-style-type: none"> • Global service platform (elekeeper, and online customer services); • Visits to customers, and on-site technical support; • Customer satisfaction surveys and feedback collection; • Product training and technical workshops.
 <p>Suppliers and partners</p>	<ul style="list-style-type: none"> • Sustainable purchase and fair cooperation; • Business ethics and integrity-based cooperation; • Technology empowerment and common growth. 	<ul style="list-style-type: none"> • Supplier meetings and special communication meetings; • Regular supplier performance evaluation and feedbacks; • Onsite review and compliance training; • Daily communication (telephone calls, email, and online platform).



Stakeholder group	Expectations and demands	Main ways of communication
 <p>Employees</p>	<ul style="list-style-type: none"> • Occupational health and safe production guarantee; • Compensation, benefits and rights protection; • Career development paths and training opportunities; • Workplace environment and communication channels. 	<ul style="list-style-type: none"> • Mailbox for collecting employees' opinions; • Open dialogue with new hires; • employee satisfaction survey and grievance mechanism; • Safety training and cultural activities.
 <p>Communities and the public</p>	<ul style="list-style-type: none"> • Ecological environment protection and pollution prevention; • Public welfare donation and contributions to communities; • Information disclosure on corporate sustainable development; • Education and value sharing on green energy. 	<ul style="list-style-type: none"> • Cooperation and implementation of public welfare projects; • ESG report and social responsibility disclosure; • Community inspection and opinion collection.
 <p>Industry associations</p>	<ul style="list-style-type: none"> • Formulation of and collaboration on industry standards; • Industrial innovation and technology exchange; • Sharing of industry sustainability practices. 	<ul style="list-style-type: none"> • Participating in industry congresses and exhibitions; • Discussion and feedback collection on standard formulation; • Industry exchange and experience sharing.
 <p>Non-governmental organizations (NGOs)</p>	<ul style="list-style-type: none"> • Environmental performance and climate action; • Fulfillment of social responsibilities; • Protection of stakeholders' rights and interests. 	<ul style="list-style-type: none"> • Sustainability information disclosure; • Communication meetings on specific topics; • Cooperation and exchange on public welfare projects.

Evaluation of Material Issues

To precisely focus on the core demands of stakeholders and the key areas of the enterprise's sustainable development, the Company has established a four-stage evaluation process of material issues: issue identification – issue survey – issue analysis – issue screening. Through this process, the Company systematically sorts out core ESG issues, providing a scientific basis for prioritizing ESG initiatives and allocating resources.



Stage 1 Issue Identification



- **Map the entire business process:** identify potential ESG risks and opportunities across the full value chain, from R&D and innovation, raw material procurement, production and manufacturing, product sales and customer service to waste disposal (including green product development, supply chain compliance, pollutant emissions, etc.);
- **Align with the industry and policies:** monitor updates to EHS regulations in the energy storage industry, adjustments to renewable energy policies, and ESG reporting guidelines to identify common industry topics and regulatory requirements;
- **Draw on authoritative frameworks:** Take the GRI Standards as the basis, and account for the Company's specific business model and strategic priorities to preliminarily identify potential ESG issues across the environmental, social and governance dimensions thereby forming a preliminary list of issues.

Stage 2 Issue Survey



- **Stakeholder survey:** Conduct industry research to understand the level of attention to and core demands of various stakeholder groups regarding ESG issues;
- **Interviews with internal departments:** Conduct in-depth interviews with 18 functional departments involved in ESG work (including EHS, human resources, R&D, procurement, customer service, legal affairs) to sort out key ESG issues and management priorities in the daily operations of each department;
- **Data collation and analysis:** Summarize the results of external surveys and internal interviews, remove issues with no substantial relevance, and add new ESG issues emerging from business development, such as AI-enabled green energy management and data security protection.

Stage 3 Issue Analysis



Adopt the "double materiality" assessment model to conduct a quantitative analysis of ESG issues from both the financial and impact perspectives:

- **Impact materiality:** Evaluate the potential impact of ESG issues on the environment and society, including the scale, scope, sustainability, irreparability, and likelihood of the impact (e.g., the environmental impact of pollutant emissions, the contribution of the protection of employees' rights and interests to the society);
- **Financial materiality:** Analyze the potential impact of ESG issues on the Company's financial performance, including the impact on revenue, costs, profits, cash flow, financing costs, brand value, etc. (e.g., the enhancement of market competitiveness through R&D of green products, the impact of compliance risks on operating costs);
- **Comprehensive scoring:** Take the above two metrics into account and score each issue on a scale of 1 to 5, thereby constructing a scoring matrix from the materiality perspective.




**Stage 4
Issue Screening**

- **Comprehensive ranking:** Rank all issues by their materiality scores to identify those in three categories: high impact materiality + high financial materiality, high impact materiality + medium financial materiality, and medium impact materiality + high financial materiality;
- **Deliberation at the governance level:** The list of the identified issues was submitted to the Board of Directors for deliberation, based on which, together with the Company's strategic directions and resource allocation capacity, the list of the 2025 material ESG issues was finalized;
- **Dynamic update:** An ongoing adjustment mechanism for material issues has been established, under which the list of issues is reviewed and adjusted annually in light of business development, industry changes, policy updates, and evolving stakeholder demands.

Evaluation Matrix of Material Issues



List of Material Issues

Dimension	Key material issues
 Environmental	Environmental compliance management; pollutant emission and management; resource management (energy, water); response to climate change response; environmental emergency management; development and innovation of green products; green operations
 Social	Product quality and safety; supply chain sustainability management; customer service quality; protection of employees' rights and interests; employee health and safety; employee training and career development; employee care; social responsibility and contribution
 Governance	Corporate governance system; sustainability management; compliance management and risk control; business ethics; information security and data protection; intellectual property protection; R&D and innovation management

Green Products and Innovation

R&D and Innovation Management	18
Green Product Development	21
Intellectual Property Management	24

Upholding the core values of "Active Innovation, Pursuit of Excellence" and the mission of "Creating a Green Environment for a Fulfilling Life Together", SAJ takes R&D and innovation as its core development engine and deeply engages in green energy technologies. With a systematic R&D management system, the Company focuses on the life-cycle development of green products to strengthen the layout and protection of intellectual properties. It has launched green energy solutions that feature technological leadership, environmental friendliness and scenario-based practicality, driving green transformation through innovation and contributing to the adoption of clean energy.



Green Products and Innovation

R&D and Innovation Management

The Company has set up a R&D management model featuring "systematic layout, process-based control, and scenario-driven innovation". Backed by a professional R&D team and core technology platforms, and supported by the IPD R&D system, it focuses on core user needs and drives continuous iteration and breakthroughs in energy conversion and storage technologies.

R&D System and Layout

Coordinated Layout

Three R&D centers were established in Guangzhou, Wuxi and Changsha, forming a cross-regional collaborative innovation network to concentrate superior resources on core technical fields including BMS (Battery Management System), PCS (Power Conversion System), EMS (Energy Management System), energy storage equipment integration, and intelligent energy storage operation.



R&D Team

A professional R&D team accounting for approximately 25% of the total workforce has been formed, bringing together professionals in energy electronics, artificial intelligence, the Internet of Things, materials science and other fields, providing solid talent support and intellectual guarantee for technological innovation.



Authoritative Endorsement

With solid R&D strength and fruitful innovation achievements, the Company has been honored with various qualifications including National High-Tech Enterprise, National Intellectual Property Advantage Enterprise, Intelligent Photovoltaic Pilot Demonstration Enterprise, National-level Specialized and Sophisticated "Little Giant" Enterprise, and National Key "Little Giant" Enterprise. Its R&D and innovation capabilities have been highly recognized by the industry and competent authorities.



R&D Process System

Based on the IPD (Integrated Product Development) R&D process system, the Company implements standardized and refined management of the entire product lifecycle from project initiation to launch. Meanwhile, the Company introduces new technologies, materials and processes, and promote platform co-construction and the application of a new PLM system, so as to achieve simultaneous improvement in innovation efficiency and product quality:

Initiation Stage



Conduct in-depth research on market and user demands, clarify the core competitive advantages of products, carry out comprehensive competitor analysis as well as technical and market feasibility and risk assessment, thereby laying a solid foundation for subsequent research and development.

Planning Stage



Formulate a detailed system design plan based on product requirements, define the project schedule, budget allocation, quality objectives and acceptance criteria, identify potential risks and develop response plans to ensure orderly project progress.

Development Stage



Complete detailed product design and function realization, conduct prototype assembly, multiple rounds of testing and review optimization; continuously iterate hardware and structural design, promote engineering prototype assembly, testing and Betatest, ensuring prototype maturity meets requirements for mold development and pilot production.

Verification



Complete one pilot production and launch and a full set of prototype tests based on iterative optimization in minor versions so as to finalize the product design and ensure process maturity meets mass production requirements. On the basis of design finalization, carry out massive trial production to verify the stability of production processes.

Mass Production and Maintenance Stage



Carry out mass production and shipment quality monitoring, complete closed-loop management of on-site issues and customer complaint handling, perform ongoing software version maintenance, conduct material substitution and ECR engineering change management, and finally complete product discontinuation and end-of-life activities.

Innovation Achievements and Technological Evolution

Adhering to a customer-oriented innovation logic, the Company focuses on the full-scenario energy business of residential energy storage and C&I energy storage, achieving a leapfrog development from only products to a solution integrating "equipment + platform + AI":

Product Iteration and Upgrade

From the first-generation AC-coupled energy storage system, to eSun AI Saving 3.0 for smart energy, and then to the elekeeper 5.0, a smart energy management platform, the Company has been committed to promoting all-round optimization of product functions, performance and user experience.

Breakthroughs in Core Technologies

The Company has built a device-cloud collaborative intelligent architecture, connecting the entire chain of power generation forecasting, load regulation and global optimization. It has successfully developed core products including an intelligent scheduling system equipped with AI algorithms, C&I energy storage cabinets with five-fold full-link protection, inverters compatible with high-power modules, and an energy management platform seamlessly integrated with virtual power plants, establishing an industry-leading position in terms of the technologies.

Market Coverage and Application

The innovative offerings have become available in markets across 85 countries and regions worldwide, precisely meeting users' core demands in various scenarios for energy security, efficient utilization and value-added benefits, thereby fulfilling the corporate mission of "creating a green environment for a fulfilling life together".

Green Product Development

The Company deeply integrates the green development concept into the entire product lifecycle, and strictly implements environmental protection requirements in all links from design, material selection and production processes to terminal applications, so as to build a green energy product system featuring high reliability, high efficiency, low emissions and strong recyclability.

Green Ecological Design

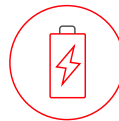
Sticking to the "full-lifecycle environmental protection" principle, the Company systematically integrates multiple green concepts into the product design stage, enabling the balance between the environmental performance and user experience:

Strong Reliability and Long Service Life



High anti-corrosion and high-protection concepts are incorporated into the product structure design. 70% of products achieve C4M corrosion resistance, and 30% reach C3M, enabling effective long-term resistance to harsh environments such as wind, sand, rain, dust, and coastal salt spray, thereby meeting the long-term usage needs of diverse users. This ensures safe and reliable operation throughout the warranty period, while reducing environmental impact and user costs associated with frequent maintenance and replacement.

Efficient Heat Dissipation and Energy-saving Design



Efficient heat dissipation solutions vary with application scenarios. Most residential energy storage products use natural cooling, with a small portion employing forced air cooling. C&I energy storage products feature efficient heat dissipation designs such as forced air cooling and liquid cooling technologies. These cooling systems are generally characterized by high efficiency and low energy consumption, keeping the inverter energy efficiency stable at over 98%. This effectively extends product service life, reduces carbon emissions, and achieves the dual goals of energy conservation and environmental protection.

Eco-friendly and Recyclable Design



The product design strictly complies with international environmental standards such as ROHS and REACH. Green materials, including environmentally friendly metals and plastics, are prioritized, while substances harmful to human health and the environment are resolutely prohibited. PCBs (Printed Circuit Boards) are manufactured using lead-free soldering processes, and recyclable eco-friendly materials are selected for outer packaging. From the very outset of design, the Company strives to minimize the impacts of the products on the environment throughout the entire lifecycle from manufacturing to end-of-life.

Application of Green Materials and Processes

The Company strictly adheres to environmental standards in material management and manufacturing, reducing the product's environmental footprint at the source and embodying the green production concept:

Green Materials Screening

Strictly complying with EU RoHS and REACH regulations, the Company conducts full-category and full-process compliance screening on core materials, including electronic components and structural parts, and establishes material environmental protection ledgers to eliminate the use of restricted substances, thereby guaranteeing product environmental compliance at the source.

Low-carbon Product Delivery

Fully adopt recyclable and biodegradable eco-friendly packaging materials to reduce the environmental impact of waste packaging; vigorously promote the digital delivery of manuals, technical documents and other materials to cut down resource consumption from paper printing, practicing a green and low-carbon delivery philosophy.

Green Production Processes

Lead-free, no-clean PCBA processes are widely adopted in production, minimizing flux residues and reducing water consumption and pollutant emissions from subsequent cleaning procedures, thereby lowering the environmental impact during manufacturing.



