SUNGROW

2025 SUSTAINABILITY REPORT



About this Report

This Report is the 11th sustainability report publicly disclosed by Sungrow Power Supply Co., Ltd., with the aim of engaging in transparent communication with stakeholders regarding the Company's sustainability philosophy, specific actions, and performance. It systematically addresses the sustainability topics of concern to various stakeholders.

Reporting Period

This is an annual report covering the period from January 1, 2025, to December 31, 2025. Some content extends beyond the stated period. The previous report was published in April 2025.

Report Preparation Basis

The preparation of this Report complies with relevant standards including the Global Reporting Initiative *GRI Sustainability Reporting Standards* (2021 version), the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* (April 2024) (hereinafter referred to as the "SZSE *Guidelines*"), the *Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Board of the Shenzhen Stock Exchange – Sustainability Report Preparation* (January 2026) (hereinafter referred to as the "SZSE *Guidance*"), and the *International Financial Reporting Standards Sustainability Disclosure Standard No. 2 – Climate-related Disclosures* (IFRS S2), etc.

Report Scope

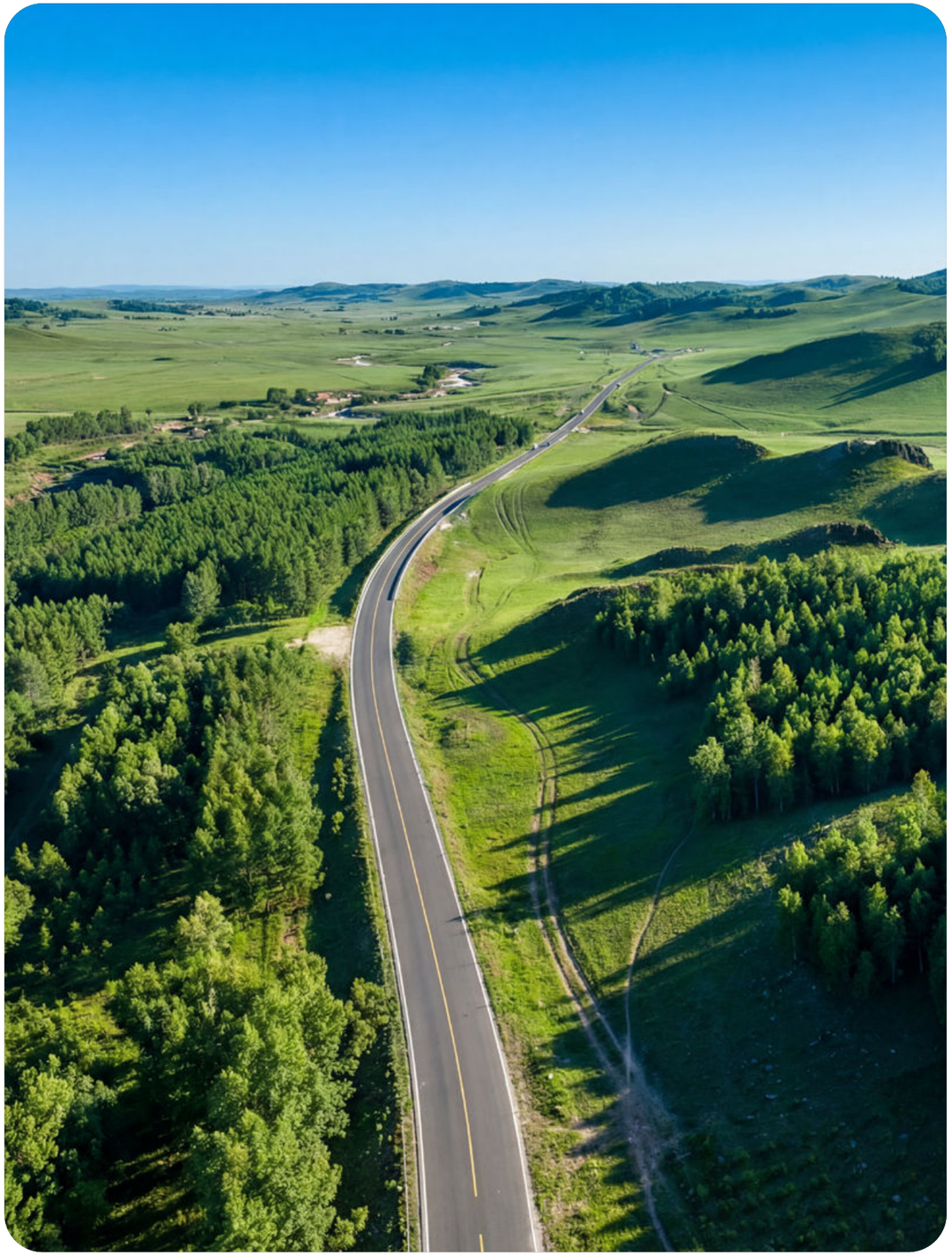
The scope of this Report includes Sungrow Power Supply Co., Ltd. and its controlled subsidiaries/units, consistent with the scope covered in the *2025 Annual Report of Sungrow Power Supply Co., Ltd.* (hereinafter referred to as the "*2025 Annual Report*").

Terminology Explanation

For ease of reference, Sungrow Power Supply Co., Ltd. is referred to as "Sungrow", "the Company" or "we" in the Report, as appropriate in the context.

Report Availability

This Report is compiled in Simplified Chinese and English. The electronic version can be downloaded from Sungrow's official website at https://www.sungrowpower.com/.



Company Name: Sungrow Power Supply Co., Ltd.

Mailing Address: 1699 Xiyou Road, High-tech Zone, Hefei, Anhui Province

Postcode: 230088

TEL: +86 551 65327877

E-mail: esg@sungrowpower.com

Chairman's Statement

In 2025, the Paris Agreement marked its tenth anniversary. Over the past decade, addressing climate change has gradually become a global consensus, yet the situation remains severe. As a major force in climate improvement, the development of clean energy continues to be uneven across different regions. This serves as a profound reminder: consensus is important, but pragmatic action is the real answer.

Sungrow focuses on core sectors such as solar energy, wind energy, energy storage, electric vehicles and charging, and hydrogen energy, striving to make clean energy more affordable, safer, and more user-friendly. By the end of last year, the cumulative global installed capacity of Sungrow's power electronic converters surpassed 1,000 GW, helping our clients avoid approximately 600 million tonnes of CO_2 emissions annually*. We continue to increase R&D investment and relentlessly innovate products and technologies, with over 11,000 patent applications to date. Breakthroughs have been made in our Full-Spectrum Holistic Grid-Forming technology for BESS, PV & Wind, with the launch of the world's first 400kW+ string inverter and the PowerTitan 3.0 energy storage system platform. Our SBH Residential ESS has passed the world's first large-scale fire test under UL 9540B. We honor our clients' trust by upholding the highest standards in everything we do.

From optimizing our own operations to collaborating across the supply chain, we take every tonne of carbon emissions seriously. The share of green electricity in our total consumption has risen to 79%, as we accelerate toward our 2028 operational carbon neutrality target. A total of 16 of our products have obtained carbon footprint certifications, and we continue to expand the scope of eco-design. We are moving at full speed to advance our digital transformation, completing over 280 digital projects and building more than 100 AI agents to enable transparent and efficient global operations, further reducing our corporate energy consumption. We are confronting the challenge of Scope 3 emissions directly, launching the "Green Power Accelerator" program with our partners to achieve supply chain carbon neutrality by 2038. Together with The Nature Conservancy (TNC) and the World Wide Fund for Nature (WWF), we have planted 400 mu of Sun Forest to support ecological improvement.

We value people and strive to make sustainable development tangible in people's lives. By cultivating an innovative, respectful, inclusive, and dynamic organizational culture, we foster cross-cultural integration and talent development within our global teams. Organizational Health Index has improved to 89%, with average training hours per employee exceeding 90 hours. Throughout the year, we provided over 2,500 hours of ESG training and exchanges for our partners. The Sungrow Foundation was established with donations exceeding RMB100 million. We launched the "Sungrow Action" public welfare program to bring green power and warmth to local communities. Our employees have volunteered more than 12,000 hours in total to give back to society.

Action is most valuable when taken step by step. We have fully utilized our campus spaces, installing a cumulative 42 MW of rooftop PV, including transparent PV panels on the skylights of employee dormitory atriums, making the most of every ray of sunlight. Over the past three years, we have established "weight" records for more than 25,000 materials, building a solid foundation for product carbon footprint accounting. Together with partners, we have recycled over 10,000 pallets to reduce packaging waste. Every small improvement is a force that sustains long-termism. Looking ahead, Sungrow will continue to uphold its mission of "clean power for all," working with global partners in mutual trust, mutual care, and connected coexistence, taking solid steps together toward a more sustainable future.

* Avoided CO_2 emissions are calculated based on the global average carbon intensity of power generation published by the International Energy Agency (IEA).



Cao Renxian
Chairman

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01

Entering Sungrow

About Sungrow

A Recap of 2025



About Sungrow

Sungrow Power Supply Co., Ltd. is a globally leading clean energy technology company specializing in the research, development, manufacturing, sales, and services of power conversion and supply solutions for renewable energy applications. Its core product portfolio includes photovoltaic inverters, energy storage systems, wind power converters and drive systems, electric vehicle control and power supply systems, charging infrastructure, and renewable energy-based hydrogen production equipment. The Company is also engaged in the investment and development of renewable energy power plants and has strategically expanded into power supply solutions for Artificial Intelligence Data Centers (AIDC).

Sungrow has been driving the advancement of clean power conversion technologies since its establishment in 1997. By strategically positioning itself across photovoltaic, wind power, energy storage, electric vehicles and charging infrastructure, as well as the hydrogen energy sectors, the Company continues to expand the application scenarios of renewable energy, enabling more innovative energy usage models and more user-friendly experiences. At present, the Company operates in over 100 countries and regions worldwide, with more than 20 international branches, four major manufacturing bases, and seven R&D centers. Its core products, including photovoltaic inverters and energy storage systems, maintain a leading position globally in terms of cumulative shipments. As of the end of December 2025, the Company has achieved over 1,000 GW of installed capacity of power electronic conversion equipment worldwide. In collaboration with its customers, this has enabled the avoidance of more than 600 million tonnes of carbon dioxide emissions annually.

Sungrow adheres to a market-oriented approach and regards technological innovation as the primary driver of its development. The Company has cultivated a highly experienced R&D team with strong independent innovation capabilities. Currently, R&D personnel account for approximately 40% of its workforce, and the Company has cumulatively filed more than 11,000 patent applications, making it one of the few companies in the industry to possess multiple core proprietary technologies. The Company has received numerous accolades, including “Global New Energy Enterprise Top 500”, “Forbes China's Top 50 Innovative Enterprises”, “Deloitte China Excellent Management Enterprise”, “Best Employer Brand for Globalized Enterprises”, and “MSCI ESG Rating AAA”. Its overall strength places it among the leading players in the global renewable energy power generation industry.

Looking ahead, Sungrow will uphold the mission of “Clean Power for All”. Anchored in the new energy equipment business, it will accelerate the development of clean energy systems and investment & construction business, innovatively expand new businesses in the field of clean power conversion technology, continuously align with customer needs, connect the green mission and jointly build sustainable value, and strive to build a trusted globally renowned brand.



Corporate Strategy

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

Value Proposition

Bridge to a sustainable future

Core Concept

Mission

Clean power for all

Vision

To be the global leader of clean energy conversion technology

Values

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



A Recap of 2025

Key accounting data and financial indicators over the past three years

Indicator	2025	2024	2023
Operating income (CNY)	89,184,357,325.77	77,856,966,964.63	72,250,674,939.46
Net profit attributable to shareholders of the Company (CNY)	13,461,279,955.37	11,036,278,921.36	9,439,561,800.25
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (CNY)	12,829,035,682.50	10,692,731,577.61	9,215,604,036.77
Net cash flows from operating activities (CNY)	16,917,778,579.11	12,068,326,644.66	6,981,838,977.28
Basic earnings per share (CNY/share)	6.55	5.32	4.55
Diluted earnings per share (CNY/share)	6.53	5.32	4.55
Weighted average return on equity	31.26%	33.99%	40.96%

Assets as of Year-End

Indicator	2025	2024	2023
Total assets (CNY)	118,679,392,074.17	115,073,771,122.86	82,876,506,727.57
Net assets attributable to shareholders of the Company (CNY)	46,610,878,177.03	36,905,064,146.23	27,705,218,364.40

RMB 89.18 billion

Operating Income

RMB 13.46 billion

Net Profit Attributable to Shareholders of the Company

Annual Sustainability Rewards

Sustainability Rewards and Recognitions

EcoVadis Sustainability Rating — Gold Medal
Ecovadis

AAA
MSCI ESG Rating

S&P Global *2026 Sustainability Yearbook*
S&P Global

Climate Change — B
CDP

Water Security — A-
CDP

AAA
Wind ESG

2026 Global Best Sustainable Growth Enterprise
TIME & Statista

2026 Global 100 Best Sustainable Corporations
No.1 in Electrical Equipment Manufacturing Industry
Corporate Knights

China ESG Top 50 List
Forbes China

2025 China ESG Influence List
Fortune

Climate Lighthouse Excellent Case Award
Shanghai Climate Week

Annual Low-Carbon Pioneer Enterprise
Southern Weekly

Annual Outstanding Responsible Enterprise
Southern Weekly

Golden Responsibility Award: Annual Sustainable Development Award
Sina Finance

Best Environmental Responsibility Award
Sina Finance

Sustainable Brand Model Award
Huxiu

ESG Disclosure Award
Huxiu

Employer Brand-Related Rewards and Recognitions

Great Place to Work
Great Place to Work®
In 2025, all global branches of Sungrow received this award, including Poland, India, Israel, Spain, the United States, China, South Korea, Germany, Australia, South Africa, the UAE and Italy

Best Place to Work 2025
The Sunday Times
Sungrow Power UK limited

Best Companies to Work For in Asia
HR Asia

Happy Workplace Grand Award
Employer Brand Research Institute

Most Influential Employer Overseas Grand Award
Lockin U & GUCCU

Top company 2025
Kununu

Top Gehalt 2025
Kununu

Most Wanted Employer Award 2025
Zeit Verlags

Belonging Award
Employer Brand Research Institute

Best Employer Brand Short Video Award
Employer Brand Research Institute

Annual Best Employer
Forbes China

Annual Best ESG Practice Employer
Forbes China

HR AI Practice Excellence Award
Moka & HR Flag

Global Talent Attraction Employer Award
LinkedIn

Star Leap Award - Best Employer Brand
Kenexa

Best Social Responsibility Employer Award
Zhaopin

* https://recognition.ecovadis.com/tjJzv8fMVk-ZkZJxEHPPzQ

02

Sustainability Management

Sustainability Governance
Sustainability Strategy
Sustainability Strategic Objectives and Progress
Materiality Assessment



Sustainability Management

Given the integrated nature of sustainability management, the Company has consolidated disclosures on its overall governance structure and management strategies within this section. For specific management approaches related to individual topics, please refer to the respective sections, as detailed below:

Governance

The overall sustainability governance structure of the Company is detailed in the “Sustainability Governance” section.

The governance structure for each topic is detailed in the corresponding chapter.

Strategy

The analysis of impacts, risks, opportunities for relevant topics is comprehensively disclosed in the “Materiality Assessment” section, with specific details referenced in the corresponding chapters.

Impacts, Risks and Opportunities Management

The management processes and measures for impacts, risks and opportunities of the relevant topic are detailed in the corresponding chapters.

Metrics and Targets

The management indicators and 3-year consecutive performance of relevant topics are detailed in the “Sustainability Performance Tables”.

The sustainability strategic objectives and 2025 progress are detailed in the “Sustainability Strategic Objectives and Progress” section.

Sustainability Governance

Sungrow upholds the concept of sustainable development and continuously improves its related governance framework. At the board level, the Company has established a Strategy and Sustainability Committee. In 2024, the Company has set up the ESG Development Center, which is responsible for implementing the ESG governance objectives defined by the Strategy and Sustainability Committee. Under the guidance of the Sustainability Management Office, the ESG Development Center coordinates the formulation of policies, the setting of targets, and the implementation of initiatives across the Company's ESG domain.

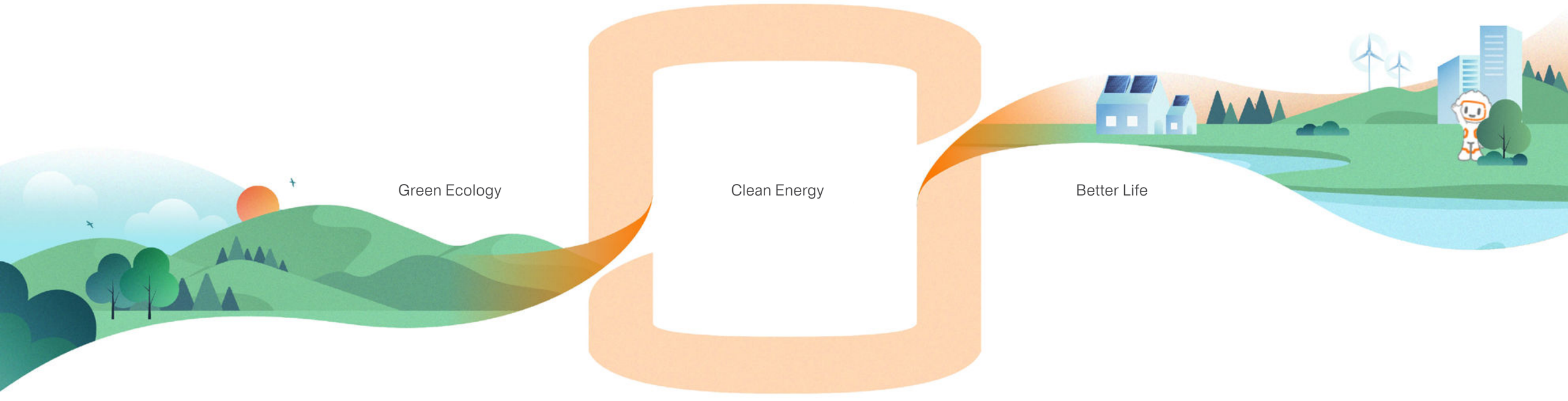
Sustainability Governance Responsibilities

Governance Level	Composition	Responsibilities
Strategy and Sustainability Committee	Directors of the Board	• Makes decisions on and approves the Company's sustainability strategy, ensuring alignment with the Company's long-term development strategy; • Reviews and approves the Company's sustainability policies, targets, and key performance indicators (KPIs), and oversees their implementation; • Monitors the identification, assessment, and management of the Company's material ESG risks and opportunities; • Approves the Company's annual sustainability report and other significant ESG disclosures.
Sustainability Management Office	Senior Management of Business Divisions/Functional Centers	• Reviews the Company's sustainability strategy, targets, policies, and material topics, and reports to the Strategy and Sustainability Committee; • Examines the assessment results of material ESG risks and opportunities, and coordinates relevant departments in developing response measures; • Reviews the Company's annual sustainability report to ensure its completeness and accuracy; • Monitors the Company's ESG performance and provides recommendations for improvement; • Promotes consistent implementation of the sustainability strategy across all levels of the Company and coordinates ESG-related work among departments. • Mr. Chen Wei serves as Director of the Sustainability Management Office and General Manager of the ESG Development Center. He is responsible for advancing and executing the Company's ESG strategic objectives. His key responsibilities include overseeing the Company's mid- to long-term ESG strategic planning and annual priorities, supervising the operation of the ESG risk and opportunity assessment system and making decisions on major risk responses, reviewing core content such as sustainability reports, and fostering the integration of sustainability principles into the organizational culture, while enhancing ESG awareness and capabilities across all employees.
ESG Development Center	Members of ESG Development Center	• Coordinates the formulation of the Company's sustainability strategic objectives, mid- to long-term plans, management policies, and performance targets; • Establishes an ESG risk and opportunity assessment system, identifies material ESG topics and major risks, and provides recommendations for mitigation; • Drives the implementation of the sustainability strategy and related targets, evaluates performance outcomes, and proposes improvements; • Monitors global sustainability trends, organizes ESG-related training, and shares best practices to continuously enhance the Company's overall ESG awareness and capabilities; • Manages ESG stakeholder relationships, improves ESG performance, and strengthens the Company's sustainability impact; • Develops and optimizes the ESG digital platform to systematically manage ESG-related metrics.
Sustainability Implementation Working Group	Representatives of Various Business Divisions/Functional Centers	• Implements the Company's sustainability strategic plans within their respective business areas, refines relevant departmental sustainability policies, and drives the achievement of targets; • Identifies, assesses, and manages ESG risks within their business scope, and promptly reports significant risks to the ESG Development Center; • Regularly collects and analyzes ESG-related data, and reports on ESG performance progress; • Supports ESG information disclosure, project implementation, and stakeholder engagement activities; • Identifies and promotes ESG best practices, organizes and participates in training sessions, and facilitates experience sharing and continuous improvement across departments.

Sustainability Strategy

Sungrow upholds the mission of "Clean Power for All" and strives to co-create lasting value with its stakeholders. The Company embraces the sustainability philosophy of "Green Mission, Better Life," connecting clean energy with a greener ecosystem and improved quality of life. It has defined five strategic objectives — "Governance Excellence, Net-Zero Transition, Eco-Harmony, Mutual Prosperity, and Equity & Inclusion"—and uses material topics as a solid foundation to advance ESG practices. In doing so, the Company aligns with the United Nations Sustainable Development Goals closely relevant to its business, pursuing a harmonious balance between commercial value and societal impact.

Under the guidance of its sustainability philosophy, the Company continuously optimizes its sustainability governance framework. The ESG Development Center coordinates the advancement and implementation of ESG strategies, systematically carrying out initiatives around the five strategic objectives: Governance Excellence, Net-Zero Transition, Eco-Harmony, Mutual Prosperity, and Equity & Inclusion. The Company has comprehensively updated its sustainability strategic objectives toward 2030 to continuously enhance their comprehensiveness and forward-looking nature. At the same time, the Company has established the *ESG Management Regulations* and the *ESG Metrics and Data Management Procedures*, and has prepared 28 ESG-related policy documents covering global business units, including those in Europe and Thailand, thereby continuously improving its ESG management system.



The Company actively promotes a sustainability-oriented culture, striving to foster an organizational environment where "ESG is integrated into operations and everyone participates." In 2025, the Company launched the Sungrow ESG service account on its internal office platform, published 16 ESG-related articles throughout the year, and organized eight ESG-related events, including Earth Day and Environment Day, to enhance ESG awareness and capabilities across all employees. In addition, the Company initiated the "Sustainability in Numbers" series, producing eight online and offline sessions in collaboration with partners, employees, and nonprofit organizations to showcase stories behind ESG data, highlighting actions taken by Sungrow and its partners to implement sustainability principles. The Company also launched the "ESG Innovation Workshop" project, conducting 13 ESG strategy seminars across its centers, business units, and subsidiaries, empowering over 700 key employees and establishing a full-chain ESG action network.

In 2025, the Company completed the upgrade of its ESG data platform, enhancing functionalities for material topic management, ESG data governance, performance target management, and ESG report preparation. The platform integrates multiple internal systems, including BPM, EMS, and iCarbon, significantly increasing the rate of automated data collection, breaking down data silos, and enabling the consolidation of ESG data across different business units. The new ESG management platform provides a one-stop solution for data collection, process management, data analysis, and decision support, successfully establishing a digital hub covering the full ESG process. This platform continues to empower the Company's sustainability transformation and create long-term value.

The Company actively participates in the development of industry ESG standards, aiming to contribute its professional expertise. It has already released standards such as the *Green Product Evaluation: Photovoltaic Modules and Inverters* and the *Quantification Methods and Requirements for Product Carbon Footprints of Greenhouse Gases: Inverters*, with an additional eight standards currently under development.

ESG strategy seminars
13

ESG-related policy documents
28

Empowering key employees
700+



Sustainability Strategic Objectives and Progress

Sungrow established specific objectives and indicators based on its sustainability strategy in 2023. To better align with business development needs and global sustainability trends, the Company updated and optimized these strategic objectives in 2025.

Governance Excellence

Original Indicators (2023)	Completion Status	Upgraded Indicators (2025)	Baseline Year Performance	2025 Progress	Quantifiable Target
Establish a robust sustainability governance structure by 2025.	Completed	/	The sustainability governance framework operates steadily, with all levels continuously overseeing and implementing ESG-related initiatives, thereby enhancing the Company's sustainability management capabilities.		
Link the compensation of all senior executives to ESG performance by 2025.	Completed	Link 10% of the annual variable compensation for all senior executives to the Company's sustainability objectives.	For all senior executives, 10% of their annual variable compensation is linked to the Company's sustainability objectives and is subject to corresponding performance evaluations.		
Build a comprehensive risk management system, achieve ISO 37301 certification, and improve the systematic compliance management framework.	Completed	By 2030, achieve full coverage of the compliance management system at core operational sites, integrate the global compliance management system, ensure sustainable business operations.	In 2025, the ISO 37301 certification was expanded to cover data compliance & information security, as well as fair competition & anti-monopoly fields.		
Increase the diversity of the backgrounds of board members.	Ongoing	Increase the diversity of the backgrounds of board members, with the proportion of independent directors not less than one-third.	The Company continuously improves the governance level of board members, with the proportion of independent directors reaching 37.5%.		
Maintain zero major cybersecurity incidents and data breaches and achieve 100% coverage of information security training.	Target achieved and maintained	Maintain zero major cybersecurity incidents and data breaches, achieve 100% coverage of information security training, ensuring continuous and transparent disclosure of cybersecurity-related information.	In 2025, the coverage rate of information security training reached 100%, with zero major information security leakage incidents. The Company publicly released the *Cybersecurity White Paper for the European Renewable Energy Sector* and the *Cybersecurity and Privacy Protection Policy*.		
Conduct business ethics audits across all operating units at least once every three years.	Target achieved and maintained	Conduct business ethics audits at all operating units at least once every three years, and regularly conduct due diligence at key operating sites.	The Company conducted business ethics audits at all operating sites during 2024-2025.		
Foster a culture of integrity and compliance, achieving 100% coverage for employee compliance, integrity, and business ethics training.			In 2025, the coverage rate of employee compliance, integrity, and business ethics training has reached 100%.		
Comply with international conventions and local laws and regulations, and promote employees and partners to fulfill environmental responsibilities and human rights obligations.			The Company continuously improves its human rights and environmental due diligence system, has established a supply chain due diligence policy, and ensures that all suppliers undergo due diligence.		
/		By 2030, establish a comprehensive ESG risk management system, achieve 100% identification of major ESG risks, and ensure a closed-loop resolution rate of over 90% for medium-to-high risks.	The Company has established an ESG risk management mechanism, achieving 100% identification of major ESG risks and 100% closed-loop resolution of medium-to-high risks.		

Net-Zero Transition

Original Indicators (2023)	Completion Status	Upgraded Indicators (2025)	Baseline Year Performance	2025 Progress	Quantifiable Target
By 2028, achieve carbon neutrality at the operational level (Scope 1+2).			Scope 1+2 emissions of 2025: 45,817 tCO_2e		
By 2038, achieve carbon neutrality across the supply chain (Scope 1+2+3).			Scope 1+2+3 emissions of 2025: 9,909,739 tCO_2e		
By 2048, achieve net zero across the supply chain (Scope 1+2+3).			Scope 1+2+3 emissions of 2025: 9,909,739 tCO_2e		
By 2028, achieve 100% renewable electricity consumption for global production and operations.			2020: 23%	79%	2028: 100%
By 2028, reduce absolute Scope 1+2 emissions by 70% compared to the 2023 level.			2023: 46,802 tCO_2e	45,817 tCO_2e	2028: 14,040 tCO_2e
By 2028, obtain organizational carbon inventory data from 260 suppliers.			2023: 34	182	2028: 260
By 2028, provide product carbon footprint data for 330 material items, covering high-emission materials.			2023: 35	142	2028: 330
By 2028, complete energy management system rollout with a minimum 35% increase in energy productivity compared to the 2018 level.			2018: 241,200 RMB/MWh	311,200 RMB/MWh	2028: 325,600 RMB/MWh
By 2025, reduce energy consumption per unit of product production by at least 10% compared to the 2020 level.	Completed	By 2030, reduce energy consumption per unit of product production by 5% compared to the 2025 level.	2025: 0.0851 kgce/kW	0.0851 kgce/kW	2030: 0.0808 kgce/kW
/		By 2030, work with customers to avoid 800 million tons of CO_2 emissions globally per year.	2025: 600 million tons		2030: 800 million tons

Eco-Harmony

Original Indicators (2023)	Completion Status	Upgraded Indicators (2025)	Baseline Year Performance	2025 Progress	Quantifiable Target
Achieve 100% coverage of the ISO 45001 system by 2025 Achieve 100% coverage of the ISO 14001 system by 2025	Not Completed[1]	/	2020: 50%	90%	2025: 100%
	Completed	/	2020: 50%	100%	2025: 100%
By 2025, reduce water consumption per unit of product by 40% compared to the 2020 level.	Not Completed[2]	By 2030, reduce water consumption per unit of product by 10% compared to the 2025 level.	2025: 0.53 kg/kW	a decrease of 29% compared to 2020	2030: 0.48 kg/kW
By 2025, increase the industrial waste recycling rate to 70%.	Completed	By 2030, achieve and maintain a 95% resource utilization rate for non-hazardous waste	2025: 91%	91%	2030: 95%
By 2025, reduce VOC emissions per unit of product by 30% and particulate matter emissions by 75% compared to the 2020 level.	Completed	By 2030, reduce VOC emissions per unit of product by 10% compared to the 2025 level.	2025: 30.27 kg/GW	a decrease of 62% compared to 2020	2030: 27.24 kg/GW
		By 2030, reduce particulate matter emissions per unit of product by 10% compared to the 2025 level.	2025: 20.18 kg/GW	a decrease of 81% compared to 2020	2030: 18.16 kg/GW
Complete Life Cycle Assessment for all core products currently on the market.	Ongoing	Complete Life Cycle Assessments for all core products currently on the market; establish an eco-design standard system by 2028 and apply it across all new product development processes.	The Company has completed product carbon footprint accounting for 39 products, with 16 products achieving ISO 14067 certification. Additionally, 11 products have obtained Environmental Product Declarations (EPDs), and eco-design pilot programs have been launched for two specific products.		
/		Improve end-of-life product lifecycle management and optimize the global recycling management mechanism	The Company conducts EPR registration in accordance with regulatory requirements, and cooperates with third-party institutions to recycle inverters and energy storage products.		
Fulfill environmental obligations by ensuring the harmless collection, storage, treatment, and disposal of wastewater. Maintain a 100% compliance rate for hazardous waste disposal and achieve zero environmental pollution incidents.			100% compliance rate for hazardous waste disposal and zero environmental pollution incidents.		
Comply with hazardous substance regulations,enhance monitoring and testing capabilities, and phase out materials containing potential hazardous substances.			The Company continuously optimizes the hazardous substance detection and monitoring system to ensure full supply chain compliance—from raw materials to finished products—with international hazardous substance regulations. The Company achieved an 86.8% signing rate for supplier hazardous substance restriction requirements.		
Establish a biodiversity impact monitoring system and conduct regular ecological surveys and assessments.			The Company continuously improves biodiversity-related policies and conducts biodiversity risk assessments and management. During the reporting period, none of the Company's operating sites were located within Ecological Protection Redline areas.		

1 The ISO 45001 system certification for the India factory is in progress and is expected to be obtained in 2026.

2 During the reporting period, water consumption per unit of product increased due to an expansion of the statistical scope and the commissioning of new production facilities.

Mutual Prosperity

Original Indicators (2023)	Completion Status	Upgraded Indicators (2025)	Baseline Year Performance	2025 Progress	Quantifiable Target
By 2028, conduct due diligence on 100% of suppliers			2023: 100%	100%	2028: 100%
By 2028, perform ESG audits on 80% of suppliers			2023: 50%	36.06%	2028: 80%
By 2028, achieve a 98% ESG audit coverage for new suppliers			2023: 50%	84.09%	2028: 98%
Promote business ethics across the supply chain and achieve a 98% signing rate for the *Supplier Code of Conduct* by 2028.			2023: 96.79%	99.21%	2028: 98%
Drive ESG performance improvements among suppliers, targeting certification rates of 98% for ISO 9001 across the supply chain by 2028.			2023: 88.87%	97.30%	2028: 98%
Drive ESG performance improvements among suppliers, targeting certification rates of 85% for ISO 14001 across the supply chain by 2028.			2023: 66.17%	80.03%	2028: 85%
Drive ESG performance improvements among suppliers, targeting certification rates of 70% for ISO 45001 across the supply chain by 2028.			2023: 53.32%	67.24%	2028: 70%
Commit to not sourcing conflict minerals and conduct due diligence on conflict minerals	Ongoing	Commit to not sourcing conflict minerals and conduct due diligence on conflict minerals.	The Company conducted conflict minerals due diligence on 298 suppliers. Zero revenue was generated from products containing conflict minerals.		
By 2025, achieve and maintain a customer satisfaction rate of 93%.	Completed	By 2028, achieve and maintain a customer satisfaction rate of 93.5%.	In 2025, the customer satisfaction rate has reached 94.68%.		
/		By 2030, promote 100 suppliers to set carbon reduction plans.	The Company promoted suppliers to set carbon reduction plans in 2025.		
Continuously support customers in mitigating negative environmental and social impacts within their supply chains.			The Company continuously conducts environmental and social impact assessments and improvements across its own operations and supply chains to mitigate negative environmental and social impacts.		
Strengthen resource recycling and collaborate with the supply chain to promote green product design, increasing the use of renewable materials in products and packaging to support a circular economy.			The Company launched two eco-design pilot projects, establishing an initial internal database of low-carbon design cases and formalizing eco-design workflows. Moving forward, the Company plans to progressively integrate eco-design indicators into the integrated product development processes.		

Equity & Inclusion

Original Indicators (2023)	Completion Status	Upgraded Indicators (2025)	Baseline Year Performance	2025 Progress	Quantifiable Target
By 2025, achieve a proportion of 22% female employees.	Not Completed[3]	/	2020: 16.9%	19.00%	2025: 22%
By 2025, achieve a proportion of 15% female managers.	Completed	By 2030, achieve a proportion of 20% female managers.	2025: 16.85%	16.85%	2030: 20%
By 2025, achieve a cumulative total of 2,500 registered volunteers and 12,000 hours of employee community service.	Completed	By 2030, achieve a cumulative total of 6,000 registered volunteers and 25,000 hours of employee community service.	2025: 4,166 volunteers / 12,637 hours	4,166 volunteers 12,637 hours	2030: 6,000 volunteers / 25,000 hours
From 2022, build 5 habitat restoration sites within 5 years, with a total planting scale of 500 mu.	Ongoing	By 2030, expand the planting scale of Sun Forest to 1,000 mu.	2025: 400 mu	400 mu	2030: 1,000 mu
By 2028, achieve a 100% occupational health and safety training coverage rate and maintain zero workplace casualties.	Completed	By 2028, achieve a 100% occupational health and safety training coverage rate, maintain zero workplace fatal accidents, reduce the LTIFR to 0.5, with this level maintained thereafter.	In 2025, occupational health and safety training coverage rate was 100%, zero workplace fatalities occurred, and the LTIFR reached 0.25.		
By 2025, reduce the LTIFR to 0.94 and sustain this level.	Completed	The target is combined with the occupational health and safety training target.	0.25		
Increase social contribution and investment in key areas, including ecological environmental protection, community development, educational support, and emergency disaster relief.			The Company established a public welfare foundation in 2025, continuously increased public welfare investment, with charitable donation expenditure exceeding RMB20 million.		
Maintain employee diversity, continuously create an equal and inclusive work atmosphere, and keep the localized employment rate at 97% or above.			In 2025, the Company reached a localized employment rate of 98%.		
Maintain a 100% employee training coverage rate and continuously improve the quality of global training and multi-level leadership training.			In 2025, the employee training coverage rate was 100% and the Company comprehensively enhanced composite leadership and professional depth.		

3 Production expansion has led to increased workforce, particularly male employees; The Company will continue monitoring and disclose progress transparently.

Factors Linked to Executive Compensation

To ensure deep integration of the sustainability strategy with business management, each department sets annual ESG targets aligned with the strategic objectives, and the ESG Development Center regularly monitors progress on these targets across the business. 10% of all senior executives' annual variable compensation is linked to the Company's corresponding sustainability goals (examples are listed as follows). At the same time, the Company has established a tiered performance evaluation mechanism tied to compensation, whereby departmental ESG objectives cascade down to organizational performance, and ESG assessments are incorporated into the performance evaluations of leaders at all levels and key positions.

Corporate Governance

Increase the diversity of the backgrounds of board members, with the proportion of independent directors not less than one-third.

Responding to Climate Change

By 2028, achieve carbon neutrality at the operational level (Scope 1+2) and reduce absolute Scope 1+2 emissions by 70% compared to the 2023 level.

Energy Management

By 2028, achieve 100% renewable electricity consumption for global production and operations.

Product Life Cycle Management

Complete life cycle assessments for all core products currently on the market; establish an eco-design standard system by 2028 and apply it across all new product development processes.

Environmental Compliance Management

Fulfill environmental obligations by ensuring the harmless collection, storage, treatment, and disposal of wastewater. Maintain a 100% compliance rate for hazardous waste disposal and achieve zero environmental pollution incidents.

Employee Training and Development

Maintain a 100% employee training coverage rate and continuously improve the quality of global training and multi-level leadership training.



Materiality Assessment

Sungrow, in accordance with the *SZSE Guidelines* and *the SZSE Guidance* and related documents on the assessment of the materiality of sustainability topics, and with reference to standards from organizations such as GRI and the Sustainability Accounting Standards Board (SASB), applies the principle of double materiality. The Company considers, for impact materiality, both the "severity of impact" and the "likelihood of impact," and for financial materiality, both the "likelihood of occurrence" and the "extent of financial impact" in its materiality analysis. Sungrow integrates double materiality assessment into its risk management process, establishes risk monitoring and response mechanisms based on the assessment results, develops mitigation measures for major ESG risks, and incorporates the relevant information into corporate decision-making and governance processes, ensuring comprehensive and forward-looking risk management.

Materiality Assessment Process

With reference to global sustainability information disclosure standards, Sungrow has identified and summarized 21 topics through routine and ongoing communication with stakeholders, which are disclosed in this Report.

01

Understand Company Activities and Business Background

Analyze the Company's value chain and global sustainability information disclosure standards, understand the sustainability background of the Company, and identify and understand the relevant stakeholders.

02

Establish a Topic List

Combined with the Company's actual situation and stakeholder communication, conduct preliminary identification and screening of relevant sustainability topics, and analyze the actual and potential impacts, risks and opportunities related to sustainability topics.

03

Assessment and Confirmation of Topic Materiality

According to the *SZSE Guidance*, if the disclosing entity's own business model or the policy environment and natural environment it faces have not undergone major changes, it is not necessary to carry out identification and analysis of material topics every year. In 2025, based on the topics identified in the previous year, the Company adjusts the materiality of topics after internal and external expert seminars, combined with business development and global sustainable development trends.

Impact Materiality Assessment >

Conduct stakeholder communication through questionnaire surveys, evaluate from two dimensions: "severity of impact" (scale, scope and irreversibility of impacts) and "likelihood of impact", and refer to internal and external expert opinions to form the impact materiality assessment results.

Financial Materiality Assessment >

Conduct communication with senior executives and relevant personnel of the sustainability team through questionnaire surveys, evaluate from two dimensions: "likelihood of occurrence" and "extent of financial impact", and refer to internal and external expert opinions to form financial materiality assessment results.

Consolidation of Double Materiality Results >

After normalization calculation of the impact materiality and financial materiality matrices, form a double materiality matrix.

04

Topic Reporting

Upon review and confirmation by the Company's Board of Directors, the topics with relatively high materiality for 2025 are disclosed on a priority basis in this Report.

Stakeholder Communications

The Company conducts ongoing stakeholder engagement. The stakeholders involved include but are not limited to: investors, employees, customers, suppliers, regulators, community residents, NGOs, the media, consulting institutions, the Company's senior executives, and key personnel involved in the Company's sustainability affairs.

Shareholders/Investors

Key Topics

1.Sustainable profitability
2.Corporate governance
3.Sustainable supply chain
4.Responding to climate change
5.Employee rights

Communication Methods

1.Annual reports, interim reports, and announcements (regularly)
2.Shareholders' meetings (three times during the reporting period)
3.Earnings briefings (regularly)
4.Investor meetings (irregularly)
5.Feedback channels via phone and email (in real time)

Clients and Consumers

Key Topics

1.Customer health and safety
2.Product quality and safety
3.Cybersecurity and Privacy Protection
4.Customer relationship management
5.Sustainable supply chain

Communication Methods

1.Customer meetings (irregularly)
2.Customer satisfaction surveys (once during the reporting period)
3.Global service network (in real time)
4.Exhibitions, forums, conferences, and similar events (irregularly)
5.Website and social media channels (in real time)

Suppliers/Distributors/Contractors

Key Topics

1.Sustainable supply chain
2.Business ethics
3.Responding to climate change
4.Product quality and safety

Communication Methods

1.Procurement activities (in real time)
2.Website and social media (in real time)
3.Partner conferences (once during the reporting period)
4.Training and assessment (irregularly)
5.ESG audits (irregularly)

Employees

Key Topics

1.Employee employment and rights
2.Occupational health and safety
3.Employee training and development

Communication Methods

1.Staff Representative Assembly (once during the reporting period)
2.Employee training (irregularly)
3.Employee satisfaction survey (once during the reporting period)
4.WeChat cultural groups (in real time)
5.Sungrow Voice Book and Warm Sun and Breeze Forum (in real time)
6.Low-carbon promotion (irregularly)

Government/Regulatory Authorities

Key Topics

1.Compliance and risk management
2.Supporting local economic development
3.Public welfare and volunteer activities
4.Corporate governance
5.Energy management
6.Environmental management

Communication Methods

1.Daily communication and reporting (in real time)
2.Special research and on-site meetings (irregularly)
3.Meetings and forum exchanges (irregularly)
4.Standard and policy formulation, and feedback (irregularly)
5.Website and social media (in real time)

NGO/International Organizations/Professional Institutions

Key Topics

1.Responding to international initiatives
2.Contribution to the SDGs
3.Contribution to the economy, environment and society

Communication Methods

1.Forums, conferences and other events (irregularly)
2.Sustainable development cooperation projects (irregularly)
3.Visitor reception and interviews (irregularly)

Community

Key Topics

1.Supporting local economic development
2.Rural revitalization
3.Mitigating negative impacts on the community
4.Public welfare and volunteer activities
5.Energy conservation and emission reduction

Communication Methods

1.Visits and on-site research (irregularly)
2.Feedback channels (in real time)
3.Website and social media (irregularly)
4.Public welfare and volunteer activities (regularly)

Media/Opinion Leaders/Industry Associations

Key Topics

1.Driving industry development
2.Responsible marketing
3.Information transparency and openness

Communication Methods

1.Forum events (irregularly)
2.Visitor reception and interviews (irregularly)
3.Website and social media (in real time)

Due Diligence

The Company continuously improves its management system for sustainability-related impacts, risks, and opportunities, systematically identifying, analyzing, and managing sustainability-related risks, and regularly conducting due diligence. The Sustainability Implementation Working Group is responsible for overall coordination of topics, process alignment, and results consolidation, while each business and functional department, according to its responsibilities, identifies risks and opportunities, provides relevant information, and develops and optimizes management measures.

The Company, focusing on its operational activities and key value chain stages, and referring to the strategic planning cycle defined in its *Strategic Planning Management Procedures*, identifies actual and potential opportunities, impacts, and risks associated with its activities, products, and services for material sustainability topics over the short term (within 1 year, inclusive), medium term (1 to 5 years, inclusive), and long term (over 5 years).

For the identified material negative impacts and risks, the Company assigns responsible departments and develops and implements targeted control and mitigation measures, including setting remediation requirements, improving policies and procedures, strengthening process controls, advancing specific improvement projects, and continuously monitoring key indicators, with the relevant results incorporated into the Company's risk management and business decision-making.

For topics with dual materiality, their sustainability-related impacts, risks, and opportunities, as well as current and expected financial implications, are detailed in the Strategy section of the corresponding topic. The Company continuously measures the financial impacts of material risks and opportunities and will gradually present them in a more quantitative manner in the future.

Sungrow 2025 Sustainability-related Impacts, Risks and Opportunities

Topic	Impact Type	Affected Stakeholders	Risk/Opportunity Type	Time Horizon			Value Chain Stages with Concentrated Risks and Opportunities		
				Short -term	Medium -term	Long -term	Upstream	Own operations	Downstream
Corporate Governance	Actual positive impacts, potential negative impacts	Shareholders/Investors, Government/Regulatory Authorities	Policy and regulatory risks	●	●	●		○	
Business Ethics	Actual positive impacts, potential negative impacts	Shareholders/Investors, Suppliers/ Distributors/Contractors	Policy and regulatory risks	●	●	●	○	○	
Compliance and Risk Management	Actual positive impacts, potential negative impacts	Shareholders/Investors, Government/ Regulatory Authorities	Reputational opportunities, policy and regulatory risks	●	●	●		○	
Responding to Climate Change	Actual positive impacts, potential negative impacts	Shareholders/Investors, Suppliers/ Distributors/Contractors, Clients, Community	Policy and regulatory opportunities, market opportunities, product and service opportunities, physical risks, policy and regulatory risks, technical risks, market risks, and reputational risks.	●	●	●	○	○	○
Energy Management	Actual positive impacts	Government/Regulatory Authorities, Clients, Community	Resource efficiency opportunities, policy and regulatory risks, operational risks	●	●	●		○	
Water Resource Management	Actual positive impacts, potential negative impacts	Community	Resource efficiency opportunities	●	●	●		○	
Pollutant and Waste Management	Actual positive impacts, potential negative impacts	Suppliers, Clients	Resource efficiency opportunities, policy and regulatory risks		●	●	○	○	
Environmental Compliance Management	Actual positive impacts, potential negative impacts	Government/Regulatory Authorities, Suppliers, Clients, Community	Policy and regulatory risks		●	●	○	○	
Product Lifecycle Management	Actual positive impacts	Suppliers, Clients	Market opportunities	●	●	●	○	○	○
Ecosystem and Biodiversity Protection	Potential positive impacts	Clients, Community	Policy and regulatory risks		●	●	○	○	○
Circular Economy	Potential positive impacts	Suppliers, Clients	Resource efficiency opportunities		●	●	○	○	○
Employee Employment and Rights	Actual positive impacts, potential negative impacts	Shareholders/Investors, Employees	Product and service opportunities, technical risks, reputational risks		●	●		○	
Occupational Health and Safety	Potential negative impacts	Employees	Policy and regulatory risks		●	●		○	
Employee Training and Development	Actual positive impacts	Employees	Product and service opportunities	●	●	●		○	
Public Welfare and Community Engagement	Actual positive impacts	Community, Government/Regulatory Authorities	Market opportunities		●	●		○	○
Product Quality and Safety	Actual positive impacts, potential negative impacts	Suppliers/Distributors/ Contractors, Clients	Market risks, market opportunities	●	●	●	○	○	○
Customer Relationship Management	Actual positive impacts, potential negative impacts	Clients	Product and service opportunities, market risks	●	●	●	○	○	○
Cybersecurity and Privacy Protection	Actual positive impacts, potential negative impacts	Suppliers, Clients	Product and service opportunities, policy and regulatory risks, technical risks	●	●	●	○	○	○
Digitalization	Actual positive impacts	Clients, Suppliers	Technical opportunities		●	●	○	○	○
Sustainable Supply Chain	Actual positive impacts, potential negative impacts	Shareholders/Investors, Suppliers/ Distributors/Contractors, Clients	Market risks, market opportunities		●	●	○	○	○
R&D and Innovation	Actual positive impacts	Suppliers, Clients	Market opportunities	●	●	●	○	○	○

Assessment Results

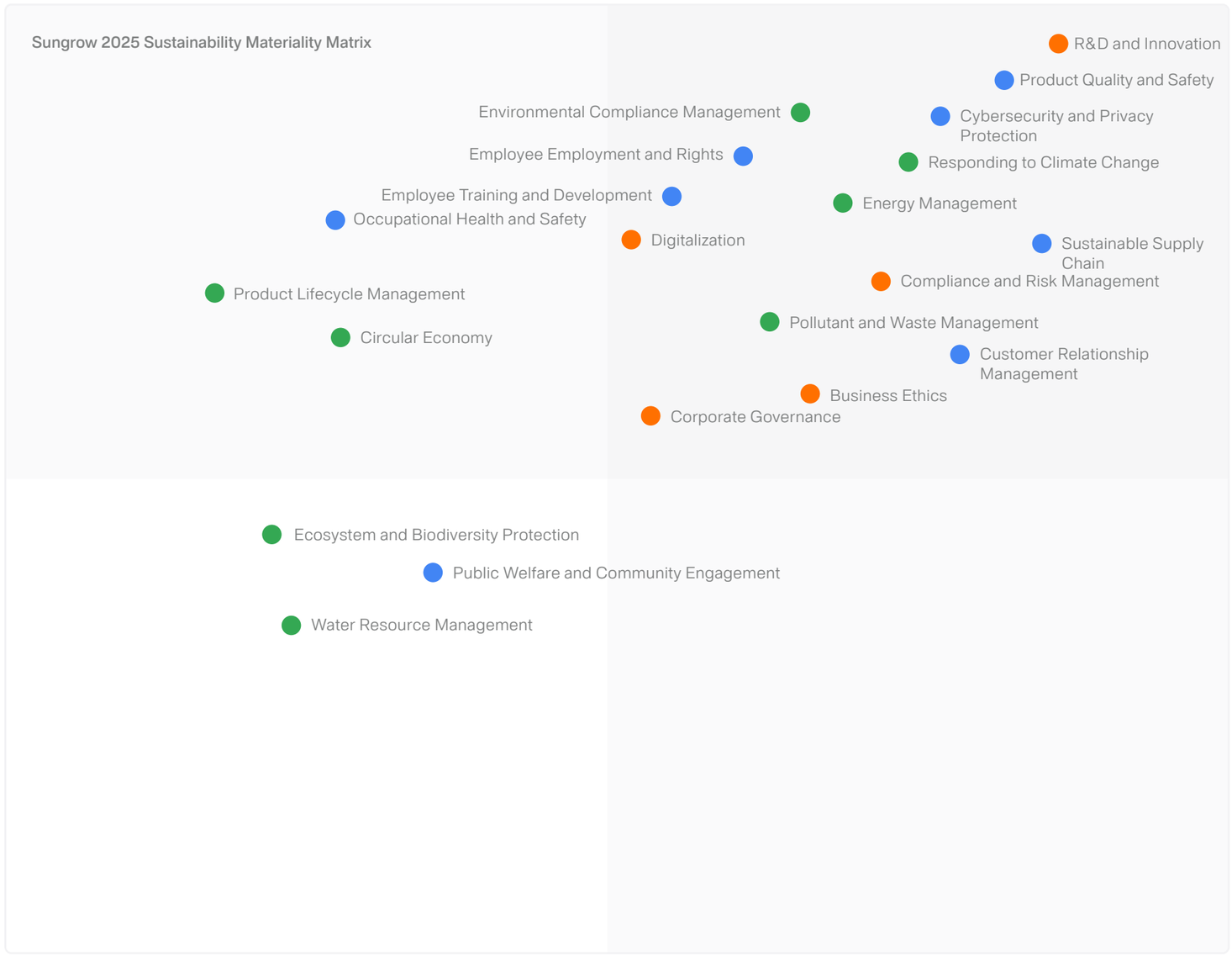
Based on the combined results of impact materiality analysis and financial materiality analysis, the Company has identified 21 relevant topics, including 15 topics of double materiality, 3 topics material of impact materiality, and 3 topics that are not considered material.