AI-powered Smart Energy Management

The Company has developed the elekeeper, a smart energy management platform powered by advanced AIoT technology. It features three core AI engines, namely AI Saving, AI Keeper and AI Care that are supported by valued-added functionalities such as module-level monitoring and whole-house intelligent energy integration to form a self-learning, self-optimizing, and self-diagnosing smart energy brain, driving the green and intelligent upgrade of energy management:



AI Saving: Smart Energy Conservation to Create Value and Generate Revenue

The system obtains real-time dynamic electricity price information from the power grid, and automatically charges during low-price periods and discharges at high-price periods based on users' electricity consumption habits and energy needs, maximizing cost savings through peak-valley price differentials; it enables seamless integration with third-party energy trading platforms, responding within seconds to participate in virtual power plant transactions and converting idle stored energy into revenue; users are allowed to select preferences such as "Maximum Energy Saving" or "Comfort Priority", and the AI generates customized energy scheduling strategies to balance energy costs and quality of life.



AI Keeper: Correct Answers and Deep Analysis

It leverages Agent technology and large language models to build an intelligent energy assistant that supports Q&A, equipment control, and data query, and enables multi-modal interaction including document/image upload and voice operation. Users can ask questions by double-clicking charts and send commands with one-click voice, greatly improving operational efficiency. Relying on the "data-model-scenario" system, this assistant can provide advanced services such as bill interpretation and energy-saving solution recommendations, and conduct in-depth analysis of energy consumption data and energy efficiency benchmarking, helping enterprises optimize energy costs.

AI Care: Proactive Protection, Worry-free Operation and Maintenance

Multi-level diagnostic models enable proactive early warning and intelligent diagnosis for energy systems, replacing traditional post-repair and improving system reliability and operation & maintenance efficiency; AI-based battery diagnosis monitors battery state of health (SOH) and warns of performance degradation, ensuring energy storage safety and extending battery service life; AI-based power station-level diagnosis compares theoretical and actual power generation of photovoltaic systems to identify issues such as string failures and shading; AI-based installation diagnosis covers 20 inspections across 7 modules to ensure one-time success in installation and commissioning; an AI service package is also provided to generate system health reports and maintenance recommendations, supporting predictive operation and maintenance.



Product Safety and Compliance Guarantee

The Company prioritizes product safety and compliance, and has established a comprehensive safety protection and compliance certification system to provide users with efficient, safe and reliable clean energy solutions:

Multi-level Safety Protection

For residential and C&I PV and energy storage products, the Company has systematically established multi-level graded safety protection mechanisms during R&D and manufacturing, including overload, short circuit, anti-islanding, over-temperature, over-charge, and over-discharge protection. This ensures reliable equipment operation even under extreme working conditions or sudden failures, significantly reducing the risk of electrical safety hazards.

International Authoritative Certifications

The Company strictly complies with a number of internationally recognized certification standards (including UL, CE, and SAA), fully meeting the access requirements of major global markets and providing solid support for its global presence.

Third-party Testing and Certification

The Company proactively engages internationally recognized third-party testing institutions to conduct safety performance evaluations on its photovoltaic and energy storage products, including environmental adaptability testing, electrical safety verification, and EMC (electromagnetic compatibility) testing. Rigorous laboratory simulation tests and extensive on-site operating condition verification ensure that each product delivers strong reliability and safety.

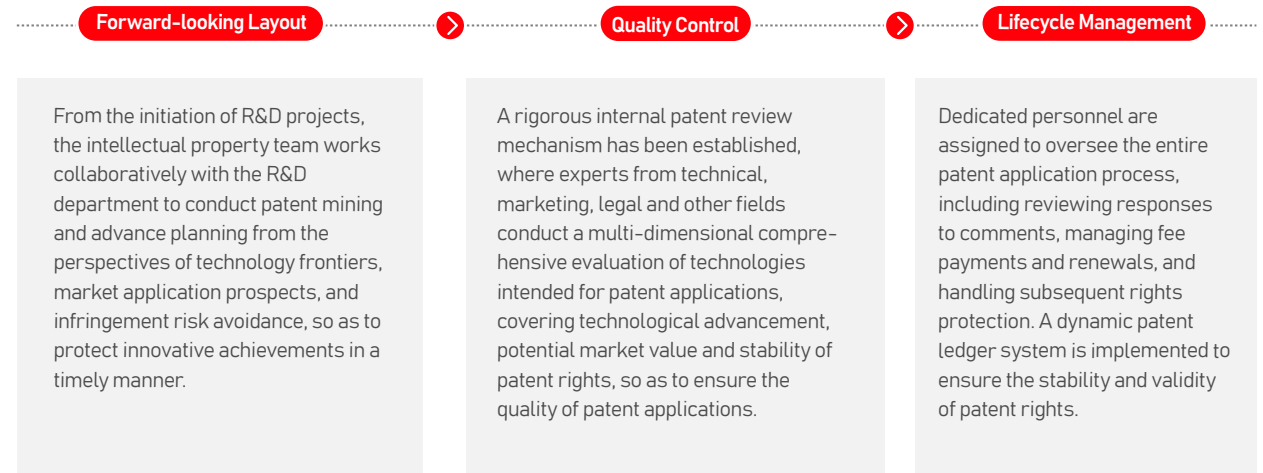
Intellectual Property Management

The Company has established an intellectual property management system covering the entire lifecycle of R&D, production, and sales. This system focuses on the cultivation, layout and protection of high-value patents to build core technological barriers through intellectual property rights, thereby effectively safeguarding the legitimate rights and interests of its innovative achievements.



Intellectual Property Management System

The Company has established an intellectual property management mechanism that covers the entire innovation process and enables the deep integration of patent cultivation into technological innovation:



Forward-looking Layout

From the initiation of R&D projects, the intellectual property team works collaboratively with the R&D department to conduct patent mining and advance planning from the perspectives of technology frontiers, market application prospects, and infringement risk avoidance, so as to protect innovative achievements in a timely manner.

Quality Control

A rigorous internal patent review mechanism has been established, where experts from technical, marketing, legal and other fields conduct a multi-dimensional comprehensive evaluation of technologies intended for patent applications, covering technological advancement, potential market value and stability of patent rights, so as to ensure the quality of patent applications.

Lifecycle Management

Dedicated personnel are assigned to oversee the entire patent application process, including reviewing responses to comments, managing fee payments and renewals, and handling subsequent rights protection. A dynamic patent ledger system is implemented to ensure the stability and validity of patent rights.



Intellectual Property Expertise

The Company continuously strengthens the expertise of the intellectual property management team to ensure that its management concepts and practical operations remain at the industry forefront:



Empower via Professional Training

Intellectual property managers are organized to regularly participate in professional salons and training sessions hosted by authoritative bodies such as the Guangdong Intellectual Property Protection Association. These events cover topics including high-value patent cultivation, intellectual property risk prevention and control, and overseas patent layout, keeping intellectual property managers informed of the latest industry trends and management practices.

Improve Management System

In response to national intellectual property policy adjustments, industry development trends, and corporate business expansion needs, the Company continuously improves its intellectual property management system and procedures to enhance its competencies for intellectual property creation, application, protection, and management.



Patent Portfolio and Layout

As of the end of 2025, the Company had been granted a total of 270 patents, forming a comprehensive patent protection network centered on invention patents and supported by utility model and appearance patents. This network covers key areas including core technologies, product design and application solutions.



270

Total granted patents

Ecosystem Co-construction and Development

Supplier Management	27
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SAJ adheres to the core values of "Customer Orientation, Active Innovation, Pursuit of Excellence and Openness & Inclusivity" and regards industrial ecosystem co-construction as an important direction for corporate sustainability. Viewing the quality and safety of products as the foundational cornerstone, the coordinated development of suppliers as the support of industrial chain, and the full-process customer service as the bond of value delivery, SAJ has established an industrial ecosystem integrating "product quality assurance - supplier ecosystem co-construction - full-process customer service", to promote coordinated development and mutual benefits across the upstream and downstream of the industrial chain and continuously enhance the overall competitiveness of the industry, thereby driving the high-quality upgrading of the industry through the development of the corporate itself and fulfilling the social responsibility of promoting industrial development through ecosystem co-construction.






Ecosystem Co-construction and Development

Supplier Management

Guided by a collaborative development philosophy with suppliers, the Company has established a supplier management system encompassing full lifecycle management, professional auditing, compliance-based regulation, and sustainable management. Through standardized, normalized, and digital management measures, the Company screens high-quality supplier resources and drives mutual growth between suppliers and the corporate to cultivate a stable, compliant, and efficient supply chain ecosystem.

Supplier Full Lifecycle Management

Develop a scientific supplier management manual to regulate supplier conduct across the full lifecycle through four end-to-end processes, including "from sourcing to activation", "from evaluation to phase-out", "from pricing to payment", and "from order to delivery", thereby achieving refined and dynamic supplier management:

<p>Sourcing & Onboarding</p> 	<p>Regulate supplier development through six sub-processes including open sourcing, sourcing evaluation, on-site audit, sample testing, trial production, and activation; quantify risk levels and conduct on-site assessment scoring for new material suppliers across various dimensions including technology, quality, delivery, cost, environment, and service, to only partner with those meeting our onboarding requirements;</p>
<p>Assessment & Evaluation</p> 	<p>Conduct monthly/quarterly/annual performance assessment for supplier partners, carry out comprehensive evaluations across four dimensions, including cost, delivery, quality, and technology, to drive supplier optimization and improvement on a timely manner;</p>
<p>Optimization & Phase-out</p> 	<p>Implement a gradual optimization and phase-out mechanism for suppliers facing changing project requirements or insufficient overall competitiveness. In 2025, the Company had a total of 279 raw material suppliers, including 16 newly onboarded suppliers and 15 phased-out suppliers.</p>

Supplier Audit

Build upon ISO 9001 and IATF 16949 management system standards to develop comprehensive on-site audit documentation encompassing quality, R&D, and procurement management systems, covering 65 quality system items, 23 R&D management items, and 24 procurement management items, thereby establishing standardized audit tools and metrics; conduct full-process audits on production technology and equipment as well as quality monitoring by randomly selecting suppliers from existing partnerships based on product categories, and clarify production control measures, capacity status, and front-end and back-end control specifications for incoming materials and finished goods shipment, to propose corrective recommendations for risk items and drive closed-loop management.



65 items
Quality system



23 items
R&D management system



24 items
Procurement management system

Signing of Compliance Commitment Letters

In 2025, the Company achieved a 100% signing rate of procurement framework contracts and various compliance commitment letters with 279 raw material supplier partners, including sunshine cooperation commitment letters, ROHS declaration commitment letters, and social responsibility commitment letters, to regulate suppliers' business conduct institutionally.

All **279** raw material suppliers **100%** signed procurement framework contracts

Sunshine Cooperation Commitment

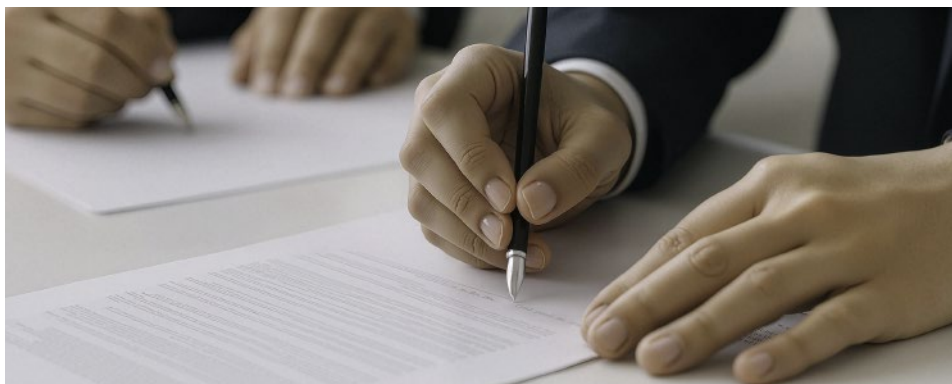
Explicitly prohibit any conduct beyond normal business operations and establish dedicated reporting hotlines and email channels to promote integrity-based supply chain partnerships;

ROHS Declaration Commitment

Require suppliers to update ROHS/REACH compliance reports 30 days prior to expiration annually to ensure material environmental compliance;

Social Responsibility Commitment

Strictly prohibit the employment of child labor and forced labor, pay wages and make payment for goods in a timely manner as agreed to safeguard labor rights and interests throughout the supply chain.



Sustainable Management and Supplier Empowerment



Conflict mineral management



Drive suppliers to sign sustainability commitment letters, urge them to conduct conflict mineral audits and screening on their upstream partners, and integrate conflict mineral audits and screening into routine supplier assessments; complete the closed-loop management of corrective actions before continuing partnership in case of any related issues;

Supplier capability enhancement



Conduct specialized issue-oriented audits and coaching, maintain regular communication with 200+ suppliers, and share best practices through periodic feedback sessions and performance reviews to provide suppliers with improvement recommendations and help enhance their production efficiency and quality management capabilities, and effectively reduce product defect rates through supplier quality improvement;

Digital synergy



Develop a digital system enabling full-process online visibility for pricing and payment to achieve digital management from order placement to shipment delivery and lay a foundation for the digitalization and intelligent development of supply chain.