Compared with the previous year, topics such as R&D and innovation and product quality and safety remain highly material. At the same time, guided by its development strategy and global sustainability trends, the Company has further elevated the materiality of topics such as digitalization and cybersecurity and data privacy.

Including

15 topics

of double materiality



Note:

"🟠" indicates governance topics,

"🟢" indicates environmental topics,

"🔵" indicates social topics.

03

Governance Excellence

Corporate Governance

Business Ethics

Compliance and Risk Management

R&D and Innovation

Digitalization

Corporate Governance

Sungrow complies with the *Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, Code of Corporate Governance for Listed Companies, Administrative Measures on the Disclosure of Information of Listed Companies, Guidelines for the Work of Investor Relations Management of Listed Companies, Guidelines for Articles of Association of Listed Companies, Guidelines for the Regulation of Listed Companies No. 10—Market Value Management, Provisions on the Administration of Information Disclosure Postponement and Exemption of Listed Companies, Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies*, and *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the ChiNext Market* and *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*, etc.

Governance

The Company has established a corporate governance structure consisting of the Shareholders' Meeting, the Board of Directors, and its specialized committees, forming a governance system that is well-structured, clearly defined in terms of rights and responsibilities, and efficient in operation, thereby continuously enhancing the transparency and effectiveness of corporate governance.

Internally, the Company has established governance policies such as the *Articles of Association, Independent Director Working Rules, Investor Relations Management Policy, Information Disclosure Management Policy, Insider Information Registration Management Policy, Confidentiality and Archival Management Policy for Overseas Securities Issuance and Listing*, and *Related Party Transactions Management Policy*.

The Company prioritizes the effective implementation and operability of governance policies. During the reporting period, in accordance with relevant laws, regulations, and regulatory requirements, to meet the needs of the Company's issuance of overseas listed foreign shares (H Shares) and listing on the Main Board of The Stock Exchange of Hong Kong Limited, and based on the actual operations, the Company revised and updated key governance documents such as the *Articles of Association, Rules of Procedure for the Shareholders' Meeting*, and *Rules of Procedure for the Board of Directors,* and formulated the *Diversity Policy of Board Members and Employees,* further enhancing the corporate governance structure and improving corporate governance standards. During the reporting period, the Company canceled the Board of Supervisors in accordance with the relevant provisions of the *Company Law of the People's Republic of China* and the *Guidelines for Articles of Association of Listed Companies*, and elected employee representative directors, further enhancing the Company's regulated operations.

During the reporting period, members of the Board Office participated in multiple specialized training sessions covering areas such as information disclosure, investor relations management, and the Hong Kong Listing Rules.



Shareholders' Meeting

The Shareholders' Meeting is the highest authority of the Company. The Company convenes and holds Shareholders' Meetings in strict accordance with the *Rules for Shareholders' Meetings of Listed Companies, Articles of Association*, and *Rules of Procedure for Shareholders' Meetings,* ensuring that shareholders can lawfully exercise their rights, that all shareholders are treated equally, and that reasonable convenience is provided for shareholders to attend the meetings so as to fully exercise their shareholder rights. In 2025, the Company convened three Shareholders' Meetings.

Board of Directors

The Board of Directors diligently implements the resolutions passed by the Shareholders' Meeting, fulfilling its duties and obligations with due diligence to ensure the Company's sustainable, healthy, and stable development, promoting the Company's standardized operations and protecting the legitimate rights and interests of the Company and public shareholders. The Board of Directors consists of eight directors, including three independent directors. The Board of Directors has set up the Strategy and Sustainability Committee, Nomination Committee, Audit Committee, and Remuneration and Evaluation Committee. These Committees have clear responsibilities, each performing its respective duties, supporting the independent operation, effective balances, and coordinated operations, driving efficient, scientific, and standardized production and business activities. In 2025, the Company held eight meetings of the Board.

For detailed information on corporate governance, please refer to the 2025 Annual Report, or visit the Company's official website. The Company's Shareholders' Meeting, Board of Directors, and specialized committees are responsible for reviewing major matters related to the Company's development.

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

Strategy and Sustainability Committee

Responsibilities	Name	Position	Expertise/Skills
Mainly responsible for conducting feasibility studies and providing recommendations on the Company's long-term development strategy, major strategic investments, operational risk management, ESG strategic goals and policies, etc., reporting work and being accountable to the Board of Directors.	Cao Renxian	Chairman, President	Industry Expert
	Gu Yilei	Vice Chairman, Senior Vice President	Industry Expert
	Zhang Xucheng	Director	Industry Expert

Audit Committee

Responsibilities	Name	Position	Expertise/Skills
Mainly responsible for communication, supervision, and verification related to the Company's internal and external audits. All members are independent directors, including financial experts, legal experts, and industry experts, who provide recommendations on risk control in areas such as the Company's finances, legal matters, and industry development.	Gu Guang	Independent Director	Finance Expert
	Li Mingfa	Independent Director	Legal Expert
	Zhang Lei	Independent Director	Industry Expert

Nomination Committee

Responsibilities	Name	Position	Expertise/Skills
Mainly responsible for making recommendations on the candidates, qualifications, standards, and procedures for the appointment of the Company's directors and the management. During nominations, they shall fully consider stakeholder opinions, members' diversity, independence, and competence. Two-thirds of the members are independent directors, with an independent director serving as the chairman of the committee.	Li Mingfa	Independent Director	Legal Expert
	Gu Guang	Independent Director	Finance Expert
	Cao Renxian	Chairman, President	Industry Expert

Remuneration and Evaluation Committee

Responsibilities	Name	Position	Expertise/Skills
Mainly responsible for formulating the evaluation criteria for the Company's directors and the management and conducting evaluation; responsible for formulating and reviewing the remuneration policies and plans for the Company's directors and the management, and accountable to the Board of Directors. Two-thirds of the members are independent directors, with an independent director serving as the chairman of the committee.	Zhang Lei	Independent Director	Industry Expert
	Li Mingfa	Independent Director	Legal Expert
	Cao Renxian	Chairman, President	Industry Expert

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

Sound corporate governance enhances transparency and compliance, strengthens investor confidence, supports market stability, safeguards stakeholder rights, and promotes effective implementation of environmental and social responsibilities.

Potential negative impacts

Inadequate corporate governance may heighten the risk of non-compliance with regulations relating to financial transparency and information disclosure, potentially resulting in investors, shareholders, and other stakeholders receiving incomplete or inaccurate information.

Policy and regulatory risks

If the Company fails to strictly comply with the corporate governance standards applicable to listed companies, or if its internal governance framework and charter design are inadequate, compliance management costs may increase.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to corporate governance posed no material impact on the Company's operating results or financial position for the reporting period.

Expected financial impacts

In the short term, increased investment in compliance management and internal control enhancements may raise costs but helps strengthen governance foundations; in the medium to long term, improved market trust and financing conditions are expected to reduce financing costs and enhance financial resilience.

Strategy and Adaptability

The Company continues to refine its governance framework by enhancing the diversity of board members and employees, conducting periodic assessments of board effectiveness, and establishing compensation and performance evaluation mechanisms aligned with the Company's strategy and long-term value creation, thereby reinforcing the rigor and transparency of its governance structure. Simultaneously, the Company continuously optimizes its information disclosure and investor communication practices to ensure timely, accurate, and comprehensive reporting, effectively safeguarding the legitimate rights and interests of its investors.

Impacts, Risks, and Opportunities Management

The Company, guided by its relevant management systems and business requirements, identifies risks and opportunities related to corporate governance and formulates corresponding management strategies and initiatives to mitigate risks and capitalize on opportunities.

Diversity of the Board and Employees

To enhance the comprehensiveness, representativeness, and innovativeness of its governance structure and support the Company's sustainable development, the Company has formulated and disclosed the *Diversity Policy of Board Members and Employees*, which sets out the principles and measures adopted for board nominations and for promoting diversity among board members and all employees, including senior management. Under this policy, the Company evaluates, selects, and recommends one or more candidates for appointment or reappointment to the board with a view to achieving board diversity, considering multiple factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, regional and industry exposure, ethnicity, knowledge, and tenure. The implementation of this policy is overseen by the Nomination Committee, which will periodically review the policy to ensure its effectiveness. This policy will take effect following the Company's H-share listing.

The *Articles of Association* and the *Independent Director Working Rules* contain provisions to safeguard the independence of independent directors: when nominating independent directors, the Board expresses its opinion on their compliance with independence requirements, and the nominated directors publicly declare their own compliance. An independent director may serve on no more than three domestic listed company boards and must ensure sufficient time and capacity to effectively fulfill their duties. If an independent director identifies any matter under review that may affect their independence, they must declare and recuse themselves; if circumstances arise during their tenure that materially affect their independence, they must promptly notify the Company and resign. Independent directors are required to conduct an annual self-assessment of their independence and submit the results to the Board. The Board annually evaluates the independence of sitting independent directors and issues a dedicated opinion, which is disclosed alongside the annual report. These rules and their implementation help ensure that independent directors maintain their independence.

The Company complies with the *Measures for the Administration of Independent Directors of Listed Companies,* under which independent directors must constitute no less than one-third of the Board. Independent directors may not enter into personal service contracts with the Company or its senior management, may not be affiliated with non-profit organizations receiving significant donations from the Company, must not have served as a partner or employee of the Company's external auditor within the past year, and must not have any other conflicts of interest as determined by the Board.

Board Effectiveness Assessment

In 2025, the Company's Board of Directors operated in accordance with applicable laws and regulations, as well as the *Articles of Association* and *Rules of Procedure for Board Meetings*, diligently implementing the resolutions of the shareholders' meeting. The Company has established the *Independent Director Working Rules* to monitor and support the performance capabilities of independent directors. Each independent director serves on no more than three listed companies in China, in full compliance with laws, administrative regulations, CSRC requirements, and stock exchange rules. During the reporting period, the attendance rate of all board members reached 100%, with directors exercising their duties diligently and responsibly, leveraging their professional knowledge and expertise to provide well-informed decisions on the Company's significant matters.

In Section Four, "Corporate Governance, Environment, and Social Responsibility," of the Company's *2025 Annual Report*, the subsections "VII. Directors' Performance of Duties During the Reporting Period" and "VIII. Activities of Board Committees During the Reporting Period" provide a detailed disclosure of the board's annual work.

Remuneration and Performance Evaluation

The remuneration of the Company's directors is determined by the Shareholders' Meeting, while the remuneration of senior management is determined by the Board of Directors, with directors and senior management receiving compensation according to their respective positions. Remuneration is assessed and allocated in accordance with the *Rules of Procedure for the Remuneration and Evaluation Committee*, considering individual business performance, work capability, and job level. Details of the total remuneration and shareholding of each director and senior management member are disclosed in the *2025 Annual Report*. In accordance with the *Articles of Association*, the Shareholders' Meeting exercises its authority to elect and replace non-employee representative directors and determine their remuneration. The Board must approve any remuneration plan for directors proposed by the Remuneration and Evaluation Committee before submission to the Shareholders' Meeting for adoption. Remuneration schemes for senior management require Board approval and full disclosure. The main responsibilities and powers of the Remuneration and Evaluation Committee are detailed in the relevant sections of the *Rules of Procedure for the Remuneration and Evaluation Committee*. In 2026, the Company plans to further refine performance-based remuneration for directors and senior management, as well as clawback and withholding mechanisms, in accordance with the *Corporate Governance Guidelines for Listed Companies* and the *Regulations on the Supervision and Administration of Listed Companies*.

Information Disclosure

The Company fulfilled its information disclosure obligations in accordance with the provisions of laws, regulations, and normative documents, including the *Administrative Measures on the Disclosure of Information of Listed Companies, Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, and *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the ChiNext Market*. It formulated and, in line with the latest requirements of relevant laws and regulations, revised the Company's *Information Disclosure Management Policy*, standardized matters related to the Company's information disclosure, and ensured that information disclosure was true, accurate, complete, and timely. In 2025, a total of 159 materials were disclosed, including four periodic reports, 87 temporary announcements, and 68 other materials. All announcements were disclosed truthfully, accurately, timely, completely, and fairly, with zero corrections, demonstrating excellence in information disclosure. The Company's information disclosure has received high recognition from regulatory authorities. In the information disclosure rating evaluation conducted by the SZSE, the Company has achieved the highest rating of A (Excellent) for four consecutive years.

Protection of Investors' Rights and Interests

To enhance effective communication with investors, promote governance improvement, strengthen corporate quality, and safeguard the legitimate rights and interests of investors, particularly minority shareholders, the Company has revised the *Investor Relations Management System*. The Company has designated specialized roles and personnel to maintain ongoing dialogue with investors, securities analysts, and other stakeholders, ensuring comprehensive understanding of the Company's strategy, operations, and development.

The Company engages investors through various channels, including online earnings presentations, investor meetings, hotlines, emails, and the corporate website, delivering information to the capital market in a timely, proactive, and detailed manner. In 2025, the Company conducted three organizational research visits and hosted online earnings presentations for FY2024 and Q1 2025. Through the SZSE investor relations platform, the Company promptly responded to investor inquiries and maintained both online and offline communications on topics of investor interest, including corporate governance, strategic development, operational performance, sustainability, and business operations, ensuring that all investors have equitable access to information on the Company's development. During the reporting period, the Company's investor relations management activities were recognized with awards, including the 2024 Best Practices in Investor Relations Management from the China Association for Public Companies.

The Company consistently upholds the principle of actively rewarding shareholders and sharing business results with them. In line with the China Securities Regulatory Commission's guidance encouraging listed companies to distribute cash dividends and provide investors with stable and reasonable returns, as well as relevant provisions under the *Company Law* and the *Articles of Association*, the Company has sought to further enhance shareholder returns and strengthen investors' sense of benefit. In 2025, the Company implemented the profit distribution plans for both the 2024 fiscal year and the first half of 2025. For FY2024, a cash dividend of RMB10.8 per 10 shares was distributed, raising the cash dividend ration relative to net profit attributable to shareholders from 15% in 2023 to 20%. For H1 2025, a cash dividend of RMB9.5 per 10 shares was distributed, further increasing the ratio to 25%. The total dividend distributed across the two rounds amounted to RMB4.167 billion, achieving growth in both dividend frequency and payout ratio. In addition, the Company conducted a share repurchase program in 2025, with a total repurchase amount of RMB300 million. The Company ensures the protection of minority shareholders' rights by facilitating their participation in voting through a combination of on-site and online voting, enabling all minority shareholders to exercise their rights equally. When shareholders vote on director elections, the Company may implement cumulative voting in accordance with the *Articles of Association*, except in cases where only one director is to be elected.

At the same time, the Company places great emphasis on the management and confidentiality of insider information. It strictly implements the *Regulatory Guidelines for Listed Companies No. 5—Registration Management System of Insiders of Listed Companies* and has revised the *Insider Registration and Management System* to standardize the reporting, transmission, and confidentiality procedures for material non-public information. These measures continuously strengthen the protection of insider information, ensuring its security and effectively safeguarding the legitimate rights and interests of all investors.

Metrics and Targets

In 2023, the Company set a target that it would establish a robust sustainability governance structure by 2025, which has been achieved. In 2025, it further set a target to enhance Board diversity, ensuring that independent directors account for no less than one-third.

Business Ethics

The Company strictly complies with applicable laws and regulations worldwide and continuously improves its business ethics management system.

Governance

Anti-corruption

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

Internal documents, such as the *Code of Conduct for Middle and Senior Management of Sungrow, Internal Audit System, Internal Audit and Inspection Management Regulations, Employee Integrity and Self-Discipline Management Regulations, Anti-Corruption Management Policy, Whistleblowing and Appealing Management Regulations, Integrity, Compliance, and Self-Discipline Commitment Letter, Code of Conduct for Compliance, Integrity and Compliance Advocates Guidelines*, and *Gift Management Regulations*, are established to ensure there are clear guidelines for anti-corruption work. All employees are required to sign the *Integrity, Compliance, and Self-Discipline Commitment Letter* before joining the Company, with a 100% standardized signing rate, and this is incorporated into employee performance management. In 2025, the Company iteratively revised the *Employee Integrity and Self-Discipline Management Regulations* and the *Whistleblowing and Appealing Management Regulations* to adapt to adjustments in the Company’s organizational structure and new requirements for integrity and compliance, effectively preventing employee corruption. In 2025, the Company updated, revised, and issued a new version of the procedure for Reporting of Conflicts of Interest between Employees and the Company, and improved the procedure manual to better meet execution process control requirements.

Anti-bribery

The Company remains steadfast in its commitment to compliant operations and maintains a zero-tolerance stance toward all forms of bribery. The Company adheres to the anti-bribery laws, regulations, governmental policies, international conventions and treaties, as well as the Company’s internal control policies across all jurisdictions in which the Company operates. Integrity and honesty underpin the Company’s business conduct, and the Company consistently upholds the highest standards of business ethics behavior.

The Company’s Legal and Compliance Department is responsible for overseeing anti-bribery matters and regularly reports to the designated Vice President. The Company has established and continuously optimized the *Anti-Bribery Compliance Management Measures*, which outlines common bribery-related scenarios and corresponding compliance requirements. The *Measures* emphasizes the need to strengthen bribery controls across operations, including enhanced oversight of third-party partners, reinforced employee management, internal audit and control measures, as well as proper maintenance of accounting books and records. To implement relevant compliance requirements, the Company has optimized its gift application and reimbursement processes, ensuring that all exchanged gifts conform to accepted norms and reasonable value standards. In addition, the Company conducts regular identification of anti-bribery compliance obligations through risk register management, assesses related risks, implements control measures, and periodically tests their effectiveness.

Anti-unfair Competition

The Company complies with antitrust laws, anti-unfair competition laws, and other regulations related to market competition in the jurisdictions where it operates. It has revised and optimized the *Fair Competition and Anti-Monopoly Compliance Management Measures*, explicitly prohibiting false advertising, market confusion, abuse of market dominance, reaching and implementing monopoly agreements, and other unfair competition and monopolistic practices such as damaging competitors’ business reputations, to ensure compliant operations.

The Company adheres to the lawful acquisition and use of competitive information, conducts regular compliance reviews on anti-monopoly and anti-unfair competition, and actively participates in building and safeguarding a fair, just, and orderly market environment. The Company effectively prevents and resists non-compliant practices such as monopolistic conduct, abuse of market dominance, and improper concentration of business operators. Fair competition compliance-related work is handled by the Company’s Legal and Compliance Department and is reported regularly to the designated Vice President.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

By strictly complying with global laws and regulations and continuously improving its business ethics management system, the Company enhances trust among partners and investors, promotes fair competition and market stability, and fosters the implementation of ethical standards across its operations and supply chain, thereby contributing positively to social integrity and a sustainable business environment.

Potential negative impacts

If the Company engages in non-transparent or unfair practices in transactions with partners including suppliers and customers—such as price manipulation, false advertising, or corruption—it may undermine fair market competition and disrupt the industry ecosystem.

Policy and regulatory risks

If the Company's business ethics system is inadequately implemented, it may result in violations of anti-corruption, anti-bribery, and other relevant laws and regulations, increasing potential fines, breach-of-contract penalties, and litigation costs.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to business ethics posed no material impact on the Company's operating results or financial position for the reporting period.

Expected financial impacts

In the short term, investments in compliance management, internal control improvements, and training may increase costs but help strengthen internal processes and risk management capabilities. In the medium to long term, by enhancing partner trust, maintaining brand reputation, and improving financing conditions, the Company is expected to reduce potential financial risks and enhance overall resilience.

Strategy and Adaptability

The Company has established a comprehensive business ethics management framework, including accessible reporting and complaint channels to encourage employees and stakeholders to provide feedback on violations or improper conduct, along with mechanisms to protect whistleblowers. In addition, the Company regularly conducts business ethics audits and internal supervision to identify and mitigate risks such as bribery, fraud, and conflicts of interest. The Company also continuously provides business ethics and compliance training to reinforce employees' awareness of compliance and standards of conduct.

Impacts, Risks, and Opportunities Management

The Company, guided by its relevant management systems and business requirements, identifies risks and opportunities related to business ethics and formulates corresponding management strategies and initiatives to mitigate risks and capitalize on opportunities.

Three Lines of Defense for Risk Management

For risks related to business ethics, Sungrow prevents and manages them through a three-line defense risk prevention and control mechanism, involving the Business Departments, the Legal and Compliance Department, and the Audit and Inspection Department.

First line of defense

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

Second line of defense

The Legal and Compliance Department: Leads and organizes compliance management efforts, supervises the functional departments and business units in fulfilling their compliance responsibilities

Third line of defense

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

Whistleblowing & Grievance Mechanism

The Company has established the *Whistleblowing and Grievance Management Regulations*, creating an efficient, accessible, and transparent channel for whistleblowing and grievances. Whistleblowers may submit reports 24/7 via hotline, mobile phone, WeChat, or email, in any language, regarding matters that do not comply with business ethics standards. The regulations specify that if a whistleblower prefers not to disclose their identity, their wish will be respected, allowing for anonymous or pseudonymous submissions, if staff in the handling department can maintain contact to verify and follow up on the whistleblowing information.

The Company continuously reinforces employees' understanding and compliance with business ethics standards, with particular emphasis on systematically introducing and guiding the internal whistleblowing and grievance channels. Integrity training courses explicitly cover the formal procedures, available channels, protection measures, and handling processes for whistleblowing and grievances, ensuring that employees can safely and effectively provide feedback or raise concerns when faced with ethical dilemmas or misconduct.

In 2025, the Company further expanded its whistleblowing and grievance channels by designing and posting reporting signage across its global operational sites, integrated with the existing reporting disclosure system. In addition, the Company regularly disseminates integrity reminders and warning cases through the "Clean & Transparent" WeChat public account and the internal compliance service account on the corporate office software, with each post including reporting channel information. Through these transparent and reliable mechanisms, the Company is committed to safeguarding employee rights and reinforcing a culture of integrity and compliance.

The Audit and Inspection Department is responsible for handling all whistleblowings and grievances related to violations of business ethics or actions that harm the interests of the Company, its employees, or partners, and for assigning the relevant departments to investigate and address these cases. The Audit and Inspection Department reports its activities to the Audit Committee on a quarterly basis. If a reporter disagrees with the outcome, they have the right to request a review from the supervising leader of the investigating department to ensure that the resolution is fair and impartial.

The Company provides rewards and protection for whistleblowers, offering substantial incentives for valid leads and evidence that assist in verification, with rewards proportionate to the confirmed amount. Whistleblower information is strictly confidential, and the personal safety and legal rights of whistleblowers, informed parties, and their immediate relatives are fully safeguarded. No individual may discriminate against or retaliate toward them; violations are subject to penalties under the *Employee Rewards and Disciplinary Management Regulations*, and criminal cases will be referred to judicial authorities. The Company also protects the legal rights of reported parties. In accordance with the *Whistleblowing and Grievance Management Regulations*, malicious or false reports are strictly prohibited. The Company promptly clarifies allegations to the reported party and their unit, and, where necessary, provides remedies such as reputational restoration, economic compensation, or other corrective measures to ensure their legitimate rights are upheld.

During the reporting period, the Company received a total of 29 whistleblowings and grievances through its reporting channels, including 23 anonymous reports. All 29 cases were processed or reviewed, achieving a 100% handling rate, with the Audit and Inspection Department responsible for following up each case to closure.

Sungrow Whistleblowing Hotline:
0551-65327830

Email: complain@sungrowpower.com

TEL (same as WeChat): 18655168110

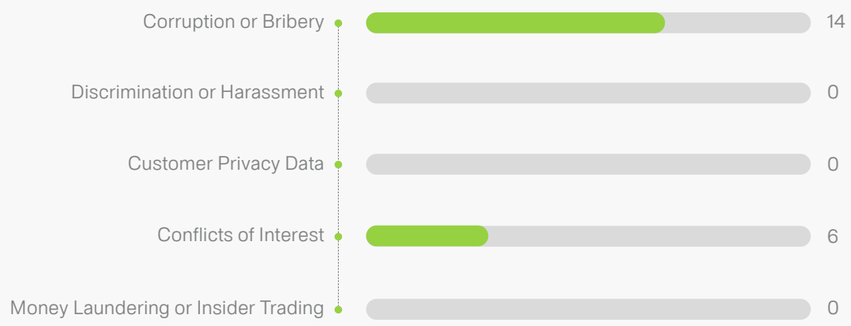
Reporting Address: Room 606, Audit and Inspection Department Office, A1 Building, Sungrow Headquarters, No. 1699 Xiyou Road, High-tech Zone, Hefei

Business Ethics Audits

In accordance with the *Internal Audit System*, the Company's Audit and Inspection Department conducts special audits across all business units. Audits are planned to cover all business units every two years. For 2024–2025, audit projects encompassed all business units. Audit scope includes asset and resource audits, operational and management audits, investment audits, financial audits, performance audits, audits upon key personnel departure, project audits, infrastructure audits, procurement audits, R&D audits, and internal audits required by listed company guidelines, as well as compliance with relevant policies, including anti-corruption measures, at all operating sites. The department also handles whistleblowings and grievances related to violations of business ethics (including corruption and bribery) that harm the Company, employees, or partners, assigning relevant departments to investigate and address such cases. Through comprehensive internal control audits, special audits, and investigations of unethical conduct, the Audit and Inspection Department continuously strengthens the Company's risk management and internal control systems. During the reporting period, the department completed over 50 audit and inspection projects, terminated 21 employment contracts, and referred 8 employees to judicial authorities.

In addition, in 2025, the Company recorded the following incidents of non-compliance related to corruption or bribery, discrimination or harassment, customer privacy data, and conflicts of interest. None of the corruption or bribery cases involved middle- or senior-level management.

The Company has consistently upheld the principle of integrity in business operations and strengthened its anti-corruption defenses through regular audits and inspections. During the reporting period, all violations addressed involved individual employees acting knowingly in breach of Company policies, with cases involving suspected criminal activity referred to judicial authorities in accordance with the law. The Company maintains a "zero tolerance" approach toward any illegal or non-compliant behavior, ensuring that every incident identified is thoroughly investigated and addressed. At the same time, the Company continues to enhance preventive measures, using typical case-based warnings and improvements to reporting channels to promote adherence to professional ethics among all employees and safeguard a healthy corporate ecosystem.



Category of Corruption or Bribery	Handling Measures	Number
corruption, bribery and abuse of office	Disamissal, referral to judicial authorities	3
Theft	Dismissal, internal notification, referral to judicial authorities	6
Unauthorized Disclosure	Dismissal, internal notification, referral to judicial authorities	5

Management of Gift Giving and External Donations

The Company has formulated the *Anti-Bribery Compliance Management Measures*, clarifying that gifts and hospitality matters must strictly comply with applicable laws and regulations and the Company's relevant policies.

Principles to be followed for gift exchanges in business activities

Complying with the laws and regulations, ethics, and customs of the country or region where the business operates;

Solely for considerations of business etiquette or commercial practice, and not for the purpose of obtaining improper interests or benefits;

Accepting or giving gifts is allowed where appropriate, with a transparent process, and will not create an improper, inappropriate, or embarrassing impression;

Regular in form, appropriate in value, and in line with generally accepted gift-giving practices;

The timing for accepting or giving gifts is not at a critical moment for important business decisions, for example, during contract negotiations or before a bid is won;

It must not become a channel for transferring improper benefits, thereby creating an impression of unethical or dishonest conduct.

Principles to be followed for business hospitality in business activities

Complying with the laws and regulations, ethics, customs, and business practices of the countries or regions where the business operates, and complying with the provisions of policies such as the Company's *Code of Conduct for Compliance*;

For the purposes of normal business communication, reasonable business contacts, and promoting sound business interactions, rather than for the purpose of obtaining improper interests or benefits;

Avoiding, as much as possible, critical or sensitive moments arising from important business decisions, such as during contract negotiations or prior to winning a bid;

Appropriate in form, feasible in venue, transparent in process, and reasonable in arrangements and expenditures, in line with customary business practices, and not likely to create an improper, inappropriate, or awkward impression;

The subjects shall be limited to partners and third parties with legitimate business interaction needs and involvement in the Company's operation and management needs, including individuals and representatives, agents, and staff of organizations and institutions.

In addition, the Company has formulated the *External Donation Management Policy*. All external donation activities are subject to unified management and authorization as required, and employees are not allowed to independently carry out or participate in donation activities in the name of the Company without authorization. It is necessary to ensure that the donation recipient, purpose, amount, method, etc., comply with the Company's policy requirements, and the intended use of donated funds or supplies must not be altered without authorization. In the *Anti-Bribery Compliance Management Measures*, the Company has clearly required that political contributions must not be made (i.e., providing economic benefits such as movable property and immovable property free of charge to individuals or groups engaged in election campaigns or other politically related activities).

Business Ethics Training

To strengthen anti-corruption efforts, the Company conducts integrity and anti-corruption education for employees and business partners through training sessions, awareness campaigns, and other initiatives, fostering a corporate culture of integrity and self-discipline. In November 2025, the Company invited 11 employees from different positions and with varying tenures to participate in interviews on integrity and compliance, gathering their perspectives on the Company's compliance practices. Based on these interviews, a video titled "Integrity and Compliance in Our Eyes" was produced and disseminated to all employees via the internal communication platform. In 2025, the Company delivered business ethics–related training and awareness programs to all employees (including contractors, part-time employees, and interns), achieving a coverage rate of 100%.

Targeted training	In 2025, the Company organized 32 targeted anti-corruption training and education sessions. Meanwhile, the Company conducted targeted business ethics training for all new employees, achieving 100% coverage.
Examinations	The Company regularly conducts examinations on internal management systems. In 2025, examinations on the *Regulations of Employee Integrity and Self-Discipline Management* and the *Regulations of Whistleblowing and Grievance Management*, among others, were conducted for all employees.
Online courses	The Company launched courses on the Sungrow e-Learning Platform, such as *Know Integrity Requirements Early - An Interpretation of the Regulations of Employee Integrity and Self-discipline Management*, providing learning resources to all employees.
Other initiatives	The Company created the Integrity Sungrow WeChat public account, with nine articles on integrity published. Additionally, a Compliance Service column was launched on the internal office platform, which posted over 20 articles, covering topics such as holiday integrity reminders, case-based warnings, and legal regulations awareness campaigns.

Metrics and Targets

In 2023, the Company set targets to conduct business ethics audits across all business units at least once every three years, and to foster a culture of integrity and compliance, achieving 100% coverage for employee compliance, integrity, and business ethics training, which have been successfully achieved and will continue to be implemented. In 2025, the Company fully updated its sustainability strategic goals toward 2030, including business ethics–related targets: to conduct business ethics audits across all business units at least once every three years and to carry out periodic due diligence at key operational sites.

Compliance and Risk Management

Sungrow continues to enhance its ISO 37301 compliance management system, adhering to the PDCA (Plan-Do-Check-Act) cycle. Through the targeted development of risk prevention and control mechanisms, the establishment of business-aligned system governance frameworks, the implementation of compliance reviews at critical control points, and the deployment of tiered cultural empowerment initiatives, the Company has built a closed-loop, end-to-end compliance management system that drives the continuous optimization of its compliance performance.

In 2024, the Company introduced the compliance culture of "Lawful and Compliant, Transparent and Open, Everyone Engaged, Continuous Improvement", which, alongside its digital and quality cultures, forms the three core professional cultures at Sungrow. This compliance culture is a key component of the Company's overall culture and is being progressively implemented at all levels to ensure the Company's sustainable and steady development. The Company's compliance strategic path is structured in three phases: the foundation improvement phase, the development and enhancement phase, and the value creation phase.

Foundation Improvement Phase

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

1.0

Development and Enhancement Phase

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

2.0

Value Creation Phase

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

3.0

Governance

The Company's Board of Directors serves as both the advocate and overseer of compliance management regulations. The Chairman is responsible for defining the guiding principles, fundamental policies, and overall direction of compliance management. The Vice President in charge oversees the enhancement of the compliance management system, approves system construction plans and annual work programs, and leads the response to major compliance risk events. The Legal and Compliance Department manages the organization, policy development, execution, and culture of compliance across the Company. Integrity and Compliance Officers, together with Compliance Liaisons, form a virtual team of compliance advocates, collaborating with the Legal and Compliance Department to carry out compliance initiatives within their respective subsidiaries and departments.In 2025, the Company further strengthened its team of Integrity and Compliance Advocates, opening registration to all employees and conducting a selection process, resulting in 12 new advocates appointed throughout the year.

At the same time, in 2025, the Company systematically revised and optimized key policies, including the *Corporate Compliance Management Measures, Code of Conduct for Compliance, Fair Competition and Anti-Monopoly Management Measures*, and *Anti-Bribery Compliance Management Measures*, further refining operational standards and execution requirements in the field of anti-bribery compliance.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company has established a comprehensive compliance management system, which not only mitigates legal and regulatory risks but also sets a benchmark for good governance in the industry, driving the clean energy sector toward higher standards.

Potential negative impacts

Insufficient compliance management or risk control by the Company may disrupt capital market order and business partnership decisions, negatively affecting economic efficiency, market fairness, and the decision-making of stakeholders.

Policy and regulatory risks

If the Company fails to strictly comply with applicable laws, regulations, or internal compliance requirements, it may result in gaps in compliance management and breakdowns in internal controls, increasing the risk of potential fines and administrative penalties.

Reputational opportunities

The Company's robust compliance management system and stringent risk controls enhance its credibility and trustworthiness among government authorities, investors, and customers, improve governance transparency and risk management perception, and consequently strengthen brand reputation and business partnership opportunities.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to compliance and risk management posed no material impact on the Company's operating results or financial position for the reporting period.

Expected financial impacts

In the short term, investments in internal control improvements and compliance management may increase, but they enhance risk management capabilities and operational discipline. In the medium to long term, by strengthening investor and customer trust in the Company's transparency and governance, potential financial risks can be reduced through improved financing conditions and business collaboration opportunities.

Strategy and Adaptability

The Company has established a comprehensive compliance management system and continuously optimizes internal control processes. It has obtained ISO 37301 certification and conducts annual audits, while promoting the implementation of digital platforms to enhance compliance efficiency, demonstrating strong overall adaptability.

Impacts, Risk, and Opportunities Management

In accordance with the *Corporate Compliance Management Measures*, the Company has established a three-tier mechanism for compliance risk prevention and control—comprising business departments, the Legal and Compliance Department, and the Audit and Inspection Department. For further details, please refer to the Business Ethics of this Report.

During specific compliance risk management, the Company has innovatively implemented an integrated "multi-list consolidation" approach, establishing and continuously refining the *Compliance Obligation Identification and Compliance Risk Assessment Checklist*, which covers 20 key compliance areas and encompasses over 400 identified compliance risk points. The key compliance areas include, but are not limited to: occupational health and safety, production safety, environmental protection, intellectual property, trade secrets, tendering and procurement, business partners, finance and taxation compliance, anti-money laundering, asset use and management, trade controls, data and information security and privacy protection, anti-corruption and anti-bribery, conflicts of interest, labor and employment, corporate governance, investment and financing, fair competition and anti-monopoly, product quality and safety, and customs compliance.

In 2025, the Company achieved a digital upgrade of its business ethics risk management. A dedicated "Compliance Zone" was launched within the internal office system, enabling the digitalized management of over 400 compliance risk items. During the same period, a "One-Click Compliance" portal was introduced, integrating three core functions: compliance advice and consultation, reporting of compliance risk incidents, and identification of compliance obligations. Meanwhile, the Company completed the localized deployment of the Dow Jones sanctions list database, enabling secure and efficient retrieval of risk information related to suppliers, customers, and counterparties.

In addition, the Company actively identifies the risks it faces in its operations and the corresponding mitigation measures. For further details, please refer to Section III, Management Discussion and Analysis – XI. Outlook for the Company's Future Development – (3) Potential Risks and Mitigation Measures of the *2025 Annual Report*.

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

Compliance Obligation Identification

- Determine the sources of obligations, including mandatory requirements and voluntary commitments.
- Systematically identify, categorize, and organize compliance obligations across the Company's operations.

Compliance Risk Assessment

- Classify risks by category: criminal, administrative, civil, and other categories.
- Apply a 1-3-5 scoring system to scientifically assess both the likelihood and potential impact of risks, forming an overall risk rating (low, medium, and high).
- Implement risk-based tiered management and establish monitoring mechanisms for key risk items.
- Adopt differentiated management strategies for priority areas.

Compliance Risk Response

- Develop targeted response measures based on risk assessments, with regular validation and effectiveness testing.
- Clearly assign responsibilities to specific departments, positions, and individuals to ensure that mitigation measures are precise, effective, and timely, with robust control over identified risks.

Compliance System Management

In 2025, in accordance with the requirements of ISO 37301 and other system standards, the Company conducted its planned annual internal audit and management review of the compliance management system. During the internal audit phase, a centralized approach was adopted, systematically assessing each department's compliance performance through document reviews, sample checks, and interviews, while driving corrective actions to closure. Subsequently, the management review meeting, chaired by the Company's responsible Executive Vice President, evaluated the continuity, suitability, and effectiveness of the compliance management system based on the internal audit results, risk assessments, resource allocation, and improvement outcomes, providing positive confirmation and appraisal.

In 2025, the Company successfully obtained ISO 37301 certification in four key compliance areas—trade controls and sanctions, anti-bribery, data compliance and information security, and fair competition and antitrust—establishing a compliance management system encompassing policies, processes, standards, and culture, and essentially achieving the system construction goals set for the "Foundational Enhancement" phase.

100%

Coverage Rate of Compliance-related Training and Communication

Compliance Culture

The Company promoted a compliance culture through a compliance culture development system featuring “three-dimensional penetration and dual-driven implementation” and carried out compliance-related training and communications for all employees (including contractors, part-time employees, and interns), with a 100% coverage rate.



Targeted topic learning

The Company organized 16 online/offline targeted topic seminars, with topics covering key business scenarios in anti-commercial bribery, fair competition, and anti-monopoly, including gifts, entertainment, and trade secret protection. The scope covered multiple key positions, including legal, compliance, risk control, sales, procurement, and customs affairs.

Company-wide training

The Company published compliance posts for all employees monthly via the Compliance Service column; released compliance video courses on the internal learning platform Sungrow e-Learning Platform; added compliance content in the area of business ethics to new employee onboarding training.

Cultural activities

The Company organized a series of activities for the 2025 Integrity and Compliance Week, and incorporated compliance into activities such as the vocational skills competition, Family Festival, and the Industrial Park fun quiz competition, with a total of over 4,000 employees participating.

Metrics and Targets

In 2023, the Company set a target to build a comprehensive risk management system, achieve ISO 37301 certification, and improve its systematic compliance management framework, which has been successfully achieved. In 2024, the Company completed ISO 37301 certification in the areas of anti-bribery, trade controls, and sanctions, and in 2025, the scope was further expanded to include fair competition and antitrust, as well as data compliance and information security.

In 2025, the Company updated its sustainability strategic objectives, including compliance and risk management–related targets, aiming to, by 2030, achieve full coverage of the compliance management system at core operational sites, integrate the global compliance management system, ensure sustainable business operations, comply with international conventions and local laws and regulations, and promote employees and partners to fulfill environmental responsibilities and human rights obligations.

R&D and Innovation

The Company centers on clean power conversion technologies, specializing in the R&D, manufacturing, sales, and service of photovoltaic inverters, energy storage systems, wind power converters and drives, EV power electronics and power systems, charging infrastructure, and renewable hydrogen generation systems, while also investing in and developing new energy power plants and expanding into AIDC power solutions. By continuously advancing technological sophistication, product performance, talent density, and intellectual property strategy, the Company enriches the applications of clean energy conversion, fosters more innovative energy usage, and delivers a superior user experience.



Governance

The Company places strong emphasis on building independent innovation capabilities, with seven major R&D centers established globally in Hefei, Shanghai, Nanjing, Shenzhen, and Xi'an in China, as well as Germany and the Netherlands. It continuously optimizes its R&D organizational structure, management mechanisms, and processes, driving innovation across the full spectrum of product development, engineering design, smart manufacturing, and digital management. This enables the Company to upgrade existing product lines and maintain continuous iteration of new products. Moreover, throughout the entire lifecycle—from new product initiation and development, production and sales, transportation and maintenance, to end-of-life management—the Company adheres to the principles of continuous technological innovation, cost reduction throughout R&D and operations, improved energy and resource efficiency, and integration of ecological design into R&D. By embedding social responsibility into design and development, the Company actively supports its overarching sustainable development strategy. The Company continuously improves product conversion efficiency through topology optimization, high-efficiency power device iteration, and intelligent algorithm upgrades, and optimizes fine-grained energy management strategies for photovoltaic and energy storage systems to maximize energy utilization across the full product lifecycle, reducing no-load, standby, and operational energy consumption from the source. By developing core technologies such as high/low voltage ride-through, active harmonic suppression, and virtual synchronous machines, the Company strengthens product adaptability to the grid and active support capabilities, ensuring stable grid operation. A standardized green design system has been established, prioritizing recyclable and low-environmental-impact materials, and promoting modular, compact, and lightweight designs to reduce raw material consumption and carbon emissions. The Company's investments in circular economy practices and full lifecycle product management are detailed in the "Resource Management" section of this Report.

The Company's R&D structure comprises the Central Research Institute and the R&D systems of individual business divisions. The Central Research Institute focuses on cutting-edge technology research, strategically developing high-value intellectual property and addressing critical technical challenges. It provides an efficient platform and innovative management mechanisms to support the Company's product and technology development, while cultivating and supplying high-caliber R&D and management talent, thereby continuously strengthening the Company's core technological competitiveness.

Each business division has established independent platform R&D teams and business-oriented R&D teams. The platform R&D teams are responsible for the development of general and challenging technologies across the division, while the business-oriented teams focus on customized R&D tailored to business needs. By breaking down the technologies required for key projects within each division, the completion rate of these projects is incorporated into the performance evaluation of division leaders and relevant R&D personnel.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

By continuously advancing technological innovation, the Company has developed efficient, low-cost renewable energy solutions to promote the adoption and application of green energy.

Market opportunities

The Company's technological innovation and R&D efforts enhance product competitiveness, helping to expand market demand, attract more customers and partners, drive business growth, and create additional application scenarios and market opportunities.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

The Company continued to steadily increase its R&D investment, with related expenditures fully integrated into the annual operating budget, without causing a material impact on current profitability.

Expected financial impacts

In the short term, investments in R&D, technology upgrades, and innovation system development may increase costs, but they enhance technical capabilities and innovation capacity. In the medium to long term, successful R&D outcomes are expected to strengthen product competitiveness, create new revenue streams, and improve long-term financial performance, while even partially unrealized results contribute to building technological reserves and sustaining innovation capabilities.

Strategy and Adaptability

The Company continuously strengthens its R&D and innovation system to address risks arising from accelerated technological iteration and intensifying market competition, while seizing opportunities presented by technological advancements. At the same time, it enhances intellectual property management and protection, safeguarding innovation outcomes through patent strategies, technical confidentiality, and related measures. Furthermore, the Company actively engages in industry–academia–research collaborations, establishing co-innovation mechanisms with universities and research institutions to facilitate the translation and application of cutting-edge technologies.

Impacts, Risks, and Opportunities Management

The Company leverages the Integrated Product Development (IPD) system as the framework for its management processes. By aligning with specific business requirements, it integrates Advanced Product Quality Planning (APQP) and Capability Maturity Model Integration (CMMI) development management standards. Different R&D projects adopt tailored combinatorial management approaches, enhancing the system's capability to manage quality control, process standardization, risk management, cross-functional collaboration, and resource integration throughout the R&D lifecycle.In addition, the Company has established an Integrated Portfolio Management Team (IPMT), composed of leaders from R&D, production, finance, marketing, human resources, and strategy, responsible for setting overall strategic objectives and guiding the Company's R&D direction. An Integrated Technology Management Team (ITMT) has also been formed to, within the framework of the Company's overall strategy, define a 3–5-year technology development strategy, outline 2–3-year breakthrough directions and technology roadmaps, and provide technical guidance and decision-making support to the R&D teams of each business division.

Product Innovation

Sungrow's PowerTitan 3.0 full product line debut

On June 5, 2025, Sungrow officially launched the PowerTitan 3.0 intelligent energy storage platform worldwide, with the first production unit rolling off the smart manufacturing line at its Hefei headquarters. At the event, the Company also unveiled three versions of the platform—PowerTitan 3.0 Flex, Class, and Plus. Featuring new materials, advanced manufacturing processes, and a newly defined architecture, PowerTitan 3.0 upgrades AC-side energy storage and further enhances system capabilities through end-to-end intelligent technologies, delivering an intelligent energy storage experience across all scenarios and lifecycle stages. Building upon the strengths of its previous two generations, PowerTitan 3.0 introduces comprehensive improvements in efficiency, intelligence, and grid-forming capability. Released as a platform-based solution, PowerTitan 3.0 modularizes the underlying "three-electric" integrated technologies into multiple functional modules. This approach allows energy storage functionalities to be configured like standardized, easily integrated, and fully validated building blocks, enabling customers to flexibly combine modules according to specific needs without requiring system redesign.

Supported by Sungrow's global capabilities in simulation, intelligent manufacturing, testing, experimentation, and data analytics, the product supports storage durations ranging from 2 to 12 hours, operates in extreme temperatures from -40°C to 55°C, and maintains full performance at altitudes of up to 5,000 meters. With one platform enabling multiple configurations, PowerTitan 3.0 can adapt to diverse grid-forming scenarios worldwide, achieving an optimal balance between safety, performance, and cost while meeting increasingly diversified energy storage demands. In terms of energy efficiency, the system benefits from stacked-cell battery technology and silicon carbide (SiC) PCS applications, achieving 96.5% battery cell efficiency and a maximum PCS efficiency of 99.3%. Through the application of AI-driven bionic thermal balance 2.0 technology, auxiliary power consumption is reduced by a further 20%, enabling the system to reach an overall round-trip efficiency (RTE) of 93.5%. The cabinet design also supports back-to-back installation with only 20 mm spacing, allowing a 1 GWh energy storage plant to reduce land use by 45% and cabling requirements by 10%, significantly lowering capital investment costs. From a safety perspective, as system capacity increases and long-duration storage applications expand, risks related to circulating currents and short-circuit currents also rise. PowerTitan 3.0 addresses these challenges by integrating standard short DC cables directly inside the liquid-cooled cabinet, ensuring that DC connections remain within the cabinet. This design effectively eliminates the risk of DC-side short circuits while simultaneously mitigating inter-cluster circulating current issues, further enhancing system safety.



New Products at SNEC

In June 2025, Sungrow showcased nearly 30 new energy products at the 2025 SNEC Photovoltaic Power Expo, covering three key segments: energy bases, zero-carbon industrial parks, and zero-carbon households. Through innovations such as AI-enabled upgrades, proactive safety technologies, and full-series grid-forming capabilities, the Company continues to advance the development of a clean, low-carbon, safe, and highly efficient modern smart energy system.



400 kW+ String Inverter

The 400 kW+ string inverter adopts next-generation high-voltage silicon carbide (SiC) devices, third-generation thermal management technology, and high-frequency magnetic materials, significantly optimizing performance and reducing energy losses. System efficiency is improved by 0.2%, enabling a GW-scale power plant to generate an additional 90 million kWh of electricity over its lifecycle. With higher AC/DC voltage levels and a 465 kW single-unit capacity supporting 5 MW+ large-array designs, the solution substantially reduces cabling requirements and medium-voltage equipment investment, further lowering levelized cost of electricity (LCOE) by 1.5%. The inverter integrates multiple patented DC-side protection technologies, combining mechanical and electronic switches to achieve millisecond-level shutdown, effectively preventing risks from string overcurrent. An intelligent fault-locking function helps prevent fault propagation caused by improper manual operations. In addition, the product is the first in the industry to achieve full-condition lightning protection, addressing protection challenges even during the non-energized stage. The inverter also supports voltage-source MPPT mode, ensuring reliable power generation under extremely weak grid conditions. With millisecond-level inertia and reactive power response, it actively supports grid frequency and voltage stability. Through damping control, it suppresses grid oscillations, while intelligent grid condition sensing enables seamless switching between grid-following and grid-forming modes. The system also supports black-start self-synchronization and grid formation, providing comprehensive safeguards for grid stability and security.