Customer Service Management

Positioning serviceability as a core competitive advantage and taking “delivering rapid, efficient, and professional full lifecycle services and solutions to customers” as the core objective, the Company have established a standardized, global, and intelligent customer service system, built a worldwide service network and warehousing layout, and enhanced full-process service measures including technical training, remote support, and complaint resolution, to safeguard customer rights and interests and upgrade customer experience in all dimensions.

Customer Service System Building

Build a complete ITR framework for customer service, and from resource support, technical operation, and concrete execution processes, form a standardized L1-L5 service process system covering full-link service elements such as troubleshooting escalation, spare parts management, remote commissioning, on-site service, customer follow-up, and service provider certification; develop a three-tier escalation mechanism to enable tiered customer response and efficient issue resolution, and meanwhile formulate standardized documentation including troubleshooting manuals, on-site service manuals and SOPs for service system, to guarantee process compliance and quality controllability of customer service.



Service Network and Warehousing Layout

The Company has established a global service network and continuously optimized its layout. Currently, the network comprises four major regional service hubs, 30+ service outlets, and 50+ authorized and certified service partners, with its service covering over 70 countries and regions worldwide, ensuring rapid response to diverse customer service demands. To support efficient spare parts turnover and rapid on-site service delivery, the Company has developed a multi-tiered overseas warehousing system, with a core overseas warehousing layout shown as follows:



Warehouse	Function	Positioning
DE	After-sales Service Warehouse, Spare Parts Warehousing, Recycling Warehouse, Failure Analysis Laboratory, Maintenance & Repair Center	Regional Center Warehouse
NL	After-sales Service Warehouse, Spare Parts Warehousing, Recycling Warehouse	Tier-1 Service Warehouse
ES	Spare Parts Turnover Warehouse, Recycling Warehouse	Tier-2 Service Warehouse
IT	Spare Parts Turnover Warehouse, Recycling Warehouse	Tier-2 Service Warehouse
AUS	After-sales Service Warehouse, Spare Parts Turnover Warehouse, Recycling Warehouse	Regional Center Warehouse
VN	Spare Parts Turnover Warehouse, Recycling Warehouse	Tier-2 Service Warehouse
PK	Spare Parts Turnover Warehouse, Recycling Warehouse	Tier-2 Service Warehouse
BR	After-sales Service Warehouse, Spare Parts Warehousing, Recycling Warehouse, Failure Analysis Laboratory, Maintenance & Repair Center	Regional Center Warehouse
US	Spare Parts Turnover Warehouse, Recycling Warehouse	Tier-2 Service Warehouse

Technical Training and Competency Certification

Establish a dual training system of "knowledge base + case base", carry out preliminary basic training and periodic advanced training, and adopt a combination of "theory + practice", to provide installers and service providers with instructions on product system principles, installation & commissioning, troubleshooting, and other related topics; develop standardized professional competency assessment and certification processes for service providers, issue certification certificates to service providers who pass the training and assessments, establish certification data archives, and continuously enhance the professional service competency of global service providers, to achieve the on-premises deployment of service competency.

Remote Support and Platform Construction

Build intelligent service platforms such as elekeeper and eSAJ to achieve real-time monitoring of product operation status, data statistics & analysis, remote debugging & troubleshooting, etc. The platforms can check core data such as the power generation of photovoltaic power stations, the operation status of energy storage systems, and equipment efficiency in real time, to provide intelligent remote service support for customers; and meanwhile, the platforms enable digital control of functions such as work order circulation, service provider order dispatching and return, and spare parts inbound and outbound management, significantly enhancing service efficiency and the degree of refined management.



Protection of Customers' Rights and Interests

Technical support for customers

Establish a three-tier technical support system comprising "local business areas – headquarters international technical support teams – headquarters R&D teams". The headquarters technical support teams participate in product IPD R&D pilot projects to continuously improve the ease of installation, serviceability, and maintainability of products, while providing professional support for the rapid resolution of on-site issues and the delivery of large-scale projects;

Protection of customer privacy

Regard the protection of information security and data privacy as service foundation, strictly abide by laws and regulations such as the Data Security Law, the Personal Information Protection Law, and the EU GDPR, develop functions such as One-Device-One-Secret and communication layer encryption for users, thereby consolidating the construction of information security technology and operation systems. No customer privacy leakage incidents occurred in 2025;

Customer complaint handling via multiple channels

Establish a multi-channel customer communication mechanism integrating official website, email, customer complaint hotline, and interviews, improve the end-to-end ITR complaint response mechanism, implement zoning management accountability, and adhere to the principles of "rapid response, investigation of every complaint, timely reply, and corrective and preventive action", prioritize resolving customer complaints and conduct root cause analysis afterwards to develop preventive improvement measures; conduct specialized training for installers in response to high-frequency customer complaints such as human errors by installers, thereby addressing problems in advance.

Customer satisfaction investigation

Develop and release international and domestic versions of customer satisfaction surveys, conduct customer satisfaction assessments from multiple dimensions covering brand image, product expectations, quality evaluation, and function evaluation, and utilize survey results as the core basis for product and service optimization, to continuously enhance customer experience.

Product Quality and Safety

The Company has always regarded product quality as the cornerstone of its survival and development. Upholding the quality strategy of "building a comprehensive quality management system oriented towards global intelligence and providing customers with green, intelligent, and trustworthy products and services", the Company has established and improved its quality management system, clearly defined quality policies and quantifiable objectives, implemented full-process intelligent quality management, and strengthened product environmental compliance and quality culture development, to safeguard product quality and safety in an all-round way.



Construction of Quality Management System

- **Management system building**

Since its establishment, SAJ has been building a triple management system integrating quality, environment and occupational health and safety in accordance with ISO 9001, ISO 14001, ISO 45001, and other relevant standards. SAJ keeps on identifying the space for improvement and promoting the ongoing optimization of the system annually.

- **Improvement of system maturity**

Based on the ISO 9001 standards and referencing the Guidelines for Evaluating the Maturity of an Organization's Quality Management System (T/CAQ10102-2016), the Company has developed the Standards for Evaluating the Maturity of Quality Management System oriented towards core processes. In combination with CMMI-2 and IPD model, the Company has established a product development quality management system featuring compliance, consistency, and reliability, thereby providing robust support for new product development quality.

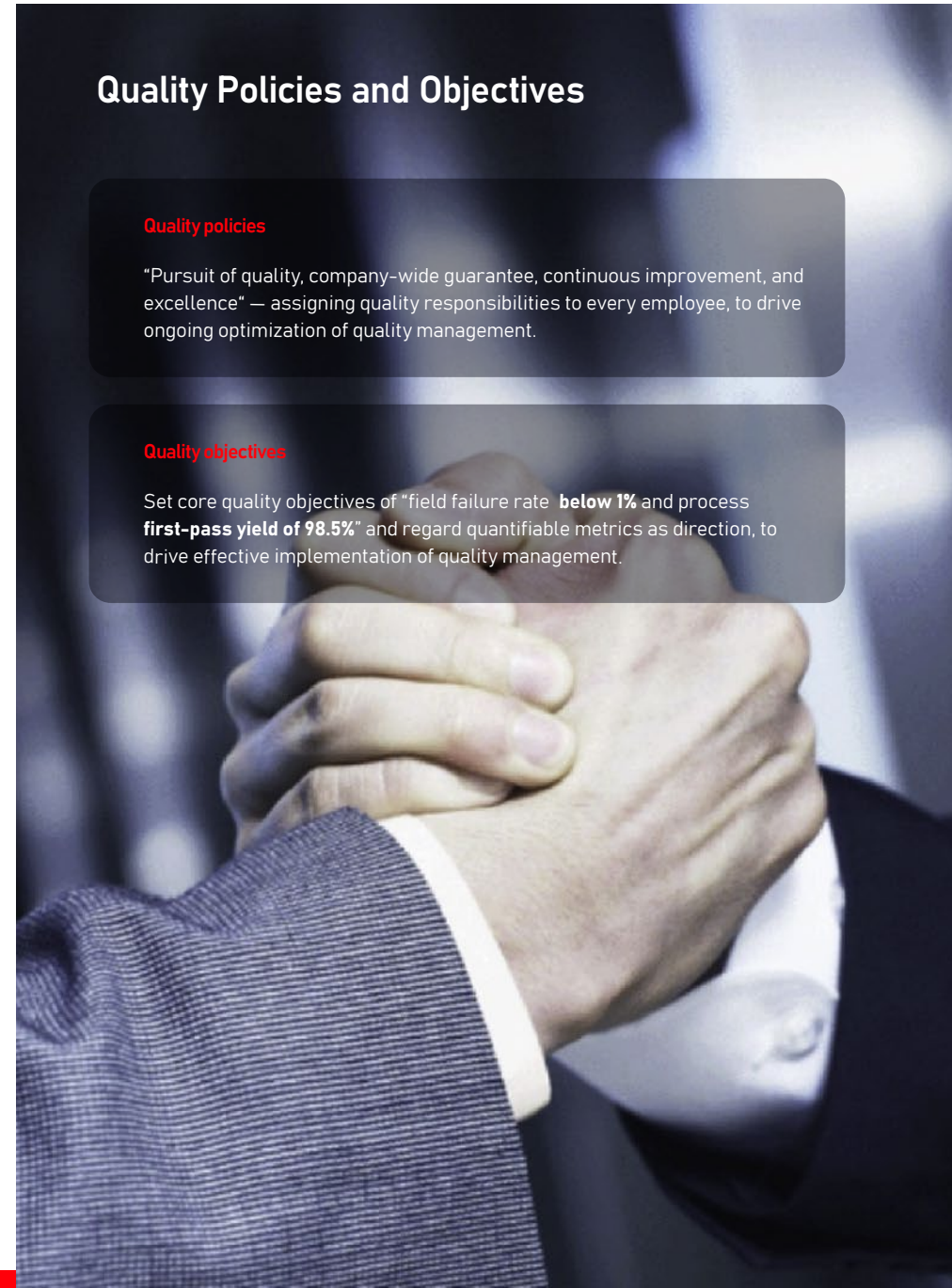
Quality Policies and Objectives

Quality policies

"Pursuit of quality, company-wide guarantee, continuous improvement, and excellence" — assigning quality responsibilities to every employee, to drive ongoing optimization of quality management.

Quality objectives

Set core quality objectives of "field failure rate **below 1%** and process **first-pass yield of 98.5%**" and regard quantifiable metrics as direction, to drive effective implementation of quality management.



Intelligent Quality Management

Implement total intelligent quality management and leverage three core systems to achieve full lifecycle quality control and traceability of products:

1 R&D stage



Leverage the PLM system to enable full-process management from R&D to market launch, drive IPD process transformation and establish TR1-TR6 technical review criteria and stage-gate review standards across the full development lifecycle, covering product concept, planning, development, pilot validation, and mass production stages, to ensure on-time, quality delivery of new products; concurrently, establish a component quality department to develop standards for component selection and certification, stress testing, margin derating, and life testing, thereby safeguarding component consistency and reliability.

2 Production stage



Adopt elekeeper system to enable full-process monitoring and control over product status from shipment to post-installation operation, and promptly capture market quality problems to drive rapid improvement.

3 Market launch stage



Adopt elekeeper system to enable full-process monitoring and control over product status from shipment to post-installation operation, and promptly capture market quality problems to drive rapid improvement.

Product Eco-Compliance Certification

The Company ensures product eco-compliance through dual safeguards in terms of both finished products and parts & materials to establish a full-chain eco-compliance management system:

▼ Finished products

Conduct product ROHS and REACH certifications based on market requirements, to ensure that the products comply with environmental regulations of target markets

▼ Parts & materials

Require suppliers to complete annual ROHS/REACH testing and certification, sign ROHS/REACH compliance declarations, and promptly update compliance reports, to safeguard product eco-compliance from the source of materials.



Quality Education and Culture Construction

Integrate quality culture construction into the full process of corporate operation, and conduct tiered and categorized quality training sessions to achieve dual improvement in company-wide quality awareness and professional capabilities.

Company-wide quality awareness cultivation



Make quality awareness training the first lesson for new employee onboarding to instill quality principles in employees from the very beginning; and continuously reinforce company-wide quality awareness in combination with incident alerts and postmortem analysis of quality incidents in terms of R&D and design;

Professional quality skills training



Plan and conduct a total of 18 quality training sessions based on position requirements in 2025, covering 1,000 participants; deliver differentiated training for various positions, including training on quality tools such as APQP, Control Plan, and FMEA, training on quality problem analysis methods such as 8D and 5WHY, as well as training on practical skills such as visual inspection and testing equipment operation; and also provide training on PONC Cost Management for the management and training on VDA 6.3 Standard along with other professional training for engineers;



Training
18 sessions



Training coverage
1,000 participants

Quality culture implementation



Guided by business development and customer needs, the Company fosters a company-wide quality culture and embeds quality control requirements into every role and every process, to ensure quality principles resonate deeply with all employees and lead the continuous upgrade of product quality through quality culture.



Corporate Governance

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SAJ regards sound corporate governance as the cornerstone of corporate sustainability. Guided by the governance philosophy of compliant operations, risk prevention and control, security assurance, and ethical integrity, it has established an all-dimensional corporate governance system covering governance structure, business ethics, internal controls and risk management, compliance management, information security, and data privacy protection. The Company continues to optimize the "Three Meetings and One Layer" governance mechanism, strengthen full-process compliance management, fortify the defense line for information and data security, and devote sustained efforts to business ethics and anti-corruption initiatives, thereby driving dual improvements in both governance capability and effectiveness, and effectively safeguarding the legitimate rights and interests of all stakeholders, including shareholders, employees, customers, and business partners.





04

Corporate Governance

Corporate Governance System

Strictly in accordance with the Company Law, the Securities Law, and other applicable laws and regulations, the Company has established and continuously improved the governance structure of "the General Meeting of Shareholders – the Board of Directors – the specialized committees – the management" with the General Meeting of Shareholders, the Board of Directors, the specialized committees, and the management as the core. By clearly clarifying the boundaries of rights and responsibilities as well as the rules of procedure for each governance body, the Company achieves effective separation and collaborative operation of decision-making, execution, and supervision, thereby ensuring standardized, transparent, and efficient corporate governance.

Proper Functioning of Governance Institutions

 <p>The General Meeting of Shareholders</p>	<p>As the highest decision-making body of the Company, the General Meeting of Shareholders formulates the Rules of Procedure for General Meeting of Shareholders, to clearly define its powers, responsibilities, and operational procedures. All processes, including meeting convocation, deliberation, and voting, fully comply with applicable laws, regulations, and the Company's Articles of Association.</p>
 <p>The Board of Directors</p>	<p>Procedure for Board Meetings, strictly exercises its authority in accordance with the rules, and fully considers the opinions of independent directors on material decisions.</p>
 <p>The Specialized Committees</p>	<p>The Board establishes specialized committees with dedicated rules of procedure, to conduct research and provides recommendations on professional matters such as strategic planning, financial oversight, talent selection, and compensation evaluation, thereby offering professional support for the decision-making of the Board.</p>
 <p>The Management</p>	<p>Accountable to the board of directors, the management formulates the Detailed Rules for Management Work, fully implements the resolutions of the Board, coordinates day-to-day business operations of the Company, and establishes and improves internal operation control mechanisms, to ensure efficient and compliant advancement of the Company's business.</p>

Specialized Committees of the Board

The Board has established four specialized committees: the Strategy Committee, the Audit Committee, the Nomination Committee, and the Compensation and Assessment Committee. Each committee formulates its own dedicated rules of procedure and conducts research and provides recommendations on professional matters to offer specialized support for the decision-making of the Board. In 2025, all specialized committees operated in full compliance with their mandates and fulfilled their duties effectively:

The Strategy Committee ✓

The Strategy Committee focuses on research into the Company's long-term development strategies and major investment decisions and provides professional recommendations for strategic positioning and planning;

The Audit Committee ✓

Convened by accounting professionals and composed primarily of independent directors, the Audit Committee oversees the Company's internal controls, financial reporting, and internal audit functions.

The Nomination Committee ✓

Composed primarily of independent directors, the Nomination Committee is responsible for reviewing the qualifications of directors and managerial personnel, establishing selection criteria, and making nomination recommendations.

The Compensation and Assessment Committee ✓

Composed primarily of independent directors, the Compensation and Assessment Committee studies and formulates compensation policies and performance assessment programs for the Company's directors and senior management.

Business Ethics

Upholding the workplace culture of “openness, fairness, transparency, and integrity” and maintaining the zero-tolerance stance toward corruption, the Company has established an anti-corruption system of “institutional development, cultural publicity, and oversight reporting”, to integrate the integration of business ethics into every aspect of corporate operations. In 2025, the Company continued to refine relevant mechanisms and fostered a clean and upright operating environment.

Construction of anti-corruption systems

Establish and continuously refine systems for combating corruption and promoting clean governance to clearly define the red lines for conduct and accountability mechanisms: formulate and issue institutional documents including the Integrity and Self-Discipline Management Regulations, the Regulations on the Management of Rewards and Punishments for Employee Behaviors, and the Integrity and Self-Discipline Commitment Letter; continuously update the Sunshine Cooperation Commitment Letter for SAJ Electric Suppliers and formally incorporate it into contracts signed with suppliers and other partners, to achieve comprehensive anti-corruption management with “full coverage” and “no off-limit areas” across all employees and partners; further clarify accountability procedures for employee violations and disciplinary breaches to strengthen the institutional enforcement.

Promotion of integrity awareness

Conduct various forms of integrity and compliance publicity and training activities to achieve company-wide coverage across all employees. In 2025, the Company organized special training sessions on integrity, such as the Compliance for Win-Win and the Bribery Risk Alerts, and promoted integrity awareness in combination with the contents concerning legal and regulatory interpretations, typical case studies, whistleblowing guidance, and conflict of interest reporting; and incorporated integrity and compliance training into the regular employee training system to strengthen the integrity and compliance awareness of employees and partners, thereby fostering correct business ethics.

Protection of whistleblowing channels and whistleblowers

Establish a complete complaint and whistleblowing mechanism as well as a whistleblower protection system to ensure accessible supervision channels and adequate protection of whistleblowers' rights and interests: set up a dedicated complaint email (audit@saj-electric.com) and offline mailing address (Attn: The Audit Department, Guangzhou SAJ Electric Co., Ltd., No. 9, Lizhishan Road, Huangpu District, Guangzhou City, Guangdong Province), and publicly announce the whistleblowing channels throughout the Company; formulate strict whistleblower protection mechanisms to ensure the confidentiality of whistleblowing information and personal data; establish whistleblower rewards to provide appropriate incentives for verified reports involving serious violations, disciplinary breaches, fraudulent practices, corruption, or those helping the Company recover economic losses or reduce costs, to fully mobilize company-wide enthusiasm for supervision.



Complaint email:

audit@saj-electric.com

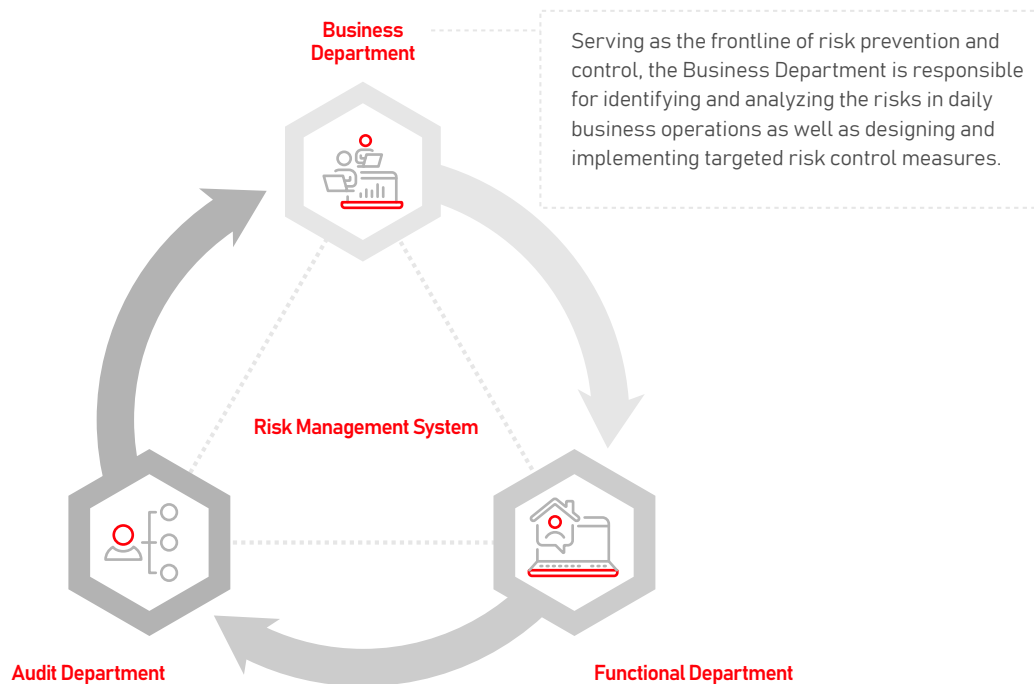


Mailing address:

The Audit Department, Guangzhou SAJ Electric Co., Ltd., No. 9, Lizhishan Road, Huangpu District, Guangzhou City, Guangdong Province

Internal Control and Risk Management

Develop and implement a three-tier risk management system based on "the Business Department, the Functional Department, and the Audit Department", to clearly define risk control responsibilities at each level and achieve full-chain, full-dimensional risk management:



Business Department
Serving as the frontline of risk prevention and control, the Business Department is responsible for identifying and analyzing the risks in daily business operations as well as designing and implementing targeted risk control measures.

Maintaining a high degree of independence, the Audit Department is responsible for evaluating the design and implementation effectiveness of the Company's risk management and internal control systems and urging the management to continuously improve risk management and internal control mechanisms.

Through business process reviews, workflow management, contract reviews, credit management, segregation of incompatible roles, budget management, and other measures, the Functional Department implements pre-event, during-event, and post-event full-process risk control over business operations to effectively reduce operational risks.

Internal Audit Supervision

The scope of the Company's Audit Department covers all internal departments, wholly-owned subsidiaries, and investee companies with material influence, and encompasses all business links related to financial reporting and information disclosure, including sales and receivables, procurement and payables, inventory management, fixed asset management, funds management, investment and financing management, HR management, information systems management, and information disclosure issues management. In accordance with the annual audit plan, the Audit Department reviews, supervises, and evaluates the authenticity, legality, and effectiveness of various business management activities and financial revenues and expenditures, as well as the standardization of internal controls, participates in on-site evaluation and selection of equipment and engineering suppliers, conducts bidding for major procurement matters and issues audit opinions, follows up on fixed asset and inventory stocktaking and supervises the handling of inventory surpluses and shortages, analyzes and reviews the behaviors that harm the Company's interests, holds accountable and proposes improvement recommendations, help the Business Department identify problems and urges their resolution, thereby providing effective solutions for cost reduction and efficiency enhancement of the Company.

Compliance Management

Upholding the core principle of “compliance serving as the foundation” and focusing on four key areas, including “labor compliance, data compliance, trade sanction compliance, and contract compliance”, the Company has built a full-process, multi-dimensional compliance management system. In 2025, through institutional optimization, cross-departmental collaboration, professional support, and specialized training, the Company achieved all-round compliance across all business operations, thereby safeguarding the development of the Company's domestic and overseas business.

Domestic and Overseas Employment Compliance

Focusing on the full-process compliance for foreign-related labor services as well as domestic and overseas employment, the Company has collaborated with HR and overseas personnel departments to systematically review, standardize, and optimize employment contract templates: refine the terms of core employment documents such as confidentiality and non-compete agreements, as well as labor contracts of overseas subsidiaries, to clarify agreement boundaries and establish risk prevention and control checklists; complete compliance upgrades for multiple contract templates, including overseas internship and technical support contracts; conduct company-wide employment compliance training to regularly collect feedback and dynamically adjust contract templates and employment recommendations, to comprehensively prevent legal risks in domestic and overseas employment and safeguard the legitimate rights and interests of both employers and employees.



Overseas Trade Sanctions Compliance

Establish a regular prevention and control mechanism for cross-border trade sanctions compliance, with a focus on the implementation of export controls and key regional sanction policies: collaborate with business teams to complete trade sanction risk assessments for major operating countries; regularly update the risk country list, analyze the impact of international policy changes, and provide targeted recommendations; collaborate with business units to strictly enforce compliance requirements and develop early warning and response mechanisms for sanction risks related to suppliers and partners; dynamically track regulatory updates in Europe, the U.S., Australia, and other regions, carry out compliance publicity, and build cross-departmental information synchronization and policy interpretation mechanisms.



Promotion of GDPR Data Compliance

Focus on data compliance, security, and privacy protection to establish a GDPR-oriented data compliance management system covering the Company's core business areas: appoint dedicated managerial personnel, develop cross-departmental collaboration mechanisms, engage professional law firms, and hire an external data protection officer by the EU subsidiary to provide professional support; collaborate with law firms and the IOT Department to complete GDPR compliance reviews, gap analysis and remediation for core business systems to drive the standardization of compliance management; conduct periodic compliance reassessments and review compliance documentation to set up early assessment mechanisms for new data processing scenarios; engage external law firms to deliver GDPR training for core departments, thereby enhancing employees' compliance operational capabilities through a “lecture + evaluation” model.

Management of Full Lifecycle Contractual Risks



Regard compliance governance as the core guiding principle to establish a closed-loop risk prevention and control system covering the full contract lifecycle from drafting, review, and signing to execution, and strengthen both contract compliance management effectiveness and value creation capabilities: achieve upfront risk identification and checklist-based control, collaborate with multiple departments to identify common contractual risk scenarios, conduct multi-dimensional review of risk clauses and compile the Contractual Risk Clause Identification Checklist; optimize OA platform-based contract audit workflow to enhance circulation efficiency while ensuring compliance; engage in the full-process construction of electronic signature platform from a legal perspective to standardize e-signature usage and evidence preservation management; develop a special legal service mechanism for major contracts to implement in-depth risk control over key links of contracts in core area; comprehensively review and iteratively improve standard contract templates to supplement risk clauses and optimize structure; initiate the drafting of Contractual Risk Management Regulations and conduct cross-departmental research to build a standardized framework for risk prevention and control systems.