Split-Type Modular Inverter

The split-type modular inverter combines the advantages of both centralized and string inverter architectures. With the 1+X 2.0 modular design, the granularity of power modules is further refined, delivering 800 kW per unit and supporting up to 12 units in parallel for a total capacity of 9.6 MW, enabling flexible adaptation to different array configurations. The inverter adopts a dual-compartment structure, with key components located in the upper compartment to enable plug-and-play replacement. Supported by AI-driven self-diagnostic technology, modules can be replaced within one hour without specialized personnel or equipment, reducing generation losses by 97% compared with traditional centralized inverters. With IP66 protection, the system is highly resistant to sandstorms and heavy rainfall, requires no routine maintenance, and delivers higher operational availability. Through large-array design, long-string connections, and MPLC communication, a GW-scale power plant can reduce investment by approximately RMB29 million. In addition, the inverter is equipped with intelligent medium-voltage shutdown technology at night, saving around 74 million kWh of electricity over the lifecycle. Furthermore, the system is natively compatible with DC coupling, allowing flexible capacity expansion based on demand. This can reduce initial investment by more than 10% while improving overall system conversion efficiency by 5%.



7.8 GWh Grid-Forming Energy Storage Project Connected to the Grid

On December 18, 2025, Sungrow's 7.8 GWh grid-forming energy storage project in Saudi Arabia was officially connected to the grid. The project is located at three sites in southwestern Saudi Arabia—Najran, Khamis Mushait, and Madaya. The Company completed the manufacturing of more than 1,500 sets of PowerTitan 2.0 energy storage systems within 58 days and successfully delivered all units within a short timeframe. The PowerTitan 2.0 system features an AC-DC integrated design, incorporating embedded inverter systems, pre-installed battery containers, medium-voltage transformers, and ring main units, all of which undergo comprehensive factory testing prior to shipment. This integrated configuration significantly reduces on-site installation time. In addition, Sungrow has deployed a local professional service team in Saudi Arabia to support installation, commissioning, and grid connection activities. The project is expected to deliver 2.2 billion kWh of annual charge-discharge capacity, meeting the annual electricity demand of approximately 400,000 households in Saudi Arabia. It represents a significant contribution to Saudi Arabia's Vision 2030 and provides strong support for the global transition toward clean and sustainable energy.

Intellectual Property Protection

The Company is committed to the philosophy of Intellectual Property Safeguarding the Sungrow Business, implementing comprehensive intellectual property (IP) management and protection services. To strengthen IP governance, the Company has established an IP Center, a Decision-Making Committee, and a Review Committee. It has also developed key policies such as the *Patent Application Management Regulations, Patent Operations Management Regulations*, and *Patent Incentive Management Regulations*, forming a robust IP strategy and regulatory framework to systematically enhance intellectual property protection. In 2025, Sunrgow was awarded the Level 4 Assessment Certificate for ISO 56005 Innovation and IP Management Capability. This certification is an authoritative recognition of the Company's innovation and IP management capabilities. Meanwhile, the Company has also completed the certification for implementing the IP management system standards, laying a solid foundation for the Company's compliant operations and the efficient execution of IP work.

The Company has actively advanced the digital transformation of IP management, completed the upgrade of the global IP management information system, and improved efficiency and precise control across the full lifecycle management of IP such as patents and trademarks, providing technical support for improving quality and efficiency in IP activities. The Company completed trademark registration deployments in 77 countries/regions worldwide, establishing a comprehensive trademark protection network. The year-on-year global patent application volume increased by 5%, continuously strengthening international protection for core technologies. In 2025, the Company newly formulated the *Copyright Management Regulations*, which has defined the full-process working mechanism for the creation, use, management, and protection of the Company's works. While effectively protecting intangible assets related to copyright, it also stimulated employees' creative initiative, further standardizing and strengthening the Company's copyright management.

Relying on a comprehensive patent early warning mechanism, the Company regularly publishes patent technology landscape surveys to support research and development strategy planning. The IP Center organized a series of internal sharing courses to effectively enhance all employees' awareness of IP protection and foster a learning atmosphere. The Company also regularly invites external authoritative experts to provide specialized on-the-job training for IP engineers, comprehensively enhancing the team's professional competence and core business capabilities. In 2025, a total of 108 patent mining activities were organized, fully stimulating employees' innovative vitality and their enthusiasm for IP protection.

Industry-Academia-Research Collaboration

The Company leverages its position as an industry leader to continuously drive industry development through various initiatives. These include establishing industry collaboration platforms, advancing technological progress, leading and participating in standard revisions, and strengthening industry-academia-research partnerships. In 2025, the Company participated in and led the development of 26 standards. To date, the Company has cumulatively participated in and led the development of 139 standards.

The Company has established documents such as the *Regulations of Industry-Academia-Research Project Management, Regulations of Central Research Institute Intern Attendance Management*, and *Guidelines of Industry-Academia-Research Review* to standardize the management of its industry-academia-research projects. Currently, the Company is collaborating on over 20 projects with prestigious universities globally, including Hefei University of Technology, Zhejiang University, Virginia Tech, Aachen University, and Aalborg University.

In addition, Sungrow actively participates in industry organizations and plays key roles, collaborating with partners to promote industry development and drive innovation. The main organizations the Company is a part of include the China Photovoltaic Industry Association, the China Power Supply Society, the China Green Supply Chain Alliance, the Asia Photovoltaic Industry Association, the United Nations Global Compact (UNGC), the Global Wind Energy Council (GWEC), World Hydrogen Leaders, etc.

Metrics and Targets

The Company continued to increase its R&D intensity. The 2025 target was for total annual R&D investment to be no less than that of the previous year, and it was successfully achieved by the end of the year. Total annual R&D investment amounted to RMB4,175 million, representing a year-on-year increase of 32%. From 2020 to 2025, the Company's R&D investment increased significantly for six consecutive years, amounting to RMB806 million, RMB1,161 million, RMB1,692 million, RMB2,447 million, RMB3,164 million, and RMB4,175 million, respectively, with annual growth rates of 44.04%, 45.74%, 44.62%, 29.30%, and 31.97%, respectively.

Digitalization

Governance

Digital transformation is a key strategy for the Company to adapt to the modern market environment and support sustainable development. The Company has established a Digital Transformation Management Committee, chaired by the Board Chairman, with members comprising leaders from various business areas and a Chief Information Officer (CIO). The Committee is responsible for making decisions on major matters such as the digital strategy and resource allocation; addressing significant challenges and key issues during project execution; coordinating disputes and difficulties that arise in project implementation; and ensuring timely, high-quality completion of digital initiatives while promoting digital performance management, awareness building, and the establishment of a digital culture.

Based on the strategic planning of the Digital Transformation Management Committee, each business and functional team proposes digital transformation recommendations tailored to their respective areas and collaborates with the Process and Digitalization Center to plan and design the digital blueprint and business processes. Each team is responsible for communicating digital concepts to relevant departments, driving the implementation of digital projects within their business area, and ensuring accountability for project outcomes to achieve the digital targets outlined in the annual strategic plan. Functional teams carry out specialized planning for their respective areas and work with business teams to facilitate execution. Subsidiaries follow the relevant corporate management policies and collaborate to advance digital transformation initiatives.

To advance the digital transformation process, the Company has established institutional documents including the *Digital Project Implementation Management Measures, Main System Rollout and Replication Project Management Measures, Sungrow Group Document Management Procedure, China Data Export Management Measures, Group Digital Construction Management Regulations*, and *Self-Developed Project Implementation Management Measures.*

In addition, the Company has established an AI Office to oversee technological development and application planning in the AI field, ensuring alignment between the technology strategy and the Company's long-term development goals. The Office is responsible for cross-organizational resource coordination, including computing power, data, and human resources, to enhance overall resource utilization efficiency. It also serves as the central management unit for AI-related requirements, ensuring consistency in the allocation of key resources. By participating in requirement assessment, project initiation, investment decisions, and technical reviews, the AI Office provides guidance and oversight for major Company-level AI technology projects. Furthermore, the Office is responsible for building mid- to long-term organizational capabilities and promoting internal and external technological exchange and collaboration.

The Company's AI initiatives are primarily focused on enhancing product competitiveness and improving organizational efficiency. On the organizational efficiency front, AI is deeply embedded into core business processes, targeting specific operational scenarios to address real-world challenges and accelerating the evolution of existing workflows and digital systems toward intelligent operations. The Company also encourages employees to actively leverage AI tools to boost work efficiency, allowing more focus on systematic thinking and professional specialization, thereby continuously strengthening organizational capabilities. Regarding infrastructure, the Company adheres to green and low-carbon policies and standards throughout server procurement and data center construction and operation. By deploying modular racks, high-efficiency equipment, and green power within campuses, it continuously enhances renewable energy utilization. At the same time, a comprehensive equipment lifecycle management system has been established to reinforce resource recycling, energy and water conservation, and compliant disposal of end-of-life equipment, solidly advancing energy efficiency, carbon reduction, and high-quality green development.

Digitalization Culture Development and Training

In 2025, the Company organized 31 offline and online digital course training sessions and released 30 online digital courses. The Company held the third Digitalization for All innovation empowerment program, where a three-dimensional digital capability development system of "Light Application + AI + BI" was established. A total of 2,343 employees used digital tools to successfully incubate and implement 33 innovation projects.

Sungrow's 3rd "1013 Digital Day" concluded with enthusiastic participation from Sungrowers worldwide. Centered on the theme "Leading the Digital Transformation," the event covered key global operations in person and attracted a total of 9,720 online participants—a 65% increase over the previous edition. This not only reflects the organization-wide focus on digital transformation but also signals that digital awareness has been widely awakened and deeply embedded across the Company.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

Through the establishment of a data platform, the Company has taken initial steps toward transparent and digitalized operational management, laying a solid foundation for future digital transformation and setting a benchmark for industry-wide digital advancement.

Technology opportunities

The Company strengthens the application of digital technologies to enable intelligent decision-making. By leveraging predictive analytics, machine learning, and other advanced tools, it can better optimize resource allocation, enhance productivity, and reduce operational costs.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

The Company advanced the upgrade of information systems and the development of digital platforms, with related investments already incorporated into the annual budget.

Expected financial impacts

In the short term, investments in information system development, operations, and staff training may increase, but they enhance technological capabilities, operational efficiency, and employees' digital skills. In the medium to long term, successful digital transformation is expected to strengthen management coordination and business efficiency, optimize cost structures, and improve overall operational performance.

Strategy and Adaptability

The Company drives continuous optimization of product innovation processes through the development of digital R&D and business platforms, enabling efficient alignment between R&D activities and market demand. At the same time, digital tools empower the distributor and customer service network, enhancing collaboration efficiency and service responsiveness. Furthermore, the Company leverages a digital project management framework to improve rapid project response and delivery timelines, while continuously optimizing supply chain collaboration, thereby enhancing overall operational efficiency and business resilience.

Impacts, Risks, and Opportunities Management

Aligned with the Company's business strategy, the Process and Digitalization Center, together with business departments, identifies core business processes and scenarios (such as supply chain optimization and customer experience enhancement). By analyzing industry best-practice digital solutions, the Company develops business, data, and technology architecture for digital applications. Using maturity model assessments and benchmarking analyses, gaps are identified and a clear digital transformation roadmap is established. In 2025, the Company invested in R&D, production, supply chain, sales and service, energy and carbon management, and ESG management, achieving progress in enhancing management efficiency, reducing costs, and improving customer satisfaction.

Key Digitalization Practices of Sungrow

Achieving Continuous and Efficient Product Innovation

The Company launched the PLM (Product Lifecycle Management) project, confirmed more than 70 business rules and more than 110 electronic approval workflows, and optimized R&D requirement management, project management, and product development and sales processes. It also integrated R&D tools and established a collaborative R&D platform, further enhancing material, process and change management.

Empowering Distributors and Serving Customers to Enhance Operational Efficiency

In December 2025, PV&Storage BG's CRM system platform went live in the European region. Distributors can place orders independently and submit sales forecasts through the channel portal. Order fulfillment efficiency increased by 25%, effectively enhancing channel collaboration and channel empowerment. At the same time, through the customer service portal, customers can independently inquire about equipment and warranty information, submit issues, and track progress. The on-time issue resolution rate increased by 30%, effectively improving customer satisfaction. Overall, the launch of the CRM system enabled lean digital operations for PV&Storage BG's overseas business.

Rapid Project Response and Timely Delivery

Based on the launch of the MOM for the energy storage plant and continuous functional optimization, the Company carried out MOM system implementation for the photovoltaic factory and the assembly domain of the wind-and-charging plant. This further achieved unified platforms across the Group's production and manufacturing domain and met the objectives of real-time data transmission, sharing, and analysis, optimizing production capacity, and enhancing delivery capabilities.

Supply Chain Efficiency Improvement

After the Thailand SRM project went live in 2025, efficiency was significantly improved and costs were reduced. The circulation time of the procurement process was improved by 25%, order submission efficiency increased by 14%, and local procurement costs in Thailand decreased by 15%. The system enabled centralized management of supplier information, process automation, and greater transparency, improving real-time collaboration efficiency across departments and with suppliers. Compliance and risk control were strengthened through standardized contract management. Data utilization efficiency increased by 90%, providing strong support for management decision-making.

Logistics Management System (TMS) Efficiency Improvement

Throughout 2025, continuous optimization of the TMS system and the corresponding optimization of business processes enabled automatic notifications for changes to upstream logistics orders and updates to interfaced customs declaration documents, 100% monitoring of tracking nodes across the end-to-end international logistics process, and automatic alerts and handling for tracking exceptions. The variance between the monthly data for estimated accrued logistics costs and the final actual expenses was reduced to within 10%.

Warehouse Management Efficiency Improvement

With the implementation of the PV&Storage BG's 2025 WMS project for the after-sales China region, the management coverage of a three-tier warehouse structure under PV&Storage BG's marketing system, including the central warehouse, hub warehouses, and regional warehouses, was achieved. It realized cross-system process integration and achieved an automation rate of 95% for accounting processing, and established standardized operating procedures and a unified system platform, which effectively improved the management level of after-sales warehouse operations, and enhanced inventory accuracy and operational quality.

Energy and Carbon Management System

In 2025, the energy and carbon management system was extensively promoted and adopted across the Company. In energy management, the Company achieved the collection, storage, analysis, and application of the Company's water, electricity, and gas data, established an objective energy consumption evaluation system for key equipment such as electricity use management, water use management, gas management, and public and auxiliary equipment, and achieved energy efficiency monitoring and energy conservation and consumption reduction. It supports remote start/stop control and related operating parameters for air compressors, air conditioners, fan cabinets, and exhaust gas systems. The operation, maintenance, and inspection workload of public and auxiliary equipment decreased by 30%. The average fault response time for public and auxiliary equipment was less than ten minutes. Overall annual energy savings within the project scope reached 7.17%, creating greater value with lower energy consumption. In terms of carbon management, Sungrow's dedicated multi-tier digital carbon management platform was created, providing data support and scientific decision-making for achieving the Group's carbon neutrality goals, while also realizing 100% online LCA carbon management for Sungrow's core products.

iQMS Digital and Intelligent Quality Management System

In 2025, the Process Digitalization Center and Quality Control Center continued co-developing the in-house iQMS system, following a "small steps, fast iterations" strategy. This resulted in the addition of over 20 new functionalities, including quality issue improvement management, quality objective management, experience case library management, quality traceability management, on-site supplier supervision, customer FAT oversight, and targeted quality improvement initiatives. By December 2025, the iQMS system had achieved over 70% of its planned functionality, with 100% of quality issue reporting and improvement processes fully digitized. The quality issue closure rate reached ≥95%, the recurrence rate of similar issues dropped by 50%, the average time for single-trace queries was ≤10 minutes, and the historical experience library had accumulated more than 700 cases.

Metrics and Targets

Looking ahead over the next 5–10 years, Sungrow has proposed the digital vision of "Building an Intelligent Sungrow to Lead Globally." To better achieve this vision, the digital transformation work is divided into three stages:

Digital 1.0

Complete the construction of core systems across all business areas; establish the data platform and master data governance to achieve basic global data integration; standardize and enhance transparency in core business processes, strengthening management levers.

Digital 2.0

Complete information system construction across all business domains; achieve full lifecycle transparency for products and end-to-end visibility from order to delivery; leverage data-driven approaches to enable integrated upstream and downstream collaboration; establish digital factories based on IT/OT integration; cultivate a data-driven corporate culture where "decisions speak through data," and implement digital operations management based on decision dashboards.

Digital 3.0

Fully enhance data analytics capabilities to enable intelligent forecasting and machine learning; achieve intelligent, unmanned factories through AI and autonomous learning; realize enterprise intelligence management via management dashboards; drive business innovation through advanced technologies, advanced analytics, and data intelligence, consolidating a healthy ecosystem through industrial internet platforms.

Currently, the Company's Digital 1.0 stage has been underway for three years. Processes, systems, and data initiatives are progressing according to plan, with standardized global business processes, completion of core systems and data platforms, initial achievements in data governance, and foundational infrastructure deployed worldwide.

04

Net-Zero Transition

Responding to Climate Change

Energy Management

Responding to Climate Change

In 2025, Sungrow proactively responded to the framework recommendations of the *International Financial Reporting Standards Sustainability Disclosure Standard No. 2 - Climate-related Disclosures* (IFRS S2). Benchmarking against the climate change-related disclosure requirements in the SZSE *Guidelines* and the *Appendix C2 Environmental, Social and Governance Reporting Code of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the Company further improved its climate governance mechanism, accelerated the transition of business toward a low-carbon direction, and continued to enhance actions and contributions in climate change adaptation and mitigation.

Milestones in Sungrow's Journey towards Net Zero

2020
Joined the RE100 Initiative

2022
Joined the EP100 Initiative

2023
Publicly announced the targets of operational carbon neutrality by 2028, supply chain carbon neutrality by 2038, and supply chain net zero by 2048

Systematically conducted climate scenario analysis for the first time

Provided carbon accounting training to suppliers for the first time, and initiated supplier carbon inventory and carbon footprint data collection

2024
Launched the canteen gas-to-electricity conversion project, and used electric stoves at all newly built canteens

Replaced all substations in the factory area with environmentally friendly dry gas switchgear, and gradually phased out SF_6 ring main units

Purchased carbon credits through VCS for the first time

Launched a transportation management system and integrated it with the carbon management system, focusing on emission reduction in the logistics segment

Launched a carbon management system, significantly improving carbon accounting efficiency and management level

2025
Implemented the Green Power Accelerator program for suppliers

Conducted a pilot project on product eco-design project

Carried out circular economy practices, and conducted a pilot program for reusable packaging for battery cells

Deployed an energy management system to enhance the efficiency and precision of energy management, unlocking greater potential for energy savings and emissions reduction.

Launched Phase II development of the carbon management system project

Climate Change Management System of Sungrow

Governance

- Supervision level
  As the highest responsible body for climate governance, the Board of Directors is responsible for establishing the overall strategic direction, long-term goals, and key policies for responding to climate change. The Strategy and Sustainability Committee is responsible for reviewing the effectiveness of the formulation and implementation of climate strategies, goals, and transition plans.
- Management level
  The Sustainability Management Office organizes the development of medium- and long-term climate plans and annual key tasks and establishes a cross-departmental coordination mechanism.
- Implementation level
  The ESG Development Center is responsible for designing and advancing climate goals and policies, and for identifying, assessing, and responding to climate-related risks and opportunities.

Strategy

- Through interviews, surveys, and other methods, the Company systematically identifies and analyzes 19 climate-related risks and opportunities, assessing their impacts on the Company's business model, operations, and both current and projected financial positions.
- Using scenario analysis as a scientific assumption, the Company improves its net-zero strategy and targets, assesses the resilience of its strategy and business model in the face of climate-related changes, developments, and uncertainties, and promotes the implementation of climate transition plans.

Impacts, Risks, and Opportunities Management

- Through in-depth engagement with the core business and operation teams, and by incorporating the professional judgment of external climate experts and industry consultants, the Company continuously improves the mechanisms for identifying, assessing, prioritizing, and dynamically monitoring climate-related risks and opportunities, thereby promoting the systematic integration of climate factors into the overall enterprise risk management framework.
- Based on the results of earlier climate scenario analysis, the Company updates, as appropriate, the quantitative impact assessments for five representative asset sites, and, in conjunction with the latest climate scenario assumptions, evaluates their potential consequences.

Metrics and Targets

- The Company annually calculates Scope 1, 2, and 3 GHG emissions, strengthening emission management across all stages of the value chain.
- The Company includes 100%-owned subsidiaries in the Company's annual GHG accounting based on operating conditions.
- In accordance with ISO 14068-1:2023, the Company updates the definition of its climate targets.

Governance

Sungrow established a climate change governance structure comprising the Board of Directors, the Strategy and Sustainability Committee, the Sustainability Management Office, the ESG Development Center, and the Sustainability Implementation Working Group. This strengthened efficient coordination across decision-making, management, and implementation, and systematically promoted the implementation of climate change-related strategies and targets.

Climate Change Governance Structure of Sungrow

Board of Directors

Oversees Sungrow's overall climate-related matters.

Strategy and Sustainability Committee

Reviews climate change–related strategies, targets, and transition plans, and reports to the Board of Directors.

Sustainability Management Office

Regularly consolidates and analyzes climate-related management performance, and reports findings to the Strategy and Sustainability Committee and Management.

ESG Development Center

Prioritizes the management of climate-related risks and opportunities, advances the climate transition plan, and reports to the General Manager of the ESG Development Center.

Sustainability Implementation Working Group

Composed of representatives from various business units and functional departments, responsible for implementing specific decarbonization actions and measures.

Supervision and Guidance by the Board of Directors

In advancing climate governance, the Board of Directors serves as the highest supervisory body and authorizes the Strategy and Sustainability Committee to specifically perform climate-related governance functions and to regularly report to the Board of Directors on relevant matters and progress of actions.

Governance Body	Responsibilities	Major Practices in 2025
Board of Directors	Establish the Company's overall strategic direction for responding to climate change, set long-term targets, approve key policies, and ensure that climate-related matters are systematically integrated into the Company's overall strategy, major decisions, and resource allocation. Assume ultimate responsibility for oversight of climate-related risks and opportunities, and regularly receive updates from the Strategy and Sustainability Committee, oversee the setting of climate-related targets and progress toward achieving them, and assess the actual and potential impacts of climate change on the Company's strategy, operations, and long-term value creation.	The Board of Directors has designated the optimization of the Company's climate targets as a key annual resolution. Considering evolving external policy landscapes, industry trends, and the Company's medium- to long-term strategy, the Board has undertaken a comprehensive review and refinement of climate targets and their implementation pathways. It has further instructed management to clarify phased targets and accountability, ensuring the integration of climate objectives with business strategy, investment decisions, and performance management. The Board will continue to oversee the implementation of these targets, with a view to strengthening the Company's long-term resilience and sustainable competitiveness in the transition to a low-carbon economy.
Strategy and Sustainability Committee	Be responsible for reviewing and providing feasibility recommendations on the Company's climate change-related strategy, emission reduction targets, transition plan, and related policies, and promote the integration of climate-related requirements into the Company's overall strategy and business decisions. Hold at least one meeting per year to assess the impacts of climate-related risks (including physical risks and transition risks) and opportunities on the Company's short-, medium-, and long-term cash flows, financing capacity, and capital expenditures.	

The Strategy and Sustainability Committee under the Board of Directors is composed of three directors with years of experience in the new energy industry and possesses the expertise and forward-looking judgment required to oversee climate-related matters. The Strategy and Sustainability Committee continues to strengthen its professional capabilities in climate governance. When necessary, it continuously enhances its understanding and oversight effectiveness on complex climate issues through means such as special topic briefings, external expert consultations, or participation in industry frontier exchanges.

Planning and Decision-making by the Management

At the management level, the Company has established a well-defined and highly coordinated governance framework with clear accountability. Mr. Chen Wei serves as Director of the Sustainability Management Office and General Manager of the ESG Development Center, acting as a critical nexus between the Board's strategic intent and operational execution across business units. He is responsible for driving the implementation of ESG and climate-related strategies at the execution level. In this capacity, he leads the formulation of medium- to long-term plans and annual priorities, oversees the operation of climate-related risk and opportunity assessment mechanisms, and reviews key disclosures such as climate-related reports. He also makes decisions on critical matters including major risk responses, target advancement, resource allocation, and the development of digital platforms. In parallel, he promotes the integration of ESG principles into the Company's corporate culture, enhancing organization-wide awareness and capabilities in sustainable development.

To ensure the effective cascade of climate-related strategies from top-level design to execution, the Company has embedded key climate performance indicators into the core of its governance and operational decision-making processes. Starting from 2026, 10% of the annual variable remuneration of all senior executives will be directly linked to the Company's sustainability strategic targets, including climate-related key performance indicators such as Scope 1 and Scope 2 emissions reductions, energy consumption per unit of product, and the proportion of renewable energy usage.

The Company has also established a Sustainability Implementation Working Group, comprising representatives from business units and functional departments relevant to climate change, to drive the implementation of concrete actions and measures. These include initiatives on energy efficiency improvement, renewable energy substitution, low-carbon technology deployment, supply chain decarbonization, and other related enhancement actions.

Governance Department	Responsibilities
Sustainability Management Office	Organize and formulate climate change-related medium- and long-term plans and annual key work arrangements, and promote the implementation of Company-level climate change-related strategies, targets, and policies across business units. Establish a cross-departmental collaboration mechanism to regularly consolidate and analyze climate-related management performance, and report implementation progress to the Strategy and Sustainability Committee and the management.
ESG Development Center	Coordinate the specific design and advancement of climate change-related goals, policies, and management practices. Set up a Climate and Carbon Management Team, which is in charge of focusing on the identification, assessment, and response to climate-related risks and opportunities; the formulation and implementation of greenhouse gas emission management strategies and emission reduction targets; the promotion of full life-cycle carbon management for products and solutions; the management and accounting of emission data; and representing the Company in international climate initiatives, industry benchmarking, and research and exchanges on relevant standards.

Major Practices in 2025

The Sustainability Management Office and the ESG Development Center, in alignment with the Board of Directors' resolutions on optimizing the Company's climate targets, take a leading role in advancing the refinement, decomposition, and effective implementation of such targets. They coordinate the Group-wide assessment of emissions baselines, target modelling, and the optimization of decarbonization pathways, while working collaboratively with relevant departments to enhance the portfolio of key emission reduction initiatives and annual action plans. In parallel, they establish robust tracking and periodic reporting mechanisms for climate targets, thereby continuously supporting the Board in its oversight and informed decision-making regarding climate target performance.

Climate Change-Related Management Policies of Sungrow

Energy Consumption and Carbon Emission Management
Management Measures for the Quantification of Greenhouse Gas Emissions
Organizational Carbon Inventory Process
Energy Management Manual
Control Procedures for Energy Targets, Metrics, and Energy Management Plans

Emergency Management
Emergency Preparedness and Response Control Procedure
Regulations of Production Center Emergency Plan Management
Emergency Plan for Extreme Weather in Manufacturing System

Supply Chain Management
Sustainable Procurement Policy
Supply Chain Compliance and Sustainability Management Policy

Impacts, Risks, and Opportunities Management

Sungrow regards climate change as a core strategic variable shaping its long-term value creation, and has proactively embedded it into the Company's overarching strategic framework. Guided by a systems-thinking approach, the Company advances the institutionalization of climate governance, benchmarking against internationally recognized standards such as IFRS S2. It has established a comprehensive climate-related risk and opportunity management framework spanning the entire value chain, forming a closed-loop management system that integrates "strategic decision-making – operational execution – performance feedback.

Risk and Opportunity Management Mechanism

The Company's ESG Development Center conducts systematic analyses to comprehensively identify climate-related risks and opportunities that may have material impacts on the Company's own operations, the stability of upstream and downstream value chains, and the external market environment. The identification results are consolidated by the Sustainability Management Office, which organizes dedicated reviews and, upon completion, reports on a regular basis to the Company's Strategy and Sustainability Committee.

The Board of Directors, on this basis, dynamically calibrates the Company's strategic positioning in response to climate change, and—through structured, process-driven arrangements—systematically embeds climate-related risk management into the overarching enterprise risk management framework. This ensures that climate considerations are substantively integrated and operationalized across critical business activities, including investment decision-making, product development, supply chain management, and capital allocation.In 2025, grounded in its operational realities and informed by peer benchmarking, the Company conducted a comprehensive review of climate-related impacts. As a result, it identified a total of 19 climate-related risks and opportunities, comprising six physical risks, nine transition risks, and four opportunities.

In 2025, the Company established a dedicated AIDC Power Business Unit. Accordingly, under the "Products and Services Opportunities" category, a new opportunity driver—"Expansion into AI Data Center (AIDC) Power Solutions"—was introduced.

Climate-related Risk and Opportunity Management Process of Sungrow

Identification

Identify climate-related risks and opportunities that may affect the Company's business operations, financial performance, and strategic objectives, ensuring coverage of current and expected impacts of climate change in legal, technological, market, and environmental aspects.

The ESG Development Center conducts periodic cross-departmental discussions with relevant business and operational units to ensure a holistic assessment of climate change impacts from multiple perspectives.

Assessment

Based on the identified information, conduct in-depth assessments through qualitative analyses (e.g., expert interviews, industry research) and quantitative methods (e.g., data modeling) to assess the severity of risks and the potential value of opportunities. For material risks, the ESG Development Center quantifies their potential impacts on the Company's finance, operations, brand, and other aspects; it assesses the potential benefits of opportunities in terms of market growth, technological innovation, or cost savings. The Sustainability Management Office provides resource support and reviews the relevant work.

Priority ranking

Climate-related risks and opportunities are prioritized using a quantitative scoring method across dimensions including likelihood, impact severity, adaptability, and resilience.

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

Monitoring

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

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

Climate-related Risks and Opportunities of Sungrow in 2025

Acute physical risks

1. Floods, rainstorms

2. High-temperature heat waves (emergency incidents)

3. Extreme cold (including blizzards)

4. Extreme weather such as hurricanes and tornadoes

Physical risks >

Policy and regulatory risks

7. Implementation of carbon tariffs

8.Enhanced carbon emission reporting and carbon footprint disclosure obligations

9. Carbon emission reduction requirements for existing products and services under policies and regulations

10. Increased demand for the development of low-carbon technologies in existing products and services

Transition risks >

Market risks

12. Customers' increased carbon emission reduction requirements for existing products and services

13. Limited supply of low-carbon raw materials and renewable energy

14.Scarcity of tradable carbon resources in the carbon market and rising carbon prices

Transition risks >

Policy and regulatory opportunities

16.International/national support for the new energy industry

Opportunities >

Chronic physical risks

5.High temperature and heatwave (continuously rising average temperatures)

6. Continuous sea level rise

Physical risks >

Technology risks

11.Increased demand for the development of low-carbon technologies in existing products and services

Transition risks >

Reputational risks

15. Failure to achieve publicly committed carbon emission reduction targets

Transition risks >

Market opportunities

17. Expansion of carbon market trading volume

Opportunities >

Product and service opportunities

18. Increased demand for low-carbon products and services (such as photovoltaics and energy storage)

19. New business development of power supply for AI Data Center (AIDC)

Opportunities >

Process of Integrating Climate-related Risks into the Company's Overall Risk Management

During its risk management processes, the Company has identified that climate-related risks and opportunities do not exist in isolation from its established risk architecture. Rather, they are transmitted through and manifest in core business risk drivers—such as the policy and regulatory landscape, market demand dynamics, international trade relations, and the investment returns of new energy projects—thereby being systematically integrated and reflected within the Company's existing, centrally managed risk categories.

The Company treats climate-related risks and opportunities as drivers within its existing risk landscape, systematically analyzing their interlinkages and transmission pathways with established risk categories, including policy risk, market competition risk, international trade friction risk, and risks associated with the investment and development of new energy projects. These factors are then comprehensively incorporated into the Company's overarching risk identification, assessment, and mitigation processes.

Process of Integrating Climate-related Risks into Overall Risk Management

Acute physical risks

Climate-related Risk Drivers	Risk Transmission Pathway and Descriptions	Corresponding Operational Business Risks
1.Floods, rainstorms 2.High-temperature heat waves (emergency incidents) 3.Extreme cold (including blizzards) 4.Extreme weather such as hurricanes and tornadoes	Extreme weather events may cause damage to the Company's production facilities, as well as those of key suppliers or client-side power stations, resulting in production disruptions, logistics interruptions, and project delays. Such events can lead to increased expenditures on operations and maintenance, repairs, and insurance, while also affecting the supply of raw materials, product delivery, and the timely grid connection of projects—thereby triggering contract performance risks and heightened revenue uncertainty.	Risks associated with the investment and development of new energy projects

Chronic Physical Risks

Climate-related Risk Drivers	Risk Transmission Pathway and Descriptions	Corresponding Operational Business Risks
5.High temperature and heatwave (continuously rising average temperatures)	Prolonged exposure to high temperatures accelerates equipment ageing and reduces product reliability, leading to increased maintenance frequency and higher energy consumption. Coastal production bases and client-side distributed and utility-scale power stations are exposed to long-term risks of inundation and salt spray corrosion, which may result in premature asset retirement, operational disruptions, or the need for additional protective investments, thereby undermining the expected returns over the full lifecycle of projects.	Risks associated with the investment and development of new energy projects
6.Continuous sea level rise		

Transition risks

Climate-related Risk Drivers	Risk Transmission Pathway and Descriptions	Corresponding Operational Business Risks
7.Implementation of carbon tariffs	The imposition of carbon border measures—such as the EU's Carbon Border Adjustment Mechanism (CBAM) and the U.S. Clean Competition Act (CCA)—on exported products directly elevates sales costs. Failure to establish compliant carbon accounting systems or to meet carbon intensity thresholds may result in the loss of export eligibility or exclusion from key markets.	International trade friction risks
8.Enhanced carbon emission reporting and carbon footprint disclosure obligations	In certain regions, regulatory requirements mandate the disclosure of Scope 1–3 emissions, which increases the costs associated with data collection, verification, and reporting.	Policy-related risks
9. Carbon emission reduction requirements for existing products and services under policies and regulations	Regulatory frameworks such as the EU Battery Regulation and France's CRE tender low-carbon standards require compliance with full lifecycle carbon footprint thresholds, compelling process optimization, material substitution, and low-carbon technology innovation.	Policy-related risks Market competition risks
10. Carbon emissions in production and operation fail to meet policy and regulatory requirements	Failure to meet emissions control targets may expose the Company to penalties, production restrictions, reductions in emissions allowances, or additional compliance costs.	Policy-related risks
11. Increased demand for the development of low-carbon technologies in existing products and services	The industry's accelerated transition toward zero-carbon technologies (e.g., green hydrogen coupling and intelligent solar-plus-storage systems) necessitates increased investment in R&D and equipment upgrades.	Market competition risks
12. Customers' increased carbon emission reduction requirements for existing products and services	Some customers require full-chain carbon footprint data and evidence of emission reduction pathways, prompting the Company to establish an upstream-inclusive carbon data management system.	Market competition risks
13. Limited supply of low-carbon raw materials and renewable energy	The supply of low-carbon resources such as green aluminum, recycled silicon, and renewable electricity is limited and often comes at a premium, driving up procurement costs.	Market competition risks
14. Scarcity of tradable carbon resources in the carbon market and rising carbon prices	Volatility in international carbon markets or tightening of allowance regimes directly increases compliance costs. Rising carbon costs among upstream suppliers are also transmitted through the value chain.	Market competition risks
15. Failure to achieve publicly committed carbon emission reduction targets	Failure to deliver on self-imposed decarbonization commitments may impact the Company's reputation among international investors, rating agencies, and customers.	Market competition risks

Meanwhile, the Company integrates climate-related opportunities into its strategic planning and product development processes, treating them as key considerations for new energy business expansion and medium- to long-term growth, and advancing them in alignment with the Company's overall development strategy.

Integrating Climate-related Opportunities into Business Strategy

	Climate-Related Opportunity Drivers	Transmission Pathways and Descriptions	Business Strategy
16	International/national support for the new energy industry	Major economies are accelerating the energy transition through subsidies, tax incentives, mandatory quotas, and green procurement policies, substantially expanding demand for solar PV, energy storage, and integrated energy solutions. The Company can leverage these policy windows to actively participate in large-scale domestic and international project tenders, accelerate market penetration, enhance order acquisition, and strengthen revenue growth, while also seeking influence in standard-setting.	The Company deepens its presence in global markets and promotes collaboration with partners worldwide, aiming to build long-term, sustainable competitive advantages.
17	Expansion of carbon market trading volume	As carbon pricing mechanisms mature and the cost advantages of green capital become apparent, the Company can generate additional revenue by selling surplus renewable electricity or China Certified Emission Reductions (CCERs), reduce financing costs through issuing green bonds or securing low-carbon loans, and convert investments in low-carbon technologies—such as zero-carbon factories and renewable electricity procurement—into quantifiable carbon assets with premium value.	The Company strengthens research and development efforts to consolidate technological and product leadership.
18	Increased demand for low-carbon products and services (such as photovoltaics and energy storage)	Some customers—especially RE100 members, multinational manufacturers, and data center operators—treat supply chain carbon footprint as a key procurement criterion. Leveraging its advanced PV inverters, energy storage systems, and solar-plus-storage solutions, the Company can meet clients' ESG compliance requirements, enhance pricing power, and secure long-term contracts.	The Company continues to diversify its product portfolio, enhancing its capabilities in delivering integrated solutions.
19	New business development of power supply for AI Data Center (AIDC)	The explosive growth of AI computing power brings massive electricity and cooling demands, while its operations face stringent PUE and carbon intensity regulations. The Company can integrate photovoltaic systems, energy storage, and intelligent energy management systems to offer comprehensive solutions.	The Company accelerates the rollout of digital projects and expands the application and deep integration of AI technologies.

Sungrow, referencing IFRS S2 for the classification and definition of climate-related risks and opportunities, evaluates and prioritizes each item based on its own business layout and characteristics. This process draws on industry risk reviews, departmental interviews, and external expert input, assessing the significance of each climate-related risk and opportunity across dimensions such as impact, likelihood, and vulnerability.

Analysis and Assessment Dimensions for Climate-related Risks and Opportunities of Sungrow

Time horizon of impact

Different climate-related risks and opportunities will affect the Company over varying time horizons. Considering internal strategic planning cycles and standards from institutions such as CDP, the Company classifies the impact periods as short-term (0–1 year), medium-term (2–5 years), and long-term (6 years and beyond). For each time horizon, the Company develops corresponding strategies to ensure robust business performance and long-term sustainability.

Short-term

Establish rapid response mechanisms and adopt flexible management measures to quickly adjust operational plans, ensuring risks remain controllable while fully leveraging opportunities.

Medium-term

Develop comprehensive climate change response strategies, optimize resource allocation, and improve implementation efficiency; proactively identify new opportunities in the green transition and sustainable development.

Long-term

Continuously monitor the potential impact of climate-related risks and opportunities on the Company's long-term development. By considering industry trends and external environmental changes, anticipate risks and opportunities, dynamically assess them, and adjust response strategies as needed to safeguard the Company's long-term competitiveness and resilience.

Impact Severity

Definition

The severity of a climate-related risk or the potential benefit brought by an opportunity.

Prioritization Criteria

Assessed and ranked from "low" to "high" based on factors such as direct economic losses, increased indirect costs, changes in potential revenue, reputational damage, legal complaints or fines, and loss of partners. This ensures a comprehensive and precise evaluation. For example, risks or opportunities that have a more significant impact on the Company are assigned higher priority.

Likelihood

Definition

The frequency or probability of occurrence of risk- or opportunity-related events within a specific timeframe.

Prioritization Criteria

Assessed and ranked from "low" to "high" based on external scenario analyses, policy implementation progress, and expert forecasts. For example, risks or opportunities with a higher likelihood of occurring within the relevant time horizon are assigned higher priority.

Vulnerability

Definition

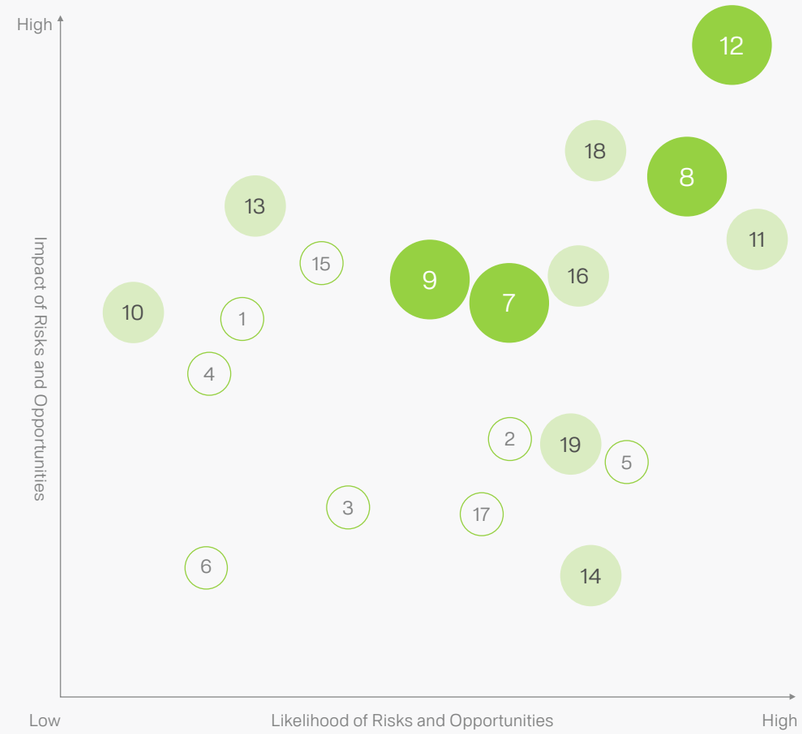
The Company's level of preparedness, agility, and adaptive capacity to respond to risk- or opportunity-related events.

Prioritization Criteria

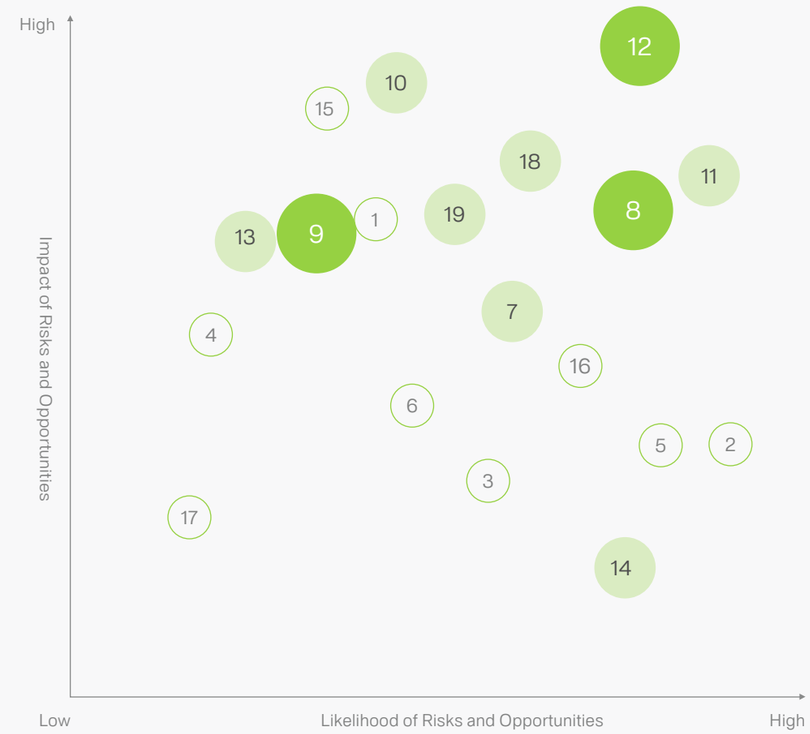
Assessed and ranked as "low," "medium," or "high" based on operational practices and input from internal and external experts. For example, if the Company is well-prepared, can respond quickly, and possesses long-term adaptive capacity, the vulnerability is considered low.

Sungrow's Climate-related Risks and Opportunities Matrix in 2025

Short- and Medium-term



Long-term



1.Floods, rainstorms

2.High-temperature heat waves (emergency incidents)

3.Extreme cold (including blizzards)

4.Extreme weather such as hurricanes and tornadoes

5.High temperature and heatwave (continuously rising average temperatures)

6.Continuous sea level rise

7.Implementation of carbon tariffs

8.Enhanced carbon emission reporting and carbon footprint disclosure obligations

9.Carbon emission reduction requirements for existing products and services under policies and regulations

10.Carbon emissions in production and operation fail to meet policy and regulatory requirements

11.Increased demand for the development of low-carbon technologies in existing products and services

12. Customers' increased carbon emission reduction requirements for existing products and services

13.Limited supply of low-carbon raw materials and renewable energy

14.Scarcity of tradable carbon resources in the carbon market and rising carbon prices

15.Failure to achieve publicly committed carbon emission reduction targets

16.International/national support for the new energy industry

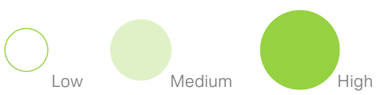
17.Expansion of carbon market trading volume

18.Increased demand for low-carbon products and services (such as photovoltaics and energy storage)

19.New business development of power supply for AI Data Center (AIDC)

Note In 2025, the Company invited internal and external experts to conduct a systematic assessment of each type of climate-related risk and opportunity. Each item was quantitatively scored across three dimensions—impact, likelihood, and vulnerability—and the relative positions of different risks and opportunities were presented in a matrix diagram. Considering that the Company operates in the solar PV and energy storage sectors, which are characterized by long investment cycles, rapid technological iteration, and strong dependence on the continuity of energy policies, an annual short-term horizon (0–1 year) cannot fully capture the full scope of strategic planning and execution. Therefore, when constructing the climate-related risks and opportunities matrix, the Company merged the short-term (0–1 year) and medium-term (2–5 years) into a single "short-to-medium term" category for unified evaluation.

Legend



The color and size of the dots represent vulnerability—the larger and darker the dot, the higher the Company's vulnerability to the corresponding risk or opportunity.

Strategy

Sungrow systematically maps its full value chain—from purchased goods and services, upstream transportation and distribution, and technology R&D, to production and manufacturing, downstream transportation and delivery, and product use and operation. Using a lifecycle perspective and internationally recognized scenario analysis methods, the Company selectively identifies climate-related physical and transition risks, as well as low-carbon transition opportunities, across each segment. Building on this, it further assesses clearly high-sensitivity areas—such as coastal production bases, high-carbon tariff markets, and key mineral-supplying countries—and high-potential domains, including product ecological design and AIDC business. This approach provides precise guidance for resource allocation, resilience building, and strategic prioritization.