Compliance Training and Awareness Enhancement



Provide dedicated compliance training from multiple dimensions in 2025 to strengthen company-wide compliance awareness and operational capabilities: invite professional officers from local police stations to deliver on-site lectures on cybersecurity and intellectual property protection, with Guangzhou R&D, IoT R&D, and structural design departments as well as other core business and functional teams participating in the training, and enhance the training effectiveness through case analysis and on-site interactive exchanges; conduct specialized training on GDPR compliance, trade sanctions compliance, and employment compliance, covering core business departments and the management, to integrate compliance training into the regular training system for employees and advance the building of corporate compliance culture

Information Secularity Management

Regarding information security as a critical cornerstone for corporate digital development and upholding the management principles of "full participation, shared responsibility" and "Those who use it are responsible, and those who oversee it are accountable", the Company has established a comprehensive information security management system integrating "policy + technology + personnel" in accordance with the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law, and corporate management systems. No information security incidents occurred in 2025, effectively safeguarding the Company's information assets.

Information Security Control System

Establish a three-tier control system comprising "Information Security Management Committee - Information Security Office - Information Security Implementation Team", with clearly defined responsibilities and distinct division of labor at each level: The Information Security Management Committee is responsible for leading security strategic planning and approving core security policies; The Information Security Office is responsible for developing specific control procedures and supervising the implementation of security measures; The Information Security Implementation Team is responsible for handling daily operations, including real-time monitoring of security equipment, vulnerability identification, and remediation. In 2025, two information security risk assessments across full business scope were conducted annually, with medium and high-risk items required to be remediated within 7 days; the security management policies were reviewed semi-annually and updated as needed. The year 2025 saw two updates, covering three core policy areas: permission management, emergency response, and supplier security. Privileged accounts were audited regularly through bastion hosts, with two audits conducted monthly in 2025, totaling 24 audits for the year with zero violations identified.



Technical Protection Architecture

Following the principle of overall planning and phased implementation, the Company has accelerated the construction of information systems, with ERP, OA, PDM, SCM, WMS and other systems being launched successively. On this basis, the Company has established a three-layer technical protection architecture of "perimeter protection + internal control + proactive defense", and deployed multiple security products and protection measures, to achieve all-round information security protection.

Network security protection

Deploy four types of core security products: firewalls, bastion hosts, zero-trust architecture, and honeypots. Firewalls can intercept external anomalous traffic to safeguard network perimeter security; Bastion hosts can centrally manage privileged account access to prevent unauthorized operations; Zero-trust architecture can dynamically assign permissions based on user identity to enforce the "least permission" principle; Honeypots can proactively lure and trap external malicious attacks to identify security threats early; conduct special rectification initiatives for information security, including full-network asset collection, full-network vulnerability scanning and security rectification, and reduction of internet-exposed ports for business systems.

Physical security protection

Deploy access control systems, surveillance cameras, and other devices to regulate personnel access to sensitive areas, thereby strengthening physical security controls.





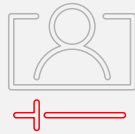
Empowerment of Information Security Capability

Establish a routine mechanism for information security training, promotion, and practical drills to enhance company-wide information security capabilities:

- ▶ Conduct specialized information security training for new employees to equip them with basic information security knowledge and operational norms;
- ▶ Carry out monthly all-staff information security publicity and education through email, company-wide group announcements, warning signs, and other forms, with security advisories issued before holidays and emergency incidents promptly notified;
- ▶ Organize annual practical drills for phishing emails to enhance employees' operational readiness against network attacks;
- ▶ Deliver all-staff information security training through various forms such as offline training courses, online video training courses, and online knowledge quizzes, covering R&D, production, sales, and functional departments, to enhance the overall security competency of the Company and fortify the security posture of all employees;
- ▶ Take specialized protection measures for the R&D Department, including network segregation between office and R&D environments, restrictions on the use of removable storage devices, as well as site classification and zoning management; achieve full coverage of desktop management software for all employees to control software usage, removable storage, and computer operations, restrict outbound emails and only allow company-owned devices to connect to office networks.

Identity and permission management

Establish strong identity verification methods such as multi-factor identity verification and dynamic passwords to ensure that only authorized personnel can access sensitive information and data; conduct periodic permission reviews and adjustments to prevent permission abuse; and optimize information security review procedures for personnel changes, covering account management, data permission management, and external business notification checks.



Data foundation protection

Develop complete data backup strategies to ensure data security and reliability and prevent data loss, corruption, or tampering; use encryption technologies for encrypted storage and transmission of sensitive information; develop data classification and grading standards to enforce full lifecycle data security protection.



Data Security and Privacy Protection

The Company attaches great importance to data security and user privacy protection. Centered on overseas business expansion needs, it has established a full lifecycle management system covering data "collection, storage, usage, and destruction", with a focus on advancing the construction of cross-border data compliance such as the EU GDPR and North America CCPA. The Company has also developed dedicated channels for complaints and whistleblowing. In 2025, no data security or privacy leakage incidents occurred, effectively safeguarding the legitimate rights and interests of data subjects.



Full Lifecycle Data Management

Set up standardized and normalized full lifecycle data management processes to achieve refined and secure data governance: cleanse, classify, and label all data, to determine appropriate security measures and data access permissions based on sensitivity levels and privacy classifications; implement data access controls through a zero-trust architecture, deploy behavior management and data loss prevention (DLP) systems to monitor sensitive data transmission and exfiltration activities in real time; implement desensitization treatment for all data under non-production environments (development and testing environments), to shield core sensitive fields such as mobile phone numbers and ID card numbers, thereby mitigating data leakage risks; require the third-party vendors involved in data processing (e.g., external technical service providers) to sign the Data Confidentiality Agreements, to clarify data security responsibilities and ensure data security throughout the cooperation process; strictly adhere to the principles of legality, rationality, necessity, and security regarding data processing activities in daily operations, and regulate the signing and execution of data processing agreements.

Construction of Cross-Border Data Compliance System

To meet overseas business expansion needs, the Company has built a dedicated compliance system tailored to regulatory requirements in the European Union, North America, and other jurisdictions, thereby ensuring that the Company's data processing activities comply with applicable laws, regulations, and industry standards:

GDPR compliance management



Offer transparent and detailed privacy policy provisions and the authorization management system to inform data subjects (end customers, distributors/installers) of the purposes of data processing, legal basis, data retention periods, and their rights; set up clear user authorization process to obtain explicit authorization and provide a consent withdrawal mechanism; formulate data anonymization solutions, and exercise strict prudence in the processing of sensitive personal data; set clear data storage limits (typically not exceeding 12 months), establish a complete mechanism for handling user data deletion requests, and respect and safeguard data subjects' rights to access, rectify, delete, and restrict data processing; take appropriate technical and organizational measures to protect personal data security, including data encryption, access controls, security auditing, and data backup; develop data leakage response plans, including the monitoring and detection of potential data leakage incidents, taking appropriate measures to mitigate losses, promptly notifying relevant regulatory authorities and data subjects, and implementing corrective measures; adopt appropriate protective measures such as standard contractual clauses, privacy shield certification, and binding corporate rules in the process of transferring personal data outside the European Economic Area.

CCPA compliance management



Ensure to sign the CCPA-compliant contracts and agreements with the third-party vendors involved in personal data processing and clearly define the data security responsibilities of both parties; organize regular data processing risk assessments to identify and evaluate potential risks associated with personal information processing, and take appropriate control measures to mitigate such risks; maintain detailed records of all compliance activities and measures, including responses requested by data subjects, handling of data leakage, and implementation of data protection measures, to demonstrate compliance; the Company's Data Protection Officer shall continuously monitor changes and updates to CCPA regulations and promptly adjust and update the compliance management accordingly.



Prevention and Control of Data Leakage Risks

Develop a sound data leakage risk prevention and response mechanism to prevent data leakage risks from the source: conduct privacy impact assessments on data processing activities to identify and mitigate potential privacy risks and compliance violations; deploy security products such as firewalls, honeypots, bastion hosts, and zero-trust architecture and realize collaborative operation, to intercept data leakage risks across multiple dimensions including network, permissions, and access control; further optimize access control policies within the zero-trust architecture, upgrade and replace the file encryption system, and adjust monitoring strategies for the DLP system based on the 2025 annual risk assessment findings to continuously strengthen data security protection capacities; set up a cross-departmental data leakage emergency response team with clearly defined emergency response process and distinctive division of responsibilities, to ensure rapid response and timely handling in the event of any potential data leakage.

Data Compliance Complaint and Whistleblowing Mechanism

With a focus on data compliance complaint response, in 2025, the Company has established and implemented a dedicated data compliance complaint and whistleblowing mechanism characterized by "clear accountability, public channels, efficient response, and closed-loop resolution": transparently and truthfully inform data subjects of the scope and extent of the collection, use, and processing of their personal data; inform data subjects of dedicated feedback channels for submitting their demands related to personal data rights in accordance with applicable laws, provide contact information including telephone numbers, email addresses, and offline contact addresses, and disclose such information through multiple channels including the Company's official website and APP privacy policies to ensure clear, unobstructed, and easily accessible pathways for data subjects' feedback; and notify individual data subjects of feedback time limit and subsequent channels for rights protection as required by law; and develop a closed-loop management process of "receive-review-resolution-feedback" to guarantee timely response and proper handling of all data compliance requests within the time limits as required by law. In 2025, this mechanism operated efficiently, with no complaints or reports received from data subjects regarding infringement of personal data rights.

Environmental Management

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Environmental Emergency Management	48

Adhering to the environmental management policy of "regulatory compliance, energy conservation & environmental protection, work safety, and healthy development", SAJ has established a standardized environmental management system certified to ISO 14001. In 2025, the Company achieved 100% of its environmental management objectives, with zero environmental administrative penalties and zero environmental pollution incidents, and integrated green development into the full process of production and operation, to earnestly fulfill the responsibilities for ecological and environmental protection.



Environmental Management

Environmental Compliance Management

Viewing compliance as the baseline for environmental management, the Company has clearly defined the management policies and quantifiable objectives. Through full-process control, hardware protection, and professional monitoring, it has established a standardized and traceable environmental compliance management system to prevent and control environmental risks from the source.

Policies and Objectives

Regarding "regulatory compliance, energy conservation & environmental protection, work safety, and healthy development" as the core policy, the Company has established the following six quantifiable objectives: achieve 100% compliance for wastewater discharge, 100% compliance for waste gas emissions, 100% comprehensive utilization of solid waste, zero environmental administrative penalties, 100% rectification completion rate of hazards identified during environmental inspections, and zero environmental pollution accidents.



Management Measures

- Conduct routine environmental compliance inspections, with a focus on the operation status of environmental facilities, including spot check records, trouble-shooting, ventilation duct integrity, airflow control, and replacement records of activated carbon; classified storage of solid waste and operation of hazardous waste storage warehouse, as well as prevention of escaping, spilling, dripping, and leaking in workshops, thereby ensuring timely identification and elimination of environmental hazards;
- Engage qualified third-party testing institutions to conduct professional monitoring of wastewater, waste gas, and boundary noise emissions and ensure that all emission indicators comply with national and industry standards, with the monitoring results serving as the core basis for the effectiveness of environmental management;
- Strengthen hardware protection and process control for soil and groundwater conservation: pave the floor of hazardous waste warehouse in Jiangxi Plant with epoxy resin coating and install perimeter diversion trenches and a collection sump to ensure directed collection of any leaked waste liquid and prevent downward infiltration contamination; equip the warehouse with emergency response materials including absorbent pads, spill containment cloths, emergency collection drums, and firefighting sand; establish an emergency response process for waste liquid leakage to enable immediate containment and absorption operations; leverage the buffering and storage function of the collection sump to fundamentally eliminate the risk of leaked liquid discharge or spread.

Operational Achievements in 2025

The Company's ISO 14001 management system maintained effective operation, with all six core environmental objectives achieved at 100%: 100% compliance for wastewater and waste gas emissions, 100% comprehensive utilization of solid waste, zero environmental administrative penalties, 100% rectification completion rate of potential hazards, and zero environmental pollution accidents.

Resource Management

Upholding the concept of green and low-carbon operation and focusing on the efficient utilization of energy, water, and office resources, the Company has systematically conducted energy-saving actions across the whole process, formulated control requirements from dimensions such as electricity, water and office management, and guided all employees to engage in energy-saving and consumption-reducing practices, thereby driving continuous reduction in resource consumption and improvement in resource utilization efficiency during production and operation.

Electricity Consumption Management



Implement refined electricity management measures and promote energy-saving behaviors across all staff. In summer, air conditioning temperatures are strictly maintained at 26 °C or above. Turn off air conditioners promptly and keep doors and windows tightly closed to reduce energy consumption during holidays, low-occupancy periods, and unattended hours. Switch off non-essential artificial lighting in office areas, production workshops, and warehouses whenever natural daylight is adequate, to strictly enforce the "lights off when leaving" requirement, with public areas uniformly equipped with low-wattage lighting. Office devices are set to low-power standby mode when not in use and switched off for prolonged idle periods and at the close of every business day, ensuring that all electric equipment is powered off when leaving.