Sungrow's Value Chain Stages and Related Risks and Opportunities

Stage	Related business	Relevant risk/opportunity drivers	Concentrated areas
Purchased Goods and Services	China	**Tier 2 and below suppliers** Provide raw materials, basic materials, or primary processing services to Tier 1 suppliers. **Tier 1 suppliers** Deliver finished components, key subsystems, or core raw materials directly to Sungrow.	1.Floods, rainstorms 2.High-temperature heat waves (emergency incidents) 8.Enhanced carbon emission reporting and carbon footprint disclosure obligations 9.Carbon emission reduction requirements for existing products and services under policies and regulations
Upstream Transportation and Distribution		Logistics and transportation of raw materials/products	1.Floods, rainstorms 2.High-temperature heat waves (emergency incidents) 6.Continuous sea level rise
Technology R&D	China; Bangalore, India; Chonburi, Thailand.	R&D and innovation of low-carbon products and technologies	5.High temperature and heatwave (continuously rising average temperatures) 8.Enhanced carbon emission reporting and carbon footprint disclosure obligations 9.Carbon emission reduction requirements for existing products and services under policies and regulations 11.Increased demand for the development of low-carbon technologies in existing products and services 12.Customers' increased carbon emission reduction requirements for existing products and services 13.Limited supply of low-carbon raw materials and renewable energy 16.International/national support for the new energy industry 17.Expansion of carbon market trading volume 19.New business development of power supply for AI Data Center (AIDC)
Production and Manufacturing		Operation of production and manufacturing facilities	1.Floods, rainstorms 2.High-temperature heat waves (emergency incidents) 7.Implementation of carbon tariffs 8.Enhanced carbon emissions reporting and carbon footprint disclosure requirements 9.Carbon emission reduction requirements for existing products and services under policies and regulations 10.Carbon emissions in production and operation fail to meet policy and regulatory requirements 12.Customers' increased carbon emission reduction requirements for existing products and services 13.Limited supply of low-carbon raw materials and renewable energy 14.Scarcity of tradable carbon resources in the carbon market and rising carbon prices 15.Failure to achieve publicly committed carbon emission reduction targets 16.International/national support for the new energy industry

Stage	Related business	Relevant risk/opportunity drivers	Concentrated areas
Downstream Transportation and Delivery	Europe and North America	Logistics and transportation of raw materials/products	1.Floods, rainstorms 2.High-temperature heat waves (emergency incidents) 6.Continuous sea level rise 7.Implementation of carbon tariffs 8.Enhanced carbon emission reporting and carbon footprint disclosure obligations 9.Carbon emission reduction requirements for existing products and services under policies and regulations 12.Customers' increased carbon emission reduction requirements for existing products and services 15.Failure to achieve publicly committed carbon emission reduction targets 16.International/national support for the new energy industry 18.Increased demand for low-carbon products and services (such as photovoltaics and energy storage)
Product Use and Operation		End users: Large power utilities, commercial and industrial enterprises, and residential or community households.	1.Floods, rainstorms 2.High-temperature heat waves (emergency incidents) 4.Extreme weather such as hurricanes and tornadoes 6.Continuous sea level rise 19.New business development of power supply for AI Data Center (AIDC)

Impact Boundaries of Climate-related Risks and Opportunities of Sungrow in 2025

Acute Physical Risks

	Purchased goods and services	Upstream transportation and distribution	Technology R&D	Production and manufacturing	Downstream transportation and delivery	Product use and operation
1. Floods, rainstorms	●	●	○	●	●	●
2. High-temperature heat waves (emergency incidents)	●	●	○	●	●	●
3. Extreme cold (including blizzards)	◐	◐	○	◐	◐	◐
4. Extreme weather such as hurricanes and tornadoes	○	○	○	○	◐	●

Chronic Physical Risks

	Purchased goods and services	Upstream transportation and distribution	Technology R&D	Production and manufacturing	Downstream transportation and delivery	Product use and operation
5. High temperature and heatwave (continuously rising average temperatures)	◐	◐	●	◐	◐	◐
6. Continuous sea level rise	◐	●	◐	◐	●	●

Policy and Regulatory Risks

	Purchased goods and services	Upstream transportation and distribution	Technology R&D	Production and manufacturing	Downstream transportation and delivery	Product use and operation
7. Implementation of carbon tariffs	○	◐	○	●	●	○
8. Enhanced carbon emission reporting and carbon footprint disclosure obligations	●	◐	●	●	●	○
9. Carbon emission reduction requirements for existing products and services under policies and regulations	●	◐	●	●	●	◐
10. Carbon emissions in production and operation fail to meet policy and regulatory requirements	○	○	◐	●	○	○

Technology Risks

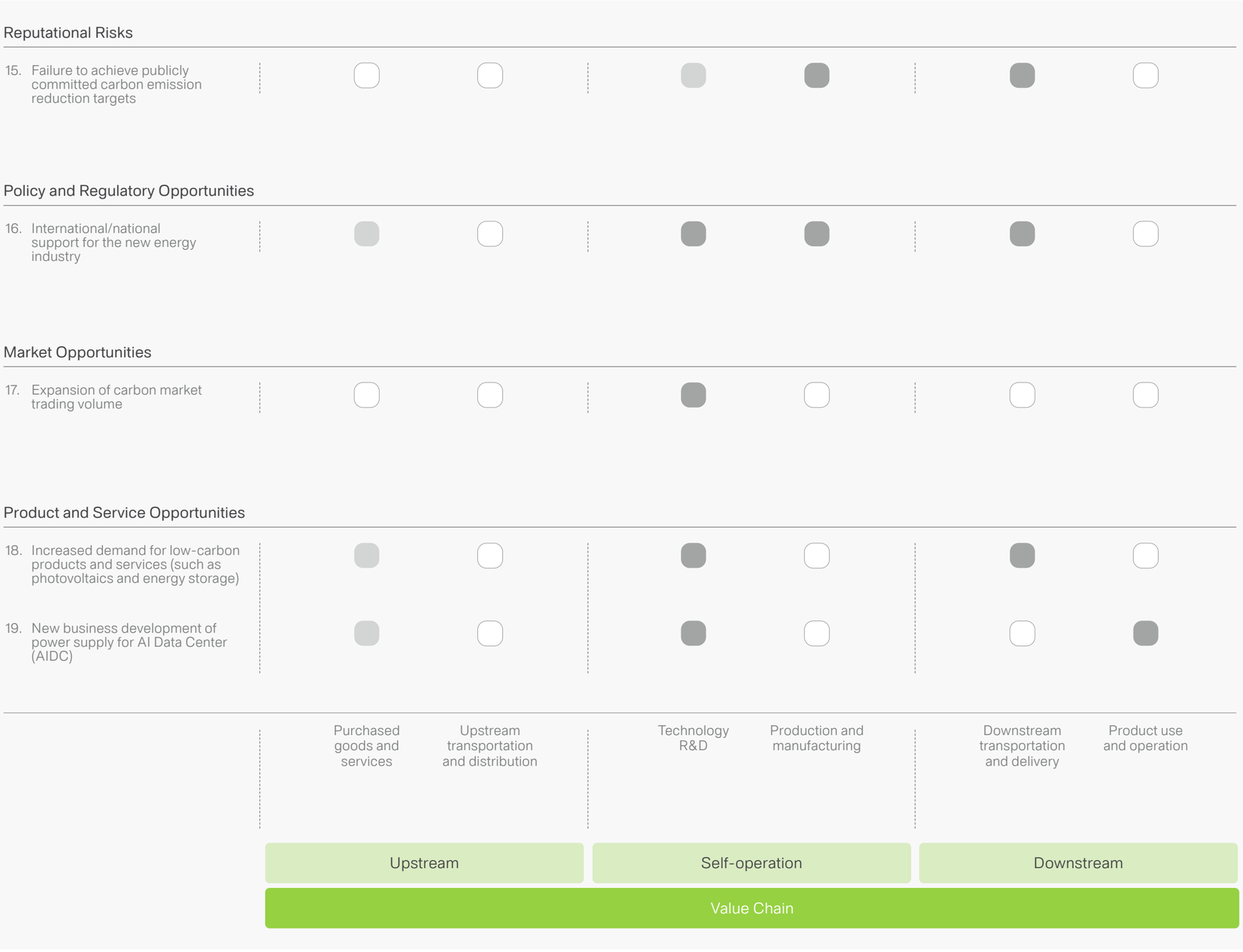
	Purchased goods and services	Upstream transportation and distribution	Technology R&D	Production and manufacturing	Downstream transportation and delivery	Product use and operation
11. Increased demand for the development of low-carbon technologies in existing products and services	●	○	●	○	○	○

Market Risks

	Purchased goods and services	Upstream transportation and distribution	Technology R&D	Production and manufacturing	Downstream transportation and delivery	Product use and operation
12. Customers' increased carbon emission reduction requirements for existing products and services	●	◐	●	●	●	◐
13. Limited supply of low-carbon raw materials and renewable energy	●	○	●	●	○	○
14. Scarcity of tradable carbon resources in the carbon market and rising carbon prices	●	◐	◐	●	○	○

Upstream | Self-operation | Downstream

Value Chain



Note

When assessing the impact of climate-related risks and opportunities across value chain segments, the Company qualitatively considers factors such as the directness of the risk or opportunity and the scope of its influence.

Specifically:

- High Impact: Risks or opportunities that directly affect the Company's core operational segments (e.g., technology R&D, production and manufacturing, or product market demand), or that could significantly influence operating costs, production continuity, market demand, or strategic development.
- Medium Impact: Risks or opportunities that primarily transmit indirectly through the supply chain or customer demand, or that may affect operations under certain scenarios, but whose overall impact is relatively manageable.
- Low Impact: Risks or opportunities with limited relevance to the Company's business or value chain segments, having minor effects on operational activities, or only producing localized impacts in specific regions or over short timeframes.

Legend

High Impact:

Medium Impact:

Low Impact:

For the identified climate-related risks and opportunities, the Company develops targeted management measures and integrates them into capital expenditure decisions, supply chain optimization, and technology R&D. This ensures that climate actions both strengthen organizational resilience and drive long-term value creation. The table below provides a detailed overview of the specific measures the Company has taken in response to the identified climate-related risks and opportunities, along with their corresponding financial impact assessments.

Sungrow 2025 Climate-Related Risks and Opportunities and Their Financial Impacts

Acute Physical Risks			
Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Floods, rainstorms			
Short term Medium term Long term	Frequent extreme rainfall and flooding put production facilities, storage sites, and supporting power systems located in river-adjacent or low-lying areas—both the Company's and its suppliers'—at risk of inundation. This may damage critical production equipment and automated control systems, affecting the production capacity of components and final products as well as delivery schedules. Customer power stations in mountainous or remote areas may also be flooded, particularly during the project warranty period, requiring the Company to deploy substantial operations and maintenance resources, such as pumping out water, inspecting equipment performance, and repairing damaged components, to restore normal operation.	Prior to the flood season, the Hefei factory completed centralized procurement of flood prevention materials—such as sandbags and pumps—30 days in advance, pre-positioning flood kits in key areas, with an investment of approximately RMB10,000. The India factory conducted regular inspections of drainage facilities and prepared flood prevention materials, such as sandbags, water barriers, and pumps.	Indirect (operational) costs: increased facility maintenance expenses and higher product repair and warranty costs
High temperatures and heatwaves (emergency incidents)			
Short term Medium term Long term	Short-term high temperatures and heatwaves may prompt the country to adopt temporary power curtailment measures for high energy-consuming enterprises, directly affecting the production capacity and delivery efficiency of our factories and key suppliers, and causing logistics delays and extended production cycles. Sustained high temperatures increase cooling loads and electricity costs at our sites and adversely affect employees' commuting and on-site operations. Safety risks may rise for outdoor construction and equipment installation operations, which may reduce production and installation efficiency in the short term. High-temperature conditions may also adversely affect the performance of electrical equipment and energy storage products, including accelerating equipment aging, increasing failure rates or shortening service life, thereby increasing repair and replacement costs.	The Company established a high-temperature allowance scheme, with a total of approximately RMB11 million disbursed in such subsidies. The Hefei factory provided employees with adequate drinking water resources and organized heatstroke prevention drills, with an investment of approximately RMB100,000. The Thailand factory provided outdoor workers with ice for cooling and sugary drinks, along with safety vests and harnesses. The average monthly cost for these measures is approximately THB5,000. The India factory work schedules are adjusted to avoid exposure during peak sunlight hours. The facility supports employees in applying for high-temperature subsidies and has enhanced cooling infrastructure with additional fans and air conditioners. Cooled beverages and tea are provided, and essential heat-related medications are maintained on standby. The total expenditure for these measures amounts to approximately RMB10,000.	Indirect (operating) costs: Increased warehousing costs, increased plant power supply costs, increased labor protection costs Indirect (operating) costs: Increased after-sales product repair and maintenance costs

Acute Physical Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Extreme cold (including blizzards)			
Short term Medium term Long term	Extreme low-temperature and blizzard events may cause delays in supplier shipments and disruptions to logistics, extending production cycles and delivery lead times. Under extremely cold conditions, heating demand increases for our plant areas and for heat supply at construction sites. In cold regions such as Northwest and Northeast China and parts of Northern Europe, project construction may not proceed as planned, resulting in project delays. Heavy snow and freezing conditions may also cause physical damage to power station facilities, such as snow accumulation collapsing power station roofs or cooling systems, increasing maintenance and insurance costs.	The Hefei factory established an emergency rescue supplies depot and prepared ginger tea as a warming drink for employees, with an investment of approximately RMB15,000. In 2025, there were no instances of extreme cold weather resulting in a significant increase in the Company's air conditioning or heating electricity costs. As there was a force majeure clause in the contracts with customers and customers requested delayed delivery, although the Company did not incur penalties or breach-of-contract costs, the additional demurrage charges incurred amounted to approximately RMB300,000.	Indirect (operating) costs: Increased warehousing costs, increased plant heating costs, increased labor protection costs Indirect (operating) costs: Breach of contract costs incurred due to failure to deliver products on schedule, product after-sales maintenance costs
Extreme weather such as hurricanes and tornadoes			
Short term Medium term Long term	In coastal areas and regions prone to wind disasters, hurricanes and tornadoes may cause suppliers to delay shipments and disrupt logistics, further affecting production plans and delivery cycles. Orange or red meteorological alerts may force the Company to suspend certain production or operational activities to ensure the safety of employees and facilities. Extreme wind disasters may also directly damage plant infrastructure, power distribution systems, or project facilities, such as broken trees, downed power lines, or damaged roofs, resulting in equipment outages or production disruptions. North America is a region with a high incidence of tornadoes. Our customer projects and supply chain in the region may face higher extreme weather risks, increasing the likelihood of equipment damage, operations and maintenance interventions, and delivery delays.	The Hefei factory carried out rooftop bolt reinforcement, installation of explosion-proof film for glass, support for arbor pruning, and reinforcement of wind bracing pull wires for overhead lines, with an investment of approximately RMB4,000. The Company identified nodes at production bases and along major logistics routes that are susceptible to extreme weather impacts, conducted an emergency drill for sudden thermal runaway involving ship-borne lithium battery energy storage cabinets in 2025.	Indirect (operating) costs: Increased warehousing expenses, increased labor protection expenses Indirect (operating) costs: Increased facility maintenance expenses

Chronic Physical Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
High temperature and heat wave (continuously rising average temperatures)			
Medium term Long term	As the long-term average temperature continues to rise and heat waves become more persistent, some countries may implement more normalized energy-use restriction policies for high energy-consuming industries, affecting the production pace of the Company and its suppliers. Prolonged high-temperature conditions may accelerate equipment aging, adversely affecting product reliability and service life.	The M8 workshop at the Hefei Industrial Park added air conditioning, with an investment of approximately RMB1.8 million. The Thailand factory provides air conditioning for cooling while also meeting product temperature and humidity control requirements, with an annual investment of approximately RMB10 million.	Indirect (operating) costs: Increased warehousing costs, increased plant power supply costs, increased labor protection costs Indirect (operating) costs: Increased after-sales product repair and maintenance costs

Chronic Physical Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Continuous sea level rise			
Medium term Long term	The Company's coastal plant areas, warehousing, and office facilities, as well as those of its suppliers, face long-term risks of flooding, seawater erosion, and inundation, which may damage plant infrastructure and production equipment. Low-lying or coastal customer power stations and projects may be affected by seawater backflow, salt damage, or flooding, resulting in facility damage, operational disruptions, or even early retirement.	Sea level rise did not cause damage to the Company's business operations.	Operating revenue: The inundated areas will no longer be able to carry out production, affecting product output, and operating revenue will decrease accordingly.

Policy and Regulatory Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Implementation of carbon tariffs			
Medium term Long term	As the European Union Carbon Border Adjustment Mechanism (CBAM) is scheduled to be formally implemented in 2026, and the United States Clean Competition Act (CCA) has proposed similar carbon tariff measures, the main products that the Company exports to the European Union and American markets (such as inverters and energy storage equipment) will face new compliance requirements and additional cost pressures. If the Company fails to timely collect and disclose product life-cycle carbon footprint data, or does not meet the prescribed carbon emission standards, it may be subject to additional tariffs or face import restrictions.	The Company was not yet within the regulatory scope of CBAM/CCA.	Indirect (operating) costs: Increased costs for exporting products to the European Union and North America
Enhanced carbon emission reporting and carbon footprint disclosure obligations			
Medium term Long term	As regulators in Europe and the United States are tightening requirements for the disclosure of carbon emissions and product carbon footprints, the Company's energy storage and photovoltaic products are required to disclose life cycle carbon emission data. The Company needs to invest human resources and system resources in data collection, accounting, and disclosure to ensure that emissions across all stages of the supply chain are transparent and traceable, so as to meet customer and regulatory requirements. Failure to meet these requirements may affect market bidding and customers' procurement decisions.	The Company collected carbon inventory data from 182 suppliers and carbon footprint data for 142 materials, and facilitated 19 suppliers in completing carbon inventory certification and 25 products in completing carbon footprint certification. The total expenses for the Company's carbon inventory, product carbon footprint, and EPD certification amounted to RMB1.4 million.	Indirect (operational) costs: Increased information disclosure costs, increased carbon accounting costs
Carbon emission reduction requirements for production operations and product service under policies and regulations			
Medium term Long term	The EU Batteries Regulation explicitly requires battery products to calculate their carbon footprint across the full life cycle, and to conduct performance grading of the carbon footprint and set maximum carbon emission thresholds. Meanwhile, the French Energy Regulatory Commission (CRE) proposed Simplified Carbon Assessment (ECS) requirements for photovoltaic modules, applicable to project tenders on or after April 01, 2023. If the Company fails to meet the relevant carbon emission reduction standards, it may not only lose eligibility to participate in tender projects, but also weaken its products' price and technological competitiveness in the European market, affecting overseas market expansion and customer contract performance, while increasing R&D investment and supply chain management costs.	The Company continues to increase investment in product R&D, achieve the integration of the EMS system and the iCarbon carbon management system, with an investment of approximately RMB20,000.	Direct costs: Increased expenses for R&D of low-carbon products

Policy and Regulatory Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Medium term Long term	Carbon emissions in production and operation fail to meet policy and regulatory requirements If carbon emissions are not effectively controlled during the Company's production process, it may violate regulations and face government penalties, while also affecting product export eligibility and brand reputation. In carbon-emissions-sensitive markets, non-compliance or failure to meet standards will affect sales and customer trust.	By leveraging the energy management system to optimize the operating logic of high-power equipment such as air conditioners, the Company reduced auxiliary system energy consumption, saving approximately RMB2.27 million in electricity costs in 2025. A series of energy-saving measures were implemented around the theme of emission reduction, including replacing high-energy-consumption mining lamps, upgrading to permanent magnet motors and EC fans, and modifying strategies for aging centralized workshop workstations, resulting in total electricity savings of approximately RMB0.5 million. High-carbon-emission fire cabinets were replaced with environmentally friendly gas cabinets, with an investment of around RMB0.92 million. The Company also installed over 400 new charging stations, with a total investment of approximately RMB5.5 million.	Direct costs: Increased expenses for adopting low-carbon and emission reduction technologies and purchasing low energy consumption equipment

Technology Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Short term Medium term Long term	Increased demand for the development of low-carbon technologies in existing products and services With the increasing requirements for low-carbon technologies, the Company needs to invest substantial funds in research and development, including recruiting scientific research personnel, introducing advanced equipment, and upgrading laboratory and production facilities. If the Company fails to keep up with technological advances in the industry in a timely manner or fail to achieve the expected innovation outcomes, its product competitiveness and market share may decline.	The Company carried out energy-saving technical transformation projects, including waste heat recovery for the air compressor at the M4 power station, M13 permanent magnet motor retrofitting, EC fan retrofitting, and M19 cooling water variable-frequency retrofitting, with an investment of approximately RMB1.39 million. The Company launched a pilot project on product eco-design, with an investment of approximately RMB80,000.	Direct costs: Increased expenses for R&D of low-carbon products

Market Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Medium term Long term	Customers' carbon emission reduction requirements for existing products and services Overseas customers explicitly required suppliers, during the procurement process, to provide carbon emission information covering the entire product and supply chain, including carbon footprint data for raw material sources, production and processing, logistics and transportation, and the use stage. If the Company is unable to meet customer requirements, it may lose its competitive advantage, which could affect the signing of key customer orders and long-term cooperative relationships, and increase supply chain management complexity and operating costs.	To meet customers' requirements for low-carbon products, the Company continued to increase investment in product R&D and product carbon footprint accounting.	Direct costs: Increased expenses for R&D of low-carbon products Indirect (operating) costs: Increased expenses of low-carbon management activities, increased expenses of the adoption of low-carbon emission reduction technologies

Market Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Limited supply of low-carbon raw materials and renewable energy			
Medium term Long term	With the advancement of the low-carbon transition and supply chain net-zero targets, the Company needs to use more green and low-carbon materials and energy in production and operation, including biodegradable packaging, green transportation methods, and green electricity. Such low-carbon resources are typically more costly than traditional materials or energy, and are also subject to constraints in supply volume, delivery stability, and regional distribution. This will increase investment in supply chain management and may lead to higher procurement costs, greater difficulty in logistics coordination, and constraints on production planning.	The Company promoted the standardization and simplification of incoming material packaging, and advanced the use of reusable and recyclable packaging such as pallet boxes and storage cages. The Company also promoted the adoption of reusable packaging among more than 40 suppliers, including for battery cells, reactors, circuit breakers, and structural parts. The India and Thailand factories adopted the IREC procurement process for the first time, with an investment of approximately RMB70,000.	Indirect (operational) costs: Increased expenses for supply chain carbon emission data management and establishing intelligent management systems Direct costs: Increased costs for procuring green raw materials
Scarcity of tradable carbon resources in the carbon market and rising in carbon prices			
Medium term Long term	The shortage of tradable carbon quotas in the global carbon market and rising carbon prices will increase upstream suppliers' carbon costs, which may be passed through to the Company's procurement costs. High carbon costs may weaken the price competitiveness of products in carbon-footprint-sensitive markets (such as Europe and the United States). Intensified carbon market volatility may also force the Company to accelerate R&D in low-carbon technologies and innovation in low-carbon products, while increasing resource inputs in internal carbon management and external market monitoring, further driving up R&D and operating costs.	The Company's expenses related to the purchase of VCS carbon credits were approximately RMB270,000. The Company's expenses related to the purchase of green electricity were approximately RMB160 million.	Direct costs: Increased raw material procurement expenses, increased low-carbon R&D expenses Indirect (operating) costs: Increased expenses for adopting low-carbon emission reduction technologies, increased expenses for achieving carbon offsetting

Reputational Risks

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Failure to achieve publicly committed carbon emission reduction targets			
Long term	The Company has joined international initiatives such as RE100 and EP100, and has committed to achieving relevant net-zero emissions and energy efficiency targets within the prescribed timeframe. If the Company fails to fulfill the above public commitments on schedule, it may trigger doubts among the international community and investors regarding its execution capability and integrity, damage brand reputation, and may also reduce investment confidence in the capital market, thereby negatively affecting the Company's share price and market capitalization.	No such incidents occurred.	Indirect (operating) costs: Rising financing costs

Policy and Regulatory Opportunities

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
International/national support for the new energy industry			
Medium term Long term	The successive introduction of the national dual-carbon policy and related support measures, as well as policies such as the EU Financial Services Legislation, has created a favorable environment for the growing demand for new energy products such as photovoltaics and energy storage. The Company can leverage these policy dividends to expand its overseas market share, including participating in tenders for government-supported photovoltaic and energy storage projects, obtaining green finance support, and benefiting from preferential import and export policies.	The Company focused on the clean energy sector, and its operating revenue continued to increase in 2025.	Operating revenue: Increased operating revenue, decreased unit product production costs

Market Opportunities

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Expansion of carbon market trading volume			
Medium term Long term	As the global carbon market gradually opens up, the Company has the opportunity to participate in the increasingly expanding carbon trading market, including buying, selling, and offsetting carbon emission quotas, while also participating in market-based carbon reduction trading through low-carbon products and services. This not only provides the Company with an additional source of income, but also enables us to convert its investments in low-carbon technologies and products into quantifiable economic returns.	With the development of voluntary carbon markets (such as VCS and CDM), emission reduction projects based on photovoltaic power generation can be accounted for and generate tradable carbon credit units, providing the Company with a new revenue pathway.	Operating revenue: Increased operating revenue

Product and Service Opportunities

Time horizons	Descriptions	Financial impacts in 2025	Expected Financial Impacts (medium-term/long-term)
Increased demand for low-carbon products and services (such as photovoltaics and energy storage)			
Medium term Long term	Leveraging its technological strengths in products such as photovoltaic modules, inverters, and energy storage systems, as well as its presence in Europe, the United States, and other key markets, the Company can seize market growth opportunities and expand the scope of product sales and project development. Customers' preference for low-carbon energy and high-energy-efficiency solutions helps the Company promote products and services with green and low-carbon attributes, improving contract signing rates and market penetration.	The Company focused on the clean energy sector, and its operating revenue continued to increase in 2025.	Operating revenue: Increased operating revenue
New business development of power supply for AIDC			
Short term Medium term Long term	The Company can leverage its technological advantages in the photovoltaic and energy storage sectors to provide data centers with green energy solutions and carbon emission management services, thereby improving data centers' energy efficiency and sustainability.	The Company actively expanded its AIDC power supply business, creating new market and revenue growth opportunities.	Indirect (operating) costs: Increased R&D expenses for AI-related businesses

Climate Resilience

To meet IFRS S2 disclosure requirements for climate-related risks and opportunities and to analyze the Company's climate adaptation capacity, Sungrow conducted further climate scenario analysis building on its existing scenario results.

In 2025, the Company selected five representative asset sites and quantified the risks and opportunities under specific climate scenarios by calculating the Physical Value-at-Risk (PVaR) and Carbon Value-at-Risk (CVaR) for each site. Both PVaR and CVaR are financial metrics for climate risk, measuring the percentage of asset gains or losses relative to enterprise value caused by physical risks and carbon price–driven transition risks, respectively.

Analysis of Climate-related Physical Risks

1. Types of Climate-related Physical Risks

Based on the materiality of the impacts of various climate physical risks on the Company, the types of physical risks covered in this climate scenario analysis include: floods, high temperatures and heatwaves, and water scarcity.

2. Climate-related Physical Scenario Selection

The Company's analysis of climate-related physical risks adopts the Intergovernmental Panel on Climate Change (IPCC) SSP5-8.5 scenario, representing risks under extreme climate change conditions.



3. Climate-related Physical Risk Analysis Process & Key Assumptions

Climate Scenario Analysis Integrated Loss Model	Disaster Severity	Primarily considers factors such as the location of assets and the degree of specific physical disasters under the selected scenario.
	Vulnerability	Primarily takes into account asset type characteristics and corresponding loss functions.
	Exposure	Primarily considers factors such as the total asset value.
Key Assumptions	Asset locations remain unchanged throughout the analysis timeframe. No consideration of insurance coverage or climate risk response measures.	

4. Key Model Factors

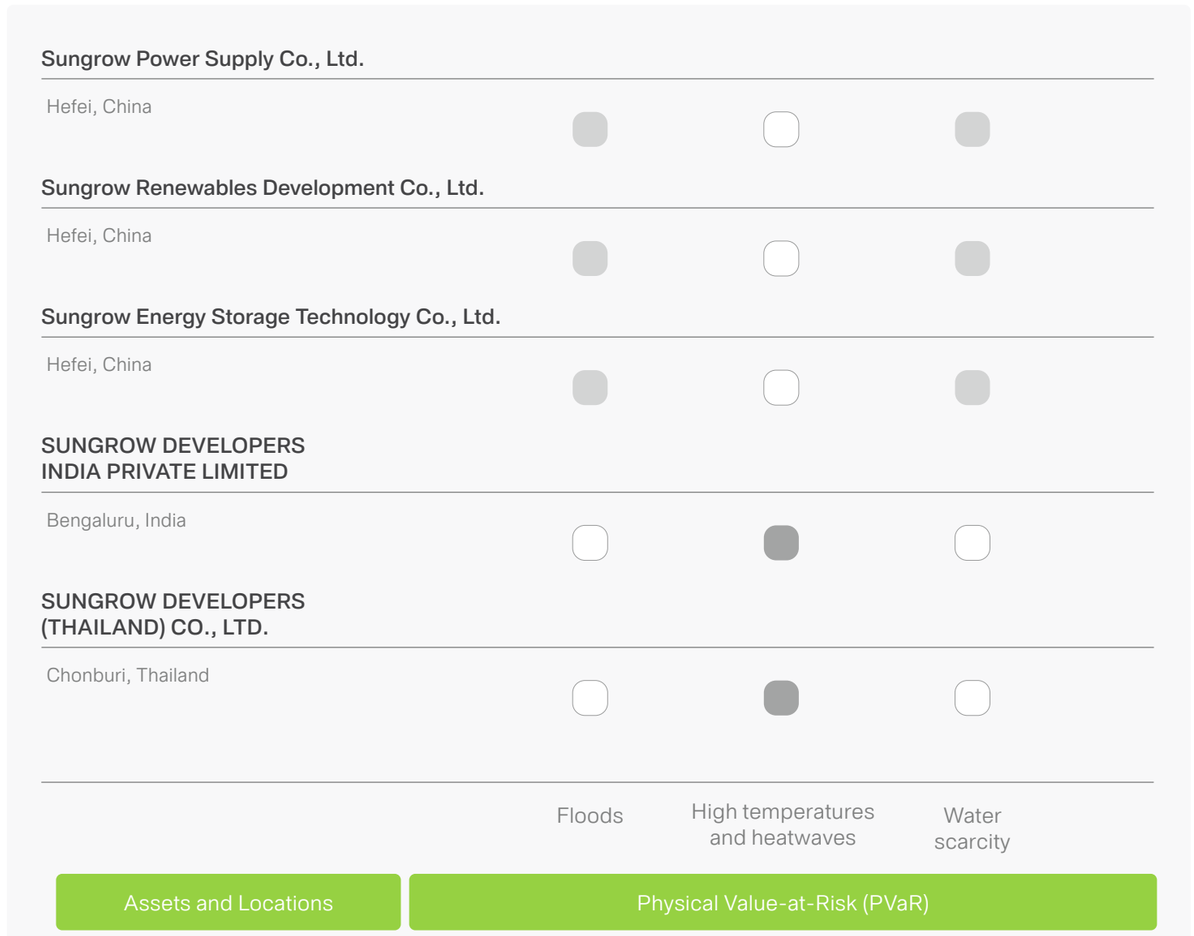
Physical Risk Types	Key Model Factors	Source
Floods	River flood risk index Number of days with heavy rainfall Maximum daily rainfall	World Bank Group database, based on the IPCC Sixth Assessment Report, CMIP6
High temperatures and heatwaves	Number of days with high temperatures Number of summer days Annual average daily maximum temperature	World Bank Group database, based on the IPCC Sixth Assessment Report, CMIP6
Water scarcity	Water scarcity index Quarterly fluctuations in water resources	World Resources Institute (WRI) Aqueduct 4.0 database, based on the PCR-GLOBWB 2 global hydrological model, CMIP6

5. Key Output Results

Physical Value-at-Risk (PVaR) is used to estimate the percentage of asset value lost due to climate physical risks.

6. Climate-related Physical Scenario Analysis Results

Climate-related Physical Risk Scenario Analysis Results of Sungrow (2050)



Risk Level	PVaR Range	Risk Level	PVaR Range
Low Risk	0% ~ 1%	Medium-High Risk	10% ~ 30%
Medium-Low Risk	1% ~ 5%	High Risk	≥30%
Medium Risk	5% ~ 10%		

The results show that under the SSP5-8.5 scenario, in which climate hazards continue to intensify, the physical risks that Sungrow will face in 2050 are shown in the table below.

High risk of high temperatures and heatwaves

- The risks are primarily concentrated at the India and Thailand factories.
- Both locations experience sustained high temperatures throughout the year; by 2050, the average annual daily maximum temperature will exceed 30°C, with more than 240 days above 30°C in India and over 350 days in Thailand.
- Without accounting for implemented or potential mitigation measures, the Physical Value-at-Risk (PVaR) for heatwave risks at these sites exceeds 10%, prompting the Company to focus on preventive measures for heatwave risks at the respective locations.

High risk of water resource scarcity, but with limited actual impacts

- The risks are primarily concentrated at the Hefei asset site in China. This region faces long-term water stress. In a context of partially market-driven water pricing and coexistence with water rights mechanisms, and without considering existing or planned mitigation measures, the Physical Value-at-Risk (PVaR) for water scarcity at this site is estimated at around 5%.
- Although Sungrow, Sungrow New Energy, and Sungrow Energy Storage operate in the same water-stressed area, differences in business models and production processes lead to varying physical risk exposures. Energy storage system manufacturers rely heavily on industrial water and cooling systems during production, resulting in relatively higher PVaR. Additionally, interregional water diversion projects substantially stabilize supply. As a result, the actual financial impact of water scarcity on the Company is limited.

Low risk of floods

- Only the asset site located in Hefei, China may face a small amount of asset losses due to floods.
- The PVaR for Sungrow's representative assets was generally below 5%, and the overall risk was controllable.

Analysis of Climate-related Transition Risks

1. Climate-related Transition Scenario Selection

The transition risk analysis adopted the 2050 Net Zero scenario from the Central Banks and Supervisors Network for Greening the Financial System (NGFS) to reflect the risks and opportunities under the orderly implementation of robust transition policies.

Scenario
NGFS 2050 Net Zero Scenario

Projected Global Temperature Rise by 2100
1.4℃ above pre-industrial levels

Characteristics
Orderly transition scenario, strong transition policies

Analysis Timeframe
2050

Scenario Assumptions
It is assumed that effective climate policies are introduced globally at present, the world will undergo an orderly transition, achieve net-zero emissions in 2050, and meet the Paris Agreement 1.5℃ temperature control target by the end of the century.

2. Climate-related Transition Risks Analysis Process & Key Assumptions

Climate Scenario Analysis Process

Based on the past 3-5 years of greenhouse gas emission data for each asset (for individual assets, electricity consumption and the share of renewable energy usage are used for estimation), as well as data such as estimated greenhouse gas emissions in 2025 and carbon emission reduction targets, simulate the future carbon emission pathways for each asset.

Considering the regional carbon reduction policies and reduction pressures based on the location and industry of each asset, calculate the carbon emission gap for each asset.

Based on the industry of the asset, installed capacity, key product shipments, and average carbon emission factor of the grid, calculate the amount of carbon emissions avoided by the renewable energy generation of the owned power plants and the equipment produced that supports renewable energy generation.

Based on the scenario carbon price for each asset's respective country, calculate the CVaR value.

Key Assumptions

This scenario analysis considers only policy-related risks (carbon pricing) and does not account for other factors such as power plant or equipment lifespan or declines in generation efficiency.

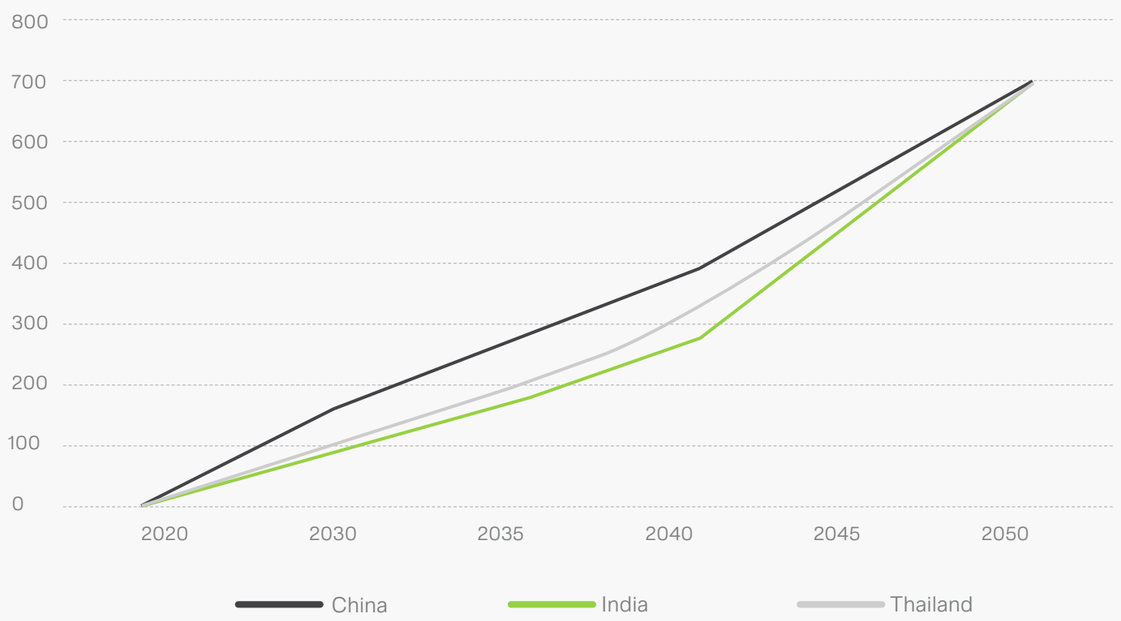
It is assumed that the installed capacity of the power plants and the delivery volume of key products remain unchanged.

The Company's carbon reduction target aims for a 70% reduction in Scope 1+2 absolute emissions by 2028 compared with 2023, and it is assumed that the absolute emissions for each asset will decrease by 70%.

Key Model Factors

The carbon price refers to the cost of avoiding or releasing carbon dioxide emissions, or the cost of avoiding or releasing carbon dioxide equivalent emissions. Under the NGFS 2050 Net Zero scenario (REMIND model), carbon prices in China, India, and Thailand all showed a rapid upward trend, reaching USD708.80 (2010)/tCO_2 by 2050.

NGFS 2050 Net Zero carbon price trajectory (REMIND)



*The carbon price in NGFS scenarios reflects the marginal cost of emission reductions under various climate policy pathways.

Key Output Results

Carbon Value-at-Risk (CVaR) measures the percentage of an asset's gains or losses relative to its asset value caused by climate transition risks driven primarily by carbon pricing, with asset gains or losses defined as the net cost of carbon emissions for that asset.

A positive CVaR indicates that total carbon costs exceed total opportunities, while a negative CVaR indicates that the total opportunities from avoided emissions exceed the total carbon costs.

6. ransition Scenario Analysis Results

Climate Transition Risk Scenario Analysis Results of Sungrow (2050)

Sungrow Power Supply Co., Ltd.
Hefei, China

Sungrow Renewables Development Co., Ltd.
Hefei, China

Sungrow Energy Storage Technology Co., Ltd.
Hefei, China

SUNGROW DEVELOPERS INDIA PRIVATE LIMITED
Bengaluru, India

SUNGROW DEVELOPERS (THAILAND) CO., LTD.
Chonburi, Thailand

Assets and Locations | Carbon Value-at-Risk (CVaR)

Risk/Opportunity Level	CVaR Range
High Opportunity	≤-100%
Medium-High Opportunity	-100% ~ -30%
Medium Opportunity	-30% ~ -10%
Medium-Low Opportunity	-10% ~ -5%
Low Opportunity	-5% ~ -0%
Low Risk	0% ~ 1%
Medium-Low Risk	1% ~ 5%
Medium Risk	5% ~ 10%
Medium-High Risk	10% ~ 30%
High Risk	≥30%

Sungrow's core business focuses on the manufacturing of related equipment and components and renewable power generation. Under the NGFS 2050 Net Zero scenario, the CVaR for all five representative asset sites is negative, indicating that climate transition opportunities outweigh risks. The stronger the policy measures, the greater the potential value for the Company. Sungrow will continue to monitor developments in climate transition policies and focus on mechanisms that can be converted into economic benefits, exploring ways to generate additional returns through carbon asset management.

Climate-related Adaptability Analysis

Sungrow integrates the identification of climate-related risks and opportunities, the assessment of current and projected financial impacts, and climate scenario analysis to systematically evaluate the resilience of its strategy and business model against both long-term climate trends and short-term shocks. The Company leverages IPCC regional climate models, national climate disaster historical databases, and in-house platforms for carbon footprint and energy efficiency data to assess its strategic and business model resilience in the face of climate-related changes, developments, and uncertainties.

Based on this multidimensional assessment, the Company has identified key vulnerabilities in its existing business model and potential growth trajectories under trends such as frequent extreme weather, stricter carbon pricing, and rising demand for green electricity. This insight supports targeted strategic investments in climate mitigation measures, adaptation measures, and climate-resilient new businesses.

2025 Climate-related Adaptability Analysis of Sungrow

Material Uncertainty Factors	Impacts on Strategy and Business Model	Adaptability of Strategic and Business Model
Frequent Extreme Weather Events	Disruption to the operational continuity of production bases and major logistics routes.	The Company regularly carried out emergency drills, continuously enhanced the climate adaptability of its production bases and warehouses, and prioritized key raw material suppliers and production bases located in areas with lower climate disaster risks, in order to reduce the impact of emergencies on supply stability.
Stricter Low-Carbon-Related Policies And Regulations	The pressure on the Company to reduce carbon emissions increased, and the difficulty of exporting products overseas (to Europe, the United States, etc.) increased.	As the carbon market further matures and carbon prices may continue to rise, the Company's carbon asset procurement costs will continue to increase, further driving up operating costs and potentially resulting in sustained pressure on profit margins. The Company continuously monitors and analyzes relevant policy changes in the Chinese mainland and overseas. It has developed a net-zero emission pathway, and integrated carbon reduction actions into daily business operations to meet external requirements for the Company's carbon reduction and effectively enhance financial resilience.
Incentive Policies for New Energy and Increased Demand	This directly benefits the Company's main business and helps the Company expand the photovoltaic and energy storage markets.	Based on the continued expansion of the energy storage market and the global energy transition trend, the energy storage business is expected to maintain relatively strong growth momentum in the future and become an important driver of the Company's revenue and profits. The Company will continue to identify regions with growth potential in business expansion and technology output, strengthen R&D investment, proactively monitor and pilot emerging low-carbon technologies, and maintain a leading position in the new energy industry, which will significantly enhance our profitability and the stability of its cash flows.

Climate Transition Plan

Sungrow places great emphasis on the systemic risks and structural opportunities arising from climate change, making climate action a core component of its long-term strategy and business development. The Company recognizes that climate change is not merely an environmental issue, but a strategic variable that affects asset security, operational stability, cost structure, market demand, and long-term competitiveness. Accordingly, climate-related risks and opportunities are fully integrated into the Company's governance structure, risk management framework, and business decision-making processes. Through rigorous scenario analysis, Sungrow provides quantitative support and forward-looking guidance for its climate transition pathways.

Key Assumptions

The Company's climate transition plan is based on scientifically grounded scenarios, using internationally recognized frameworks (IPCC, NGFS). Through quantitative analysis, climate-related risks and opportunities are converted into comparable, manageable financial metrics. Over the past three years, Sungrow has conducted systematic climate scenario analyses, which serve as critical assumptions for developing its climate transition plan and setting carbon neutrality and net-zero targets.

Scenario analysis covers five representative asset sites. For physical risks, the IPCC SSP5-8.5 high-emission scenario is applied to identify the upper bounds of risk exposure under adverse climate conditions and to provide a quantitative basis for adaptive investments and operational optimization. For transition risks, the NGFS 2050 Net Zero scenario is adopted to assess the potential financial impacts of gradually tightening climate policies and market shifts, ensuring that the Company's climate targets and transition pathways align with medium- to long-term policy environments and market trends.

Climate Strategy Direction

In response to escalating physical risks and low-carbon transition requirements, the Company advances dual climate action pathways: on one hand, addressing frequent extreme weather and long-term climate changes by enhancing business continuity, personnel safety, and asset resilience across supply chains, production operations, logistics, and customer O&M; on the other hand, pursuing carbon neutrality and net-zero targets through direct emission reductions, supply chain collaboration, low-carbon logistics and product innovation, and enabling customer-side emission reductions. This approach reduces emissions across the full value chain while capturing development opportunities arising from the low-carbon transition.

Phased Climate Targets

Based on three consecutive years of scenario analysis, and balancing risk control, business growth, and technological feasibility, the Company has set phased carbon neutrality and net-zero targets.

Short-term target

Achieve carbon neutrality at the operational level (Scope 1+2 reductions plus offsets), reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 70% compared with 2023. Within the Company's direct operational control, implement emission reductions across facilities and activities to realize low-carbon operations.

by 2028

Medium-term target

Achieve carbon neutrality across the supply chain (Scope 1+2+3 reductions plus offsets), encouraging and enabling suppliers to reduce emissions and attaining phased carbon balance at the supply chain level.

by 2038

Long-term target

Achieve net-zero emissions across the supply chain (Scope 1+2+3 reductions plus removals), ensuring that the Company and its supply chain maintain long-term competitiveness and resilience in a global low-carbon economy.

by 2048

The Company translates its climate transition targets into actionable plans and resource allocation schemes, establishing a closed-loop management mechanism of "targets → actions → investments → evaluation." To ensure effective implementation of the climate transition plan, Sungrow has set up a comprehensive feedback and evaluation system. The Company regularly collects feedback from business units and key stakeholders, incorporates input from external experts and customers, covering emission reduction progress, technological innovation, risk management, and policy responses, and facilitates cross-departmental communication through regular meetings and targeted surveys. This ensures that the transition pathways are continuously optimized in terms of scientific rigor, compliance, and market adaptability. In addition, by building an ESG data platform, the Company dynamically tracks plan execution and key performance indicators, providing decision support for the Board and management.

Beyond carbon neutrality and net-zero targets, the Company also incorporates water resources and biodiversity considerations into its climate transition plan. For example, by improving water recycling efficiency and reducing water withdrawal intensity, Sungrow strengthens ecological compensation measures at production sites under extreme climate conditions such as droughts, thereby minimizing potential impacts on natural ecosystems.

Climate Action

By continuously implementing specific measures across the two dimensions of climate adaptation and mitigation—focusing on key value chain links such as upstream suppliers, in-house production and operations, logistics, and customer O&M—Sungrow systematically translates the physical risk exposures and transition pathway assumptions revealed by climate scenario analysis into differentiated risk response strategies, emission reduction action plans, and supporting management mechanisms.

Climate Adaptation

Upstream Supply Chain

The Company is progressively integrating climate adaptation requirements into its supply chain management framework, with a focus on the potential impacts of extreme weather on raw material supply, logistics accessibility, and delivery reliability. To address acute physical risks, Sungrow works with core suppliers to enhance Business Continuity Management (BCM) and emergency response mechanisms, including pre-arranged backup sourcing, reserve storage solutions, and diversified transportation plans, while strengthening overall response capability through scenario simulations and drills.

Self-owned Production and Operation

For flood and typhoon preparedness, the Hefei Factory completes the procurement of sandbags, water pumps, and other flood control materials 30 days in advance, and pre-positions flood kits in low-lying areas. The site has established and implemented the *Extreme Weather Emergency Plan for Manufacturing Systems*, including an emergency supplies warehouse stocked with life jackets, emergency lighting, food, and drinking water. Coordination mechanisms with meteorological and emergency management authorities are in place to enhance collaborative response capabilities during extreme weather events.

To address chronic physical risks such as high temperatures and heatwaves, the Company implements multi-dimensional employee care and workplace environment improvement measures across several operational sites. At the Hefei Factory, from June to September each year, employees receive heat allowances and are provided with heat-prevention medicines and rest shelters. Work environments are improved with sunshades, natural ventilation, industrial fans, and central air conditioning. Outdoor work is reduced during peak heat periods in external plant areas, and heatstroke prevention drills are organized.

Logistics and Transportation

As the Company's energy storage business scales up, the volume of hazardous materials transported in storage cabinets has increased significantly, and extreme weather combined with emerging safety risks places higher demands on the logistics of its products. Sungrow places strong emphasis on transport safety and emergency preparedness. In 2025, the Company, in collaboration with Taicang Port, Taicang Maritime Authority, and shipping companies, conducted an onboard emergency drill for thermal runaway of lithium battery storage cabinets. The exercise aimed to enhance coordinated response capabilities among the port, vessels, and stakeholders under extreme conditions, strengthening the safety and resilience of the logistics system under complex climatic and transportation scenarios.

Product Delivery and O&M

During the product delivery and O&M phases, the Company continuously monitors the impact of extreme weather on the operational safety of customer power plants and energy storage systems. By strengthening O&M response mechanisms and technical support capabilities, Sungrow is able to quickly conduct equipment inspections, troubleshoot faults, and carry out repairs following typhoons, heavy rains, heatwaves, and similar events. This reduces the impact of extreme climate on customer asset performance and power generation stability, helping clients enhance the climate resilience of their own operations.

Climate Mitigation

Upstream Supply Chain

The Company continuously strengthens supplier capacity building and data infrastructure to drive collaborative decarbonization across its supply chain. In 2025, Sungrow launched online carbon management training via the “Sungrow e-Learn” platform, offering one recorded course and four live courses covering topics such as carbon accounting, product carbon footprint, and green electricity applications. The recorded course attracted a total of 51 participants, while the live sessions averaged around 150 viewers per session. Courses were jointly delivered by ESG Development Center experts, procurement managers, the Sungrow Carbon Intelligence team, and external instructors.

In terms of data collection and certification support, the Company in 2025 gathered organizational-level carbon accounting data from 182 suppliers, product carbon footprint data for 142 items, as well as the collection of carbon attribute data for approximately 25,000 types of materials. Through a “Certification Resource Sharing” initiative, suppliers were connected with professional, cost-effective consulting and certification services, enabling 19 suppliers to complete carbon accounting certification and 25 products to achieve carbon footprint certification.

For collaborative decarbonization actions, Sungrow added five new core supplier partners in 2025, jointly setting quantifiable carbon reduction targets and medium- to long-term implementation plans. The “Green Electricity Leadership” program was launched to survey supplier green electricity usage, revealing a 12.74% increase in suppliers using green electricity compared with 2024. Based on the supplier sustainability survey, 65% of suppliers have conducted organizational carbon accounting (23% of which were third-party certified), 56% have completed product carbon footprint calculations, 17% obtained ISO 14067 or EPD certification, approximately 33% have implemented concrete measures such as solar power generation and energy-saving upgrades, and 58% have established carbon reduction targets and medium- to long-term carbon plans.

Self-owned Production and Operation

The Company continuously reduces its operational carbon emissions through systematic energy management and technical upgrades. At the Hefei Factory, workshops M8 and M9 replaced high-efficiency industrial lighting and optimized lighting controls; the PV factory implemented a summer electricity consumption improvement program, achieving a daily electricity reduction of over 34%; the energy storage factory applied peak-shaving and valley-filling measures leveraging the charge–discharge characteristics of its processes. The Company also collaborated with the logistics department to explore the feasibility of replacing natural gas with green hydrogen or green methanol, providing new technological pathways for low-carbon production.

In 2025, the Company increased the share of renewable energy through direct green power purchases and rooftop solar installations, significantly reducing Scope 2 emissions and decreasing reliance on carbon credits. The Sungrow Energy Management System (EMS) was officially launched and stabilized in 2025, providing technical support for energy monitoring and optimization. By integrating EMS with the iCarbon system, the Company achieved precise tracking of electricity consumption and carbon emissions and continued to follow updates to Scope 2 emission calculation standards, ensuring carbon accounting and disclosure are compliant with the latest regulations.

In 2025, the Company purchased 7,127 tons of VCS credits, to offset approximately 7.3% of Scope 1 greenhouse gas emissions.

Logistics and Transportation

To accurately track carbon emissions in logistics and identify reduction potential, the Company has integrated its Transportation Management System (TMS) with the carbon management system. This integration enables the synchronization of transportation mileage between systems and automatically converts it into carbon emission data via a calculation model. In 2025, the Company also launched the construction of the TMS for overseas markets to achieve end-to-end recording and traceability of logistics carbon emissions.

The Company systematically studies EU ETS (Maritime) and FuelEU Maritime regulations to proactively identify potential impacts of shipping carbon tax mechanisms on logistics costs and management models. Emission reductions in logistics are achieved through route optimization, pilot programs for road-to-water multimodal transport, and the optimization of consolidated shipping models. For large-scale transportation of energy storage cabinets, the Company prioritizes combined water–land or water–rail transport, which reduces per-unit carbon emissions compared with conventional road transport. Regarding green packaging and transport equipment, the Company has hired dedicated packaging engineers to promote packaging reduction and the use of environmentally friendly materials, and deploys new energy vehicles for short-distance internal transport between plants, further lowering internal logistics emissions.

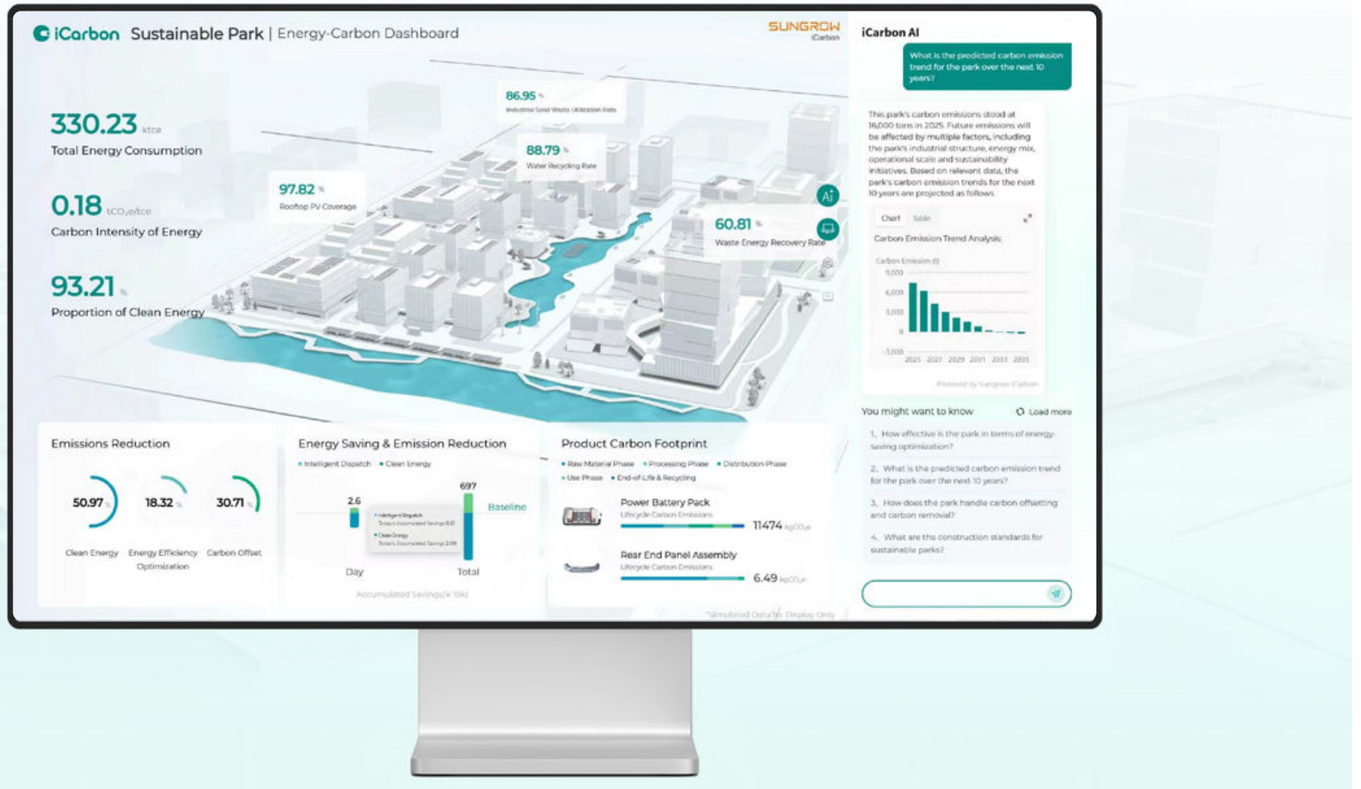
Metrics and Targets

In 2025, Sungrow conducted carbon accounting in accordance with ISO 14064 and the *Greenhouse Gas Protocol*.

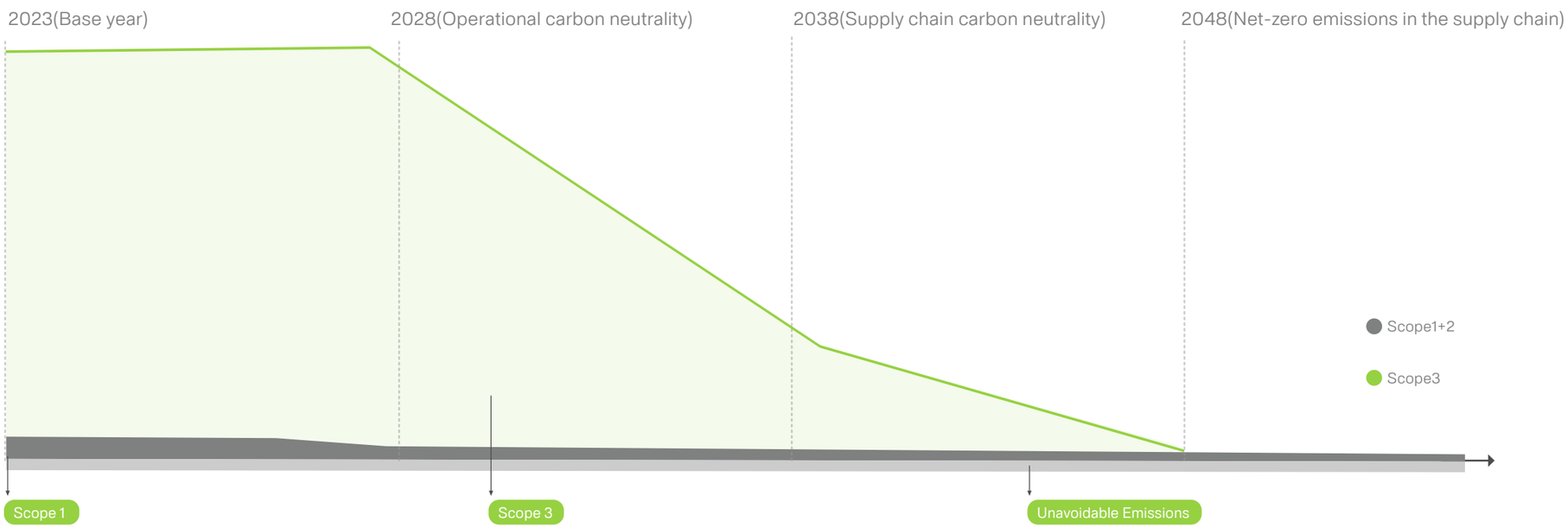
During the reporting period, the greenhouse gases covered included carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). The primary sources of these emissions were direct emissions from production operations (e.g., combustion of gasoline, diesel, natural gas, and gas leaks) and indirect emissions (e.g., purchased electricity), as well as value-chain related indirect emissions (e.g., employee commuting and business travel, procurement of goods and services, and waste disposal).

Case

Sungrow iCarbon represents Sungrow's core initiative in carbon management. Leveraging the self-developed iCarbon Energy & Carbon platform, it provides professional carbon accounting and reduction solutions for diverse clients across enterprises, campuses, factories, and hospitals. In 2025, the Company continued to deepen its presence in digital energy and carbon management. On the technology and product side, Sungrow advanced product standardization and completed the platform-based development of zero-carbon campus/factory standard solutions. It consolidated organizational and product-level carbon accounting requirements, accumulating multiple core models for industries such as power batteries, rail transportation, and new energy vehicles, thereby establishing a dedicated industry-specific model library. AI technologies were applied to drive energy saving and carbon reduction, achieving breakthroughs in core algorithms for systems such as HVAC and compressed air, with validation completed across multiple real-world scenarios to ensure the practical implementation of technological value. On the business expansion side, Sungrow capitalized on dual-carbon opportunities by developing zero-carbon campus solutions and providing continuous services to enterprises within these campuses. The Company also focused on niche market segments, cultivating highly efficient channel partners to solidify its market foundation. In parallel, it created benchmark cases for energy and carbon services, supporting global clients in their green transition.



Operational Carbon Neutrality and Supply Chain Net Zero Map of Sungrow



Electrification

Promote measures such as replacing fuel vehicles with electric vehicles and transitioning canteen gas usage to electricity.

Scope 2

Renewable Electricity Usage

Sungrow is continuously increasing the share of renewable electricity through green power procurement and rooftop photovoltaic installations at new facilities. The proportion of renewable electricity is expected to reach 75% by 2025, with a target of achieving 100% renewable electricity consumption for global operations by 2028.

Process Energy Efficiency Improvements

Sungrow will further strengthen energy management and implement energy-saving retrofit projects. By 2028, energy productivity is targeted to increase by at least 35% compared to the 2018 level.

Supply Chain Data Collection – Digital Enablement

Enhance carbon-related data attributes of materials within the SRM system. Through the Group's carbon management system, assign carbon inventory and footprint tasks to suppliers, enabling traceability of supplier carbon data.

Supply Chain Decarbonization Initiatives

Implement targeted programs such as the "Green Power Accelerator" pilot project, comparative assessments of alternative material carbon footprints, and low-carbon packaging initiatives to establish a foundation for substantive supply chain emissions reduction beyond 2028.

Product Eco-design

Launch two product eco-design pilot projects in 2025, expand the scope in 2026, and subsequently establish a comprehensive eco-design framework based on pilot experience. Eco-design principles and indicators will be formally integrated into the IPD process.

Improvement of Supply Chain Carbon Database Quality

Establish supplier data verification mechanisms and progressively increase the proportion of suppliers obtaining certifications such as ISO 14064, ISO 14067, and Environmental Product Declarations (EPD).

Collaborative Target Setting with Suppliers

Based on assessments of suppliers' carbon management maturity, jointly develop quantified emissions reduction targets.

Carbon Offsetting

Sungrow actively engages in carbon credit procurement. Since 2024, the Company has been purchasing carbon credits from the Verified Carbon Standard (VCS) voluntary carbon market to offset Scope 1 emissions.

Note: The organizational scope for the Company's carbon neutrality and net-zero targets, as well as its carbon accounting, includes Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technology Co., Ltd., Hefei Sungrow Zhiyuan Technology Co., Ltd., Sungrow FPV Sci & Tech Co., Ltd., Hefei Sungrow Electrical Equipment Co., Ltd., Bozhou Daoyang Power Technology Co., Ltd., Evertest Technology Co., Ltd., Sungrow Smart O&M Technology Co., Ltd., Sungrow Power Supply (Shanghai) Co., Ltd., Sungrow Power Equipment (Beijing) Co., Ltd., Sungrow Power Supply (Shenzhen) Co., Ltd., Sungrow Power Supply (Nanjing) Co., Ltd., Sungrow Developers (Thailand) Co., Ltd., and Sungrow Developers India Private Limited. The organizational boundary for these targets will adjust correspondingly if the Company's operational control scope changes.

Sungrow's climate-related goals and progress

Indicator	Baseline year performance (2023)	Target year	Target	% reduction compared with baseline year	2025 progress
Absolute target	46,802	2028	Operational carbon neutral (Scope 1 + 2 emissions, by reductions + offsets)	70%	-2.10%
	9,000,664	2038	Supply chain carbon neutrality (Scope 1 + 2 + 3 emissions, by reductions + offsets)	/	9,909,739
	/	2048	Supply chain net zero (Scope 1 + 2 + 3 emissions, by reductions + removals)	/	

Climate-related Metrics of Sungrow

Overall Emissions Performance

Metric	2023	2024	2025	Change in 2025 Compared With 2023[3]
Total GHG emissions	9,000,664	9,186,747(Scope 2 – location-based) 9,109,321(Scope 2 – market-based)	10,008,175(Scope 2 – location-based) 9,909,739(Scope 2 – market-based)	10.10%
Scope 1[2]	3,806	6,426	9,756	156.33%
Scope 2 location-based	42,996	117,487	134,497	-16.13%
Scope 2 market-based	42,996	40,061	36,061	
Scope 3	8,953,862	9,062,835	9,863,922	10.16%

Domestic Performance[1]

Metric	2023	2024	2025	Change in 2025 Compared With 2023[3]
Scope 1	3,722	6,145	8,981	141.30%
Scope 2 location-based	39,982	113,311	124,386	-21.88%
Scope 2 market-based	39,982	35,886	31,234	
Scope 3	8,953,862	9,062,835	9,368,796	4.63%

Other Operations' Performance

Operational site	Metric	2023	2024	2025	Change in 2025 Compared With 2023[3]
Sungrow Developers (Thailand) Co., Ltd.	Scope 1	28	215	672	2300%
	Scope 2 location-based	1,980	2,405	7,435	77.32%
	Scope 2 market-based	1,980	2,405	3,511	
	Scope 3	/	/	495,126	/
Sungrow Developers India Private Limited	Scope 1	56	66	103	83.93%
	Scope 2 location-based	1,035	1,770	2,677	27.05%
	Scope 2 market-based	1,035	1,770	1,315	
	Scope 3	/	/	/	/

Unit: tCO_2e

Note 1: Domestic operational sites in this Report include Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technology Co., Ltd., Hefei Sungrow Zhiyuan Technology Co., Ltd., Sungrow FPV Sci & Tech Co., Ltd., Hefei Sungrow Electrical Equipment Co., Ltd., Bozhou Daoyang Power Technology Co., Ltd., Evertest Technology Co., Ltd., Sungrow Smart O&M Technology Co., Ltd., Sungrow Power Supply (Shanghai) Co., Ltd., Sungrow Power Equipment (Beijing) Co., Ltd., Sungrow Power Supply (Shenzhen) Co., Ltd., Sungrow Power Supply (Nanjing) Co., Ltd.

Note 2: Scope 1 greenhouse gas emissions do not deduct carbon credits.

Note 3: The Scope 2 emissions for 2025 used for comparison are based on market-based data, with emission factors of 0.6096 kg CO_2/kWh for China, 0.4750 kg CO_2/kWh for Thailand, and 0.8230 kg CO_2/kWh for India.

Indicators for Scope 3 GHG Emissions of Sungrow[1]

Dimension	Category	2023	2024	2025	Notes & Calculation Formulas
Category 1	Purchased goods and services	8,471,339	8,491,155	9,135,404	The extraction, production, and transportation of goods purchased or acquired by the Company in the reporting year
Category 4	Upstream transportation and distribution	61,288	90,481	29,931	Upstream transportation, distribution, and warehousing activities associated with the purchase of goods and services by the Company in the reporting year
Category 5	Waste generated in operations	501	1,547	3,777	The treatment/disposal and transportation of waste generated by the Company and the transportation of waste in the reporting year
Category 6	Business travel	5,094	8,317	6,577	Employee transportation related to business activities in the reporting year
Category 7	Employee commuting	506	696	1,547	Employee transportation between their residence and workplace in the reporting year (using vehicles not owned or operated by the reporting company)
Category 9	Downstream transportation and distribution	45,237	45,813	59,616	The transportation and distribution of products sold by the Company in the reporting year between the Company's operations and the end users
Category 11	Use of sold products	369,898	367,121	546,666	The final use of products and services sold by the Company in the reporting year
Category 12	End-of-life treatment of sold products	/	57,704	80,404	Disposal of products sold by the Company at the end of their useful life in the reporting year

Unit: tCO_2e

Note 1: Based on the identification and assessment of significant indirect greenhouse gas emissions, other undisclosed Scope 3 categories are not considered significant indirect greenhouse gas emissions and are therefore not subject to identification and quantification.

Energy Management

Energy management is a core component of Sungrow's overall climate strategy. By systematically improving energy efficiency, optimizing the energy mix, and strengthening digital monitoring and control, it links both climate adaptation and mitigation efforts, providing a foundational support to ensure operational resilience and achieve carbon neutrality and net-zero emission targets. The Company primarily uses gasoline, diesel, natural gas, and electricity in daily office, operational, and production activities. It strictly complies with relevant laws and regulations, including the *Energy Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Electricity Law of the People's Republic of China, Renewable Energy Law of the People's Republic of China*, Thailand's *Energy Conservation Promotion Act* and *Energy-Saving Building Standards Act*, and India's *Energy Conservation Act*. The Company also actively implements international and national energy management standards, such as ISO 50001, GB/T 23331, GB/T 2589, and GB/T 17167.

To improve energy efficiency and ensure compliance, the Company has established an energy management system covering both its headquarters and industrial parks, implementing precise and automated management of key energy-consuming equipment to ensure efficient, compliant, and sustainable energy use. For the factories in India and Thailand, the Company enhances routine energy inspections, identifies and addresses energy "leakage, wastage, or losses," and regularly cleans cooling systems to improve the coefficient of performance (COP) of refrigeration equipment, thereby increasing overall plant energy efficiency.

Governance

Sungrow has established a four-tier energy management organizational structure in accordance with ISO 50001 standards, comprising the Chairman (top management), Director of the Sustainability Management Office (management representative), the Energy Management Working Group (energy management representative), and each business unit/center (individual energy-consuming units). The Company has also developed internal management documents, including the *Energy Management Manual, Energy Monitoring and Analysis Control Procedure, Energy Review Control Procedure*, and *Energy Objectives, Indicators, and Management Plan Control Procedure*, to ensure effective and orderly implementation of energy management policies throughout production and operations.

The Company promotes ISO 50001 certification for its major energy-consuming units. Certification currently covers Sungrow Power Supply Co., Ltd., Sungrow Energy Storage Technology Co., Ltd., Hefei Sungrow Electric Power Technology Co., Ltd., and Sungrow iCarbon Technology Co., Ltd. The energy management systems at the India and Thailand factories are in preparation for certification. In Thailand, energy governance already follows ISO 50001 standards, with certification expected by 2027.

Energy Management Structure of Sungrow

Top Management	Responsible for defining and approving the Company's energy policy. Authorizes the Energy Management Working Group to execute energy management activities.
Management Representative	Ensures the establishment, implementation, maintenance, and continual improvement of the Energy Management System. Determines the Energy Management Working Group to collaboratively conduct energy management activities. Reports energy performance and the energy management system performance improvements to Top Management.
Energy Management Working Group	Composed of personnel from the Equipment Maintenance Department, ESG Development Center, Production Center, Logistics Service Department, and other relevant units. Responsible for assisting the Management Representative in establishing, implementing, maintaining, and improving the energy management system, as well as conducting planning activities for the energy management system. Responsible for monitoring, measuring, and analyzing energy performance, organizing compliance evaluations, as well as controlling corrective and preventive actions for non-conformities.
Energy-Consuming Units	Responsible for the daily operation, inspection, maintenance, and documentation of operational equipment, in accordance with operational duties of the operating position.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

By implementing an efficient energy management system, the Company continuously optimizes energy use across production and operations, reduces environmental impact, and promotes green development within the industry.

Policy and regulatory risks

According to documents such as the *Catalogue for the Elimination of Backward High-Energy-Consuming Electromechanical Equipment (Products)* issued by the Ministry of Industry and Information Technology, if the Company's existing equipment fails to meet the latest energy-saving and environmental requirements, it may face elimination. The Company must also retrofit or replace existing equipment to comply with national energy efficiency standards.

Operational risks

Emergencies such as power outages or interruptions in natural gas supply could halt production lines, prevent equipment from functioning properly, and even cause damage to equipment or waste of production materials, leading to production interruptions, reduced operational efficiency, or temporary shutdowns.

Resource efficiency opportunities

By building an internal digital energy management system that provides precise energy consumption analysis and forecasting, the Company can monitor and optimize energy use in real time, thereby improving overall energy efficiency.

Financial Impact of Risks and Opportunities

Financial Impacts in 2025

The Company's ongoing monitoring of policy changes, routine equipment maintenance, and organization of emergency drills incur certain operational costs. At the same time, the Company saved approximately 4 million kWh of electricity throughout the year, reducing electricity expenses by about RMB2.77 million.

Expected Financial Impacts

If the Company needs to replace or upgrade equipment to comply with policy requirements, additional capital expenditures may be incurred.

The Energy Management System is expected to continuously lower energy costs and enhance overall financial performance.

Strategy and Adaptation

The Company advances its energy management through both technological and managerial measures: it continuously upgrades and replaces equipment, prioritizes high-efficiency devices, avoids using high-energy-consuming equipment listed in the national elimination catalog, and closely monitors policy changes to optimize asset allocation and ensure compliant operations. The Energy Management System enables precise monitoring and analysis of energy data, while sustained investment in energy management enhances overall energy efficiency.

In addition, the Company has established the *Unplanned Power Outage Emergency Management Guidelines* to enable rapid response in emergencies, ensuring employee safety and continuity of production, office, and R&D activities, thereby strengthening the stability and resilience of energy management.

Impacts, Risks, and Opportunities Management

Sungrow has integrated energy management into the sustainability strategy, systematically identifies, assesses, and manages energy-related risks and opportunities, and continuously improves energy efficiency to support green and low-carbon development.

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

Identification

In combination with external laws and regulations (such as the *Energy Conservation Law of the People's Republic of China* and the *Renewable Energy Law of the People's Republic of China)*, as well as global relevant standards (such as ISO 50001 and GB/T 23331), and fully taking into account the key concerns of external stakeholders and the Company's actual business operations, the Company comprehensively identifies the key impacts that energy management may generate in its operations and value chain activities, thereby defining the key links where potential risks and opportunities lie.

Assessment

On the basis of identification, the Company adopts an approach combining expert judgment and quantitative analysis to comprehensively assess the likelihood of occurrence of each risk and opportunity and the extent of potential impacts in the short, medium, and long term, and prioritizes them accordingly, providing a basis for subsequent management decision-making.

Management and Monitoring

Based on the assessment results, energy management objectives covering the short, medium, and long term are formulated, and the Energy Management Working Group relies on the EMS system to regularly monitor, measure, and analyze energy performance indicators. Meanwhile, the Company establishes a dynamic review mechanism to regularly re-examine risks and opportunities, promptly identify situations that exceed the risk appetite or tolerance thresholds, and adjust energy strategy and management measures in a timely manner. The Company also regularly reports the progress and effectiveness of risk management to top management and stakeholders, ensuring that the energy management system remains continuously effective and adaptable to change.

Key Initiatives in Energy Management of Sungrow in 2025

Technological Energy Conservation

EMS system expansion and upgrade

The Company is about to launch Phase II of the EMS project, incorporating the Southern Energy Storage Zone, Sungrow Hydrogen, and Sungrow Electric Power into the system coverage. EMS will implement automated adjustment and intelligent control for auxiliary and distribution systems across campuses, further enhancing energy efficiency.

Testing workstation energy optimization

The centralized testing workstations at the Ground-mounted PV Factory have been upgraded, reducing electricity loss from 13% to 7%, with an expected annual energy saving of 710,000 kWh.

Coordination of energy storage and PV applications

A 31 MWh energy storage station was constructed in the Southern Energy Storage Zone. Combined with rooftop PV and peak-valley electricity strategies, "valley charging and peak discharging" is implemented to avoid grid peak loads and improve on-site green power utilization. Concurrently, a 16.9 MWp PV station has been built, generating an average monthly output of 2 million kWh based on actual operation.

Increase in renewable energy proportion

Through expansion of self-owned PV stations, green electricity procurement, and purchase of renewable energy certificates, the Company continues to increase the share of renewable energy in the overall energy mix, supporting green and low-carbon development goals.

Intelligent control of auxiliary systems

Leveraging EMS smart control algorithms, the operation of chilled water systems, lighting, and other auxiliary facilities has been optimized, achieving electricity savings of 3.24 million kWh to date.

Energy management

Energy audits

The Energy Review Team conducts comprehensive annual audits focusing on energy management compliance, key energy consumption points, and potential performance improvements. In 2025, 13 audits were completed, including 1 external certification audit, 4 internal system audits, 1 government audit, and 7 client-related energy management audits, covering office, residential, and production areas at Sungrow and Sungrow Energy Storage.

Energy awareness promotion

Internal policies such as the *Energy Conservation Management Regulations* are fully implemented to encourage green office practices. In July 2025, two special articles on energy-saving tips and time-of-use electricity pricing policies for commercial and industrial users were shared via the Company's internal software system, effectively raising employee awareness of energy conservation.

Internal energy analysis

Quarterly energy management review meetings are held to review the previous quarter's energy consumption, identify anomalies and savings opportunities, and drive implementation of relevant energy-saving projects.

Routine energy inspections

Joint inspections are conducted with energy managers from each unit to identify and correct energy wastage ("leaks, spills, and drips") and ensure compliant and efficient energy use. At the India and Thailand factories, workshops are inspected twice daily, with maintenance measures such as cleaning air-conditioning heat exchangers and checking cooling units to improve system efficiency.

Energy Management System of Sungrow

To achieve digitalization in energy management, in 2025, the Company continued to improve the establishment of an Energy Management System (EMS). By collecting, aggregating, and analyzing operational data from power distribution systems, compressed air systems, air conditioning systems, and various sensors, the system establishes an intelligent, standardized, and digital smart energy-saving platform. This initiative enhances energy management efficiency and precision across three dimensions: energy performance evaluation, refined energy management, and intelligent energy management.

Refined energy management

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

Intelligent energy management

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

Energy performance evaluations

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

Overview of Energy Management System of Sungrow

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

Introduction to the Algorithm Model of Energy Management System of Sungrow

Algorithm Models	Application Scenarios
Load Prediction Model	Load prediction & energy-saving control
Fault Diagnosis Model	Preventive maintenance
Operational Optimization Model	Energy-saving recommendations & control
Equipment Feature Learning	Learning equipment characteristic curves

Metrics and Targets

The Company has joined the Renewable Energy 100 (RE100) initiative and the Energy Productivity 100 (EP100) initiative, and has actively committed to increasing the proportion of renewable energy used and continuously improving energy efficiency. Based on its operational realities, Sungrow set specific energy management targets and energy use indicators, such as energy consumption per unit of product produced and energy productivity. Through annual monitoring and evaluation, we ensured the steady progress and effective implementation of the relevant targets.

Energy Management Targets and Progress of Sungrow

Target Category	Metric	Baseline Year Performance	Long-term Target	Progress in 2025
Energy Consumption Intensity Targets	Energy consumption per unit of product production	0.0948 kg standard coal/kW (2020)	2025: Reduce by at least 10% compared with the 2020 level	0.0851 kgce/kW
Renewable Electricity Targets	Energy management system & energy productivity (EP100 target)	24.12 RMB10,000/MWh (2018)	By 2028, complete Energy Management System rollout with a minimum 35% increase in energy productivity compared to the 2018 level	31.12 RMB10,000/MWh
	Proportion of renewable electricity consumption for global production and operations worldwide (RE100 Target)	55% (2023)	By 2028, achieve 100% renewable electricity consumption for global production and operations	79%

05

Eco-Harmony

Environmental Compliance Management

Pollutant and Waste Management

Resource Management

Ecosystem and Biodiversity Protection



Environmental Compliance Management

The Company complies with relevant environmental laws and regulations globally, including the *Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Solid Pollution Prevention and Control Law of the People's Republic of China, Integrated Emission Standard of Air Pollutants,Integrated Wastewater Discharge Standard, Standard for Unorganized Emission Control of Volatile Organic Compounds, Emergency Management Measures for Environmental Accidents, Cleaner Production Promotion Law,Regulations on Ecological and Environmental Monitoring*, and *Regulation (EC) No 1907/2006 of the European Parliament and of the Council*, among others. Situations in which the Company or its significant subsidiaries are listed as enterprises required to disclose environmental information in accordance with the law are detailed in Section 4, Item 17, "Environmental Information Disclosure" of the *2025 Annual Report*.

Governance

The Company's highest governing body for environmental compliance, as well as the management of pollutants, waste, and water resources, is the Strategy and Sustainability Committee. The EHS Management Department of the ESG Development Center serves as the coordinating body, which is responsible for guiding and supervising the implementation of relevant environmental management systems and measures by various business units, branches, and subsidiaries.

The Company incorporates ESG performance indicators such as pollutant emission intensity and environmental compliance into the performance appraisal of relevant management personnel and departments, and implements corresponding reward and punishment measures based on annual assessments, which directly affects the performance and compensation of the relevant personnel. For all senior executives involved in environmental management, 10% of their annual variable compensation is linked to environmental objectives including "Fulfill environmental obligations by ensuring the harmless collection, storage, treatment, and disposal of wastewater. Maintain a 100% compliance rate for hazardous waste disposal and achieve zero environmental pollution incidents."

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

Governance Structure of Environmental Compliance Management

Strategy and Sustainability Committee

Establishes environmental management policies, goals, and performance targets, and oversees the implementation and continuous improvement of environmental management-related policies.

EHS Management Department of the ESG Development Center

Develops relevant systems and drives their implementation based on the environmental management policies, goals, and performance targets.

Monitors the performance of each business unit to ensure targets are met and continuously tracks and improves the Company's environmental management performance.

Business Units and Subsidiaries

Implement various management measures in accordance with environmental management systems and ensure the achievement of performance targets.

Environmental Compliance Culture and Training

The Company has established an EHS training course library and conducts an annual EHS training needs survey. Based on the survey results and the employee capability matrix, an EHS training plan is developed. During the reporting period, nine sessions of environmental management knowledge, including solid waste, were organized, with a total of 814 participants, an increase of 29.8% compared to the previous year.

In addition, the Company has launched courses on *EHS Regulations Awareness* and *Environmental Protection* on its online learning platform, aimed at fostering environmental compliance awareness and enhancing the capabilities of all employees. The Company has launched an EHS platform on the internal office software and released more than 30 sessions of notifications during the year, covering topics including solid waste management practices and water conservation.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

Through technological innovation and strengthened environmental compliance management, the Company has effectively reduced the impact of its business operations on the surrounding ecological environment, ensuring that environmental responsibilities are effectively fulfilled.

Potential negative impacts

If the Company fails to establish a stringent compliance system to monitor and manage production, emissions, and other processes, it may face risks such as excessive emissions and improper waste disposal, thereby exacerbating the pollution burden on water sources, soil, and air.

Policy and regulatory risks

With the continuous strengthening of environmental protection-related regulations at home and abroad, if the Company fails to meet environmental compliance requirements, such as failure to pass environmental impact assessments for newly built, renovated, and expanded projects, emissions failing to meet standards, or the occurrence of major environmental pollution incidents, the Company may face risks including fines, sanctions, or production restrictions.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to environmental compliance management posed no material impact on the Company's operating results or financial position for the reporting period.

Expected Financial Impacts

In the short term, environmental protection-related expenses will remain a regular expenditure item for the Company, helping to solidify the foundation of its environmental management efforts. In the medium to long term, through proactive planning, the Company will avoid capital expenditures resulting from reactive remediation and continuously reduce compliance costs.

Strategy and Adaptability

The Company has established a robust environmental compliance management system to regularly identify significant environmental aspects and implement targeted management measures. It refines environmental compliance management by formulating emergency response plans for environmental risk incidents, stepping up investment in environmental compliance governance, and conducting environmental management system (EMS) audits, thus boasting strong adaptability to progressively stringent compliance requirements.

Impacts, Risks, and Opportunities Management

The Company identifies environmental compliance risks based on relevant systems and procedures, combined with the monitoring of laws, regulations and policies, environmental emission data and on-site inspections. It prioritizes risks by severity, with a focus on high-emission and heavy-pollution stages. Meanwhile, the Company continuously tracks risks through environmental management systems, regular audits and monitoring of key indicators, and promotes technological improvements and process optimization.

Environmental Emergency Response Plan for Risk Events

25
Number of Environmental Emergency Drills Conducted

333
Number of Employees Covered by Environmental Emergency Drills

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

Based on environmental risk identification, the Company has developed the *Environmental Emergency Response Plan for Unexpected Incidents*, which specifies the emergency organizational structure, division of responsibilities, response procedures, resource allocation, and mitigation measures. In 2025, the Company revised the plan and completed filing with the competent authorities.

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

In 2025, the Company conducted a total of 25 environmental emergency drills focused on four high-risk areas identified in the environmental risk identification, including chemical spills, hazardous waste leakage, environmental control equipment malfunctions, and X-ray radiation accidents. This represented a 9% increase compared to 2024. The drills involved 333 participants, a 5% increase from the previous year.

Environmental Compliance Management Investment

The Company maintains sustained investment in environmental protection. In 2025, its total environmental protection investment reached RMB14.8596 million, covering enhanced pollution control, regular monitoring, training and education, and other targeted measures

In 2025, its total environmental protection investment reached

RMB 14.8596 million

Environmental Emergency

RMB1.069 million – Costs for anti-leakage, collection and clean-up tools and equipment for chemicals or other pollutants.

Training and Education

RMB0.142 million – Expenditures for environmental protection publicity, education and training, including online education, internal training, external training and training for statutory professional qualification certificates.

Daily Operation and Maintenance

RMB7.667 million – Costs for maintaining the factory environment, including campus greening, pest control, cleaning and waste disposal.



Pollution Control

RMB4.8425 million – Expenditures for improving, renovating and maintaining pollution control and protection facilities and equipment, including operating costs of waste gas and wastewater treatment facilities, hazardous waste disposal fees, consumables and replacement costs for treatment facilities, as well as maintenance costs for pollution control facilities.

Regular Monitoring

RMB0.5077 million – Costs for monitoring the operation of pollution control facilities, pollutant discharge monitoring, etc.

Technical Consulting

RMB0.6314 million – Expenditures for environmental hazard investigation, environmental steward services, environmental treatment solutions, consulting on environmental management capacity improvement programs, etc.

Environmental Compliance Audit

All of the Company's production bases undergo annual environmental management system audits by external third-party auditing organizations, while internal audits and evaluations are conducted periodically to ensure continuous improvement of environmental performance. Issues identified during audits are addressed through a corrective action process, with responsible departments required to complete the corrective actions within the specified timeline, and these issues are included in subsequent key monitoring areas.

Additionally, the Company regularly commissions third-party organizations to conduct emissions testing for wastewater, waste gas, noise, and other pollutants, with monitoring results fully compliant with national and regional standards. During the reporting period, the Company did not receive any penalties related to ecological and environmental protection.

External Audits

The Company proactively engaged external professional service institutions to conduct self-inspections at the Hefei Factory of Sungrow Power, covering the three-simultaneity requirement, pollutant discharge permits, pollution control facilities, environmental monitoring, and other aspects.

An audit of the environmental management system, which covers all business units, was carried out once during the reporting period.

Regulation authority inspections cover all production bases, and 5 inspections were conducted during the reporting period.

Customer audits are conducted irregularly across all business units of the Company. During the reporting period, a total of 75 audits were performed.

Internal Audits

ISO Management System audits cover all business units and wholly owned subsidiaries of the Company, with an average of one audit each month. A total of 24 audits were conducted during the reporting period.

Flying audits were conducted at branches and subsidiaries, covering the Thailand Factory, Sungrow E-Power, Sungrow Hydrogen, and others. A total of 7 flying audits were conducted during the reporting period.

The Company introduces the ISRS international safety assessment system, adds environmental management content considering the Company's actual operations, and conducts audits. During the reporting period, a total of 3 audits were carried out.

Metrics and Targets

During the reporting period, the Company incurred no administrative penalties or litigation related to environmental violations, and maintained a record of zero major environmental pollution incidents and zero administrative penalties from environmental authorities. The compliance rate for pollutant discharge remained at 100%.

ISO 14001 Environmental Management System certification has achieved 100% coverage across all business units.

0	100%	100%
Major environmental pollution incidents	Pollutant emission compliance rate	ISO 14001 certification coverage

Pollutant and Waste Management

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the Thai regulation *Notification of the Ministry of Industry on Management of Industrial Waste or Unusable Materials B.E. 2566 (2023)*, the Indian regulations *Solid Waste Management Rules, 2026*, the *Construction and Demolition Waste Management Rules, 2025,* and amendments to the *Hazardous and Other Wastes (Management and Transboundary Movement) Rules*. To strengthen the management of pollutants and waste, the Company has formulated the *Regulations of Pollutant Environmental Protection Management* and set related objectives.

At the same time, the Company has enhanced the daily management of pollution control facilities and equipment, standardized the establishment of operation records, developed monitoring plans, and regularly conducted pollutant monitoring. During the reporting period, there were no major administrative penalties or criminal liabilities, and there were no significant deficiencies in the pollutant and waste monitoring plans and risk management measures. The types of pollutants and waste involved in the Company's operations are as follows:

Types of Pollutants and Waste	Specific Pollutants and Waste	Corresponding Operational Stages
Air pollutant	VOCs	Steel mesh cleaning, flux spraying, conformal coating spraying, and dot dispensing
	Particulate matter	Reflow soldering, wave soldering, selective soldering, and laser welding
	Ammonia, hydrogen sulfide, and odor	Operation of the wastewater treatment station
Water pollutants	COD, ammonia nitrogen, total nitrogen, total phosphorus, and BOD5	Canteen wastewater, restroom wastewater, dormitory wastewater, air conditioning condensate water, and cooling tower wastewater
Hazardous waste	Waste circuit boards, waste adhesives, empty waste barrels, and waste activated carbon	Production process defects, on-site customer failures, PACK dispensing, empty chemical containers, and replacement of activated carbon in exhaust
General solid waste	Waste cardboard boxes, waste wooden boards, waste sheet metal parts, waste complete machines, and waste plastics	Scrapped packaging materials for raw and auxiliary materials, waste scraps from machining processes, scrapping of faulty machinery, scrapping of packaging lining materials, etc.

Governance

The governance structure for the topic of Pollutant and Waste is consistent with that of the topic of Environmental Compliance Management. For details, please refer to the “Environmental Compliance Management” section.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company strictly complies with environmental laws and regulations and establishes a sound pollutant and waste management system. Through clean production processes and resource recycling, the Company effectively reduces emissions of exhaust gas, wastewater, and solid waste, and mitigates impacts on the surrounding ecological environment.

Potential negative impacts:

If the Company fails to strictly manage waste disposal and exhaust gas emissions during the production process, this may lead to soil, water source, and air pollution, affecting ecosystems and human health.

Policy and regulatory risks

As environmental-related regulations at home and abroad continue to be strengthened, if the Company fails to meet environmental standards in a timely manner, the Company may face risks such as fines, remediation requirements, or even business restrictions.

Resource efficiency opportunities

The upgrading of pollution control technologies and the resource utilization treatment of waste help improve the energy efficiency and resource utilization efficiency of the Company.

Financial Impacts of Risks/ Opportunities

Financial impacts in 2025

Risks related to pollutant and waste management posed no material impact on the Company’s operating results or financial position for the reporting period.

Expected financial impacts

In the short term, the Company can continue to generate revenue through recycling and reuse. In the medium to long term, by building a green brand image, the Company will be better positioned to access premium markets or international supply chains that impose stringent environmental standards on suppliers, thereby enhancing the sustainability and resilience of profitability.

Strategy and Adaptability

Centering on the strategic goals of “zero harm, zero occupational disease, and zero pollution”, the Company has continuously carried out VOC source reduction, solid waste reduction and resource utilization, research and introduction of advanced pollution control technologies, and effectively implemented the management of waste gas, waste and wastewater. The Company demonstrates strong adaptability to increasingly stringent requirements for pollutant and waste management.

Impacts, Risks, and Opportunities Management

Based on relevant management systems and business needs, the Company identifies risks and opportunities related to pollutant and waste management topics and formulates corresponding management strategies and measures to manage risks and seize opportunities. Centering on the strategic goals of “zero harm, zero occupational disease and zero pollution”, the Company advanced a total of 10 key initiatives in 2025, covering VOC source reduction, solid waste reduction and resource utilization, water recycling, research and introduction of advanced pollution control technologies, among other aspects. In-depth communication and consensus were reached with responsible departments on implementation measures for each initiative. Through the solid implementation of various measures, the established objectives were ultimately achieved.

Exhaust Gas Management

The waste gas generated by the Company is treated by treatment facilities to meet discharge standards before being emitted through 15-meter-high discharge outlets, with no impact on employees and community residents. The Thailand Factory is equipped with waste gas treatment facilities in compliance with local regulatory requirements. The India Factory has no waste gas emissions and will install treatment facilities in the future in accordance with operational needs and local regulatory requirements. The Company’s operations do not involve the emission of harmful gases such as SO_X and NO_X. In accordance with the *Provisions on the Environmental Protection Management of Pollutants*, the Company formulates control measures, clarifies responsibilities, establishes systems and procedures to strengthen waste gas management, develops monitoring plans and conducts regular waste gas monitoring.

The Company adopts source substitutions, optimization of treatment facilities and other measures at all production bases to reduce waste gas emissions and enhance waste gas management.

Taking the Hefei Factory as an example

Source Substitutions

Expanding the use of UV-cured coating materials (VOCs content 22 g/L) to replace polyurethane solvent-based three-proof coatings (VOCs content 529 g/L), thereby reducing VOC emissions. The current substitution rate was 78%. The Company has preliminarily formulated technical standards for introducing VOCs products, further clarifying an actionable path for source emission reduction.

Optimization of Treatment Facilities

Retrofitting the exhaust gas treatment facilities and introducing a non-woven, straight-through, framed bag filter, ensuring effective exhaust gas treatment while extending the filter bag replacement cycle and reducing hazardous waste generation.

Waste Management

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

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

To implement the waste minimization management objectives and comply with the competent government authorities' management requirements for waste generation, warehousing, storage, transfer, disposal, and reuse, the Company has developed a dedicated waste management plan. When selecting waste disposal units, in addition to reviewing their relevant qualifications, the Company also evaluates their disposal processes and resource recovery destinations to improve the waste reuse rate. Meanwhile, the Company requires disposal units to provide monthly feedback on waste disposal manifests to facilitate tracking of management effectiveness, and conducts on-site audits from time to time.

Targeted waste disposal measures are implemented at all production facilities. Specific actions and progress are as follows:

01

Conduct waste audits to identify opportunities to improve waste management performance

In accordance with the ISO 14001 environmental management system and the Company's internal management requirements, the Company conducts a monthly inventory of waste generation and disposal, analyzes trends in changes, and traces the causes of any abnormal fluctuations in waste volumes and develops corresponding waste disposal performance.

02

Action plan to reduce waste

Based on data analysis, the Company has identified the top five waste types by generation volume and conducted a full life cycle analysis from source to end-of-life. The Company has formulated and implemented waste reduction measures, including promoting reusable packaging, lightweight packaging, internal recycling and reuse of tooling, and reuse of wooden pallets.

The Hefei Factory has promoted the direct use of lean turnover racks with positioning points for internal transfer of semi-finished products, such as power supply cabinets and combiner cabinets, in the large-scale energy storage system workshop, replacing the original temporary packaging. Meanwhile, the packaging structure of the SG350HX-20 product has been optimized from one wooden pallet per inverter to one wooden pallet and one wooden cover plate shared by two inverters, reducing the amount of wooden packaging used per inverter by 41%.

In terms of hazardous waste reduction, Sungrow Energy Storage launched a waste empty drum reduction project, which is estimated to reduce the generation of waste empty drums by 15 tonnes for the whole year.

03

Invest in innovation or research and development to minimize waste

The Company collects suppliers' best practices and cooperation intentions through the *Supplier Survey Questionnaire on the Transition to Reusable Packaging*, and continues to expand the coverage of reusable packaging. At present, this has involved 17 types of materials and more than 40 suppliers, reducing packaging waste by more than 4,000 tons annually. Meanwhile, a pilot program to replace single-use packaging with reusable packaging for battery cells has been launched and is expected to reduce waste generation by more than 2,000 tons per year.

The Company selects pilot products and introduces eco-design concepts. During the year, the Company has initiated two product eco-design projects and collaborated with the R&D department to explore low-carbon and environmentally friendly design pathways. For details, please refer to the "Resource Management" section of this report.

The Company has promoted internal implementation in accordance with relevant standards for zero landfill certification, implemented refined waste segregation, and sought partners for resource recovery and utilization for different categories. The annual waste resource recovery and utilization rate has reached 90%, successfully achieving the zero waste to landfill target.

04

Set quantitative targets to minimize waste

The Company has set the target of "achieving a 70% recycling rate for industrial waste and continuously maintaining a 100% compliant disposal rate for hazardous waste by 2025", covering all production and manufacturing bases. This target was also achieved ahead of schedule in 2024.

05

Provide employees with training on waste reduction

The Company has further revised and improved the *Regulations on Resource Conservation Management*, putting forward more detailed and more operational management requirements for resource conservation and use, and has organized all employees to complete online training and assessments. Meanwhile, the Company has published two issues of popular science articles on solid waste management through internal office software, continuously enhancing employees' environmental awareness and engagement in management.

06

Integrate recycling programs to reduce waste sent to landfills

During the introduction of waste disposal units, the Company has systematically evaluated their recycling and disposal models and the downstream resource recovery pathways. The Company has also clearly stipulated in contracts signed with new partners that they must record, on a monthly basis, the materials recycled from Sungrow and their final destinations, and that landfill disposal must not be adopted, so as to ensure the achievement of the zero waste to landfill target.

07

Landfill waste diversion is certified by an independent certification body

The Company plans to officially launch the UL 2799 Zero Waste to Landfill certification in 2026. During the reporting period, it has systematically carried out relevant record preparation in accordance with the certification requirements, laying a foundation for the subsequent certification.

Wastewater Management

The Company's operations primarily generate domestic wastewater, with industrial wastewater limited to spray testing runoff and condensate discharge. The industrial wastewater mainly contains conventional pollutants such as COD and NH_3-N, all of which are discharged in compliance with relevant standards. All wastewater is settled and treated through the septic tank system before being discharged uniformly through the municipal pipeline network.

To continuously reduce the concentration of pollutant emissions, the Company has installed integrated wastewater treatment facilities on the Hefei plant campus, achieving a 30%–60% reduction in emission concentrations of major pollutants including COD, NH_3-N, and TN. Manufacturing bases in other regions are planning wastewater treatment measures in accordance with local regulatory requirements.



Metrics and Targets

The Company's key focus areas in pollutant and waste management include VOC emissions, particulate matter emission control, and waste management.

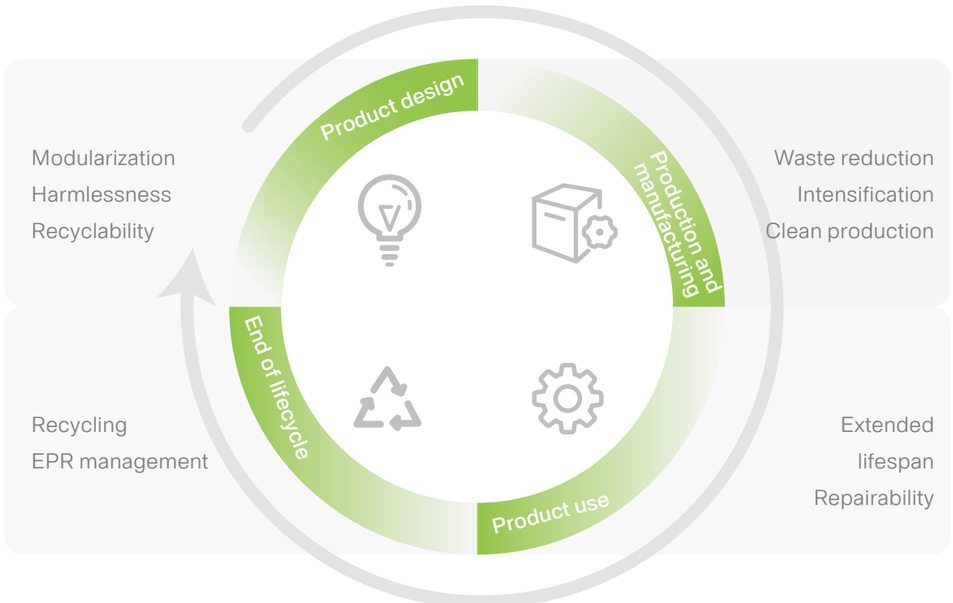
The Company has set air pollutant reduction targets to decrease the intensity of particulate matter and VOC emissions per unit of product by 75% and 30% respectively by 2025 (compared to 2020 levels). These targets, covering all business units, were achieved ahead of schedule in 2024. Furthermore, the Company's waste recycling and compliant disposal goals—reaching a 70% industrial waste recycling rate and maintaining 100% hazardous waste compliance by 2025—have also been fully realized across all business units.

In 2025, the Company fully updated its sustainability strategic goals toward 2030. Key targets under "Pollutant and Waste Management" include a 10% reduction in VOC and particulate matter emissions per unit of product by 2030 (compared to 2025 levels), and achieving and maintaining a 95% resource utilization rate for non-hazardous waste by 2030. For further details, please refer to the "Sustainability Strategic Objectives and Progress" section of this Report.

Resource Management

Circular Economy

The Company actively practices the concept of the circular economy. Across all stages, including product design, production and manufacturing, use, and recycling, the Company achieves coordinated and unified economic, social, and environmental benefits by optimizing resource allocation, improving resource utilization efficiency, and reducing environmental pollution.