Water Consumption Management



Strengthen full-process water resource management, conduct daily inspections and preventive maintenance of water supply facilities, eliminate waste such as escaping, spilling, dripping, leaking, and running water from the source, and guide all employees to develop habitual water-saving behaviors, ensuring taps are turned off immediately after use; standardize the use of drinking water, prohibit the use of bottled drinking water for non-drinkable activities such as washing tea sets and watering plants, thereby maximizing the efficiency of water resource utilization.

Office Management



Comprehensively implement the green office practices, exercise rigorous control over office expenditures and consumables usage, provide office supplies strictly on-demand, and give priority to using low-energy consumption, eco-friendly, and cost-effective office equipment; vigorously promote paperless office, reduce reliance on printed materials and fax communications, strictly control the number of documents distributed, and implement double-sided printing for all examination papers, official documents, and general printing needs; advocate green office behaviors, encourage the use of reusable pens to minimize disposable stationery consumption and promote concise and efficient telephone communication; optimize office operational efficiency and rigorously control the number and scale of meetings, scientifically coordinate vehicle usage, implement a unified management system for repair, insurance, refueling, and maintenance, thereby effectively reducing vehicle fuel consumption and maintenance expenditures.

Pollutant Emission Management

Exercising classified management over wastewater, waste gas, solid waste, noise, and other pollutants, the Company selects applicable emission standards based on industry characteristics and has achieved a 100% emission compliance rate across all pollutant categories. In 2025, all control indicators met national and industry requirements.



Wastewater Management

The Company has no production wastewater and only generates domestic wastewater. It has obtained the Urban Wastewater Discharge Permit into Drainage Network and discharges wastewater in accordance with the standards for municipal sewage treatment plants. The Company also entrusts the third parties to test water quality on a regular basis, with a 100% compliance rate achieved in 2025, and coordinates with sanitation departments for periodic septic tank cleaning to ensure normal operation of wastewater treatment facilities.



Waste Gas Management

Waste gas primarily originates from the core waste-generating process of coating (conformal coating). As there is no dedicated emission standard of volatile organic compounds (VOCs) in transformer, rectifier, and inductor manufacturing industries, the Company applies the Emission Standard of Volatile Organic Compounds: Part 5 Automotive Industry (DB36/1101.5-2019 Table 3) as its regulatory reference; employs the "dry filter + activated carbon adsorption" process for waste gas treatment and removes hazardous substances by utilizing physical filtration and adsorption. In 2025, the Company achieved a 100% emission compliance rate.



Solid Waste Management

Solid waste is classified as general industrial solid waste and hazardous waste for categorized disposal. In 2025, the Company achieved a 100% comprehensive utilization rate. A total of 2132.36 tons of general industrial solid waste was generated and managed through methods of "recycling & reprocessing + resource utilization". Among them, 201 tons were utilized as resources, and the remaining solid waste was entrusted to qualified resource recycling institutions for treatment. A total of 4.66 tons of hazardous waste was generated, mainly comprising chemical-contaminated packaging materials, and spent filter cotton, etc. All of it was entrusted to professional institutions with hazardous waste disposal qualifications for compliant disposal. The hazardous waste transfer form was retained throughout the process to ensure full traceability of the disposal process. The Company strictly enforced the regulations for the separate storage of general waste and hazardous waste, standardized the operation and management of the hazardous waste storage warehouse, and eliminated environmental risks such as the mixed storage and leakage of solid waste.



Noise Management

Adopt noise reduction measures including equipment vibration damping and workshop soundproofing and carry out periodic noise monitoring at the factory boundary. 2025 monitoring results < 52.7 dB (daytime) and < 43.5 dB (nighttime), satisfying the Emission Standard of Volatile Organic Compounds: Part 5 Automotive Industry (DB36/1101.5-2019 Table 3) and achieving compliant emissions.

Environmental Emergency Management

The Company identifies chemical leakage as the main environmental risk, incorporates environmental emergency response into the production accident emergency response system, and establishes an integrated emergency management mechanism of "plans + organization + drills", to enhance the emergency response capacity for environmental risks.

Emergency Management

The Company identifies chemical leakage as the main environmental risk, incorporates environmental emergency response into the production accident emergency response system, and establishes an integrated emergency management mechanism of "plans + organization + drills", to enhance the emergency response capacity for environmental risks.



Emergency Drills

In accordance with the annual EHS drill plan, two practical drills on chemical leakage were conducted in core risk areas: on August 25, 2025, a drill was carried out at the storage area of chemical explosion-proof cabinets in the energy storage workshop, and on October 18, 2025, the other drill was performed at the storage area of chemical explosion-proof cabinets in the industrial automation workshop. The drills verified the feasibility of the plans and strengthened all-staff emergency response and coordination capabilities.

Production Safety Management

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SAJ regards production safety as the core bottom line of its operations, adhering to the production safety policy of "Safety First, Prevention Foremost; People-Oriented, Strengthened Management; Comprehensive Governance, and Continuous Improvement." Having attained the ISO 45001 Occupational Health and Safety Management System certification, the Company has established a full-process production safety management framework. In 2025, we achieved 100% of our annual EHS targets, providing comprehensive protection for the lives and well-being of our employees while driving the standardized and systematic development of production safety.

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Production Safety Management

Safety Management

The Company has established a production safety management system characterized by a clear hierarchy and well-defined roles and responsibilities. By defining the overall EHS direction and quantitative targets for 2025, we ensure the effective implementation of safety requirements through tiered accountability and rigorous process control.



Policy and General Objectives

Guided by our core policy of "Safety First, Prevention Foremost; People-Oriented, Strengthened Management; and Comprehensive Governance, Continuous Improvement," our EHS objective is to continuously enhance safety technologies and management practices. We aim to prevent accidents to the greatest extent possible, ensuring no harm to human health, no damage to property, and no impact on the environment.

2025 Targets

Nine quantitative targets have been established across dimensions such as accident prevention, personnel management, and compliant operations, which encompass a wide range of control requirements, including the management of the Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR); achieving zero incidents of fires, explosions, environmental pollution, and occupational diseases; and maintaining 100% rates for occupational hazard testing compliance, the signing of Production Safety Responsibility Statements, certification of special operations and equipment personnel, Permit-to-Work (PTW) issuance, hazard rectification completion, and Three-level Safety Training coverage for new employees.

2025 Target Achievement Status

In 2025, the Company achieved significant results in production safety, with 100% of all quantitative targets met and core indicators performing significantly better than the assessment standards. The LTIFR was 8.99 per million hours worked (Target: ≤ 50), and the LTISR was 44.96 lost workdays per million hours worked (Target: ≤ 300), both substantially below the set limits. Throughout the year, only one minor injury occurred (classified under the Classification Standard for Workplace Casualty Accidents); incidents of fire, explosion, and environmental pollution remained at zero. There were zero occupational disease cases, and all workplace hazard tests passed inspection. Furthermore, 100% coverage and processing rates were achieved for safety responsibility statements, special operations certifications, PTW issuance, and Three-level Safety Training. The Company received zero administrative penalties from regulatory enforcement and achieved a 100% hazard rectification rate, ensuring compliant and orderly production safety operations.



Safety Risk Classification and Hazard Management

The Company conducts comprehensive, scenario-based safety risk identification and assessment tailored to its specific production processes and facilities, establishes a comprehensive risk register, implements a "tiered control with individual accountability" mechanism, and ensures that risks are effectively mitigated and managed through routine hazard identification and remediation.

Risk Classification and Assessment



Following a comprehensive evaluation, the Company has identified 11 production safety risk points, all of which are categorized as residual risks after mitigation. There are no high-risk (Red or Orange) points; the register includes 1 medium-risk (Yellow) point (Constant-Temperature Lithium Battery Warehouse) and 10 low-risk (Blue) points. These risk points cover critical areas including the automated coating line, chemical storage (explosion-proof cabinets), aging rooms (in-operation), high/low-voltage power distribution rooms, hazardous waste warehouses, and fire control rooms. Managed by respective departments such as Production, Equipment Engineering, and the EHS Team, the overall risk profile remains within a controllable range.

Tiered Control Measures



Targeted control measures have been developed for different risk points. Core requirements include strict adherence to safe operating procedures, diligent equipment spot checks and maintenance, enhanced fire patrols, electrical safety management, and the standardized use of Personal Protective Equipment (PPE). For high/low-voltage distribution rooms, we mandate periodic testing of safety tools and equipment. For the medium-risk (Yellow) Constant-Temperature Lithium Battery Warehouse, we have further strengthened key controls, including periodic inspections of specialized equipment and high-frequency fire safety patrols, ensuring precise and effective risk mitigation.

Routine Hazard Management



The Company prioritizes hazard identification as the core driver of risk control. In 2025, 16 major hazard investigations were organized and 167 safety hazards were identified, with a 100% rectification rate, forming an "Identification - Rectification - Verification - Close-out" closed-loop management system, which timely eliminates safety hazards in production and operations and fortifies our defense for production safety.

16

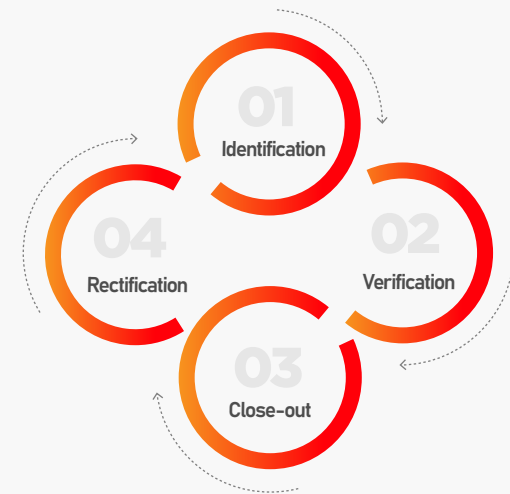
Major Hazard Investigations

167

Safety Hazards Identified

100%

Rectification Completion Rate



Occupational Health Protection and Safeguarding

Guided by the "People-Oriented" philosophy, the Company has established a comprehensive occupational health protection system centered on hazard monitoring, workplace controls, PPE provisioning, and health examinations, ensuring that all workplace hazards remain within regulatory limits and that the occupational health of our employees is effectively protected.

Monitoring of Occupational Hazards

In 2025, the Company conducted comprehensive monitoring of occupational hazards across all production sites, covering factors such as tin dioxide, dichloromethane, n-hexane, noise, and illuminance. Monitoring points encompassed all key production roles, and all results complied with national standards with no exceedances. Noise levels across all monitored points were maintained at $\leq 85\text{dB}$, providing a safe and healthy work environment for our employees.

Controls for Key Roles

For roles with potential occupational health risks, such as welding and coating, we implement a "Dual-Control" approach combining engineering measures and personal protection: On the engineering side, local exhaust ventilation systems are installed to collect soldering fumes and organic vapors, which are treated by environmental facilities to meet discharge standards, thereby reducing hazard exposure at the source; On the personal protection side, operators are equipped with specialized PPE tailored to their specific hazard types to achieve precise protection.



PPE Provisioning and Health Examinations

PPE provision is governed by customized standards based on role-specific risks, achieving a "one policy per position" approach to precise protection. For instance, vacuum suction roles are equipped with safety and anti-smash shoes; coating and cleaning roles are provided with activated carbon masks; and aging test roles are supplied with earplugs, insulated shoes, and insulated gloves. In 2025, occupational health examinations were organized for 110 employees exposed to occupational hazards, achieving 100% coverage, and dedicated health records were established for all participating employees to enable dynamic tracking and management of their health status.



100%

Occupational Health Examination Coverage Rate

Safety Culture and Emergency Management

The Company empowers all employees with safety awareness through the cultivation of a safety culture. We have established a comprehensive production safety emergency response system and conducted practical, multi-scenario emergency drills, building a safety assurance framework characterized by "cultural empowerment and emergency response as a fail-safe."

Safety Culture Development



In 2025, the Company launched diverse safety culture initiatives to embed safety principles into its operations. We organized "Safety Month" in June and "Fire Safety Month" in November, achieving employee participation rates of 75% and 99%, respectively. By combining routine hazard inspections, EHS training, and accident case studies, we significantly enhanced employees' safety skills. As a result, the violation rate of safety protocols decreased by 85% year-over-year, demonstrating the significant impact of our safety culture development.

99%

Employee Participation Rate

85%

Reduction in Safety Protocol Violations

Production Safety Emergency Response Plans



In October 2025, the Company compiled the Emergency Plan for Production Safety Accidents, which was reviewed and released within the same month. The framework includes one comprehensive emergency plan, one specialized plan for fire and explosion incidents, and 12 Field Response Plans (FRPs). These documents clearly define the emergency organizational structure, response procedures, and handling requirements, providing standardized and professional guidance for the emergency management of various production safety incidents.

12

Field Response Plans

Emergency Drills



Based on our emergency plans, the Company conducted various types of multi-scenario emergency drills in 2025, covering contractors, all employees, and key personnel. The drills included hands-on fire extinguishing, lithium battery fire response, elevator entrapment rescue, chemical spill containment, electric shock first aid, and fire evacuation. A total of eight drills were conducted with over 1,000 participants, including two full-staff fire evacuation exercises. These activities effectively enhanced employees' emergency response and collaborative capabilities while validating the feasibility and effectiveness of our emergency plans.