The Company's EHS Management Department collaborates with the R&D Center, Procurement Center, Manufacturing Center, Logistics Service Department, and Equipment Maintenance Department, among others, to systematically integrate circular economy principles into the design, procurement, and production processes. In 2025, the EHS Management Department, together with the Procurement Center, Manufacturing Center, and other departments, carried out unified consolidation and integration of circular cases at the raw material end, jointly promoted the implementation of circular projects, and preliminarily initiated an operational mechanism for the circular economy. The current focus is on new product R&D and enhanced management of circular packaging for raw materials and plans to establish a comprehensive rule system for the circular economy across the entire process by 2026.

Meanwhile, the ESG Development Center has launched the "Joint Training Program for Carbon Footprint Accounting Personnel in Business Units". The program includes four major phases and a two-tier assessment mechanism. It aims to work with business departments to jointly build capabilities in product lifecycle assessment and carbon footprint accounting, deepen the understanding of the impact of raw materials' carbon footprint impact and enhance carbon reduction awareness. Over the long term, the integration of the sustainable raw materials application concept into product development decision-making.

Product Lifecycle Management

Low-Carbon Product Implementation Pathway

Raw Material Acquisition

The scope of material carbon data collection has been continuously expanded, and a carbon attribute database covering more than 25,000 material components has been established.

Pilot projects for eco-design have been launched to explore low-carbon design solutions.

01

Manufacturing

Promoted source substitution and optimization of treatment facilities to reduce pollutant emissions in the production process.

Technical transformation for water conservation in production has been implemented, realizing reuse of reclaimed water, with annual water savings exceeding 2,515 tonnes.

Deepened classified recycling of solid waste and standardized management of hazardous waste, increased utilization rate of general solid waste, and reduced hazardous waste by 60 tonnes throughout the year.

The proportion of green electricity usage reached 79%.

02

Distribution

Optimized transportation routes and logistics networks, improved logistics efficiency, and reduced carbon emissions in the transportation phase.

Innovative projects such as "road-to-water transport" and "multi-point pick-up and multi-point delivery" have been carried out to reduce emissions during the product transportation phase.

03

Installation & Operation

Investigated the application of circular packaging, with over 100,000 pieces of packaging recycled; launched a pilot program for circular packaging of battery cells, significantly reducing annual waste generation.

Improved product efficiency, leading to reduced energy consumption during the product use phase.

04

End-of-Life Disposal

Obtained PV cycle certification, ensuring that the disposal methods and recycling rates of our products comply with WEEE requirements.

Completed EPR registration in multiple European countries, signed cooperation agreements with local PROs, and fulfilled the management responsibilities for waste products in accordance with the law.

05

Summary of Phased Achievements

39 products

Carbon footprint accounting has been completed for 39 products, covering 90% of PV products.

4 product series

4 product series (11 products) have obtained Environmental Product Declarations (EPD).

First Report

The Company's first low-carbon operation report was released internally, systematically sorting out the current status of carbon emissions and scientifically identifying carbon reduction opportunities.

First Participation in Compilation

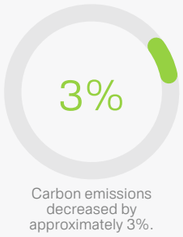
Participated in the formulation of the standard in the field of green evaluation of PV products for the first time, continuously enhancing its voice in the green standard system.

To enhance the green performance and transparency of its products, the Company has implemented systematic management throughout the entire product lifecycle (covering raw material procurement, manufacturing, distribution, installation and operation, as well as waste disposal) in accordance with ISO 14004 and ISO 14044 standards. In 2025, the Company launched a pilot program for product eco-design, initially establishing an internal low-carbon design case library and formulating an eco-design process. It plans to promote the application of eco-design in subsequent R&D projects, gradually integrate eco-design indicators into the Integrated Product Development (IPD) process, and continuously improve the eco-design mechanism.

For the recycling of power electronic equipment such as photovoltaic inverters, the Company collaborates with professional recycling institutions, customers and suppliers to conduct end-of-life product recycling. It has obtained PV Cycle certification in multiple European countries, complying with the requirements of the WEEE Directive. For energy storage products, the Company continuously adheres to relevant regulatory recycling requirements and implements the Extended Producer Responsibility (EPR) system. It has completed EPR registration in Germany, Italy, Denmark, the United Kingdom and other countries, and identified corresponding Producer Responsibility Organizations (PROs) as partners. In accordance with EU regulations, if Sungrow is defined as the “producer” of relevant products, the Company will fully fulfill its corresponding producer responsibilities in line with regulations and industry practices.

The Company has formulated and implemented the Quantification and Management Procedure for Greenhouse Gas Emissions and Product Carbon Footprint and continuously strengthened product carbon footprint management. In 2025, Phase I of the Company's iCarbon System was successfully launched, realizing integration with multiple internal IT systems. Based on international standards and methodological requirements, the system has developed functional modules for carbon inventory and carbon footprint, which effectively improved the efficiency of underlying carbon emission data collection and carbon accounting. In the second half of 2025, the Company initiated the construction of Phase II of the system, planning to further optimize carbon accounting capabilities and enhance data management and analysis efficiency.

Case: A Certain Inverter Product



Carbon emissions decreased by approximately 3%.

Compared with the previous generation of products, the overall carbon emissions of the project have decreased by approximately 3%.

Structural Optimization

The forming processes for the inverter enclosure and top cover have been optimized, resulting in a significant reduction in aluminum alloy usage.

Process Improvements

The aging test adopts a back-to-back testing mode, which significantly reduces energy consumption compared with traditional grid-connected testing. The sealing design has been optimized to reduce adhesive usage and lower the rate of airtightness defects. The integration of QR code labels and nameplate labels has reduced ribbon consumption.

Case: A Certain Energy Storage System Product

System Performance Improvement

The energy density of the battery cabinet and the cycle efficiency has risen significantly.



Carbon emission intensity decreased by over 30%.



The weight of kWh structural components was reduced by over 20%

PCS Hardware Carbon Reduction

Through forward design and integrated optimization, the PCS has reduced the use of electronic components, internal cables and other materials, achieving an overall carbon emission reduction of over 30% per kWh for PCS hardware. In addition, structural design optimization has lightened the system and PCS, with the weight of structural components per kWh of the energy storage system reduced by more than 20%.

Other Carbon Reduction Practices

At the system electrical level, switching power supply parameters and auxiliary converter schemes have been optimized to cut down on power components and improve auxiliary converter efficiency. At the thermal management level, the heat dissipation layout has been optimized via simulation to reduce the number of interfaces.

Product Lifecycle Impact Assessment

The Company has established an LCA assessment process for inverters and energy storage products based on the framework and assessment requirements for LCA stipulated in ISO 14040 and ISO 14044, and developed an LCA report template. All internally assessed products adopt the standardized template for the preparation of final LCA reports.

In 2025, the Company published the EPD for the PowerTitan 2.0 battery module on the EPD Italy platform, and the EPD for the SG320HX-20 PV inverter on the EPD International platform. The impact categories included in the assessment scope of the EPD certification cover: global warming potential, abiotic depletion (fossil fuels, minerals), water resource depletion, acidification, ecotoxicity, eutrophication, ozone depletion, photochemical ozone formation, etc.

In accordance with ISO 14044, ISO 14067 standards and the Product Category Rules (PCR) for corresponding products, the Company has completed carbon footprint accounting for a total of 39 products. Among them, 6 product series (16 products) have obtained ISO 14067 carbon footprint certification, and 4 product series (11 products) have obtained Environmental Product Declarations (EPD). In addition, the Company actively participates in the development of relevant industry standards, including contributing to the formulation of the *Green Product Assessment – Photovoltaic Modules and Inverters*.

16 products
Obtained Carbon Footprint Certification

11 products
Obtained Environmental Product Declaration (EPD)

Standards formulation
Participate in the formulation of relevant industry standards
Promote the establishment of green product evaluation

Raw Material Reduction and Sustainability

The Company attaches great importance to the sustainability of raw material selection. Given the high carbon emissions associated with electrolytic aluminum production, the R&D team has adopted ultra-thin high-strength steel to replace aluminum for energy storage pack frames. Through process and structural optimization, the thickness of the new material is only 50%–75% that of the original aluminum profiles. Based on estimated average carbon footprint data of raw materials, the life-cycle carbon emissions of energy storage Pack frames have been reduced by approximately 70%.

In addition, the Company refrains from using raw materials sourced from globally or nationally significant biodiversity sites and has added biodiversity-related clauses to its supplier ESG audit checklist.

Supplier factories are required to formulate and implement conservation policies and procedures to ensure that their operations do not impair the legitimate rights of individuals or communities to use land, forests, water bodies and other properties, while safeguarding the integrity of natural habitats, wildlife and ecosystems. Meanwhile, suppliers should identify additional adverse impacts that their operations may impose on local communities (e.g., noise, odor, vibration, etc.) and adopt corresponding management measures.

Product Adaptability and Service Life Extension

The Company has carried out targeted design on the environmental adaptability of inverters, energy storage systems and other products to ensure reliable operation under various extreme conditions worldwide and extend product service life. Taking energy storage systems as an example, the products can operate in a wide temperature range from -40°C to 55°C and adapt to harsh environments such as deserts and coastal areas, which significantly expands application boundaries, provides greater flexibility for customers' project site selection, and enhances the product's full-terrain applicability. Meanwhile, it reduces maintenance frequency, avoids frequent component replacement, and prolongs the service life of products under harsh working conditions.

Ultra-low temperature operation (-40°C)

-40°C

Customized low-temperature-resistant coolant is used, and electric heating is combined to preheat the battery, ensuring stable system start-up and continuous operation in extremely cold regions.

High-temperature operation (55°C)

55°C

The Company selects high-temperature refrigerants, and optimizes the thermal management topology and heat dissipation area, ensuring efficient heat dissipation of the system in hot environments, and maintaining operational reliability.

Strong wind and sand protection

The Company optimizes system sealing and air inlet protection design, and develops a dedicated dust removal mode, ensuring that the system can operate reliably over the long term in high wind and sand environments such as deserts.

High salt spray corrosion protection (C5 rating)

C5 rating

The container housing is made of weathering steel and is coated with a multi-layer heavy-duty anti-corrosion coating system in strict accordance with ISO 12944-5, making it suitable for highly corrosive environments such as coastal areas.

Resources Reuse

Waste Recycling and Recycled Materials Management

For waste recycling and recycled material management, the Company has deepened cooperation with waste recycling and disposal entities, implemented refined classification of general solid waste, keeping the incineration ratio below 5% of the total volume, and established a monthly monitoring mechanism. Meanwhile, the Company has actively introduced high-quality recyclers to promote resource utilization, such as processing waste plastic into recycled plastic pellets and converting waste paper into pulp.

Packaging Recycling and Reuse

In terms of packaging circular utilization, in 2025, the Company's Procurement Center, EHS Management Department and other departments jointly promoted circular and recyclable packaging projects, driving packaging design toward higher recyclability and more frequent reuse. The Company has continuously expanded the coverage of circular packaging, with more than 20 recycling projects currently implemented, covering a total of 17 materials including chassis, circuit breakers, structural parts, reactors, liquid-cooled plates and battery cells, and over 40 suppliers participating in circular packaging promotion. Based on the estimated packaging materials saved, annual waste generation has been reduced by more than 4,000 metric tons. In addition, a pilot program for replacing disposable packaging with circular packaging for battery cells has been launched, which is expected to further reduce annual waste generation by more than 200 tons.

20+

Recycling projects: continuously expanding the coverage of circular packaging

Water Resource Recycling and Reuse

In terms of water resource recycling, the Company has revised and issued the *Economy Management Regulations* to further improve water conservation management requirements. To enhance water resource utilization efficiency, the Company has completed the construction of reclaimed water reuse systems in three water-spray laboratories, converting experimental water into reclaimed water after purification for recycling, which is expected to save a total of 2,515 tons of water annually.

2,500+ tons

Expected annual water savings

Water Resource Management

The Company's water use mainly includes domestic water for the canteen, landscaping, and other purposes, as well as water used for product waterproof testing during the production process. The Company faces no difficulty in obtaining water sources. To systematically advance water resources management, the Company has established internal systems such as the *Regulations of Water Conservation Management* to implement standardized control over all stages of water use.

Identification

By analyzing historical water consumption data and collecting and analyzing water use volumes monthly, the Company identifies four major water use scenarios: office water use, production water use, landscaping water use, and canteen water use.

Assessment

The Company implements planned water use management. The Logistics Service Department regularly compiles statistics on water use in the industrial park and maintains ledger records. For any abnormalities, it promptly identifies the causes and reports the annual water use plan to the competent government authorities and optimizes and adjusts it in a timely manner to ensure supply while saving water costs.

Ranking

The Company ranks the plants with high water consumption and implements focused control.

Monitoring

The Company collects monthly water consumption data, including dormitory water use, canteen water use, abnormal water leakage, etc., and ensures proper record-keeping and analysis

To foster water-saving awareness among all employees, the Company widely posts water-saving signs in all water-use areas to remind employees to adjust faucet flow to medium or low settings and to turn off faucets promptly after use, avoiding “running water”. Employees are also required to turn off the water supply immediately after flushing in restrooms to reduce the waste of water resources.

Source Water Conservation and Equipment Management

New equipment selection	For newly introduced water-using equipment, low-water-consumption green products are prioritized. If it is indeed necessary to use high water consumption equipment, an equipment selection plan must be submitted, and implementation may proceed only after joint review and approval by the Equipment Maintenance Department and the EHS Management Department.
Rainwater utilization and water conservation for landscaping	The Company promotes comprehensive rainwater storage and regulation measures. Newly constructed and renovated buildings must meet the design requirements for “green buildings” and “ecological buildings”. Drought-tolerant plants are prioritized in landscaping planning, and water-saving automatic irrigation systems are adopted to reduce water demand.
Water-use equipment retrofitting	In key links of water use for production, office, and daily living, such as workshops, canteens, and landscaping, the Company has gradually installed water meters or flow meters to achieve real-time monitoring and accurate measurement of water consumption.
Reclaimed water reuse and process innovation	The Company encourages all departments to carry out process optimization and reclaimed water reuse practices to reduce water use steps and water consumption. For example, drainage from newly built waterproofing tests is reused as reclaimed water, concentrated water from purified water equipment is used for landscaping, and new projects are designed in parallel with stormwater regulating tanks and reuse facilities.
Water-saving equipment upgrades	For newly built or renovated office areas, priority is given to installing sensor-activated, water-saving faucets and urinals. When existing non-water-saving equipment is repaired or replaced, water-saving products are also prioritized.

Equipment maintenance and leakage inspection

The Company strengthens the routine maintenance and management of water-using equipment and pipelines, such as plant water supply networks and cooling water towers, and conducts regular leakage inspections to reduce water resource waste caused by leakage. For evaporative cooling towers, by controlling water temperature to reduce evaporation during the heat dissipation process, further water conservation is achieved.

Metrics and Targets

The Company has set a target to reduce water consumption per unit of product by 40% by 2025 compared to 2020. The actual reduction achieved was 29%, primarily due to the construction and commissioning of new production facilities, which increased water consumption intensity. The Company has fully updated its 2030 sustainability strategic objectives, with the water management indicator revised to “10% reduction in water consumption per unit of product by 2030 compared to 2025.”

Ecosystem and Biodiversity Protection

The Company strictly complies with applicable laws and regulations on ecosystem and biodiversity conservation, including but not limited to the *Wildlife Protection Law of the People's Republic of China, Regulations of the People's Republic of China on Nature Reserves, Forest Law of the People's Republic of China, Soil and Water Conservation Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Environmental Impact Assessment, Technical Guidelines for Environmental Impact Assessment – Ecological Impact, Ecological Protection Redline System, China Biodiversity Conservation Strategy and Action Plan (2023–2030)*, as well as other laws, regulations, implementing rules and ordinances of the regions where the Company operates, such as the *EU Deforestation-Free Products Regulation (EUDR)*, so as to avoid adverse impacts on ecosystems.

Chinese Mainland

Ecosystem Types

1) Mountain and shrubland ecosystems (mountainous photovoltaic/wind power in Southwest and South China)
2) Farmland agricultural systems (agri-PV complementary integration)
3) Freshwater ecosystems (inland water-surface power stations in the central and eastern regions, floating photovoltaic power stations, wind power projects on pond surfaces, etc.)
4) Coastal areas and aquaculture water-surface systems
5) Grasslands (excluding basic grasslands) and forests (excluding Class I protected forest areas and key state-owned forests in Northeast China and Inner Mongolia)
6) Desert areas, Gobi desert, and saline-alkali land
7) Building roofs and parking lots

Operations Stages

Siting and planning stage: It is necessary to accurately avoid permanent basic farmland, drinking water source protection areas, and ecological red lines.

Construction stage: soil and water conservation works need to be implemented; in desert areas, straw checkerboard barriers are used for sand fixation; for overwater projects, environmentally friendly floats are used to prevent water pollution, etc.

Operation stage: Vegetation restoration monitoring should be carried out (e.g., under-panel planting) to restore soil vitality and form a composite ecosystem of power generation above the panels and planting/aquaculture below; wastewater and solid waste should be controlled and treated during the operation stage to prevent environmental pollution.

Sites Involved

Self-built power stations, and Party A's independent power stations

South America

Ecosystem Types

Mountainous areas, agricultural land, grasslands, lakes, reservoirs

Sites Involved

Self-built power stations

Operations Stages

Planning stage: A detailed Environmental and Social Impact Assessment (ESIA) should be conducted to confirm that it does not involve indigenous sacred sites or critical habitats.

Construction stage: Dust emissions should be controlled to reduce damage to local endemic drought-tolerant plants (such as cacti), and protect biological soil crusts.

Operation stage: Compliant recycling of waste (such as damaged modules) should be ensured to prevent pollution of fragile desert soils.

East Europe

Ecosystem Types

Mountainous areas, agricultural land, grasslands, lakes, reservoirs

Sites Involved

Self-built power stations

Operations Stages

Siting stage: The use of abandoned mining areas or low-value land should be prioritized to avoid occupying high-value forest land.

Construction stage: Topsoil (the humus layer) should be protected, and it should be backfilled and restored vegetation immediately after construction.

Operation stage: Biological corridors around the power plants should be maintained to ensure that small mammal migration is not blocked by fencing.

Central Asia

Ecosystem Types

Mountainous areas, agricultural land, grasslands, lakes, reservoirs, desert areas

Sites Involved

Self-built power stations

Operations Stages

Siting stage: The migration routes of wild ungulates should be avoided (e.g., saiga antelope).

Construction stage: Earthworks excavation should be minimized to protect the root systems of fragile grassland vegetation, and prevent land desertification.

Operation stage: In line with local livestock husbandry needs, livestock-photovoltaic complementarity should be explored, allowing moderate grazing within the power plant area to control grass height and maintain ecological balance.

Southeast Asia

Ecosystem Types

Mountainous areas, agricultural land, grasslands, forests, lakes, reservoirs, rivers, coastal areas

Sites Involved

Self-built power stations, and Party A's independent power stations

Operations Stages

Planning stage: Local protected forest land and primary rainforest areas should be strictly avoided.

Construction stage: For water-surface projects, construction-related oil leakage and contamination should be strictly controlled; for onshore projects, flood control and landslide prevention measures should be implemented during the rainy season.

Operation stage: Dissolved oxygen levels and water quality (floating projects) should be monitored to ensure no impact on underwater biodiversity; chemical cleaning agents should not be used when regularly cleaning photovoltaic panels.

Australia

Ecosystem Types

Agricultural land, grasslands, desertified land

Sites Involved

Self-built power stations

Operations Stages

Site selection and planning: A detailed flora and fauna community survey should be completed, and nests of endemic species (such as specific lizards and marsupials) must be avoided.

Construction stage: Strict biosecurity controls should be implemented to prevent invasive weed seeds from being brought in by construction vehicles; animal escape ramps should be set up.

Operation stage: Herbicide use in vegetation management should be strictly controlled, and fire prevention management should be strengthened.

Biodiversity Governance

The Strategy and Sustainability Committee assumes the oversight and decision-making responsibilities for biodiversity conservation. It is responsible for reviewing biodiversity conservation strategies, policies and objectives, assessing the potential impacts of the Company's operations on ecosystems and biodiversity, and supervising the implementation of relevant conservation measures. The ESG Development Center serves as the centralized management department, providing guidance and oversight to all business units, subsidiaries and branches in fully implementing work related to ecosystem and biodiversity conservation.

To protect ecosystems and biodiversity, the Company has established a special task force during the development of new energy power stations, covering functions such as environmental assessment, environmental remediation, soil and water conservation, disaster assessment and control, animal migration, and biodiversity conservation. This ensures the prevention of ecological risks in advance and enables the participation of professional teams in decision-making and the provision of scientific solutions when ecological issues arise in projects. In addition, during the implementation of photovoltaic and wind power projects, the Company fully leverages the characteristics and advantages of models including fishery-solar, agri-solar, forest-solar, and grass-solar integration. While promoting local economic development, the Company integrates environmental protection, biodiversity conservation, and soil and water conservation into the main project implementation in a coordinated manner, ensuring the harmonious development of project construction and the ecological environment.

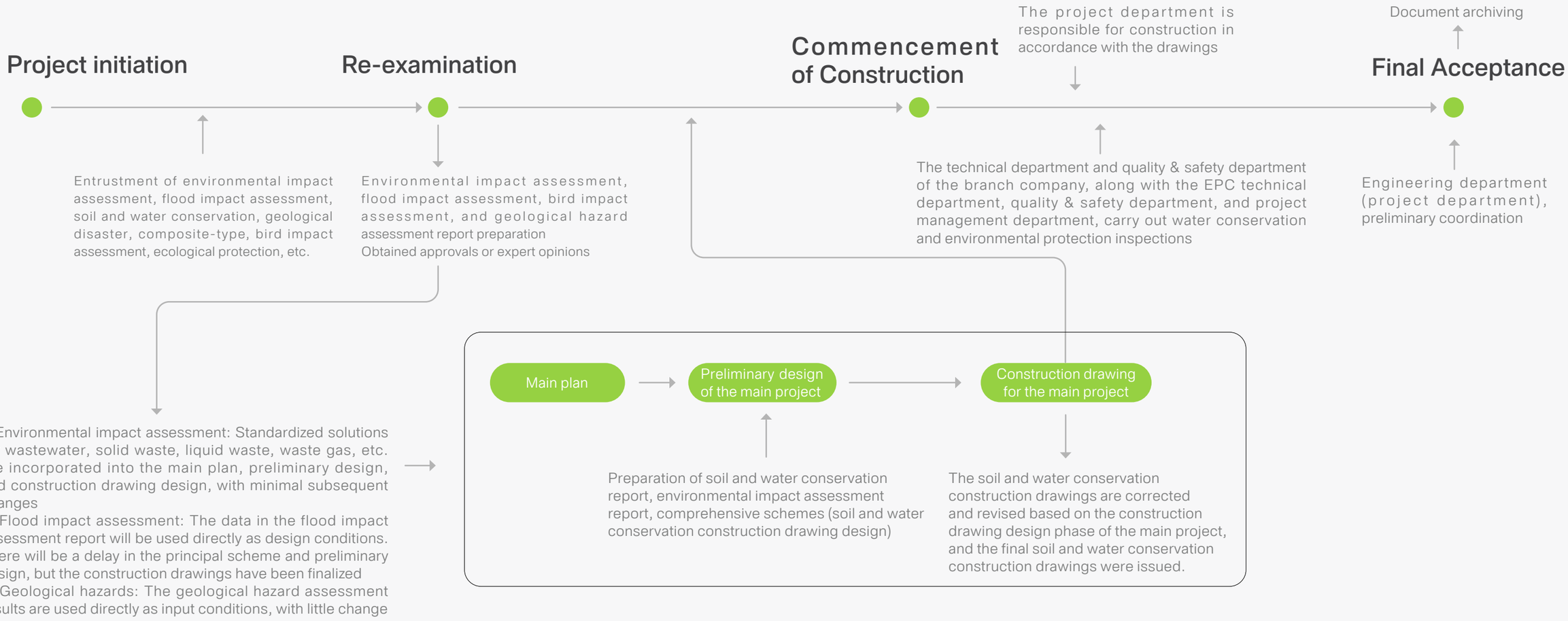
During the reporting period, the Company's business operations did not have significant impacts on ecosystems, biodiversity, or the rights of indigenous communities.

The Company has developed regulations related to biodiversity protection, including the *Regulations on Environmental Factor Identification, Environmental Impact Assessment, and Control Management, EHS Management Handbook, Regulations of Wind Power Project Design Process Management, Regulations of Photovoltaic Project Design Process Management, Management Provisions for Project Red Line Map, Power Station Project EHS Compliance Obligation Management Provisions*, and *Management Manual - Domestic Ground-Mounted Power Station Projects Full Life Cycle Risk Management Volume*, etc. Meanwhile, the Company has revised the *Environmental Management Policy*, clarifying its commitment to ecosystem and biodiversity protection.

In 2025, the Company conducted multiple special training sessions on biodiversity conservation, covering environmental impact assessment, soil and water conservation, geological disaster prevention, agri-solar PV integration, fishery-solar PV integration, and other related areas. The training was mainly targeted at personnel in development, preliminary work, technology, and engineering. To enhance the professional knowledge and awareness of relevant staff, the Company repeatedly invited external experts to deliver lectures.



Biodiversity Risk Management



[Case] Colombia Gualanday Photovoltaic Project

The Gualanday Photovoltaic Project in Colombia, South America, the PV site area involved interception and drainage measures. Considering the project characteristics, rainfall, and economics, the designer adopted an impermeable geotextile design. This solution was relatively low-cost, but because the surface was relatively smooth, it might affect the migration, foraging, and activities of local small animals. From the perspective of protecting biodiversity and the local ecological environment, the solution was changed to grassed earth ditches and concrete ditches paved with cobblestones. For the impermeable geotextile drainage solution used in some areas, cobblestones were also installed at the segmented sections, mainly to facilitate the migration, foraging, and activities of small animals during the operation and maintenance period.

[Case] Community Engagement

The Sungrow Renewable Chile team conducted in-depth community communication and training activities to promote the sustainable development of projects. During the development of the Chile Pampa Project, a resident communication team organized multi-dimensional communication activities with indigenous communities, including village announcements, public consultations, community forums, community training, and home visits. Continuous communication was carried out with residents on environmental and social responsibility topics such as environmental impacts, land use, ecological impacts, and cultural heritage protection, with communication channels including telephone and email also established. Notably, the activities attracted active participation from many local women, who not only presented their own enterprise projects but also gained valuable knowledge and skills through the training. Through such communication, community members have gained a more comprehensive understanding of the project's environmental commitments and social responsibility, while expressing high expectations for project implementation.

Aspects	Potential impacts	Response measures
Red-line Areas including Forest Land, Wetlands, Prime Farmland, Nature Reserves, Drinking Water Source Protection Areas, and Ecological Protection, etc.	When selecting project sites, the Company cannot construct wind power and photovoltaic projects. If red-line areas are occupied, the Company will face penalties from the relevant authorities, and any existing structures will be subject to forced demolition.	The Company, when selecting project sites, refers to the *Regulations of Domestic Project Red Line Map Management* to ensure that the project does not occupy any red-line areas. Additionally, project pre-development personnel and the relevant personnel will verify the red-line boundaries with the appropriate authorities and obtain a site approval letter from the administrative department regarding the project location. The Company should prohibit all forest logging within ecological conservation redline areas and the core protection zones of nature reserves. Project land use shall go through procedures such as preparing a *Forest Land Use Feasibility Report*, obtaining the forestry authority's opinions on land use site selection, and securing a project site selection opinion document issued by the Natural Resources and Planning Bureau and/or relevant authorities. If part of the development involves forest land, the Company will obtain a *Forest Logging Permit* and carry out compensatory planting accordingly.
Bird Migration Conservation; Biodiversity Loss Risk Mitigation	In wind power projects, if the bird impact assessment (bird survey) does not meet the required standards, the wind turbines that have already been constructed may need to be dismantled.	1) Animal migration routes, habitats, and ecologically protected areas/wetlands should be avoided; 2) Biodiversity assessments for newly built large-scale ground-mounted power plants should be conducted to identify threatened species and compile the corresponding list, and develop dedicated protection plans. 3) When undertaking relevant projects, the Company engages professional third-party organizations to conduct bird impact assessments (bird surveys). Only after obtaining the relevant approvals or expert opinions can the project proceed.
Noise Impact of Wind Power Projects	If the noise assessment for a wind power project does not meet the required standards, it may lead to complaints from the community.	Before starting the project, the Company will engage qualified third-party environmental assessment agencies to conduct an environmental impact assessment. The project will only commence after receiving the relevant approval from the environmental protection authorities. Additionally, low-noise wind turbines will be selected for installation to minimize noise impact.
Impacts of Wind Power and Solar Power Projects on Solid Waste, Liquid Waste, and Electromagnetic Radiation	If the solid waste, liquid waste, or electromagnetic radiation generated by wind and solar power projects fails to meet regulatory standards for emissions, it may lead to complaints from the community, resulting in compensation claims against the Company. Additionally, the project's environmental acceptance review will not be approved.	Before starting the project, the Company will invite qualified third-party environmental assessment agencies to conduct an environmental impact assessment. The project will only commence after receiving the relevant approval from the environmental protection authorities. Throughout the pre-construction, construction, and post-construction phases, various protective measures will be implemented, such as installing septic tanks, integrated wastewater treatment units, liquid waste storage areas, solid waste storage areas, main emergency oil pools, and oil separation and containment measures.
Ecologically Vulnerable Areas	Building photovoltaic and wind power projects in ecologically fragile areas, such as desertified regions and areas with severe soil erosion, can exacerbate soil loss and damage the environment. The high cost of protective measures further adds to the challenge. Without proper management and safeguards, these projects risk failing soil and water conservation as well as environmental protection assessments in the later stages.	During project site selection, the Company avoids ecologically fragile areas whenever possible. If construction in such areas is unavoidable, the Company engages a qualified third-party organization to conduct assessments on soil and water conservation as well as environmental protection, obtaining necessary approvals or expert opinions. Additionally, the Company implements strict soil conservation and ecological restoration measures throughout project design and construction to minimize environmental impact. Regular environmental monitoring and assessments are conducted both during and after project completion to promptly identify and address any issues, ensuring long-term sustainability.
Disputes with local villagers over land acquisition compensation, road transportation, construction noise, and drainage	These issues may lead to complaints from villagers, project delays, and cost increases, among others.	A resident communication team consisting of project personnel, pre-development staff, development personnel, and sustainable development-related technicians was formed to listen to and address various demands from residents. Meanwhile, effective communication channels were actively established with local village committees; when collective interests were involved, a democratic voting system was adopted. Routes for construction material transportation were planned in advance; construction noise complied with daytime and nighttime decibel limits; water spraying was implemented to control potential dust emissions; and drainage routes were promptly arranged during the rainy season to prevent scouring of farmland and residential properties of the communities.
Land Degradation and Vegetation Damage	Soil erosion and water loss caused by construction may compromise the stability of the power station's foundation.	1) In mountain photovoltaic construction, a racking design that follows the slope is adopted, reducing earthwork excavation by more than 50%. During the construction period, ecological fences are installed to restrict vehicle routes, reducing trampling of surface vegetation. 2) Photovoltaic desertification control (Northwest China): The model of generating electricity above the panels and planting below them is implemented, planting psammophytes (such as Salix psammophila and Haloxylon ammodendron). The sand-fixation area exceeds several thousand mu, significantly increasing soil organic matter content. 3) Floating photovoltaics (Southeast Asia/China): A water quality monitoring mechanism is established to suppress algal blooms through shading, restore aquatic ecological balance, and achieve fishery-photovoltaic complementarity.

06

Mutual Prosperity

Product Quality and Safety

Customer Relationship Management

Sustainable Supply Chain

Cybersecurity and Privacy Protection

Product Quality and Safety

The Company's product quality and safety management system comprehensively covers all types of products, including inverters (covering ground-mounted power stations, commercial and industrial distributed systems, and residential systems), energy storage systems (including power conversion systems and energy storage batteries), electronic control systems, charging piles, etc. In response to the industry-wide common challenges in Direct Current (DC) safety protection for photovoltaic products, the Company pioneers DC parallel arc-fault protection technology and is in an industry-leading position in arc detection and protection. In the energy storage systems sector, the Company focuses on preventing and controlling the risk of battery thermal runaway and has obtained UL 9540B safety certification for residential energy storage batteries.

The Company strictly complies with the relevant provisions of the *Product Quality Law of the People's Republic of China*. With the ISO 9001:2015 quality management system as the core framework, the Company has introduced and implemented industry-specific and product-differentiated standards, including the IATF 16949:2016 automotive industry quality management standard, the IECQ QC080000:2017 hazardous substance process management standard, the ISO 27001:2022 information security management system, the ISO 27701:2019 privacy information management system, and the ESD20.20 electrostatic discharge protection standard, thereby establishing a systematized, replicable, and distinctive group-wide quality management model and maintaining its efficient and stable operation.Meanwhile, the Company regularly assesses weaknesses in its internal operations, promotes continuous improvement, consolidates its management foundation, and enhances its overall risk resilience, thereby providing solid support for the Company's steady and sustainable development.

Governance

The QA Center is responsible for product quality and safety matters within the Company. Relevant matters are reported regularly to the General Manager of the QA Center. The QA Center is managed directly by the Chairman. The Company has established a tiered quality performance evaluation mechanism that is implemented at all levels and assigned to individuals. Quality performance is decomposed level by level across all departments related to product and service quality, and quality-related content is also incorporated into the performance evaluations of leaders at each organizational level and personnel in key positions.

To ensure the continuous maintenance of an applicable and efficient product quality and safety management system, the Company has formulated the *Regulations of Internal Audit Management*, established a professional internal audit team, and as planned, implemented systematic internal audits to continuously assess the compliance of business processes. At the same time, the Company adheres to a problem-oriented approach and, focusing on problem resolution and risk prevention, proactively carries out issue-driven reverse audit activities. The Company is committed to continuously improving product quality and, in strict compliance with the requirements of various system standards, has established an end-to-end quality management mechanism covering R&D quality, supply chain quality, process quality, and customer quality. Based on the entire product realization process, the Company has established multiple key indicators, including cost of quality ratio, product failure rate, test defect rate, incoming inspection pass rate, process first-pass yield, and final product inspection pass rate, and the Company carries out quarterly and annual evaluations and assessments. For deviations identified during operations, the Company has promptly developed and implemented corrective measures to achieve continuous improvement in management.

Quality Culture Development and Training

The Company organizes an annual Quality Conference each year to strengthen end-to-end quality management and enhance product reliability. The Company held a senior management quality seminar to optimize the quality organizational structure, clarify the business units' primary responsibility for product quality, and promote quality assurance from the source of product design. With reference to ISO 10015 and ISO 10018 standards, the Company has improved its quality training system and matched relevant courses to job responsibilities.

In 2025, the Company continued to deepen its quality training system, developing a multi-tiered, differentiated training matrix tailored to each business and functional center. Throughout the year, 10 targeted training programs on quality awareness and skill enhancement were delivered to middle managers and key business personnel, totaling 1,805.2 training hours, effectively strengthening quality control capabilities at the management and decision-making level. For frontline operational roles, 12 customized training programs aligned with practical scenarios were conducted, totaling 7,193.5 training hours, solidly reinforcing quality execution at the operational level. Overall, the training coverage and on-the-ground effectiveness saw significant improvement across the organization.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company ensures the high reliability and stability of core products, such as photovoltaic inverters and energy storage systems, through a rigorous quality control framework and robust safety management measures. This effectively minimizes equipment failure rates, providing a strong safeguard for grid stability and user safety.

Potential negative impacts

If the Company fails to rigorously uphold product quality standards or neglects safety testing, non-compliant products could enter the market, increasing the risk of equipment failures and accidents, thereby posing potential threats to user and public safety.

Market risks

Frequent quality issues can lead to increased after-sales service and maintenance demands, potentially directly reducing customer satisfaction and placing the Company at a competitive disadvantage in the market.

Market opportunities

As the global energy transition accelerates, governments and enterprises are increasingly demanding higher safety and reliability standards for renewable energy equipment. The Company's high-quality, safety-compliant products position it advantageously in a highly competitive market.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to product quality and safety posed no material impact on the Company's current operating results or financial position.

Expected financial impacts

In the short term, continued investment in quality improvement and after-sales services will further solidify the foundation of product reliability, providing strong support for stable operations. Over the medium to long term, leveraging a full life-cycle quality management system will enable effective forward-looking risk control, reducing potential operating costs while continuously enhancing market recognition and customer trust. This, in turn, will strengthen brand premium capabilities and earnings resilience, building a sustainable competitive advantage for financial performance.

Strategy and Adaptability

The Company has established a comprehensive quality and safety management system covering the entire product lifecycle. It implements end-to-end quality and safety controls across all stages, including product design, raw material procurement, manufacturing, and after-sales service, while regularly conducting quality audits and internal assessments to continuously identify and mitigate potential quality risks. In parallel, the Company enforces strict hazardous substance management to ensure that products comply with relevant laws, regulations, and customer standards.

Impacts, Risks, and Opportunities Management

The Company regularly conducts quality audits and internal assessments to identify potential quality and safety risks, prioritizing them based on severity. Effectiveness is tracked through key performance indicators and continuous improvement measures, enhancing product quality stability and safety reliability. At the same time, harmful substances are strictly controlled to ensure products comply with applicable regulations and customer standards.

Full Lifecycle Quality and Safety Management

R&D

Based on the IPD process, the Company plans the quality management programs for new products by incorporating objectives and metrics management, risk management, and issue management. At the same time, the Company further strengthens risk identification capabilities and the effectiveness of issue closed-loop management through top-level planning. It adopts the DFMEA quality tool to carry out risk identification from the early stage of product design, thereby ensuring the quality of the product R&D process and improving product reliability. During the R&D process, the Company considers hazardous substances control, while also focusing on issues such as electrical safety, mechanical safety, and electromagnetic compatibility. The SH125CX product has obtained safety, electromagnetic compatibility, performance, and grid-connection certifications including IEC 62109, IEC 62477, IEC 61000, and EN 50549, covering market requirements in the European Union, Australia, the Middle East and Africa, China, and regions that require IEC standards. The SBH series residential energy storage system has passed the world's first UL 9540B Large-Scale Fire Test conducted by UL Solutions. The 1+X 2.0 modular inverter series products have obtained IEC 62109, IEC 61000, and other certifications for safety, electromagnetic compatibility, performance, and grid connection. The Company has completed the industry's first full-scenario on-site testing of DC faults in a real power plant, covering market requirements in the European Union, the Middle East and Africa, the Asia-Pacific, and regions where IEC standards apply. The PowerTitian 3.0 series has obtained safety, performance, electromagnetic compatibility, and grid-connection certifications such as GBT 36276 and UL 9540A, covering market requirements in the European Union, China, and regions where IEC standards apply. The Powerkeeper 2.0 series has obtained safety, performance, and transportation certifications such as UL 9540A, ISO 13849, IEC 62477, and UN38.3, meeting market requirements in the European Union, Asia-Pacific, and other regions where IEC standards apply.

Supply chain

The Company has established full life-cycle quality management for materials. Relying on an information system and based on risk-based thinking, the Company identifies key processes such as component selection and certification testing, and standardizes delivery requirements. The Company improves the supplier audit and evaluation mechanism. By refining quality onboarding audits, annual audits, special audits, and manufacturing supervision audits, the Company continuously ensures the stability and reliability of product quality. By applying the red-yellow-blue light mechanism and linking it to procurement share, the Company drives suppliers to continuously improve quality.

Customer quality

The Company has established the iQMS digitalization platform, advanced the standardized development of the quality issue feedback process, opened up the data transmission pathway with the GSP system, obtained client feedback information in a timely manner, and achieved issue resolution and analysis. At the same time, the Company has implemented dedicated management for key projects and key customers, promoted the gradual realization of issue closed-loop management, and progressively achieved full-process online quality data management and issue handling, efficiently resolving product quality issues and continuously improving customer satisfaction. The Company has improved *Management Regulations on Product Failure Feedback and Handling* to clarify the tiered management of key issues, and, based on *Measures for Product Quality Risk Control* and the on-site inspection mechanism, the Company has established a quality early-warning mechanism.

Process

Based on product characteristics and industry requirements, the Company has revised standards such as *Visual Inspection Specification for Complete Machines* and *Finished Product Inspection Specification for Complete Machines* to effectively evaluate product quality performance during the production process. The Company has established process documents for *Management Regulations for Newly Established Lines/New Products/Newly Started Shifts, Process Quality Defect Management Procedures, Management Regulations for Overdue Re-Inspection of Finished Products*. From prevention to improvement, refined and end-to-end process control is implemented. Leveraging test automation, AI visual inspection, and digital tools, the Company has improved inspection efficiency and the scope of interception, preventing nonconforming products from escaping. Through quality tools such as SPC, MSA, reverse FMEA, and 6σ, the Company has achieved product quality monitoring and process improvement. As a mandatory inspection item prior to product launch, the product safety program measures the electrical clearance distances between key components during the production process. The complete product undergoes safety compliance testing in accordance with international, national, and industry standards, including dielectric withstand voltage, insulation resistance, grounding resistance, and other tests, to ensure that the product design complies with relevant safety standards and design requirements.

Quality Audits

To ensure the ongoing applicability and effectiveness of its quality management system, the Company has established the *Internal Audit Work Management Regulations* and formed an internal auditor team to conduct regular internal audits, continuously assessing the compliance of business processes. In addition, the Company adopts a problem-driven approach, focusing on issue resolution and risk mitigation through targeted, issue-oriented special audits.

In 2025, quality audits achieved full coverage across sales, supply chain, R&D, production, and after-sales processes, with over 600 items audited. All non-conformities were fully rectified, achieving a 100% internal audit closure rate. Approximately 30 potential safety compliance risks were identified throughout the year, all of which underwent risk analysis and were fully addressed. During the reporting period, no safety compliance issues were reported from clients.

Hazardous Substance Control

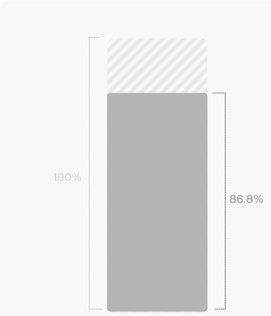
Sungrow aims to fully comply with laws and regulations on hazardous substances, and has obtained IECQ QC080000 system certification. By establishing a full-process control mechanism, the Company has continuously optimized the hazardous substance testing and monitoring system to ensure that the entire supply chain from raw materials to finished products complies with the requirements of international regulations restricting hazardous substances.

Hazardous Substances Involved in the Company's Products

Hazardous Substances Involved	Common Areas with Exceedance	Key Management and Control Measures
Lead, mercury, hexavalent chromium	Metal parts, plastic parts, non-environmentally friendly color zinc plating, etc.	Signing environmental protection agreements with suppliers, requiring suppliers to provide third-party testing reports by material, and achieving full-coverage testing for high-risk material components.
Cadmium	Metal parts, plastic parts	Signing environmental protection agreements with suppliers, requiring suppliers to provide third-party testing reports by material, and achieving full-coverage testing for high-risk material components.
Polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE)	Flame-retardant materials	Signing environmental protection agreements with suppliers, requiring suppliers to provide third-party test reports at the material level, and conducting destructive dissolution tests on materials found in the initial screening to have excessive total bromine.
Four phthalates (DEHP, BBP, DBP, DIBP)	PVC, thermoplastic rubber materials	Signing environmental protection agreements with suppliers, requiring them to provide third-party test reports for materials. Requiring suppliers to update third-party test reports that have expired. Conducting monthly spot checks by supplier to ensure 100% full coverage of components that are prone to exceed limits.
Formaldehyde	Packaging, plywood	Signing an environmental protection agreement with suppliers, conducting incoming material testing monthly, and simultaneously requiring suppliers to provide third-party formaldehyde test reports by batch.
Some applicable provisions in REACH Annex XVII (e.g., asbestos, PFAS)	Sealing materials, insulation materials	Signing environmental protection agreements, and conducting follow-up visits to survey suppliers' materials from time to time.

Metrics and Targets

In 2023, the Company set the goal of "complying with hazardous substance regulations, enhancing hazardous substance detection and monitoring capabilities, and phasing out materials containing potential hazardous substances." The Company has continuously optimized its hazardous substance detection and monitoring system to ensure that the entire supply chain, from raw materials to finished products, meets international hazardous substance restriction regulations. In 2025, the signing rate of hazardous substance restriction requirements by suppliers reached 86.8%.



86.8%

the signing rate of hazardous substance restriction requirements by suppliers reached 86.8%.

At the early stage of project R&D, the Company designs and selects components that meet environmental requirements in accordance with environmental laws and regulations as well as the standards of Company management documents, ensuring that all new components meet environmental requirements. Unless constrained by technology and with no alternative solution available, the use of components containing toxic and hazardous substances is prohibited. The Company strictly screens qualified suppliers that meet environmental requirements and signs environmental protection agreements. All discrete components may be included in the formal bill of materials only after completing rigorous approval processes such as supplier qualification review and verification of environmental testing reports. The Company attaches great importance to safety management for its employees and partners. Through supplier system audits, performance evaluations, and coaching, the Company promotes its suppliers' establishment and continuous improvement of hazardous substance management systems. Meanwhile, the Company shares the requirements of newly issued laws and regulations via the SRM platform, with a focus on supporting suppliers involving risk materials in enhancing their CMR substance testing capabilities.The Company has established an incoming material inspection mechanism and manages the identification and control of the production process in tandem. For differentiated testing programs, the Company continuously updates testing technologies and provides skills training for employees, strengthens capabilities to control hazardous substances, and ensures that everything from raw materials to complete units meets standard requirements. The Company attaches great importance to the identification, substitution, and phase-out of hazardous substances, actively implementing the requirements of international regulations such as RoHS, REACH, and the European Union Batteries Regulation, and has established sound internal control mechanisms and a comprehensive list of hazardous substances. Through raw material declarations, compliance monitoring, and third-party certification, the Company ensures that the entire chain, from raw materials to complete machines, complies with environmental standards.

The Company continues to invest R&D resources into researching alternatives for major hazardous substances, exploring low-risk materials or processes while ensuring product safety and performance. Specifically, in response to the issue of mandatory enforcement of the European Union's new Batteries Regulation, the Company responded proactively by signing a supplementary environmental protection agreement on the Batteries Regulation in advance with existing cell suppliers, requiring supplied cells to provide third-party test reports under the Batteries Regulation. Internally, the Company conducted spot checks, sampling and third-party testing to rapidly identify non-compliant cells in inventory and fully replace them. For new suppliers or cell raw materials, based on existing controls, the Company has added requirements under the Batteries Regulation. As of 2025, the Company had achieved 100% of suppliers signing the relevant agreements to ensure that all cell products comply with market access requirements.

The Company regularly discloses progress on the substitution and elimination of hazardous substances and discloses to stakeholders the effectiveness and challenges of hazardous substance management. Meanwhile, the Company continuously monitors industry trends and policy developments and actively considers establishing partnerships with professional organizations and industry platforms to support the systematic substitution and governance of hazardous substances. The Company undergoes system audits annually by internationally recognized third-party organizations and customer audits. No material non-conformities were identified, and the Company has obtained the IECQ QC080000 system certificate.

Customer Relationship Management

Governance

With localized services at its core and leveraging an intelligent systems platform, the Company has established an integrated delivery and service system with global coverage, rapid response, and end-to-end process integration. The Company provides services and solutions covering the full product life cycle, and through professional, efficient execution and rapid response, continues to exceed customer expectations and create greater value for customers. During the reporting period, the Company had no incidents of non-compliance with laws and regulations and voluntary codes related to marketing communications (including advertising, promotion, and sponsorship).

The Company strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and formulates systems including the *After-Sales Incident Handling Process, Management Regulations for Paid Services, Maintenance Work Management Regulations*, etc., to systematically carry out customer relationship management. To address customer relationship risks such as customer complaints and crisis management, the Company has continuously optimized customer experience through customer communication, customer training, responsible marketing, and customer satisfaction surveys.

Pre-sales

Implementing and deepening the “Iron Triangle” model and putting in place full life-cycle management of product services.

During sales

Improving the delivery system, continuously enhancing the capabilities and standards of integrated delivery, and building a digital system to improve delivery management efficiency.

After-sales

Providing comprehensive services and solutions, and improving service efficiency and response speed through professional and efficient services. Through an international talent pipeline training system, supporting customized customer training, continuously exceeding customer expectations, and creating greater value for customers. Adopting innovative services, building a global service platform, and leveraging an AI intelligent platform to support the digitalization of customer services.

01 → 02 → 03

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company provides high-quality customer service, ensuring that customer rights are fully protected.

Potential negative impacts

If the Company fails to effectively meet customer needs or experiences communication gaps, it may result in a poor customer experience, which could in turn undermine service quality and customer trust.

Product and service opportunities

Through effective customer relationship management, the Company can better meet customer needs, enhance customer satisfaction, strengthen loyalty, and foster long-term collaboration.

Market risks

If customer relationship management is poorly executed, it may erode customer trust and increase the risk of customer attrition.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to customer relationship management have not had a material impact on current operating results or financial position. The Company's investment in customer service and relationship maintenance remains within budget.

Expected financial impacts

In the short term, optimizing the customer service system, handling complaints, and implementing digital management tools may require some operational expenditure; in the medium to long term, strengthening customer relationship management can enhance customer loyalty and order stability, thereby supporting revenue growth and cash flow.

Strategy and Adaptability

The Company continuously improves its customer relationship management system by enhancing communication and feedback mechanisms, strengthening complaint handling, service quality monitoring, and cross-departmental collaboration. By optimizing service models and resource allocation, the Company can promptly adjust business strategies, demonstrating strong overall adaptability.

Impacts, Risks, and Opportunities Management

Based on relevant management policies and business needs, the Company identifies risks and opportunities related to customer relationship management and develops corresponding strategies and measures to manage risks and seize opportunities. A diversified set of customer communication channels has been established, including the official website, complaint hotlines, online chat, email, written complaints, cloud platforms, and in-person meetings. In 2025, the Company advanced the development of a unified global customer contact center platform, integrating customer information across all channels—phone, email, social media, and the website—and leveraging AI-powered customer service tools to enhance service efficiency and overall customer communication experience.

In response to customer complaints, the Company has clearly defined the complaint handling process and the responsible parties. In accordance with the *Customer Complaint Management Regulations*, the Company has established a customer complaint response mechanism and process. The process starts with the preliminary investigation and analysis of the complaint request, and then proceeds through service request ticket creation, issue investigation and analysis, solution development and confirmation, solution implementation and follow-up, and finally service closure and summary improvements. The Company adheres to the principles of rapid response, investigating every complaint, timely replies, and corrective and preventive actions, and regulates customer complaint handling at multiple levels.

Customer Training

The Company has established a three-tier technical support system comprising the business regions, the Global Technical Enablement Department, and R&D. Acting as the central hub of the system, technical support engineers from the Global Technical Enablement Department are deeply involved in product development, providing input on installability and maintainability while producing product maintenance documentation and training materials to empower regional technical service teams. Regional technical service engineers deliver on-site customer training, enhancing the technical capabilities of operations and maintenance personnel, standardizing safety and operational procedures, and strengthening their ability to respond rapidly to common faults.

The Company's headquarters has established a training practice center, led by internally certified instructors. Focusing on the difficulties in power station operation and maintenance and on technological updates, it systematically has compiled training materials on products and operation and maintenance and enhanced the overall capabilities of customers' operation and maintenance teams through various online and offline formats. In 2025, the Company conducted 21 headquarters-visit training sessions, two online training sessions, and two on-site training sessions.

Customer Satisfaction

The Company consistently maintains a customer-oriented approach, continuously enhancing customer satisfaction. Following global standards such as ISO 10001–10004, it optimizes complaint and issue resolution processes, redesigns customer satisfaction surveys, and leverages the global customer contact center to conduct satisfaction assessments for clients worldwide, while continually refining internal service workflows, earning a 12-star certification. In 2025, Sunlight Power conducted surveys among core business customers—including those in photovoltaic inverters, energy storage systems, charging stations, and wind power—with a satisfaction rate of 94.68%.

Based on customer feedback and survey data for 2025, focusing on customer orientation, the Company has developed the following measures to continuously enhance customer loyalty and satisfaction:

Through the following measures, the Company had remained committed to using first-class technologies to create exceptional products and services and, with a spirit of striving for excellence, rapid response, and proactive service, had built sincere, appropriate, and sustainable customer relationships.

94.68%
Customer Satisfaction

01 **Enhancing Product Reliability**

Strengthen quality control from the design stage, reinforce factory inspection and testing procedures, and ensure stable product performance, thereby continuously building a leading advantage in product quality.

02 **Optimizing Delivery Timeliness**

Improve supply chain coordination mechanisms, appropriately allocate production capacity and safety stock, and ensure shipment timelines meet customer project milestones while mitigating potential delivery risks.

03 **Strengthening Brand Image**

Reinforce localized brand culture development, regularly organize technical exchange sessions to proactively showcase product advantages, and deepen strategic cooperation and brand trust through targeted key-customer engagement.

04 **Improving Service Responsiveness**

Enhance the professional capabilities of service teams through systematic training, establish an intelligent knowledge base for common issues, and refine tiered response mechanisms. For major technical issues, implement coordinated resolution and escalation processes to ensure both service efficiency and quality.

05 **Enhancing Product Documentation Systems**

Conduct a comprehensive review and update of product technical documentation, develop dedicated product introduction materials, proactively collect customer feedback, and continuously improve the completeness and usability of product information.

Responsible Marketing

Sungrow adheres to responsible marketing. It has established standardized workflows and standards for sales, promotion, and information security, and set up an internal audit mechanism to ensure the integrity and accuracy of information disclosure throughout the marketing process. The Company embeds compliance awareness throughout the entire marketing process, committed to providing customers with reliable and satisfactory products and comprehensive solutions, and achieving win-win outcomes.

Metrics and Targets

The Company set a customer relationship management target to achieve and maintain a 93% customer satisfaction rate by 2025. This target has been successfully met and will continue to be maintained and improved. In 2025, the Company updated the target to achieve and maintain a 93.5% customer satisfaction rate by 2028.

Sustainable Supply Chain

A sustainable supply chain is critical for companies to integrate environmental and social responsibility into supply chain management while building long-term resilience and competitive advantage. Against the backdrop of the accelerating global wave of sustainable development, the supply chain serves not only as a link for resource allocation but also as a core vehicle for extending corporate social responsibility. Sungrow closely follows the laws and regulations of the regions where it operates and actively references internationally recognized standards, including the International Labour Organization's International Labour Standards, the United Nations Guiding Principles on Business and Human Rights, and the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. Guided by these frameworks, the Company, working in full collaboration with its partners, continuously advances the management of key supply chain topics, including human rights and labor rights, health and safety, environmental protection, business ethics, and management systems, jointly building a sustainable supply chain to achieve long-term sustainable development.

Governance

Governance Structure

The highest governance body for sustainable supply chain management is the Strategy and Sustainability Committee. The Committee is responsible for reviewing and approving the sustainable procurement strategy as well as its short-, medium-, and long-term key objectives, ensuring alignment between sustainable procurement initiatives and the Company's overall development strategy. In addition, the Committee oversees the implementation of sustainable procurement practices, regularly reviews progress reports from relevant departments, and approves policies and reports related to sustainable procurement to ensure their accuracy and compliance.

The primary management and execution body for sustainable supply chain initiatives is the Procurement Center. It is responsible for formulating short-, medium-, and long-term key objectives; reviewing, revising, and issuing policies and procedures related to sustainable procurement; and advancing the implementation of sustainable procurement practices by embedding sustainability principles throughout the supplier lifecycle. In addition, the Procurement Center establishes training and communication mechanisms for sustainable procurement and coordinates cross-functional collaboration to ensure that sustainability requirements are effectively implemented across all business units and functional departments. The Procurement Center regularly reports relevant matters to the General Manager of the Procurement Center, the responsible Senior Vice President, and the Strategy and Sustainability Committee.

To support the Company's sustainability strategy, the Procurement Center has established a Supplier Management Department responsible for overseeing supplier lifecycle management and supplier sustainability management. The department is tasked with developing relevant policies and procedures, as well as sustainable procurement standards and assessment tools. It also conducts supplier sustainability management activities, including compliance reviews, ESG audits, responsible minerals due diligence, green supply chain evaluations, and supply chain carbon management. These efforts aim to ensure that suppliers meet the Company's sustainability requirements while collaboratively enhancing ESG management capabilities.

In addition, departments such as the ESG Development Center, the Legal and Compliance Department, and the Audit and Inspection Department collaborate with the Procurement Center to advance sustainable supply chain management, forming a cross-functional coordination mechanism. The Company has established a cascading performance evaluation mechanism for sustainable supply chain management, with relevant performance indicators progressively allocated to departments such as the Procurement Center. Sustainability-related supply chain responsibilities are also incorporated into the performance assessments of responsible leaders and key personnel across organizational levels.

To strengthen capability building, the Company organized 13 dedicated training sessions for internal supply chain management personnel in 2025, covering topics such as ESG fundamentals, human rights, carbon management, green supply chains, and supplier ESG audits, with a total training duration of 18 hours.

System Optimization

To adapt to ongoing changes in external policies and the rapid development of the Company's business, in 2025, the Procurement Center developed institutional documents and agreements such as the *Supplier Management System, Supplier Development Management Process, Supplier Performance Management Process, Supply Chain Compliance and Sustainability Management Policy, Supplier Relationship Management Process, Supplier Code of Conduct*, and *Supply Agreement* to strengthen the management of supply chain sustainable development.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company continuously strengthens supply chain resilience and works collaboratively with partners to build a sustainable supply chain that meets customer demands.

Potential negative impacts

Failure to ensure that suppliers comply with relevant standards may result in the procurement of raw materials that do not meet sustainability requirements.

Market opportunities

The Company strengthens supplier ESG management to enhance operational stability and bolster market competitiveness.

Market risks

If competition in sustainable supply chains intensifies, the Company may face greater challenges in balancing sustainability with cost control, potentially affecting its market competitiveness and profitability.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to sustainable supply chain posed no material impact on the Company's current operating results.

Expected financial impacts

In the short term, investment in supply chain management and compliance will continue; in the medium to long term, strengthening sustainability oversight in the supply chain can help optimize operations and control costs.

Strategy and Adaptability

The Company has established a sustainable supply chain management system covering supplier screening, admission, evaluation, and continuous improvement. ESG requirements are embedded throughout procurement and supply chain management. By implementing tiered supplier audits, promoting supplier diversification, and leveraging digital management, the Company enhances supply chain stability and transparency, while enabling procurement arrangements to be adjusted promptly in response to external changes.

Impacts, Risks, and Opportunities Management

To build a sustainable supply chain ecosystem, support suppliers in complying with the *Supplier Code of Conduct* and supply chain sustainability requirements and avoid potential conflicts between its procurement practices and sustainability strategy, the Company integrates sustainability into the full lifecycle of supplier screening, admission, annual auditing, and day-to-day management. The Company has developed the *Procurement Risk Management Procedures*, clarified the risk management process, promptly identified, controlled, and prevented procurement business risks, and strengthened risk management.

Supplier Screening

Before onboarding suppliers, the Company conducts systematic screening of potential suppliers to identify those with high ESG risks or significant business relevance to the Company. Key evaluation criteria include business-related dimensions such as procurement volume and delivery risk, as well as ESG-related dimensions such as supply stability, carbon footprint certification, and social responsibility management systems.

01

Risk classification

Based on risk factors, supply chain-related risks are classified into social environmental risks and natural environmental risks. Social environmental risks are further divided into internal system risks and social macro-environment risks. Internal system risks include single-supplier risk, information transmission risk, supplier risk, etc. Social macro-environment risks include politics, economy, culture, exchange rates, market demand, industry policies, etc. Natural environmental risks include flash floods, tsunamis, earthquakes, lightning, thunderstorms, landslides, etc.

02

Risk Identification and Assessment

Risk identification
Risk matching
Risk assessment

03

Risk Control

Clarify risk control measures and risk response strategies

Control plan management

Control plan acceptance

04

Risk Monitoring and Prevention

Continuously monitor the relevant risks and regularly report progress on risk closure until the risks are eliminated or the risk control objectives are achieved.

Country-specific

The Company identifies political, social, human rights, environmental regulatory, and corruption risks associated with the locations of potential suppliers. For example, the locations of smelters of potential suppliers are included in the conflict minerals risk assessment. If a smelter is located in a country widely recognized as a high-risk area for conflict minerals, it is flagged for heightened attention, and further risk verification procedures are initiated prior to supplier onboarding.

Sector-specific

The Company assesses inherent risks associated with the supplier's sector, including energy consumption, resource intensity, emissions and pollution, and labor conditions. For instance, environmental and labor risks are subjected to enhanced screening in high-emission, high-pollution sectors (such as metal smelting and chemical production) and labor-intensive sectors (such as mining and certain manufacturing sectors).

Commodity-specific

Risk identification is conducted for specific high-risk products or raw material categories, such as battery cells and their upstream metals (lithium, cobalt, nickel, etc.) and conflict minerals (tin, tungsten, tantalum, gold). For example, for electronic and electrical components like connectors, the Company focuses on whether material compositions involve restricted substances such as lead, cadmium, or hexavalent chromium, and conducts associated reviews against requirements such as RoHS.

Supplier Admission

During the supplier onboarding process, the Company reviews supplier qualifications based on standards such as the RBA Responsible Business Alliance Code, ISO 14001, ISO 45001, and SA 8000®, as well as environmental and social laws and regulations in the supplier's operating location, while simultaneously conducting due diligence. Suppliers are required to sign agreements such as the *Supplier Code of Conduct* and the *Integrity Agreement*, and manufacturing suppliers must also provide a *Supply Chain Origin Information Declaration*. The Company has established a supplier development review mechanism to enhance the scientific rigor and rationality of the sourcing process. Following approval, the Company evaluates suppliers' ESG performance based on ESG audit reports, covering areas including human rights and labor rights, health and safety, environmental protection, business ethics, and management systems. In accordance with the *Supplier Code of Conduct*, suppliers demonstrating strong sustainability performance are given priority for business collaboration under equivalent conditions.

Basic information review

It covers information on the entity, product type, and related matters.

Business qualification review

The Company assesses whether suppliers possess the basic qualifications required to conduct business cooperation. Manufacturers must obtain ISO 9001 certification and develop a plan to progressively introduce management system certifications such as ISO 14001, ISO 45001, and SA 8000®.

Compliance risk screening

The Company conducts risk screening of suppliers based on publicly available information to exclude material compliance risks and operational qualification risks.

On-site audit

In principle, on-site audits are conducted for all newly admitted manufacturers. The scope includes supplier qualifications and commercial aspects, R&D systems, quality systems, and ESG audits. The ESG audit references standards such as the RBA to ensure that suppliers to be developed do not have any significant potential risks.

Agreement signing

Suppliers are required to sign agreements such as the *Integrity Agreement, Confidentiality Agreement*, and *Supplier Code of Conduct*. Manufacturers are also required to sign the *Supply Chain Origin Information Declaration*. Alternative (R&D) or alternative (after-sales) suppliers are also required to complete the signing of *Supply Agreement, Environmental Commitment Letter (RoHS Directive Commitment)*, and *Environmental Commitment Letter (REACH Directive Commitment)*.

In addition, the Company has established the *Supplier Relationship Management Regulations*, under which existing suppliers are routinely evaluated and classified into strategic, bottleneck, leverage, and general categories. Key assessment factors include procurement volume, delivery risk, and supply chain sustainability aspects such as supply stability and quality assurance capabilities.

Supplier Annual Assessment and Audit

To provide guidance for supplier audits, standardize the entire audit process, and enhance audit professionalism, the Company has formulated the *Regulations of Supplier Audit Management* in accordance with standards including the *ISO 19011 Guidelines for Auditing Management Systems*.

In terms of audit dimensions, it is mainly divided into quality management systems, R&D systems, business and qualification audits, and ESG audits. In terms of audit intervention timing, it is mainly divided into new supplier admission audits and annual audits of existing suppliers. In terms of audit format, it is mainly divided into Sungrow second-party audits and outsourced third-party audits.

The Company's Procurement Center is responsible for developing the annual ESG audit plan for suppliers, and the QA Center is responsible for developing the annual quality audit plan for suppliers. They respectively conduct ESG audits and annual quality audits for key suppliers of concern. Based on audit findings, they develop corrective and improvement plans and, on schedule, drive suppliers to rectify nonconformities.

The Company categorizes suppliers' ESG risk levels into four tiers: zero-tolerance, high risk, medium risk, and low risk. Corresponding management and improvement measures are implemented based on different risk levels. Specifically, suppliers subject to the zero-tolerance policy must close out zero-tolerance items within three months; otherwise, measures such as reducing, suspending, or terminating cooperation will be taken.

Through ESG audit and assessment, the Company identifies suppliers' good practices, opportunities for improvement, and nonconformities, as well as the corresponding supporting evidence. For nonconformities, suppliers are required to develop a corrective action plan (CAP). The Company follows up on suppliers' CAPs to ensure nonconformities are closed out and to continuously improve the partnership. For zero-tolerance items identified in audits, follow-up, supervision, and acceptance are carried out through the "Procurement Risk Management" process until closure.

In 2025, the Company conducted ESG audits for a total of 172 suppliers, with over 100 suppliers audited by authoritative third-party organizations such as DNV and SGS. The audits identified 24 suppliers with significant potential adverse impacts, all of which implemented corrective or improvement measures. The Company continuously monitored the CAP closure process, and all 24 suppliers completed remediation, effectively mitigating the identified risks.

Hazardous Substance Control

The Company deeply integrates hazardous substance control into supply chain management by establishing a full-process control mechanism and continuously optimizing hazardous substance testing and monitoring systems, ensuring that the entire supply chain—from raw materials to finished products—complies with international hazardous substance regulations. The Company has obtained IECQ QC080000 certification. Hazardous substance management is conducted at both the supplier and material levels, employing measures such as contractual agreements, on-site audits, incoming material testing, documentation review, and performance assessments.

The Company strictly selects environmentally compliant suppliers and signs environmental agreements with them. Through supplier system audits, performance evaluations, and guidance, the Company promotes the establishment and improvement of suppliers' hazardous substance management systems. Additionally, the Company leverages the SRM platform to share newly issued laws and regulations, with a focus on supporting suppliers handling risk-containing materials to enhance their CMR substance testing capabilities. All individual components must pass rigorous approval processes—including supplier qualification reviews and environmental testing report verification—before being included in the official material list. ESG audit forms for suppliers incorporate indicators such as controlled substances and solid waste management, with corresponding weighting applied in evaluations.

Example Indicators for Regulated Substances Such as Hazardous Substances Involved in the Supplier ESG Audit Form

01

For controlled substances, suppliers are required to identify relevant laws, regulations, or customer requirements and establish internal technical specifications accordingly, ensuring that purchased materials, packaging, and components comply with the requirements.

02

Suppliers must obtain declarations of conformity, certificates, and/or analytical data from material or component providers and verify the accuracy and authenticity of these documents in accordance with the Company's processes.

03

For materials or components found to be non-compliant, factories must implement and track a Corrective Action Plan (CAP). If corrective actions deviate from the plan, additional measures must be taken to ensure completion before the designated deadline.

In response to the requirements of the European Union Batteries Regulation, the Company proactively executes supplemental environmental protection agreements on the Batteries Regulation with existing cell suppliers. The Company requires that supplied cells provide third-party test reports in accordance with the Batteries Regulation. Internally, the Company also carries out synchronized spot checks and sample submissions for testing, among other measures, to rapidly identify non-compliant cell inventory and fully replace it. For new suppliers or cell raw materials, based on existing controls, the Company adds requirements under the Batteries Regulation. As of the end of 2025, the Company had achieved 100% of suppliers signing the relevant agreements to ensure that all cell products comply with market access requirements. For details on Hazardous Substance Control, please refer to the Product Quality and Safety of this Report.

Protection of Human Rights and Labor Rights

Regarding the protection of human rights and labor rights, the Company is committed to respecting and safeguarding the rights of all employees and other stakeholders across its value chain. The Company strictly prohibits any form of forced labor, child labor, discrimination, or inhumane treatment; provides a safe and healthy working environment; ensures employees' freedom to join trade unions and equal employment opportunities; and guarantees that supply chain workers receive at least the legally mandated minimum wages, progressively moving toward living wages that meet basic family needs. In procurement activities, the Company gives priority, under equivalent conditions, to suppliers who comply with labor laws and respect employee rights, requiring them to take effective measures to protect the human and labor rights of their own workforce. For more details on human rights and labor rights protection, please refer to the section "Employee Employment and Rights" in this Report.

Examples Indicators for Human Rights and Labor Protection in the Supplier ESG Audit Form

- Suppliers are required to identify and assess risks and impacts related to human rights and labor rights, health and safety, environment, and business ethics across their own supply chains, in order to determine their high-risk key suppliers.
- Suppliers must conduct on-site audits of these high-risk key suppliers to verify compliance with the *Sungrow Supplier Code of Conduct* and applicable laws and regulations, and maintain records of such audits.
- In accordance with the "timely and full payment" principle, suppliers must accurately calculate wages for regular and overtime hours and pay all workers—including dispatched and contractor workers—in full and on time.

Anti-corruption and Anti-bribery

Regarding anti-corruption and anti-bribery, the Company has developed and signed an *Integrity Agreement* with its suppliers and established *Supplier Blacklist Management Regulations* to strengthen sanctions against supplier breaches and misconduct, prevent commercial bribery and fraudulent activities, and standardize ethical conduct at all organizational levels. Suppliers found engaging in corrupt or bribery-related behavior are managed according to the severity of the impact, with corresponding disciplinary measures applied. the Company also annually communicates the *Supplier Guidelines* to suppliers to promote its anti-corruption and anti-bribery policies. During ESG audits, the Company verifies the effectiveness and implementation of suppliers' anti-corruption policies, ensuring transparency and integrity across the supply chain.

Sungrow has established a whistleblowing and grievance mechanism to standardize whistleblowing and grievance procedures, continuously strengthened the protection of the legitimate rights and interests of both whistleblowers and the reported parties, and prohibited any department or individual from preventing, intimidating, or suppressing whistleblowers from making reports under any pretext or by any means. No retaliatory actions against whistleblowers are permitted. For details, please refer to the "Business Ethics" section of this Report. The Company encourages employees, partners, supply chain workers, and other stakeholders to supervise itself and actively report violations. Reports may be submitted through the following channels:

Tel.: 0551-65327830

Email: complain@sungrowpower.com

Mobile: 18655168110 (same as WeChat ID)

Address: Office of the Audit Supervision and Inspection Department, Room 606, Sunshine Building, Building A1, No. 1699 Xiyou Road, High-tech Zone, Hefei City

To ensure that procurement practices align with the Company's ESG strategy, an internal review mechanism has been established to regularly assess whether procurement personnel strictly adhere to the Company's ESG requirements when executing orders. The review focuses on whether procurement staff sufficiently consider suppliers' ESG performance when selecting suppliers, materials, or services, and make procurement decisions that support the Company's sustainability objectives. For example, when comparing two material suppliers, the review examines whether procurement personnel prioritize suppliers that have obtained environmental management system certification, achieved high ESG audit scores, and demonstrate a record of using green electricity.

In 2025, the Company conducted an audit of supply chain due diligence covering the period from January 2024 to January 2025, focusing on compliance with due diligence obligations and key topics such as human rights and environmental protection. The audit found that a foundational operational framework for supply chain due diligence had been established, though there remains room for improvement in institutional systems, control processes, and system infrastructure. All 11 identified risks were fully remediated. A continuous monitoring mechanism has since been implemented to dynamically track the progress of corrective actions.

Supplier Development and Capacity Building

To strengthen suppliers' sustainability capabilities and enhance risk mitigation, the Company regularly organizes ESG capacity-building activities for suppliers, including ESG training, partner conferences, carbon management workshops, and experience-sharing sessions. These initiatives introduce the Company's supply chain ESG practices, carbon reduction plans, and exemplary cases on key topics. In 2025, the Company conducted ESG training for 306 suppliers, with a cumulative participation of 2,543 hours.

Supplier Code of Conduct

Introduced the Company's Supplier Code of Conduct to suppliers and held an ESG audit kickoff session — 1 session, 1 hour.

2025 ESG Audit Training

2 sessions, 2 hours.

Responsible Minerals Training

Covered responsible minerals knowledge and survey form completion requirements — 1 session, 2 hours.

Carbon Management

Provided basic carbon knowledge and explained carbon footprint requirements and procedures — 5 sessions, 8 hours.

Human Rights and Labor

Covered fundamentals of human rights and labor, including legal requirements on child and underage labor — 2 sessions, 6 hours.

The Company actively promotes supplier adoption of industry ESG benchmarks and best practices. For four consecutive years, an ESG Forum has been featured at the Partner Conference, providing suppliers with on-site opportunities to learn about the Company's annual supply chain sustainability management strategy and implementation roadmap, as well as exemplary practices and performance in ESG management, carbon management, and compliance management. Outstanding suppliers are recognized on-site and invited to share their ESG management experiences. On January 9, 2026, during the Global Partner Conference, the Company hosted the 4th ESG Innovation and Development Forum, themed "Compliance First, Low-Carbon Wins: Forging Global Supply Chain Competitiveness." The forum brought together over 140 partners and industry experts to discuss how to deeply integrate compliance and low-carbon practices into supply chains to build global sustainable competitiveness. At the event, five partners were awarded the "Sungrow 2025 Carbon Journey Award". Additionally, the Procurement Center shared 2025 achievements, performance, and exemplary cases in sustainable supply chain development, as well as collaboration expectations for 2026, conveying the Company's commitment to "building platforms, establishing mechanisms, and growing together" with its partners.

In addition, the Company regularly conducted online coaching sessions, during which it introduced to suppliers the performance and practical cases of outstanding peers, jointly exploring ways to enhance performance.

The Company actively supports the development of suppliers' ESG management capabilities and provides targeted capacity-building for material risks identified during audits. In 2025, over 10 specialized training sessions were conducted on key risk areas, including greenhouse gas emissions, working hours, solid waste management, fire safety facilities, and emergency response preparedness. Additionally, the Company delivered targeted guidance totaling 7 hours for 7 suppliers with high ESG risks. Training cycles varied depending on supplier readiness, ranging from 3 to 6 months, and all risks were downgraded to low risk upon completion of the guidance.



Green Supply Chain

In accordance with GB/T39257-2020 *Green Manufacturing—Green Supply Chain Management in Manufacturing Enterprises—Specifications for Assessment*, the Company has established a supplier-oriented green supply chain management assessment system, assessment methods and tools, and an assessment plan, and promotes continuous improvement in suppliers' green development performance. In 2025, the Company further improved the green supply chain questionnaire system. The content covered seven dimensions: green strategy, green management, green design, green production, green logistics, recycling and reuse, and information disclosure, comprehensively assessing suppliers' overall performance in environmental, social, and governance aspects.

In 2025, the Company collected a total of 275 valid questionnaires, an increase of 136 compared to the previous year. Based on the score distribution, suppliers performed well in planning-related items such as "Green Strategy", but there is room for improvement in implementation and transparency dimensions such as "Green Management" and "Recycling". Specifically:

To systematically enhance supplier capabilities, the Company conducted on-site capacity building for one supplier in 2025 and provided dedicated Q&A support to more than 50 suppliers, promoting their gradual improvement of green management mechanisms. In the future, based on research data, we will continue to strengthen green collaboration across the supply chain. By combining training, evaluation, and incentives, we will encourage suppliers to enhance awareness, improve systems, and implement actions, jointly building a transparent, responsible, and resilient sustainable supply chain ecosystem.

In addition, to systematically advance the low-carbon transition of the supply chain, the Company has gradually built a sound, credible, and practical carbon database, established a three-tier data collection system covering suppliers' organizational carbon inventories, product carbon footprints, and Scope 3 data in the carbon footprint of complete machines, and continuously improved data quality and authority through dedicated initiatives to increase the proportion of suppliers with carbon certification. On this basis, with supply chain carbon neutrality as the goal, the Company coordinated initiatives to enhance suppliers' carbon reduction capabilities. By formulating dedicated plans, driving the implementation of targets, and applying carbon footprint data to procurement decision-making, the Company promoted coordinated carbon reduction across the entire value chain. For details, please refer to the "Towards Net Zero" section of this Report.

Strategy and Systems

57.8% of suppliers have established medium- to long-term green supply chain goals, 60.4% have incorporated these goals into their management systems, and 61.1% have set up corresponding organizational structures.

Green Management

62.9% of suppliers have defined green procurement requirements, and 60% have integrated green requirements into supplier management.

Recycling and Reuse

56% of suppliers have established internal recycling systems or implemented recycling practices, and 47.3% have tracked related performance.

Green Logistics

58.2% of suppliers have developed logistics management policies, and 60.2% have implemented green logistics practices.

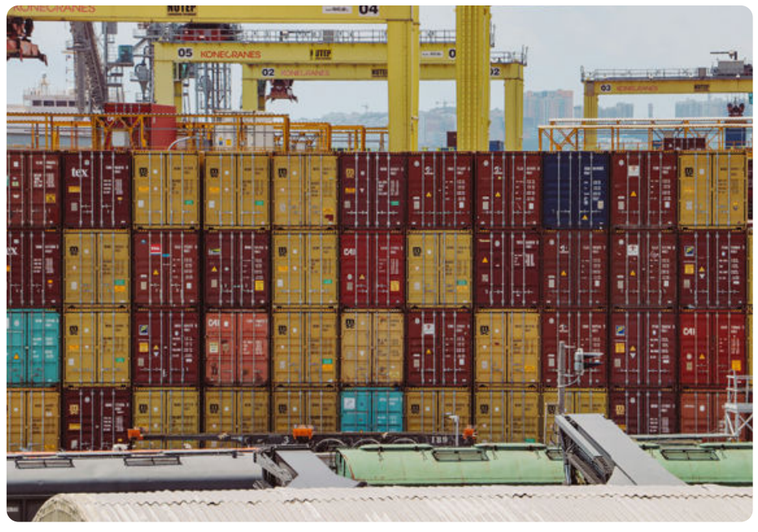
Green Production and Design

69.1% of suppliers have conducted key material control, and 60.4% have incorporated green attributes into their production processes.

Supply Chain Diversification and Localization

The Procurement Center regularly assesses supply chain resilience, including measures such as supply stress testing under assumed extreme conditions, establishment of a risk material database, development of secondary suppliers for risk materials, promotion of global sourcing and localized procurement of materials, traceability of the logistics chain for materials and related documentation, and strategic stockpiling of critical materials.

In addition, the Company actively builds overseas factories and expanded local suppliers, and developed local suppliers in Thailand, Vietnam, Malaysia, and other locations. The Company reduced supply chain risks through diversified approaches. In 2025, the Company conducted on-site risk assessments and risk mitigation efforts for five suppliers in the supply chain that might be involved in high-risk regions, thereby ensuring supply chain resilience.



Responsible Minerals Management

Metals such as tantalum, tin, tungsten, gold, cobalt, copper, and graphite are necessary materials for the normal operation of electronic devices and products. Sungrow does not directly procure minerals and requires suppliers not to use conflict minerals materials either. The Company referred to frameworks such as the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* to formulate the *Sungrow Responsible Minerals Procurement Policy*, and signed agreements with suppliers such as the *Supplier Code of Conduct*, the *Commitment to Not Use Conflict Minerals*, and the *Supply Agreement*. These agreements clearly require suppliers to make commitments regarding compliance with conflict minerals and prohibit the use of conflict minerals.

In addition, the Company supports its suppliers in establishing their own due diligence policies and management systems based on the *Sungrow Responsible Minerals Procurement Policy*. Efforts are made to ensure that, while conducting business, the Company can fully identify whether raw materials and original parts/components originate from conflict-affected and high-risk areas, while also formulating mitigation measures to enable a rapid response when risks arise.

The Company has established a clear responsible minerals management system. Under the supervision and guidance of the Strategy and Sustainability Committee, the Procurement Center coordinates the formulation of responsible minerals policies, risk assessments, supplier management, and capacity building, and collaborates with the Legal and Compliance Department, the ESG Development Center, and other departments to establish a regular monthly/quarterly/annual meeting mechanism to jointly review work progress and coordinate resource allocation.

The Company has established whistleblowing and grievance channels, encouraging internal employees and suppliers to report significant negative information related to minerals in a timely and standardized manner, either through identified or anonymous means. Suppliers are required to formally notify the Company upon discovering actual or potential risks, significant negative public sentiment, or non-compliance incidents related to responsible minerals, ensuring prompt information transfer and effective risk control. The Company commits to strict confidentiality for whistleblowers and complainants and will handle all matters appropriately in accordance with laws and regulations. For details on how to file a grievance, please refer to the “Business Ethics” section.

Responsible Minerals Risk Management

In accordance with the *Supply Chain Compliance and Sustainability Management Policy*, the Company develops conflict minerals due diligence plans based on previous survey results and internal and external customer requirements. Responsible minerals are incorporated into supplier ESG audits, and dedicated investigations are conducted to effectively identify and manage related risks. Additionally, the Company encourages suppliers to carry out responsible minerals due diligence and traceability across their upstream supply chains, identifying the sources of smelters and refiners to ensure that products do not directly or indirectly use minerals from conflict-affected or high-risk areas.

The Company encourages suppliers who directly procure minerals to conduct independent third-party audits of smelters and refiners following relevant industry standards, such as RMAP. In 2025, the Company underwent multiple on-site and desktop audits by customers regarding responsible mineral sourcing, with no non-conformities identified.

Key materials potentially containing conflict minerals are identified and recorded, along with the associated suppliers. In 2025, the Company used the latest Conflict Minerals Due Diligence template to assess 298 suppliers, none of which were found to involve conflict minerals, resulting in zero revenue from products containing conflict minerals.

Through due diligence, suppliers were classified as follows: 0 high-risk, 24 medium-risk, and 274 low-risk. For medium-risk suppliers, the Company assessed identified risks in accordance with its internal *Procurement Risk Management System* and developed corresponding control plans to ensure timely mitigation. High-risk suppliers unable to complete remediation may have their cooperation terminated after careful evaluation. In 2025, the Company conducted targeted risk mitigation for the 24 medium-risk suppliers through in-depth communication and specialized training, confirming that all involved smelters were in non-risk areas, and the associated risks were within a controllable range. Going forward, the Company plans to expand the scope of conflict minerals due diligence and implement independent third-party audits.

To optimize the supply chain and support diversification while reducing systemic risks, the Company screens all identified smelters and refiners to ensure they are listed in the RMAP-compliant smelter directory. The Company has disclosed all smelters and refiners involved with gold (Au), tin (Sn), tantalum (Ta), and tungsten (W). Some smelters/refiners are located in the Democratic Republic of Congo, all of which are RMAP-certified. The Company regularly monitors the RMI website to track updates to certified smelter lists and synchronizes this information with its procurement system. If a supplier uses a smelter/refiner not listed in the compliance directory, the Company requires the supplier to conduct audit and certification procedures. Suppliers refusing audits or certification must cease cooperation with such smelters/refiners. For any newly identified conflict minerals risks, the Company conducts assessments in accordance with its risk management procedures and implements control plans to ensure timely closure of identified risks.

Distribution of RMAP-Compliant Smelters for Tantalum, Tin, Tungsten, and Gold

Region	Number of smelters
Asia	254
Africa	7
Europe	58
America	76
Oceania	2

In 2025, the Company expanded conflict minerals due diligence to cover lithium, nickel, copper, and graphite, with no instances identified of these materials originating from uncertified smelters in conflict-affected or war-impacted regions.

To raise compliance awareness among suppliers, the Company invited external experts to conduct targeted responsible minerals training, with over 130 suppliers actively participating. To enhance efficiency and accuracy, responsible minerals risk management has been fully integrated into the entire supplier lifecycle, supported by digital tools for unified online management.

Metrics and Targets

The Company has established targets for sustainable supply chain management, including

- By 2028, conduct due diligence on 100% of suppliers, perform ESG audits on 80% of suppliers, and achieve a 98% ESG audit coverage for new suppliers
- Promote business ethics across the supply chain and achieve a 98% signing rate for the *Supplier Code of Conduct* by 2028.
- Drive ESG performance improvements among suppliers, targeting certification rates of 98% for ISO 9001, 85% for ISO 14001, and 70% for ISO 45001 across the supply chain by 2028.
- Commit to a conflict-free sourcing policy and conduct due diligence on conflict minerals across the supply chain.
- Strengthen resource recycling and collaborate with the supply chain to promote green product design, increasing the use of renewable materials in products and packaging to support a circular economy.
- By 2030, promote 100 suppliers to set carbon reduction plans.

These targets are progressing steadily; further details can be found in the “Sustainability Strategic Objectives and Progress” section of this Report.

Cybersecurity and Privacy Protection

The Company strictly complies with the *Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Administrative Measures for Data Security Management in the Field of Industry and Information Technology, Regulations on the Security Management of Network Data,* as well as European Union's *General Data Protection Regulation* (GDPR) and US's *California Consumer Privacy Act* (CCPA/CPRA) and other global relevant laws and regulations, and concurrently implements international standards such as ISO/IEC 27001:2022, ISO/IEC 27701, and IEC 62443. In 2025, no major cybersecurity incidents or customer privacy breaches occurred.

The Company has built a cybersecurity and privacy protection operational system based on "full-process control and multi-dimensional defense," focusing security measures and management efforts on four dimensions: operations, products, suppliers, and customer privacy, and implements systematic management through six core dimensions.

Governance Management

Establish dedicated organizational structures to oversee security objectives, ensuring strict compliance with applicable laws and regulations.

Personnel and External Collaboration

Require employees to follow cybersecurity and privacy protection policies, and clearly define security responsibilities for suppliers in collaborative engagements.

Asset and Access Control

Implement classification and tiered management of information assets; control user access based on "least privilege" and segregation of duties principles; enforce account identification, compliant passwords, and audit sensitive operations.

Technology and Environmental Protection

Apply comprehensive technical safeguards covering the full system development lifecycle, physical zone protections, network perimeter isolation and access auditing, operational change management, and backup strategies.

Data and Privacy Management

Secure data across its full lifecycle, process personal information in accordance with regional regulations, respond to data subject requests, control third-party processing, and conduct periodic security impact assessments.

Emergency and Business Continuity Management

Establish monitoring, reporting, and incident response mechanisms for information security events; integrate security requirements into the business continuity framework and deploy redundant infrastructure to ensure system availability.

Governance

The Company's highest governing body for digital initiatives is the Digital Transformation Management Committee, chaired by the Chairman and supported by a Chief Information Officer (CIO). The Committee oversees digital strategy decisions, resource allocation, and project supervision, driving the implementation of digital performance and security culture. Under its guidance, the Cybersecurity and Data Protection Office is responsible for developing and executing the Company's overall information security and data protection roadmap, ensuring continuous optimization of product- and system-level information security and data compliance, and safeguarding the compliance of the Company's products and services in global markets. It also addresses the information security and data protection needs of business units, ensuring the effective implementation of related projects.

The Company continues to enhance its policy framework, including the *Information Security and Privacy Protection Management Regulations*, systematically defining the governance structure, roles and responsibilities, and full-process control requirements for cybersecurity and privacy protection, providing a formal basis for safeguarding digital security and privacy rights.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company strengthens cybersecurity management across both operations and products to safeguard customer privacy, while ensuring the stability and reliability of business operations.

Potential negative impacts

If the Company fails to implement adequate technical measures to safeguard users' personal information, it may result in data breaches or cyberattacks targeting the Company's core technologies, thereby posing potential threats to industry market order and security.

Policy and regulatory risks

If the Company violates data security and privacy regulations or engages in non-compliant practices, it may face legal proceedings and penalties imposed by regulatory authorities.

Technical risks

If the Company fails to maintain continuous investment in cybersecurity infrastructure—such as firewalls, intrusion detection systems, and data encryption technologies—it may face increased risks of business interruption, cyberattacks, and data breaches.

Product and service opportunities

Effective compliance management can enhance the Company's brand reputation, attract more privacy-conscious customers, and increase market share.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Risks related to cybersecurity and privacy protection posed no material impact on the Company's current operations or financial performance. Investments in cybersecurity system upgrades, data security governance, compliance framework development, and personnel capability enhancement were maintained within the approved budget.

Expected financial impacts

In the short term, the Company expects to continue investing in product cybersecurity testing, maintenance, and upgrades, helping to reduce direct losses, regulatory penalties, and litigation costs arising from security incidents. In the medium to long term, a robust cybersecurity framework is expected to enhance customer trust and brand reputation, improve order stability, and support overseas business expansion and long-term revenue growth.

Strategy and Adaptability

The Company has established a comprehensive cybersecurity and privacy protection management system covering the full lifecycle of information systems and products. Through upgrades to protection frameworks, deployment of security devices, and the establishment of an independent cybersecurity laboratory, the Company can dynamically optimize security investments and focus areas in response to business development and evolving external regulations.

Impacts, Risks, and Opportunities Management

The Company has established a comprehensive risk management process for information security and privacy protection. Annual information security risk assessments are conducted, while each business unit performs concurrent self-audits to accurately identify risks and ensure their closure.

In 2025, the Company identified and prioritized three key risks—AI system security compliance, internet exposure of industrial control systems, and cybersecurity vulnerabilities and intrusions. By expanding certification programs, enhancing system policies, updating protection frameworks, strengthening vulnerability closed-loop management, and upgrading emergency response platforms, the Company achieved proactive risk prevention and full-process control. Primary protections were implemented across four dimensions: operations, products, suppliers, and customer privacy.

Operational Cybersecurity Protection

Business Continuity Assurance

The Company has established an integrated "Policy + Plan + Contingency" assurance system. Through management frameworks such as the *Business Continuity Management Policy, Business Continuity Plans (BCP)*, and the *Overall Business Continuity Emergency Plan*, BCP procedures are clearly defined, covering the full process of threat identification, risk prevention, damage control, and system recovery, ensuring uninterrupted business operations in information security scenarios.

Information Security Vulnerability Management

The Company has developed the *Cybersecurity Vulnerability Management Policy*, which leverages vulnerability scanning, penetration testing, security audits, and crowdsourced security testing to comprehensively identify and collect vulnerabilities across systems, applications, and network infrastructure. Risks are accurately assessed and prioritized, threat landscapes are monitored, and a closed-loop process for vulnerability collection, discovery, analysis, rating, and remediation is implemented, providing a scientific basis for risk response.

Information Security System Certification

Internal audits

In accordance with the *Information Security Audit Management Process*, and adhering to the principles of "independence, objectivity, and risk orientation," the Company conducts at least one comprehensive audit annually, supplemented by targeted audits of key business areas or specific domains as needed. Any violations or identified risks are classified into high, medium, and low levels based on their impact, with corresponding remediation measures, clearly defined corrective actions, and accountability mechanisms to ensure audit effectiveness and continuously optimize the risk management system.

External audits

In 2025, the Company engaged independent external authorities to conduct a comprehensive audit of its information security and privacy management system and related information system operations, focusing on system compliance, effectiveness of risk control, and implementation of security measures. Key audits included ISO/IEC 27001:2022, ISO/IEC 27701:2019, and China's Cybersecurity Classified Protection requirements. The Company successfully passed all audits, with IT infrastructure and information security management systems reaching internationally advanced standards, providing authoritative and reliable protection for customer data security and privacy.

Information Reporting and Escalation Mechanism

The Company has established an information security incident reporting and escalation mechanism that integrates internal organization-wide reporting with external ecosystem coordination. This ensures that all types of security risk information are transmitted accurately and promptly to the appropriate levels, enabling rapid response and effective handling. Incident response follows established emergency plans, with coordinated internal and external communication to facilitate business recovery. The emergency response task force works collaboratively with relevant departments to address critical issues during recovery, engages third parties and suppliers for technical support, and conducts public relations management and customer communication as required, while ensuring timely reporting of key developments.

Information Security Training

In 2025, the Company established a dual-track training and assessment system combining "offline specialized training + online micro-courses." Offline programs focused on topics such as information security compliance, secure development, server security, vulnerability protection, and data security, with a total of 54 dedicated training sessions conducted, covering all centers and business units across the Group and reaching over 2,000 participants. Online, mandatory information security courses were introduced for new employees under a "certification before onboarding" requirement, comprehensively enhancing employee awareness of information security and risk prevention capabilities.

Product Cybersecurity Protection

High-reliability products are critical to ensuring the safe and stable operation of customers' businesses. The Company aligns with and follows the IEC 62443-4-1 standard, achieving certification for its secure product development lifecycle and establishing a full-lifecycle protection framework spanning design, development, testing, and post-release vulnerability management.

Security Threat Modeling

Through threat modeling, risk assessment, and regulatory applicability analysis, cybersecurity requirements are defined at the early design stage, adhering to the principle of secure-by-default.

Secure Development Integration

During development, tools such as static code analysis, software composition analysis (SCA), and interactive application security testing (IAST) are applied to identify code vulnerabilities and risks, improving code quality, reducing remediation costs, ensuring compliance, and enhancing resilience against attacks.

Security Testing Management:

In the testing phase, comprehensive vulnerability assessments are conducted through functional testing, threat mitigation testing, black-box scanning, and penetration testing to verify alignment with defined security requirements and product quality standards.

Product Vulnerability Management

Clear criteria and protocols for vulnerability handling are established, supported by incentive and accountability mechanisms. At both Company and product levels, structured vulnerability management procedures are implemented, including regular scanning and a closed-loop process covering reporting, severity assessment, remediation assignment, and validation. Feedback channels are also provided via the Company's PSIRT page: https://en.sungrowpower.com/security-vulnerability-management.

Supplier Cybersecurity Protection

With the *Digital Supplier Information Security Management Policy* as the cornerstone, the Company establishes "confidentiality, integrity, availability, and compliance" as the core principles of collaboration, and builds a full-lifecycle security management framework for suppliers covering onboarding, cooperation, and exit. This framework applies to all types of digital suppliers, including ICT services, cloud services, and digital outsourcing, enabling proactive control of third-party–induced security risks at the source.

Supplier Cybersecurity Compliance Review	A full lifecycle evaluation mechanism—covering onboarding, cooperation, and exit—is implemented. Rigorous due diligence is conducted for key suppliers, with priority given to partners holding internationally recognized security certifications. Security and compliance requirements are explicitly embedded in tender documents and contracts. During cooperation, annual security inspections are carried out, and for critical suppliers, independent risk assessments are conducted at least once every three years, alongside verification of customer-specific compliance requirements.
End-to-End Management of Supplier Security Agreements	Suppliers involved in data processing are required to sign Data Processing Agreements (DPAs), while outsourced personnel and service providers must additionally execute confidentiality agreements. Contracts clearly define requirements for data return and confidentiality obligations upon termination.
Supplier Incident Response and Vulnerability Management	Suppliers are required to establish data security incident response plans. Upon identification of product vulnerabilities, suppliers must notify relevant parties within 24 hours and designate update channels. The Company verifies remediation effectiveness and may suspend cooperation with non-compliant suppliers in accordance with established policies.
Supplier Cybersecurity Risk Management and Disclosure Mechanism	Supplier security performance is incorporated into supply chain risk indicators as a key basis for supplier classification. Backup resources and alternative solutions are arranged for critical suppliers to mitigate supply chain disruption risks. Compliance credentials are provided in line with customer requirements, and in the event of major supplier security incidents, affected customers are promptly informed of associated risks and the Company's response measures.

Customer Privacy Protection

The Company has established an end-to-end mechanism of "compliance assessment – requirement decomposition – implementation validation – continuous optimization." A cross-functional compliance task force—comprising legal, information security, business, and localization teams—is formed to comprehensively identify regulatory requirements and client-specific needs related to information security, data protection, and privacy management in the target jurisdictions at the early stage of engagement. To address data sovereignty requirements, the Company has deployed four data centers in China, Europe, North America, and Singapore, enabling localized data storage and operations for regional customers.

Region- and Client-Specific Strategies	In response to regulatory requirements across regions such as the EU, North America, and Asia-Pacific, the Company refines full-lifecycle data management standards. Tailored protection solutions—including data masking, dedicated audits, third-party penetration testing, and customized DPAs—are provided based on industry-specific and client-specific needs.
Global Compliance Response	A rapid-response framework of "regulatory sensing – flexible adaptation – risk control" is established, supported by a global regulatory database that tracks regulatory developments in real time and conducts impact assessments. The Company adopts a "baseline compliance framework + regional modular adaptation" architecture, ensuring both comprehensive baseline controls and agile alignment with local regulations.
Cross-Border Data Transfer Compliance	Strictly adhering to the principles of legality, legitimacy, and security, the Company applies differentiated transfer mechanisms—such as adequacy decisions, Standard Contractual Clauses (SCCs), and compliant DPAs—based on regional requirements. End-to-end encryption and real-time monitoring are implemented for cross-border data flows, alongside approval workflows and periodic audits. The "data minimization" principle governs the scope of transferred data, safeguarding customers' rights to be informed and to choose.
Customer Data Security Governance	A three-layer protection model—"access segregation + technical controls + process auditing"—is implemented. A fine-grained access control system is established based on the principles of least privilege and segregation of duties, reinforced by multi-factor authentication and single sign-on mechanisms. All data operations are logged and periodically audited to ensure full traceability. Continuous strengthening of network security controls, regular emergency drills, and rapid-response mechanisms ensure timely handling of customer requests for data access, correction, and deletion in compliance with regulatory timelines.
Transparent Information Disclosure	The Company regularly discloses its cybersecurity policies and system development progress to customers. In October 2025, it jointly released the *European Renewable Energy Cybersecurity Practices White Paper* with Bureau Veritas, providing a systematic overview of its cybersecurity governance, end-to-end security architecture, and full-chain protection practices spanning "device–network–platform," while advocating for the establishment of unified global cybersecurity standards.

Metrics and Targets

In 2023, the Company set targets to maintain zero major cybersecurity incidents and data breaches and to achieve 100% coverage of information security training. These targets were consistently achieved from 2023 to 2025 and will be maintained on an ongoing basis.

In 2025, the Company fully updated its sustainability strategic goals toward 2030, incorporating "Cybersecurity and Privacy Protection" as a core focus area. It has committed to maintaining zero major cybersecurity incidents and data breaches, maintaining 100% coverage of information security training, and ensuring continuous and transparent disclosure of cybersecurity-related information. Through long-term, systematic management measures, the Company safeguards both its own and its customers' cybersecurity and privacy rights.

07

Equity & Inclusion

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

Employee Employment and Rights

Sungrow is committed to respecting and upholding the human rights of all employees, suppliers, customers, and other stakeholders, regardless of race, skin color, religious belief, gender, sexual orientation, age, disability, nationality, or other identity characteristics.

In 2021, the Company joined the United Nations Global Compact (UNGC) and remains committed to its Ten Principles. The Company strictly adheres to the ten fundamental conventions of the International Labour Organization (ILO), including the *Equal Remuneration Convention, Minimum Age Convention, Worst Forms of Child Labor Convention, Discrimination (Employment and Occupation) Convention, Forced Labor Convention, Abolition of Forced Labor Convention, Occupational Safety and Health Convention, Freedom of Association and Protection of the Right to Organize Convention, Right to Organize and Collective Bargaining Convention*, and *Promotional Framework for Occupational Safety and Health Convention*. At the same time, the Company meets various human rights related regulatory requirements in its global operational sites.