8

Cumulative Drills Conducted

1,000

Participants



Human Resources Management

Protecting Employee Rights and Interests	55
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Employee Care and Talent Retention	59
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SAJ upholds the core values of "Customer Orientation, Active Innovation, Pursuit of Excellence and Openness & Inclusivity." Adhering to the employment philosophy of being "Talent-Centric, Fair, and Merit-Based," we deeply integrate employee development with our corporate strategy. This synergy has enabled us to build a comprehensive, end-to-end human resource management system covering "rights protection, welfare support, employment management, training and development, and employee care and retention." The Company strictly adheres to the bottom line of labor laws and regulations, continuously enhancing compensation, benefits, and logistical support while promoting workforce diversity. We strengthen talent cultivation and the establishment of career development pathways, improving talent stability through holistic care and scientific incentives. By fostering synergistic growth between our employees and the enterprise, we actively practice corporate social responsibility and earnestly fulfill our corporate commitments to human resources and social contribution.



Human Resources Management

Employee Rights Protection

The Company strictly complies with national laws and regulations, including the Labor Law and the Labor Contract Law. We have established a comprehensive rights protection system covering labor contracts, social security contributions, working hours management, and labor compliance. This framework institutionalizes the protection of employee rights, ensuring the perfect alignment of operational compliance and interest safeguarding.



Standardized Management of Labor Contracts

The signing of labor contracts is a mandatory statutory procedure for onboarding, ensuring the achievement of our "Three 100%" compliance targets: A 100% signing rate for new employees within one month of employment to eliminate the risk of de facto labor relations; a 100% legal audit and compliance rate for contract content, with timely revisions based on regulatory updates; and a 100% contract delivery rate, ensuring all employees hold original copies while maintaining an electronic archiving system that meets statutory retention requirements. Our contracts include all mandatory legal clauses supplemented by position-specific provisions to safeguard the mutual rights of both the employer and the employee.

100%

Labor Contract Signing Rate

100%

Audit Compliance Rate

100%

Labor Contract Delivery Rate

Comprehensive Social Security Contributions



In accordance with the Social Security Law and local implementation rules, the Company has formulated the Welfare and Benefits Policy. We provide all employees with pension, unemployment, work-related injury, basic medical, and maternity insurance, as well as the Housing Provident Fund. Additionally, we provide supplementary group accidental injury insurance, creating a multi-layered "Five Social Insurances and One Housing Fund + Supplementary Insurance" protection system that offers robust social security support for our workforce.



Working Hours and Labor Compliance



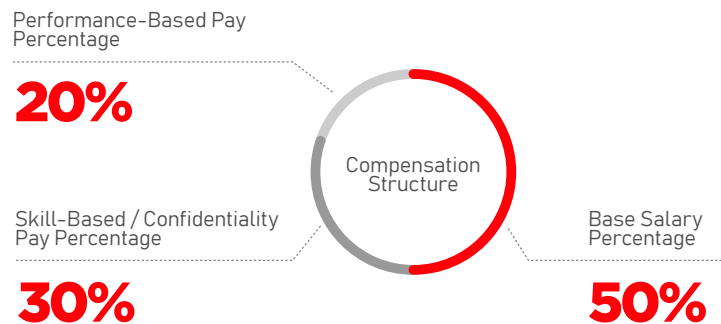
The Company implements a standard working hour system, ensuring that employees work no more than 8 hours per day and an average of 40 hours per week, with at least one rest day per week. We have established a standardized overtime management policy that clearly defines application procedures, compensation standards, and subsidies. Overtime frequency and duration are reasonably managed to safeguard employee health. Furthermore, we strictly adhere to regulations regarding the protection of minors. Age verification is a core part of our hiring process to resolutely prohibit the recruitment of child labor (under the age of 16). For any juvenile workers (aged 16-18), we strictly limit their job roles and work content, prohibiting their assignment to any hazardous or restricted labor.

Employee Compensation and Benefits

The Company has developed an integrated security framework characterized by "scientific compensation, diverse benefits, and localized logistics." This system ensures market-competitive remuneration while addressing employees' practical needs through multi-dimensional benefits and thoughtful support, enabling them to work with peace of mind and achieve stable career growth.

Compensation Structure

We implement a compensation model comprising "Base Salary + Skill/Confidentiality Allowance + Performance-based Pay," with a clear structural breakdown: Base Salary accounts for 50%, providing a stable foundation for employees' livelihoods. Skill/Confidentiality Allowance accounts for 30%, reflecting the technology-intensive nature of the electrical energy industry and aligning with professional value and job responsibilities. Performance-based Pay accounts for 20%, directly linked to individual performance, team contributions, and corporate development to drive employee motivation. Through regular industry benchmark surveys, we ensure our compensation remains in the upper-middle percentile of the electrical and energy sectors, maintaining strong market competitiveness.



Welfare and Benefits System

The Company has established the Welfare and Benefits Policy, constructing a four-category system tailored to employees' professional and personal needs:

- Statutory Supplementary Security: Supplementary group accidental injury insurance in addition to mandatory social insurance;
- Daily Living Allowances: Subsidies for meals, housing, communications, and overtime transportation, along with annual health examinations;
- Exclusive Seasonal Care: "Red packets" for the start of work, holiday gifts, festive activities, wedding gifts, and team-building funds for departments/projects;
- Humanized Leave Benefits: Statutory annual leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, sick leave, bereavement leave, and jet lag recovery leave for business travel.

Logistics and Support Services

Tailored logistics solutions have been established for our Guangzhou and Jiangxi bases, providing comprehensive convenience while balancing universal and specific needs:

- ◆ **Catering Services:** Both bases feature cafeterias serving three meals a day; the Guangzhou cafeteria offers nutritionally balanced and diverse dishes, while the Jiangxi site provides varied meal options, including a dedicated noodle station, with monthly hygiene and food safety inspections;
- ◆ **Accommodation and Commuting:** The Jiangxi base provides standard four-person dormitories equipped with air conditioning and water heaters, on-floor laundry rooms, and ample parking with independent electric vehicle sheds;
- ◆ **Wellness and Recreation:** The Guangzhou base features a fitness area, table tennis, and a yoga room, with common medications available;
- ◆ **Support for Special Employee Groups:** For employees who are pregnant, nursing, or recovering from illness, we provide dedicated rest spaces and reasonable workplace accommodations.

Employee Recruitment and Management

The Company adheres to the principle of fair employment and maintains diversified recruitment channels. We view "openness and inclusion" as a vital driver of sustainable development, fostering a diverse workforce and a global organizational culture that unites talent from all backgrounds.

Fair Recruitment and Channel Development

Guided by the core principles of "Fairness, Impartiality, and Transparency," the Company strictly prohibits any form of employment discrimination based on gender, age, region, or ethnicity, safeguarding equal opportunity for all applicants. We have established diverse recruitment channels—including campus recruitment, social recruitment, employee referrals, school-enterprise partnerships, and internship programs—to match various talents with suitable growth paths. To promote employment equity, we have established seven designated positions for persons with disabilities and continue to reserve adapted roles. As of 2025, the Company had 1,182 employees, characterized by a diverse structure: women accounted for 30.8%, ethnic minorities for 2.67%, overseas employees for 8.04%, and employees with disabilities for 0.59%.



Employee Diversity and Inclusion

We deeply integrate the concepts of openness and inclusion with our corporate culture and business strategy, utilizing them as key levers for talent management and enterprise development:

Cross-Cultural Dialogue and Understanding

To promote Intercultural Dialogue and Understanding, we conduct featured interviews with expatriates and overseas employees to share their cross-cultural work experiences. This content has generated approximately 1,000 interactions on our internal platforms, effectively fostering mutual understanding between local and international teams;

Organizational Identity and Belonging

During the 20th-anniversary celebration, the Company invited colleagues of diverse nationalities, ages, and genders to participate in a commemorative video, reinforcing the emotional bond and sense of belonging within the "SAJ Global Family."

Internal Communication and Feedback Mechanisms

The Company has established a multi-dimensional, tiered communication and feedback system to ensure employees' voices are heard through transparent channels:

Regular Communication through Meetings



Monthly business analysis meetings are organized for all departments to align on operational status and development plans. Furthermore, departmental "Commitment-and-Trust" meetings are conducted to cascade and communicate corporate strategic goals to every employee, ensuring organizational alignment.

Dedicated Engagement Activities



The Company periodically hosts Chairman's Dinners and New Employee Forums, inviting staff from various business modules to engage in face-to-face dialogue with senior management. These sessions facilitate collaborative discussion on corporate development, fostering a shared vision between employees and leadership.

Guaranteed Grievance Channels



The Company maintains a robust grievance mechanism where employees can appeal those related to personal performance evaluations. Designated personnel are responsible for conducting timely investigations, resolving issues, and providing formal responses to safeguard the legitimate rights and interests of all employees.

Employee Training and Career Development

The Company has established a tiered and categorized training system to support employees throughout their full career lifecycle. By providing clear dual-track career development paths and a fair performance evaluation mechanism, we foster both professional skill enhancement and career progression, enabling synergistic growth for both our employees and the Company.

■ Tiered and Categorized Training and Empowerment

In 2025, the Company constructed a systematic training framework covering new hires, current employees, and core talent. We launched various specialized bootcamps designed to precisely meet job-specific needs, yielding significant results:



Specialized Skill Enhancement

In August, centralized training was conducted for the Marketing and Product Center, effectively strengthening the team's professional edge. We developed distinctive programs such as the "Jingheng" Business Leader Bootcamp, the "Jingxing" Centennial Bootcamp, the "Jingmiao" New Power Bootcamp, and the Product Manager Bootcamp.



Knowledge and Experience Sharing

Multiple case-sharing sessions were held throughout the year, where senior mentors analyzed technology, products, and practical experiences to foster a vibrant internal learning ecosystem.



Systematic Onboarding for New Hires

We provided comprehensive induction training to help new hires quickly understand the corporate culture, master job-specific skills, and ensure a smooth role transition. Additionally, each new employee is paired with a dedicated mentor who provides guidance on cultural heritage, value alignment, and business coaching under a structured probationary development plan.

■ Dual-Track Career Development Paths

The Company has established a dual-promotion framework comprising a "Management Track (M-series) + Professional Track (P-series)," deeply integrating employee career growth with our talent pipeline development. In 2025, the Company regularly organized competency-based qualification certifications. Adhering to the principles of fairness, impartiality, and transparency, we selected and promoted talent through business-oriented practical assessments, providing employees with clear advancement paths and internal mobility opportunities. Concurrently, we implemented talent review projects to assess performance and capabilities, developing personalized growth plans and multifaceted enhancement strategies to solidify the corporate talent pool.

■ Fair Performance Appraisal System

Centered on "fairness, objectivity, and empowering growth," the Company conducted two company-wide performance appraisals in 2025 using Objectives and Key Results (OKRs) as the core management tool. By cascading team OKRs and aligning them with individual OKRs, we ensured that personal goals were deeply integrated with corporate strategy and customer needs. The evaluation process incorporates multi-dimensional feedback from supervisors, peers, and cross-functional partners, supported by a standardized, transparent grievance channel to ensure credible outcomes. Performance results serve as the primary basis for bonus allocation and are directly linked to the dual-track promotion system, offering clear guidance for employee development.

Employee Care and Talent Retention

The Company provides comprehensive care for all staff, from headquarters to overseas offices, and from collective groups to individuals. We have built a "performance-oriented, growth-centered" comprehensive talent retention system, achieving a significant improvement in workforce stability. This enables employees to share in the Company's development achievements and fosters a dynamic synergy between the organization and its people.

Comprehensive Employee Care

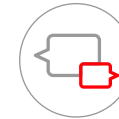
We conduct diverse care initiatives focused on festivals, overseas staff, company-wide engagement, health, and culture to enhance employees' sense of belonging and well-being:

Festive and Overseas Care



In 2025, four themed events were held for Spring Festival, the post-holiday return to work (red packets), Dragon Boat Festival, and Christmas/New Year, covering all headquarters staff with 1,200 total participations. During the Christmas season, special greetings and benefits were sent to overseas employees, ensuring care parity between domestic and international staff.

Company-Wide Engagement



To celebrate our 20th anniversary, we launched a series of events, including sports competitions, fitness challenges, and garden parties. Cultural and athletic activities, such as a "China vs. International" basketball game, enriched employees' leisure time and strengthened team cohesion. Specialized cultural activities were also held for Women's Day, Mother's Day, and Labor Day to foster a diverse and inclusive atmosphere.

Health and Everyday Well-being



Annual health check-ups are organized, and office areas are stocked with common medications. We have established a logistical service feedback channel, responding to employee needs through online surveys and maintaining a "Demand - Service - Feedback - Improvement" closed-loop management system.

Talent Retention Framework

The Company has constructed a comprehensive retention system centered on the dual pillars of "Incentives and Growth," sharing corporate success with employees while fulfilling their professional development needs:

<p>1</p> <p>Performance-Based Incentives</p>	<p>We implement incentive weighting for high-performing employees who demonstrate outstanding results and initiative. Multiple specialized incentive programs have been established for sales and support teams, with additional rewards designated for core technical members.</p>
<p>2</p> <p>Empowerment Through Growth</p>	<p>Performance evaluations are directly linked to our dual-track promotion system, providing employees with clear career advancement pathways. Through systematic and tiered training, we continuously enhance employees' professional capabilities and competitiveness to support their long-term growth.</p>
<p>3</p> <p>Building Cultural Cohesion</p>	<p>Guided by our core values of "Customer Orientation, Active Innovation, Pursuit of Excellence and Openness & Inclusivity," we strengthen employees' organizational identity and sense of belonging. This is achieved through cultural advocacy, co-creation initiatives, and various cultural and athletic activities, using culture as a cohesive force to drive talent retention.</p>

Talent Retention Performance

In 2025, the Company continued to deepen its "Talent-Centric" management philosophy, focusing on the stability and structural optimization of its core talent pool. The retention rate for key positions, including core technical experts and mid-level managers, remained above 90%, and the development of our talent pipeline progressed steadily, solidifying the human capital foundation for core business innovation and stable operations. Annual employee turnover reflected distinct industry-wide characteristics, primarily concentrated in manufacturing roles at the Jiangxi SAJ factory (a common phenomenon within the industry's production sector). Looking ahead, the Company will continue to optimize its new employee onboarding orientation, strengthen role-specific training, and improve logistical support to further enhance retention quality across all positions and build a workforce with even greater cohesion and belonging.



Social Responsibility and Contributions

While achieving sustainable growth and safeguarding employee rights, SAJ actively fulfills its corporate social responsibility. We focus on key areas such as rural revitalization and international philanthropic aid, reinvesting our corporate success into society to support regional development and global charitable causes. These actions underscore the Company's commitment as a responsible corporate citizen and its dedication to social progress.

Supporting Rural Revitalization in China

On September 4, 2025, the Company donated RMB 70,000 to the Litang County Bureau of Agriculture, Animal Husbandry, Rural Affairs, and Technology. This donation was specifically designated to fund participation in various industry exhibitions for agricultural enterprises in Litang County. Additionally, the funds supported a media outreach campaign centered on rural revitalization in Litang, effectively consolidating poverty alleviation outcomes and advancing comprehensive local revitalization. Through these concrete actions, the Company has contributed to the high-quality development of the county's agricultural industry and rural infrastructure.

Donation to the Litang County Bureau of Agriculture, Animal Husbandry, Rural Affairs, and Technology

**RMB
70,000**

Engaging in International Philanthropic Aid

On August 14, 2025, the company donated \$1,400 to the Balobedu Peoples Development (including US\$504 for the procurement of supplies). These funds and materials were dedicated to installing solar lighting systems and implementing critical skills development programs in under-resourced communities in South Africa. This initiative has improved basic living conditions and enhanced the technical skills of local residents, delivering tangible benefits to the well-being and sustainable development of South African communities.

Donation to Balobedu Peoples Development

**US\$
1,400**



Appendix

Key ESG Data



ESG Resource Investment

Total Environmental Protection Investment	Circular Economy Related Investment	Total Employee Health and Safety Investment	Charitable and Public Welfare Investment	R&D Investment	R&D Investment as a % of Revenue
RMB 98,200	RMB 37,700	RMB 404,100	RMB 80,000	RMB 138,664,900	9.24%



Corporate Governance Structure

Number of General Meetings of Shareholders	Number of Board of Directors Meetings	Number of Proposals Reviewed at General Meetings of Shareholders	Number of Proposals Reviewed by the Board of Directors
4	6	26	55



Business Ethics

Number of Confirmed Incidents of Corruption	Number of Unfair Competition and Anti-monopoly Incidents	Integrity Pledge Signing Rate for Mid-to-Senior Management	Number of Anti-corruption Training Sessions	Anti-corruption Training Coverage for Directors, Supervisors, and Senior Management	Percentage of Management Receiving Anti-bribery and Anti-corruption Training
0	0	100%	1	100%	100%



Fair Competition

Unfair Competition-Related Litigation / Penalties

0



Information Security

Number of Customer Privacy Complaints

0

Number of Data Breach / Loss Incidents

0



Intellectual Property Management

Cumulative Patent Applications

431

Cumulative Invention Patent Applications

171

Cumulative Utility Model Patent Applications

159

Cumulative Design Patent Applications

101

Cumulative Patents Granted

270

Cumulative Invention Patents Granted

58

Cumulative Utility Model Patents Granted

128

Cumulative Design Patents Granted

84

Patent Applications During the Reporting Period

25

Invention Patent Applications During the Reporting Period

14

Utility Model Patent Applications During the Reporting Period

10

Design Patent Applications During the Reporting Period

1

Patents Granted During the Reporting Period

41

Invention Patents Granted During the Reporting Period

12

Utility Model Patents Granted During the Reporting Period

23

Design Patents Granted During the Reporting Period

6



Employee Recruitment and Management

Total Number of Employees
(including part-time)

1,182

By Gender

Male Employees

818

Female Employees

364

By Age

Aged 50 and Above

14

Aged 31-40 (Exclusive)

490

Aged 41-50 (Exclusive)

155

Aged Under 30

523

By Education Level

Master's Degree

98

Bachelor's Degree

399人

Below Bachelor's Level

685

By Function

R&D and Technical Personnel

246

Production and Manufacturing
Personnel

623

Marketing and Sales
Personnel

199

Administrative
Personnel

114

By Employment Type

Full-time Employees

1,001

Part-Time Employees

181

Number of Employees with Disabilities

7



Employee Rights and Health

Labor Contract
Signing Rate

100%

Social Insurance
Coverage Rate

100%

Average Employee
Compensation

RMB **210,800** /year

Pre-employment Occupational
Health Examination Rate

100%

On-the-job Occupational
Health Examination Rate

100%

Exit Occupational Health
Examination Rate

100%



Employee Well-being

Flexible Work Arrangement Coverage Rate

12.49%



Innovation-Driven

Number of R&D Personnel

246

R&D Personnel as a % of Total Workforce

24.58%



Environmental Management

Environmental Violations or Penalties

0

Wastewater Discharge Compliance Rate

100%

Exhaust Gas Emission Compliance Rate

100%



Green Products

Product Carbon Footprint Certification Coverage

20%



Supply Chain Management

Total Number of Suppliers

279

Number of Domestic Suppliers

278

Number of Overseas Suppliers

1

Number of New Suppliers Added During the Reporting Period

16

Number of Suppliers Phased Out During the Reporting Period

15

Number of Supplier Audits During the Reporting Period

48

Key Supplier ESG Audit Coverage

100%

Supplier ESG Code of Conduct Signing Rate

100%

Percentage of Suppliers Signing the Integrity Agreement

100%

Percentage of New Suppliers Screened Using Environmental Criteria

100%

Conflict Minerals (3TG) Screening Rate

100%

Local Sourcing Rate for Suppliers

69%

Number of Suppliers Identified with Significant Negative Environmental or Social Impacts

0



Water Resource Management

Total Water Withdrawal

44,150 tons

Water Intensity

0.31 tons/RMB 10,000



Waste Management

Total Waste Generation	Total Hazardous Waste	Total Non-hazardous Waste
2,132.36 tons	4.66 tons	2,127.7 tons
Hazardous Waste Disposal Rate	Comprehensive Utilization Rate of General Industrial Solid Waste	Volume of Recycled Waste
100%	100%	201 tons



Occupational Health and Safety

Number of Employee Fatalities	Number of Employee Recordable Injuries	Occupational Disease Incidence Rate	Production Safety Training Completion Rate
0	1	0%	100%
Hazard Rectification Rate	Facility and Equipment Maintenance Rate	Lost Time Injury Frequency Rate	Number of Emergency Drills
100%	98.75%	8.99%	8



Product Quality and Safety

Product Traceability Coverage	Customer Complaint Resolution Rate	Customer Satisfaction
50%	100%	97.18%



Energy Management

Direct Energy Consumption	Indirect Energy Consumption
1,220.03 tce	1,787.85 tce
Total Energy Consumption	
3,176.64 tce	
Clean Energy Consumption	Purchased Electricity Consumption
0.009216 tce	9,926.97 MWh
Self-generated Electricity Consumption	Total Electricity Consumption
0.0288 MWh	9,927 MWh
Steam Consumption	Diesel Consumption
0 tons	0 tons
Natural Gas Consumption	
7,131 m ³	

Indicator Index

Chapter	Report Section	GRI Sustainability Reporting Standards	EU Corporate Sustainability Reporting Directive (CSRD) (ESRS Standards)	SASB Sustainability Accounting Standards (Electrical & Electronic Equipment Industry)
About the Report	About the Report	GRI 2-1; GRI 2-2; GRI 2-3	ESRS 2 BP-1; ESRS 2 BP-2	–
Chairman's Statement	Chairman's Statement	GRI 2-22	ESRS 2 SBM-1	–
Sustainability Management	ESG Strategy	GRI 2-22	ESRS 2 SBM-3; ESRS 2 MDR-P	–
	ESG Governance	GRI 2-9; GRI 2-12; GRI 2-13; GRI 2-14	ESRS 2 GOV-1	–
	ESG Actions ^a	GRI 2-6; GRI 203-1; GRI 203-2	ESRS 2 SBM-3	–
	Communication with Stakeholders	GRI 2-16; GRI 2-29	ESRS 2 SBM-2	–
	Evaluation of Material Issues	GRI 3-1; GRI 3-2	ESRS 2 IRO-1	–
Green Products and Innovation	R&D and Innovation Management	GRI 203-2	ESRS 2 SBM-3	–
	Green Product Development	GRI 416-1	ESRS E1-5; ESRS E5-5	–
	Intellectual Property Management	–	–	–
Ecosystem Co-construction and Development	Supplier Management	GRI 204-1; GRI 308-1; GRI 414-1	ESRS E5-1; ESRS S2-1; ESRS G1-2	RT-EE-430a.1
	Customer Service Management	GRI 418-1	ESRS S4-1; ESRS S4-4	RT-EE-550a.1
	Product Quality and Safety	GRI 416-1	ESRS S4-1	–

Chapter	Report Section	GRI Sustainability Reporting Standards	EU Corporate Sustainability Reporting Directive (CSRD) (ESRS Standards)	SASB Sustainability Accounting Standards (Electrical & Electronic Equipment Industry)
Corporate Governance	Corporate Governance System	GRI 2-9; GRI 2-12; GRI 2-13; GRI 2-14	ESRS 2 GOV-1	-
	Business Ethics	GRI 205-2; GRI 205-3	ESRS G1-1; ESRS G1-3; ESRS G1-4	RT-EE-510a.1
	Internal Control and Risk Management	GRI 2-9; GRI 2-26	ESRS 2 GOV-1; ESRS 2 IRO-1	-
	Compliance Management	GRI 2-27	ESRS G1-1	RT-EE-510a.2
	Information Security Management	GRI 418-1	ESRS S4-1; ESRS S4-4	RT-EE-550a.1
	Data Security and Privacy Protection	GRI 418-1	ESRS S4-1; ESRS S4-4	RT-EE-550a.1v
Environmental Management	Environmental Compliance Management	GRI 2-27; GRI 307-1	ESRS E1-9	-
	Resource Management	GRI 302-1; GRI 303-5	ESRS E1-5; ESRS E3-1	-
	Pollutant Emission Management	GRI 306-1; GRI 306-2; GRI 306-3	ESRS E2-4; ESRS E2-5	RT-EE-150a.1
	Environmental Emergency Management	GRI 2-25	ESRS E1-9	-
Production Safety Management	Safety Management	GRI 403-1; GRI 403-2; GRI 403-9	ESRS S1-11; ESRS S1-14	RT-EE-540a.1
	Safety Risk Classification and Hazard Management	GRI 403-1; GRI 403-2	ESRS S1-11	RT-EE-540a.1

Chapter	Report Section	GRI Sustainability Reporting Standards	EU Corporate Sustainability Reporting Directive (CSRD) (ESRS Standards)	SASB Sustainability Accounting Standards (Electrical & Electronic Equipment Industry)
Production Safety Management	Occupational Health Protection and Safeguarding	GRI 403-3; GRI 403-5	ESRS S1-11; ESRS S1-13; ESRS S1-14	RT-EE-540a.1
	Safety Culture and Emergency Management	GRI 403-2	ESRS S1-11	RT-EE-540a.1
Human Resources Management	Employee Rights Protection	GRI 401-1; GRI 405-1; GRI 408-1	ESRS S1-1; ESRS S1-6	—
	Employee Compensation and Benefits	GRI 401-2	ESRS S1-13	—
	Employee Recruitment and Management	GRI 405-1	ESRS S1-1; ESRS S1-6	—
	Employee Training and Career Development	GRI 404-1; GRI 404-2	ESRS S1-15	—
	Employee Care and Talent Retention	GRI 401-1	ESRS S1-15	—
	Social Responsibility and Contributions	GRI 201-1; GRI 203-1; GRI 203-2	ESRS S3-1; ESRS S3-2; ESRS S3-4	—

SAJ