Governance

To strengthen the enforcement of employee rights protection, the Company has formally incorporated key indicators related to employee employment and rights into the annual performance evaluation system for the heads of relevant business departments and senior management.

Governance Level

The Strategy and Sustainability Committee is responsible for approving strategic objectives, policies, and related matters concerning employee employment and rights, overseeing the identification, assessment, and management of significant human rights risks and opportunities of the Company, and approving disclosures related to employee employment and rights.

Supervision/Management Level

The ESG Development Center is responsible for formulating strategic objectives related to employee employment and rights, identifying significant human rights-related risks, evaluating performance completion status, and proposing improvement suggestions. The Sustainability Management Office is responsible for approving and supervising strategic objectives, significant risks, and performance results. The relevant management personnel at the supervision/management level possess extensive experience in human rights management as well as internal and external human rights-related auditing.

Implementation Level

Heads of relevant functional departments (e.g., Human Resources Center) are responsible for formulating and executing policies related to employee employment and rights, including recruitment, training, employee rights protection, and handling human rights-related employee complaints. They possess extensive human resources management experience and robust communication and coordination capabilities.

System Development

The Company has formulated the *Sungrow Social Responsibility Management Manual*, the *Procedures for Prohibition of Forced Labor*, the *Procedures for the Management of Child Labor and Underage Labor*, the *Procedures for the Prohibition of Discrimination, Harassment and Punitive Measures*, the *Management Procedures for the Social Responsibility Risk Assessment*, the *Recruitment and Employment Management Regulations*, the *Contractor Recruitment Management Regulations*, and other management documents, in a bid to safeguard the fundamental rights of all employees, including full-time employees, contractors, part-time employees, and interns.

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

In 2025, the Company continued to improve its human resources management and social responsibility management systems for the overseas operational sites, and enhanced global coordination on human rights management. The Company issued the *Sungrow UK Modern Slavery Policy, Sungrow Europe Forced Labor Policy, Thailand Subsidiary Recruitment and Employment Management Regulations, Thailand Subsidiary Employee Overtime Management Rules, Thailand Subsidiary Control Procedure for Prohibiting Forced Labor*, and *Thailand Subsidiary Procedures for the Prohibition of Discrimination, Harassment, and Punitive Measures*, etc., further standardizing controls over core labor topics such as forced labor and anti-discrimination and anti-harassment in the workplace in key overseas operational regions. Furthermore, in accordance with human rights legislation in overseas markets, such as the *EU Forced Labour Regulation (EUFLR)*, as well as specific customer requirements, the Company conducted a comprehensive review of its internal human rights management systems. This review assessed their legality, rationality, and effectiveness, as well as their alignment with current business activities and future strategic direction. Based on these findings, the Company revised and updated the *Global Human Rights Policy, Equity, Inclusion, and Diversity Policy, Employee Attendance and Leave Regulations, Employee Overtime Management Regulations, Code of Conduct for Mid-to-Senior Management*, and *Campus Security Management Regulations*, ensuring these updates were communicated to every employee through the corporate internal information network.

Social Responsibility Training

The Company conducts social responsibility-related training and awareness initiatives, covering all full-time employees to ensure their understanding of relevant policies and protection of their rights. In 2025, the social responsibility online course series on the Sungrow e-Learning Platform (including topics such as employment freedom, compensation and benefits, working hours, child and underage labor management, forced labor, etc.) accumulated over 1,146 learning engagements, with a total duration of approximately 4,584 hours.

In 2025, the Company launched the "ESG Innovation Workshop" program. Since its launch, 11 offline training sessions have been conducted, reaching ten functional and business units, and covering approximately 700 core members in total, with a total learning time of approximately 1,050 hours. The workshop covers more than ten core ESG topics, including forced labor, working hours, and supply chain human rights management. Course modules were tailored to the characteristics of each unit, deeply integrating the concept of social responsibility with business operations. In 2025, the Company conducted a total of 3 sessions of management document study, covering social responsibility topics such as employee benefits, whistleblowing complaints and appeals, and employee information safety and privacy protection. Through an "all-staff learning + examination" approach, the Company deepened all employees' understanding and recognition of the system requirements.

Case

In 2025, the Company carried out the "ESG Innovation Workshop" program for the management of the Human Resources Center, the manufacturing system, and other functions and business units, as well as closely related personnel. The Company included anti-workplace discrimination and harassment in mandatory courses for managers and set up a dedicated module in the manufacturing system foreman-level "Head Goose Academy" training, so as to enhance risk prevention awareness among middle and senior managers and frontline management teams.

Strategy

Impacts/Risks/Opportunities

Actual positive impacts

The Company provides fair career development opportunities and a sound benefits system, enhancing employees' sense of belonging and well-being, promoting social employment stability, and improving overall social welfare.

Potential negative impacts

If Sungrow fails to manage employee compensation and benefits, working conditions, and other aspects effectively, employee rights may be compromised, affecting employees' quality of life.

Product and service opportunities

Sungrow adopts a market-competitive compensation strategy to attract outstanding talent, and to stabilize and expand business development.

Technical risks

The departure of key employees may cause the Company to lose critical industry knowledge and skills, affecting project progress and execution efficiency.

Reputational risks

If labor rights are not properly managed, labor dispute incidents may occur among employees, adversely affecting the Company's brand image.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

Employee employment and rights management posed no material impact on the Company's operating results or financial position for the reporting period. During the reporting period, the Company continued to attract and retain key talents, enhanced employee compensation and benefits, and the relevant expenses have been incorporated into the annual budget.

Expected financial impacts

In the short term, labor costs, as rigid expenditures, are expected to show a steady upward trend. In the medium to long term, an outstanding employer brand can reduce recruitment costs and improve production and operational efficiency, ultimately translating into core competitive advantages and more stable cash flows.

Strategy and Adaptability

The Company has established a compensation and benefits system and an employee communication and collective bargaining mechanism, which fully safeguard employees' rights and interests.

The relevant management systems operate steadily. The Company demonstrates strong adaptability in addressing potential technical risks and reputation risks.

Impacts, Risks, and Opportunities Management

Based on relevant management systems and business needs, the Company identifies risks and opportunities related to the topic “employee employment and rights” and formulates corresponding management strategies and measures to manage risks and seize opportunities.

Employee Employment

The Company has revised the *Global Human Rights Policy* and *Equity, Diversity and Inclusion Policy* to ensure that it respects and protects the fundamental rights and dignity of employees, suppliers, customers and other stakeholders in the course of its operations. It has formulated policies including the *Recruitment and Employment Management Regulations, Dispatch Company Points Management System* and *Labor Dispatch Agreement*, and firmly resists acts, remarks and written contents that constitute distinctions, exclusions, restrictions or preferences based on race, color, religious belief, gender, sexual orientation, age, disability, nationality or other protected characteristics. In addition, employee recruitment is subject to process approval, and during the reporting period, there were no instances of non-compliance or lack of transparency in the recruitment and hiring procedures.

Based on the Company’s 3-5 year strategic planning goals, the Human Resources Center aligns with the implementation of these objectives by proactively planning and preparing to recruit and reserve outstanding backup talent, ensuring effective investment in strategic resources. Meanwhile, each business unit/center formulates an annual human resources demand plan at the beginning of the year, aligning workforce needs with their specific business goals and tasks for the year. During the reporting period, the Company completed internal recruitment of 196 people, creating a dynamic internal talent supply chain and providing employees with diverse development paths. The relevant detailed data on various types of employees in the Company can be found in the “Sustainability Performance Tables” section of this report.

Case

In 2025, the Thailand Factory optimized its recruitment procedures: all recruitment postings must be reviewed by the human resources department before release, eliminating any discriminatory content based on protected characteristics such as gender, race, religious belief, nationality, skin color, and age; In accordance with the principles of fairness, inclusiveness, and diversity, as well as the Company’s human rights management requirements, the Thailand Factory provided targeted capability enhancement training to recruitment personnel.

Human Rights Due Diligence

Sungrow has established a systematic human rights due diligence management system and has obtained the SA8000®:2014 Social Responsibility Management System certification. The Company has formulated sound policies concerning anti-discrimination and the prohibition of forced labor and is committed to fostering a fair and inclusive working environment to ensure legal and compliant employment practices, thereby continuously enhancing the Company's innovation capability and competitiveness.

Meanwhile, the Company has established a complaint and reporting mechanism, through which employees may anonymously report human rights violations via internal channels. The Human Resources Center is responsible for investigating appeals and providing feedback on the results. The ESG Development Center regularly supervises and evaluates the Company's human rights management practices to ensure the effective implementation of policies. It integrates human rights-related objectives (anti-discrimination, prohibition of forced labor, etc.) into the performance appraisal system to conduct regular assessments of the work performance of relevant departments and employees and reports the evaluation results to the Strategy and Sustainability Committee.

The Company has formulated the *Social Responsibility Risk Assessment Management Procedures,* which establishes a management mechanism for risk identification, assessment, response, monitoring and improvement, ensuring the effective control of the Company's human rights risks and providing a strong guarantee for its sustainable development.

Risk Identification

Considering the Company's human rights management status, relevant laws, regulatory requirements, and stakeholder expectations, the Company comprehensively and systematically sorts out various factors that may adversely affect human rights, such as inadequate protection of employees' rights and interests, forced labor in the supply chain, etc.

Risk Assessment

The risk level is determined by the likelihood of occurrence and the severity of consequences. A combination of qualitative and quantitative analysis, together with historical data and expert experience, is adopted to conduct a comprehensive assessment of risks.

Risk Response

In accordance with the results of risk assessment, the Company may adopt different response strategies, such as risk avoidance, mitigation, transfer, or acceptance. Examples include strengthening human rights review of suppliers, improving employee protection measures, and conducting regular human rights training for employees and supply chain partners.

Risk Monitoring and Improvement

A sound risk monitoring mechanism is established to regularly evaluate the implementation status and effectiveness of response measures, and make timely adjustments based on actual conditions, to identify new potential risks and ensure the effectiveness and pertinence of risk management strategies.

The Company regularly conducts human rights due diligence, focusing on its own operations, subsidiaries, and supply chain, combining internal audits with third-party reviews to support the Company's risk management.

The Company conducts an annual human rights risk assessment at its own operational level using two quantifiable indicators: the likelihood and severity of risk occurrence. It identifies topics and targets vulnerable to human rights risks, adopts control measures, and continuously improves and mitigates such risks. The due diligence results are compiled by the ESG Development Center and reported to the Sustainability Management Office and the Strategy and Sustainability Committee.

For supplier human rights risk assessments, the Company identifies high-risk suppliers through real-time online platform monitoring and on-site audits. The corrective action plan (CAP) is developed and implemented for non-compliant human rights practices, with ongoing tracking of supplier improvements.

In 2025, the Company conducted human rights due diligence with a scope covering 100% of its business units, encompassing risk assessment, identification, and the implementation of mitigation measures. This due diligence was carried out across all core business operations, covering various aspects such as child and underage labor, forced labor, human trafficking, health and safety management, working hours, wages and benefits, discrimination, freedom of association and collective bargaining, and human rights management of suppliers and contractors. A total of approximately 48 human rights-related risks were identified, of which 7 were classified as medium-to-high risk. In response to all identified risks, the Company has implemented management measures with a 100% coverage rate to continuously mitigate these risks. During the reporting period, no negative incidents occurred involving child labor, forced labor, discrimination, human trafficking, or any other violations of labor-related laws and regulations in the Company's operational sites.

Targets | All employees

Type	Control Measures	Remediation Measures
Discrimination	The *Social Responsibility Management Manual* and the *Management Provisions on Prohibiting Discrimination, Harassment, and Disciplinary Measures* clearly stipulate that employees are free from any discrimination; reporting and grievance channels are established for employees to report issues; recruiters have received professional training to understand various forms of discrimination and stages where discrimination is likely to occur, and take preventive measures in recruitment advertisements and recruitment inquiries.	Any violators are required to immediately cease the relevant infringing acts, and accountability is pursued in accordance with the relevant provisions of the *Regulations of Employee Reward and Punishment Management*. Economic and non-economic compensation was provided to affected employees, such as financial compensation, legal assistance, and psychological support. During the reporting period, no negative incidents occurred, such as discrimination, that violated employment-related laws and regulations in the places of operation; three targeted training sessions were conducted for high-risk departments.
Disciplinary Measures	The Company develops the *Procedures for the Prohibition of Discrimination, Harassment and Punitive Measures*; establishes reporting and grievance channels for employees to raise concerns; regularly communicates with employees and employee representatives to prevent inhumane treatment.	Any violators are required to immediately cease the relevant infringing acts, and accountability is pursued in accordance with the relevant provisions of the *Regulations of Employee Reward and Punishment Management*. Economic and non-economic compensation was provided to affected employees, such as financial compensation, legal assistance, and psychological support. During the reporting period, no negative incidents occurred, such as penalties for violations, that violated employment-related laws and regulations in our places of operation; three targeted training sessions were conducted for high-risk departments.
Working Hours	The Company implements flexible working hours, and controls overtime hours through time off in lieu, shift rotations, and other approaches. The HR system launches an overtime abnormality alert function to manage and control overtime hours, and implements a working-hours management and tracking mechanism at least one rest day in seven. The Company optimizes production processes by introducing advanced automation technologies, reducing employees' labor burden, and improving work efficiency.	Overtime hours are controlled through the human resources system. Any violators are required to immediately cease non-compliant scheduling and arrange compensatory time off, and additional compensation is provided when necessary. The HRBP communicates with employees and their supervisors to understand the reasons for excessive overtime, and multiple parties jointly assess the reasonableness of the excessive overtime and adopt working-hours improvement measures, with regular follow-up on improvement results. A total of 11 special training sessions were conducted for the relevant departments.
Health and Safety	In accordance with the *EHS Risk Hierarchical Control Regulation* and *the EHS Hazard Investigation and Management Regulations*, the Company ensures a safe working environment through measures such as engineering and technical protection, inspection, testing, and maintenance, provision of personal protective equipment, and standardized operating procedures.	For potential risks, the Company worked with relevant departments to develop rectification and preventive measures. For EHS incidents, the Company handled them in accordance with the *EHS Incident (Accident) Reporting and Handling Procedure*. The Company provided affected employees with economic and non-economic compensation, such as financial compensation, medical assistance, and psychological support. The Company enhanced specialized training related to health and safety. During the reporting period, a total of 272 accident emergency drills were conducted for EHS high-risk items and accident-prone items.
Employee Complaints	The Management Representative, together with the labor union, the Human Resources Center, and the Audit and Inspection Department, properly handles complaints and regularly holds employee meetings. The Company establishes the regulations of whistleblowing and appealing management and appeals and a whistleblower protection system to safeguard the lawful rights and interests of whistleblowers, informants, and their immediate relatives. Any violations were subject to accountability in accordance with the relevant provisions of the *Regulations of Employee Reward and Punishment Management*.	After the responsible investigation department received the complaint, based on the principle of information confidentiality, the General Manager designates the establishment of an investigation team to carry out the investigation and complete closed-loop handling.

Targets | Female employees

Type	Control Measures	Remediation Measures
Protection of Female Employees	Upon receiving information that a female employee is pregnant, the Human Resources Center is informed at the earliest opportunity. The Human Resources Center strictly complies with the *Special Regulations on Labor Protection for Female Employees* and does not assign the female employee to engage in strenuous physical labor, overtime, or work involving occupational hazards.	The Company provides maternity leave, prenatal check-up leave, nursing leave, childcare leave, a restaurant for pregnant employees, mother-and-baby rooms, and monthly women's welfare allowances, among others, to safeguard the rights and interests of female employees. If the Company identifies any female employee engaged in work prohibited by regulations, it immediately adjusts her job position and provides health support. For the rights, interests, and benefits related to female employees, please refer to the "Employee Benefits" section of this report.

Targets | Supply chain

Type	Control Measures	Remediation Measures
Stakeholder Management	Suppliers are required to sign the *Supplier Code of Conduct* upon introduction. High-risk suppliers are identified through a combination of real-time risk monitoring via online platforms and supplier on-site audits. Contractor agreements explicitly outline social responsibility requirements, and complaint channels are provided at each contractor's site.	For human-rights-related nonconformities, the Company encourages suppliers to develop a Corrective Action Plan (CAP) and continuously tracks supplier improvements. For safeguards related to suppliers' human rights, please refer to the "Sustainable Supply Chain" section of this report.

Working Hours Management

The Company has continued to strengthen working hours overtime management to safeguard employee rights and interests. In 2025, the Company launched a cross-time-zone work plan for positions interfacing with regions with significant time differences, such as Europe and the Americas. Employees may apply for cross-time-zone shift attendance based on work needs, enhancing autonomy and flexibility in work arrangements. Meanwhile, the Company has added a data dashboard and optimized the functions of the employee attendance information system to help teams monitor attendance in real time and allocate work tasks more effectively. In addition, the Company has enabled overtime anomaly alerts. By upgrading the attendance system, the Company has set up a weekly overtime-hour reminder function, pushing subordinates' attendance data to managers at all levels to urge attention to employees' workloads, reduce ineffective overtime, and ensure employees' rest time.

The Company maintains complete records of employees' overtime hours and pays overtime compensation in accordance with legal regulatory standards. The Company confirms employees' overtime hours based on the intersection of employees' attendance clock-in records and their voluntarily submitted overtime applications and systematically records the overtime duration and reasons. Employees may check their monthly overtime records in real time through the digital system, and managers may also synchronously view the attendance of team members to ensure the transparency and two-way communication of working hour information. The Company appoints compensation specialists to calculate and disburse employees' monthly overtime compensation in accordance with national statutory standards based on system records every month. Employees may inquire about the specific overtime amount through pay slip details. In addition, the Company automatically calculates and updates employees' remaining paid annual leave days through the human resource system to ensure that employees fully enjoy their due leave entitlements.

Employee Communication and Collective Bargaining

Employee Communication

The Company continuously improves employee communication and feedback mechanisms. Through effective communication and negotiation, while fully respecting employees' rights, the Company inspires their enthusiasm and creativity, achieving mutual development for both the Company and its employees. The Company has established diversified communication platforms and improved the appeal mechanism, including both online and offline channels. During the reporting period, a total of 71 employee opinions and suggestions were collected, with a response rate of 100%. In addition, to further enhance employee experience. In July 2025, the Company distributed the "Employee Experience Satisfaction Questionnaire" to collect employees' satisfaction with internal administrative and logistical experience. The satisfaction rate was 92.9%. A total of ten categories of reasonable suggestions were received from 268 colleagues, all of which were progressively adopted and improved.

Online channels: BPM Sungrow Speak-up voicemail, the Warm Sungrow forum, Administrative Logistics Service Platform

Offline channels: Manufacturing System Suggestion Language Box (entrance and exit of various workshops in the Industrial Park), General Manager Direct Access Channel Train (entrance and exit of various workshops in the Industrial Park)

Collective Bargaining

The Company regularly holds collective consultation meetings, the Employees' Congress and the Trade Union Member Congress to solicit employees' opinions, address their confusions and provide satisfactory solutions. It has formulated the *Control Procedure on Freedom of Association and the Right to Collective Bargaining*, the *Articles of Association of the Employees' Congress of Sungrow* and the *Election System of Employee Representatives of Sungrow*, demonstrating its commitment to respecting employees' rights to freedom of association and collective bargaining, and improves the Company's internal democratic procedures.

In July 2025, to standardize and improve corporate governance, the Company's Compliance Management Working Group led the formulation and revision of 30 internal regulations. As these 30 regulations "directly involve the vital interests of employees," the Company initiated a democratic procedure to fully solicit feedback and suggestions from the workforce. Following a review by the Labor Union Committee, the Fourth Session of the Employees' Representative Assembly of Sungrow was convened in December. During the assembly, all employee representatives deliberated and voted on the proposed regulations, and the final resolutions were subsequently publicized across the Company.

The Company convenes the Workers' Congress at least once a year. The meetings focus on core agenda items such as reviewing the annual work report of the labor union, conducting elections for the new term of employee representatives, and revising relevant rules and regulations, all of which are subject to thorough discussion and democratic consultation. Through standardized procedures and extensive solicitation of opinions, the Company effectively safeguards the legitimate rights and interests of all employees and fully leverages the Workers' Congress as an important platform for democratic management, fostering employee consensus, and maintaining open communication channels.

The Company has established a relatively comprehensive welfare and benefits system for employee rights and interests management, and no large-scale labor issues requiring resolution through collective bargaining have emerged to date. Collective bargaining mainly focuses on working conditions such as wages, working hours and leave entitlements. The latest collective contract was signed through collective bargaining in 2024 with a term of three years, and the next round of collective bargaining is scheduled to be conducted in 2027. The Company will continue to pay attention to employees' feedback. Should relevant demands arise in 2026, the Company will organize collective bargaining in accordance with the law through the trade union. In addition, the Company has deployed HR Business Partners (HRBPs) in its major operating regions worldwide, who are responsible for collecting, feeding back and promptly responding to the opinions and suggestions of local employees.

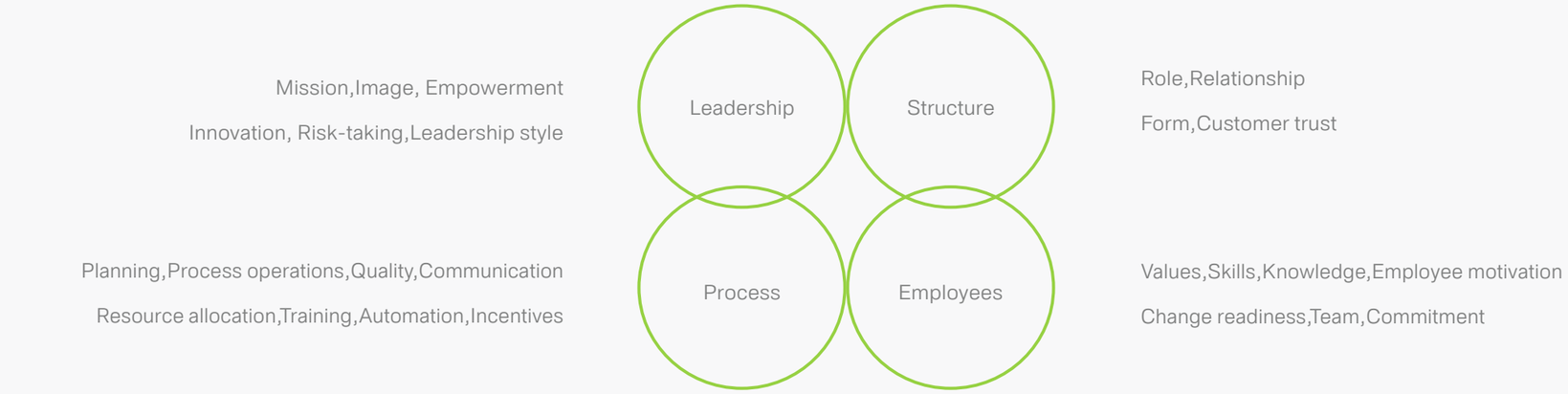
Employee Satisfaction and Engagement Survey

Sungrow has conducted organizational health index and employee engagement surveys for 15 consecutive years. Through questionnaire surveys, the Company collects employees' perceptions of the Company's operations, organizational capabilities, team atmosphere, career development, and other aspects, thereby identifying existing issues and benchmarking against external best practices to propose improvement measures and strategies, to enhance organizational vitality as well as employees' sense of belonging to, and satisfaction with, the organization.

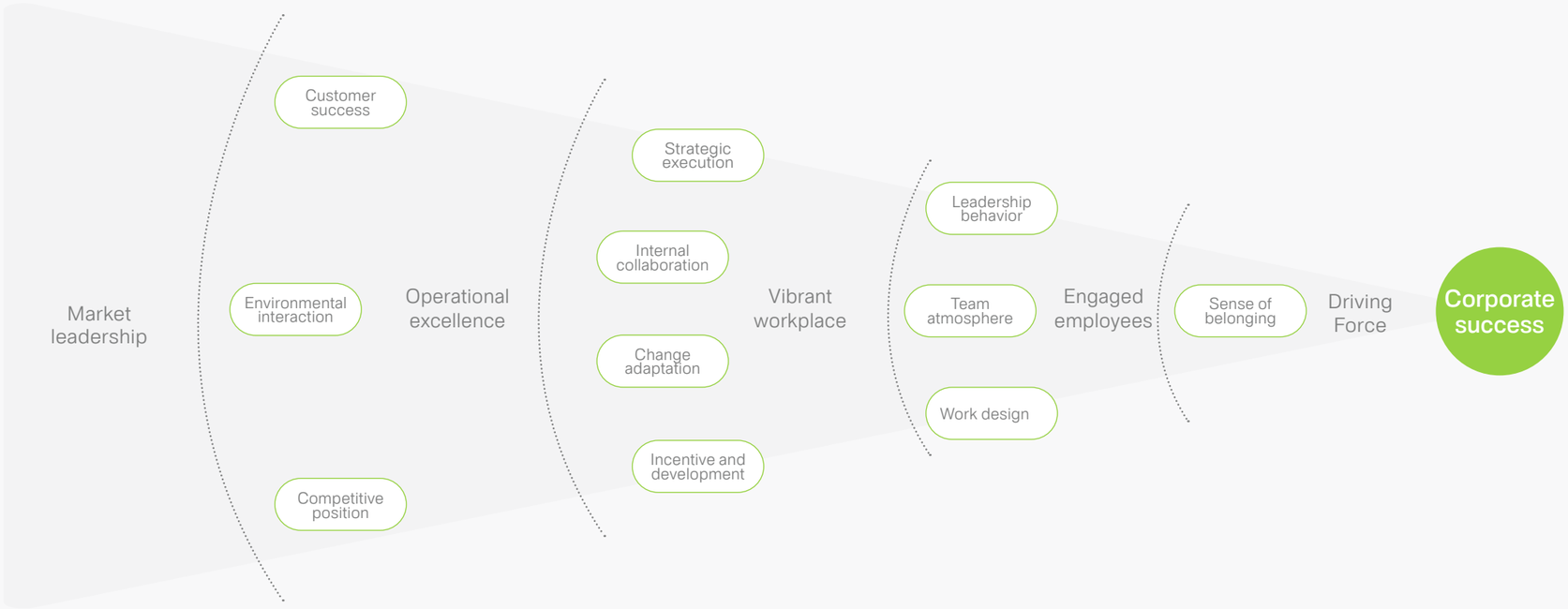
In 2025, to conduct more profound and systematic organizational diagnostics while reflecting evolving internal and external environments and management trends, the Company restructured its original diagnostic framework of structure, process, leadership, and employees. This new framework focuses on employee identification and sense of belonging—driven by affective commitment, mission and vision, proactive responsibility, practice of core values, and the pursuit of excellence. These drivers are categorized from the outside in and from the long-term to the immediate into 10 influencing factors across levels such as Market Leadership, Operational Excellence, and Vital Workplace; together, these constitute the 11 core dimensions of organizational health.

Furthermore, in the latest organizational health index survey, the Company emphasized factors including the initiation and effective management of change, career development opportunities, empowerment and feedback behaviors, psychological safety, an inclusive atmosphere, and workplace stress—all of which have gained significance amidst macroeconomic fluctuations, geopolitical instability, and other global trends. Simultaneously, the Company conducted engagement surveys based on the Gallup Q12, utilizing 12 key questions to evaluate employee job satisfaction and engagement across multiple dimensions, including perceptions of the work environment, managerial support, team atmosphere, and personal growth.

Organizational Health Index Diagnostic Framework (Original)



Organizational Health Index Diagnostic Framework (2025 Upgraded Version)



Sample questions from the organizational health index and employee engagement and satisfaction survey questionnaire

The Company's mission and vision

I clearly understand the Company's mission and vision.

The Company's mission/vision makes me feel that my work is important.

Purpose - Intrinsic motivation

I know the Company's requirements for my job.

I understand the relationship between my job and other positions in the Company.

Pressure

The pressure from work is at a relatively healthy level.

Job satisfaction - Extrinsic motivation

My work can bring me a sense of achievement and satisfaction.

At work, I have the opportunity every day to do what I do best.

Sense of well-being

In the past seven days, I have been praised for outstanding work performance.

In the past six months, someone at the Company has talked to me about my progress.

Over the past year, I have had opportunities to learn and grow at work. I feel that my supervisor or colleagues care about me.

Survey results

In 2025, the employee satisfaction survey covered 13,542 employees in the Company's global operations, with a participation rate of 81.3%. The organizational health index rate was 89.4%, an increase of 1.4% from 2024, achieving steady improvement for the second consecutive year; Employee engagement was 4.43, an increase of 0.09 from 2024. The Company ranked among the leading performers in Gallup's cross-industry company data, reflecting the high level of engagement among Sungrow employees.

Among these, "In the past seven days, I have been praised for outstanding work performance", "My supervisor encourages my development", and "At work, I have the opportunity every day to do what I do best" showed a marked improvement, outlining a virtuous cycle of being "seen", "encouraged", and "empowered".

Being seen

Managers are using timely, sincere feedback to make employees feel valued

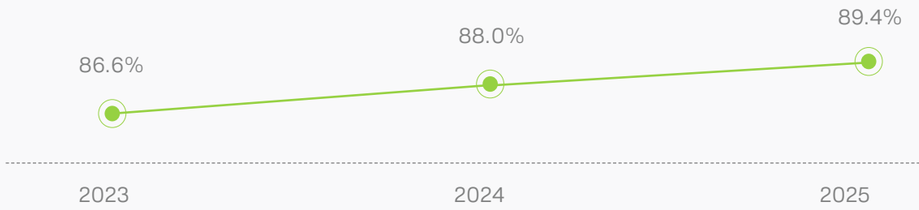
Being encouraged

Managers translate their goodwill of encouraging development into a jointly developed growth plan with milestones

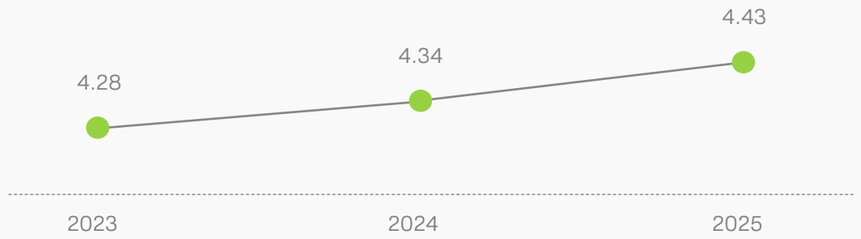
Being empowered

Through precise task design and delegation of authority, the Company helps employees shine and excel in the areas where they are strongest

Overall Approval Rate of the Company's Organizational Health Index Surveys (2023–2025)



Q12 Employee Engagement



Improvement measures

Through employee feedback collected during surveys, issues of concern to employees are identified, and improvement measures and strategies are proposed at the organizational, team, and individual levels.

Subsequently, the Company will organize internal discussions among business divisions, independent business units, and functional centers to develop improvement plans, and will track the progress and effectiveness of improvement implementation on a quarterly basis, thereby achieving closed-loop management throughout the entire process from data insight to improvement execution.

Organizational level	The Company removes collaborative bottlenecks in organizational and structural, reduces unnecessary dissipation, and enhances work execution effectiveness and employee experience;
Team level	The Company strengthens encouragement and recognition, and empowerment are well implemented. The Company continues to strengthen leadership and management capability empowerment for managers at all levels, and enhances emotional intelligence and attention to team members; At the same time, the Company adheres to the philosophy of improving people through work, using challenging tasks to enhance subordinates' capabilities. While delegating authority, the Company focuses on key milestones and provides timely guidance and feedback to help subordinates succeed. The Company emphasizes building trust among team members: Managers can truly understand their career goals, intrinsic needs, and current challenges through regular, in-depth one-on-one communication with team members; the Company sets aside time for non-work-related communication during team interactions, and pay attention to life and hobbies to enhance mutual understanding and trust.
Individual level	The Company actively embraces AI and continues to reduce employees' workloads; the Company incorporates AI into workflows to improve work efficiency. The Company optimizes role-person matching. When assigning tasks, the Company observes employees' strengths and specialties more, listens more to employees' thoughts and suggestions, and places the right people in the right positions.

Compensation and Benefits

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

At all global operational sites, the Company ensures remuneration compliance management through multiple approaches, including the alignment of subsidiary HR teams with local laws and regulations and the deployment of HR Business Partners (HRBPs) from headquarters, thereby guaranteeing that the remuneration system complies with relevant local laws and regulations. The core laws and regulations complied with by the Company at its major operating locations are as follows (not exhaustively listed due to the large volume of applicable regulations).

Country	Laws
US	Fair Labor Standards Act, Equal Pay Act, Employee Retirement Income Security Act, Affordable Care Act, Family and Medical Leave Act, Social Security Act, Federal Unemployment Tax Act, Health Insurance Portability and Accountability Act, Americans with Disabilities Act, Workplace Safety and Health, tax and states law, SECURE Act 2.0，One Big Beautiful Act
France	Labour Bargaining Agreement (Whole Sales), French Labour Code, European Labour Court, Company Agreements (sustainable mobility package & paid leave for sick children)
UK	Employment Rights Act 1996,Equality Act 2010, The Employment Act 2002, The Health and Safety at Work etc. Act 1974,The Data Protection Act 2018 (UK GDPR), The Employment Relations Act 1999，ACAS Code of Practice,Employment Tribunal,Neonatal Care (Leave and Pay) Act 2023 (effective 2025), Worker Protection (Amendment of Equality Act 2010) Act 2023
Ireland	Employment Equality Acts 1998-2015, Unfair Dismissals Acts 1977-2015, Organisation of Working Time Act 1997,Safety, Health and Welfare at Work Act 2005,Data Protection Act 2018 (GDPR)
Germany	Care Support and Relief Act 2023, Income Tax Act (EStG)
Malaysia	Employment Act 1955, Industrial Relations Act 1967
Japan	Labor Standards Act（Act No. 49 of April 7, 1947）

Country	Laws
United Arab Emirates	Federal Decree-Law No. 33 of 2021, UAE Federal Law No. 6 of 1973, UAE Labor Law, Emirates Health Insurance Law, Emirates Federal Law No. 2 of 2019
South Africa	Basic Conditions of Employment Act (BCEA) , Occupational Health and Safety Act (OHSA), Unemployment Insurance Act (UIA), Compensation for Occupational Injuries and Diseases Act (COIDA), Labour Relations Act (LRA), Employment Equity Act (EEA)
Spain	Collective Bargaining Agreement, Workers Statute (Real Decreto Legislativo 2/2015), Law 3/2007, on Effective Gender Equality, Workers' Statute (Royal Legislative Decree 2/2015), General Social Security Law (Royal Legislative Decree 8/2015), Collective Bargaining Agreements (CBAs)， Law 31/1995 on Occupational Risk Prevention, Organic Law 3/2007 on Effective Equality Between Women and Men, Royal Decree-Law 28/2020 on Remote Work, Regulations on Paid Leave and Licenses, Minimum Interprofessional Wage (SMI)
India	Minimum Wages Act, 1948, Factories Act, 1948 and the Shops and Establishment Acts (SEA)
Thailand	Labour Protection Act (9th Edition) B.E. 2568 (2025)，Royal Decree on the Employee Welfare Fund (November 2024)，Resolution on Minimum Wage Adjustment (December 2024)，Labour Protection Act Amendment on Work Hours and Menstrual Leave (September 2025)
South Korea	Labor Standards Act.（May 10, 1953）, Equal Employment Opportunity and Work-family Balance Assistance Act. (Dec 4, 1987）, Act on The guarantee of Employee's Retirement Benefits. (Dec 9, 12004)
Chile	Minimum Wage Law and Código del Trabajo, Ley Nº 21.735, Ley Nº 21.561, Ley Nº 21.015, Ley Nº 20.545, Ley Nº 21.643

Sungrow compensation and benefits management-related organizational structure includes the Compensation Policy Formulation Department and Implementation Department within the Human Resources Center, as well as the Policy Formulation and Implementation Departments of each subsidiary, all staffed by HR professionals. The Compensation and Incentives Department within the Human Resources Center is responsible for planning, designing, and optimizing the global compensation and performance system. It implements compensation and performance management strategies (covering compensation and benefits management, performance management, and incentive management) to ensure alignment with corporate strategy. The Company fosters a fair and innovation-driven incentive culture, stimulates employee potential and creativity, attracts and retains talent, and promotes mutual growth for the Company and employees. The Company's compensation management plan aligns with the strategic requirements of the Company. The total compensation budget and effectiveness are assessed by the Company's Strategy Center. All compensation policies require approval from the designated vice president and chairman before implementation. The subsidiaries' Compensation Departments are responsible for formulating and enforcing compensation management rules in compliance with country/region-specific laws.

In 2025, the Company updated and revised the *Regulations on Compensation and Benefits Management,* the *Employee Welfare Subsidy Implementation Rules,* the *Regulations on Domestic Remote Work Management,* the *Management Measures for Employee Physical Examinations, the Employee Attendance and Leave Management Rules*, the *Employee Overtime Management Rules*, and the *Interest-Free Loan Benefit Implementation Rules* in terms of domestic compensation incentives. The main revisions included: raising the basic salary levels for various positions; added overseas home visit benefits and adjusted standards and applicable scope of certain benefits; continued to provide employee benefits such as interest-free employee loans. The compensation-related policies that remained in effect during this reporting period, although not updated, include the following: the *Performance Compensation Management Rules,* the *Overseas Compensation Management Guidelines,* the *Detailed Rules on Compensation and Benefits for Global Assignees,* the *Paid Annual Leave Management Rules,* and the *Sungrow USA Promotion/Salary Increase Policy*.

The Company's Human Resources Center is responsible for identifying and assessing compensation and benefits risk items. Based on the risk level, these are reported to the head of the Human Resources Center, the designated vice president, and the Remuneration and Evaluation Committee for supervision, management, and decision-making. Comprehensive risk management and control are implemented in areas including compensation budget control, compensation structure design, and benchmarking of the benefit system.

To respond to risks and seize opportunities, the Company adopts a market-competitive compensation strategy, continuously monitors workforce efficiency metrics such as the personnel expense ratio and the human capital investment ratio, and dynamically adjusts compensation plans in conjunction with the Company's medium- and long-term business plans. When formulating the compensation budget, the Company implements total-amount control based on performance indicators such as sales revenue and profit forecasts, in conjunction with metrics such as the personnel expense ratio and the human capital return on investment ratio. Decision-making on the restricted stock plan also comprehensively considers the Company's current financial metrics, such as cash flow and profit. In formulating the annual compensation strategy, the Company conducts a comprehensive analysis of changes in the external economic environment and carries out assessments of the external competitiveness and internal consistency of compensation levels, based on which it determines the specific implementation plan for compensation and benefits policies.

Total compensation budget control

Control the annual adjustment range of the Company's total compensation to maintain a scientific and appropriate proportional relationship with the Company's business growth.

Compensation Structure Design

Establish a compensation structure that combines "fixed salary + performance-based variable pay." By linking employees' variable compensation to the overall performance of the Company during the current period, implement integrated management and control of the total payroll to mitigate financial risks.

Benefits system benchmarking against the market

Scientifically select peer companies in the same industry and at the same level as benchmarking targets, conduct benefits system surveys, and continuously improve the development of the Company's benefit system.

In 2025, the Company optimized the management indicator system for human cost efficiency across all business units and centers, systematically collected and integrated relevant data, and developed information system functions through digital means to enable visual presentation of historical trends in efficiency indicators, providing data support for risk identification, assessment, and management in the total human cost control of all departments.

Compensation Management

Overall Compensation Framework

Sungrow strictly complies with labor laws in its key operational regions, including the *Labor Law of the People's Republic of China*, the *Fair Labor Standards Act of the United States*, the *ArbSchG of Germany*, and others. The Company has established policies such as the *Regulations on Compensation and Benefits Management* and the *Overseas Compensation Management Guidelines*. Annually, the Company benchmarks market compensation practices and evaluates employee roles, capabilities, and performance to evaluate and allocate compensation.

In 2025, the Company upgraded its compensation management philosophy, emphasizing a balance between the short-term economic value of business development and medium- to long-term strategic value. The Company advocated paying based on the market and sharing based on contributions, and, in line with the stage of development, continued to infuse the compensation philosophy with new connotations. In addition, the Company has always adhered to the principle of equal pay for equal work, ensuring globally competitive compensation and benefits for employees regardless of nationality, ethnicity, age, gender, or religion, with no differential treatment based on non-work factors.

Across all global operational sites, 100% of the Company's employees receive a minimum salary that exceeds the local statutory minimum wage. For the primary operational sites, which rank in the top 11 by headcount and collectively cover over 95% of its global workforce, the Company conducted benchmarking assessments based on local price levels. These assessments aimed to ensure that compensation meets basic family living needs, including food, housing, clothing, healthcare, transportation, and education. The results demonstrate that the Company pays sufficient living wages to maintain a basic standard of living for employees in all regions.

In addition, the Company regularly updates and publishes the *Management Measures for Employees' Minimum Living Standards*. Through anonymous questionnaires, the Company surveyed employees' expenditure on food, social activities, shopping, education, and other daily living expenses, and established an analysis table of basic nutritional supplement data for employees. This provides a basis for setting compensation payment standards and designing compensation models, ensuring that the Company's minimum monthly wage standard is higher than employees' average living expenses and basic living needs.

Variable Performance-Based Compensation Mechanism

The Company continues to refine its *Performance-based Compensation Management Regulations*, with the variable incentive mechanism now covering all employees across R&D, production, marketing, and functional sequences. Variable pay for R&D roles is linked to project milestones, quality, and technical innovation; for marketing roles, it is tied to sales revenue and profitability; for frontline production roles, it is associated with production efficiency, quality control, and workplace safety; and for functional departments, it is aligned with overall corporate performance and departmental organizational goals. By utilizing organizational and individual performance as the foundation, each department encourages employees to focus on and achieve the Company's strategic objectives, driving the mutual growth of both the enterprise and its workforce.

Restricted Stock Incentive Program

To continuously improve the long-term incentive mechanism and attract, motivate, and retain outstanding talent, the Company implements a restricted stock incentive program for core and key employees at all levels globally, with all employees having the opportunity to participate. The Company has carried out seven phases of the restricted stock incentive program, with a total of 2,928 incentive recipients granted, sharing the long-term development results of the Company with its employees.

During the reporting period, the Company Shareholders' Meeting approved the following incentive programs: On March 18, 2025, the Board of Directors of the Company reviewed and approved the *Announcement on the Initial Grant of Restricted Stock to the Incentive Subjects*, granting 9,105,000 Class II restricted stocks to 874 incentive subjects with a lock-up period of 60 months.

Employee Benefits

Employee Benefits System

Category	Description
Social Insurance	The Company complies with national labor regulations by providing social insurance (including pension, medical, unemployment, and work-related injury insurance) for all employees, providing pension or other retirement security plans for 100% employees.
Additional Commercial Insurance	The Company purchases additional private commercial insurance for employees and their immediate family members, including supplementary medical insurance and life insurance.
International Business Travel Insurance	For employees on cross-border business trips or assignments, the Company provides comprehensive international travel insurance, covering accidental injury, emergency or medical care, loss of luggage and personal property, emergency rescue, life insurance, and others.
Life Insurance, Healthcare, Disability Insurance	These insurances are fully covered under the scope of additional commercial insurance.
Overseas Business Travel Benefits	The Company offers paid leaves upon return from cross-border business trips to facilitate cultural communications among employees.
Free Meals or Meal Allowances	Employees receive free breakfast, lunch, overtime dinner, and night snacks on workdays. In regions where free meals are not feasible, meal allowances are provided. In 2025, based on business development and market price levels, the Company increased the standards for meal subsidies/meal allowances.
Housing Benefits	Tailored to local conditions, the Company offers housing-related benefits such as employee dormitories, rental subsidies, employee resettlement subsidy plan, employee home purchase subsidies, relocation allowances, and remote work subsidies.
Pension	The Company purchases social insurance for the Company's employees, and their pensions mainly come from the pension benefits provided by social insurance.
Interest-Free Employee Loans	The Company offers eligible employees interest-free loans for continuing education, home purchases, major illnesses, or urgent medical needs.
Holiday & Birthday Benefits	The Company offers subsidies for national statutory holidays, public holidays, birthdays, weddings, and childbirth. It also organizes birthday celebrations and holiday benefit activities tailored to local customs.
Team-Building Budget	The Company has set up a special team building fund, which is used for internal or cross-departmental team building projects.
Sport & Health Initiative	The Company organizes annual health checkups for employees; builds fitness facilities for employees or subsidizes employees' gym memberships at external fitness centers.

Category	Description
Workplace Stress Management	The Company provides employees with diverse interest clubs such as musical instruments, dance, various ball games, psychology, and regular free courses and lectures, as well as fitness and reading venues.
Flexible Work Arrangements	The Company provides employees with flexible working hours/locations, flexible work schedules or working-from-home policies are established.
Work-from-Home Arrangement	In its major overseas operating regions, the Company provides employees with the option of WFH, allowing them to flexibly work from home two to three days per week.
Part-Time Job Selection	The Company provides part-time options in compliance with relevant local laws and regulations.
Breastfeeding/ Lactation Facilities or Benefits	The Company has set up nursing rooms at the Company's Hefei headquarters, as well as in Nanjing, Shanghai, and the Netherlands. The nursing room at the headquarters is equipped with facilities including sofas, air purifiers, refrigerators, sterilizing cabinets, and sinks. It is divided into four independent private rooms, providing female employees with private, clean, comfortable, and safe spaces for rest, breastfeeding, and milk expression, and offering more humane and considerate services to help them comfortably navigate special physiological periods. The Company has established a dining area for expectant mothers, providing female employees during pregnancy and lactation with a convenient and comfortable dining environment.
Paid Leave Benefits	Based on regulations around the world, the Company provides diversified vacation benefits such as maternity leave, paternity leave, parental leave, only child care leave, sick leave, work-related injury leave, examination leave, family visit leave, compensatory leave, and paid annual leave to employees worldwide.
Breastfeeding Leave	The Company complies with and implements breastfeeding leave regulations across all global regions. Taking Chinese Mainland as an example, female employees with infants reaching one year of age are entitled to two 30-minute breastfeeding breaks per workday (including artificial feeding).
Other	Global Cultural Integration Leave: To promote cross-cultural integration, the Company provides 5 days of paid Global Cultural Integration Leave per year to foreign employees who have completed one year of service. Global Home Leave: To show care for globally assigned employees, the Company offers paid Global Home Leave ranging from 8 to 12 days to employees who have been dispatched to work in other countries for a cumulative specified period of time in a year.

Examples of Personalized Benefits

Region	Benefit Items
US	Disability Insurance / Employee & Family Insurance / 401K Retirement Plan / Employee & Dependent Health Insurance / Health Savings Account (HSA) / Flexible Spending Account (FSA) / Accidental Death & Dismemberment Insurance / Voluntary Insurance
Germany	Additional dental and ophthalmic insurance and examinations; supplementary pension insurance; vehicle and electric bicycle rental services provided by the Company for employees' commuting; reimbursement of expenses for local language courses; business travel insurance; Allianz supplementary health insurance; Allianz travel baggage loss insurance; Allianz updated accident insurance
Malaysia	The Company pays a 1% Human Resources Development Fund levy for all Malaysian employees, and training subsidies can be applied when needed
Spain	Health insurance, fitness benefits, discount platform, company vehicle + fuel card (for service and management positions only), birthday gift voucher
Chile	Birthday gift card for each employee; National Day gift card for each employee; Christmas gift card for each employee; birthday gift card for each employee

Employee care-related benefits

Operational Sites	Paid Maternity Leave	Paid Paternity Leave	Paid Parental Leave	Paid Care Leave
China	Provide 158 days or more	Paternity leave is provided in compliance with regional legal requirements. Specific entitlement varies by region, ranging from 10 to 30 days. For example: Anhui: 30 days Shanghai: 10 days Beijing/Guangdong: 15 days	Paid parental leave is provided in compliance with regional legal requirements. For example, employees in Hefei are entitled to 10 days of paid parental leave per year for each child under 6 years of age; employees in Shenzhen are entitled to 10 days of paid parental leave per year for each child under 3 years of age.	Leave benefits are provided in compliance with regional legal requirements. For example, in Hefei, only children are entitled to a cumulative total of 20 days of paid parental care leave per year, and non-only children are entitled to 7 days per year, applicable when their parents are hospitalized due to illness. In Shenzhen, only children whose parents have reached the age of 60 are eligible for 5 days of parental care leave per year (when parents are not ill) and up to 15 days (when parents are hospitalized due to illness). In Shanghai, the entitlement is 5 days per year (when parents are not ill) and up to 7 days (when parents are hospitalized due to illness).
Thailand Factory	120 days	15 days of fully paid leave (to be taken within 90 days after the child's birth)	15 days of fully paid leave (applicable to parents caring for newborns and may be taken in advance prior to the child's birth)	Implement in compliance with relevant local laws and regulations
UK	Up to 52 weeks (including 39 weeks of paid leave)	2 weeks of paid leave	Up to 50 weeks of shared leave	Up to 12 weeks
US	Up to 12 weeks	Up to 12 weeks	Up to 12 weeks	Up to 12 weeks
Chile	A total of 24 weeks (6 weeks before childbirth + 12 weeks after childbirth + 12 weeks of parental leave)	5 days of paid leave (3 consecutive days + 2 flexible days)	Up to 12 weeks of paid leave (or part-time working arrangement)	Family care leave (for children under 1 year old with serious illness); certified paid sick leave (standard sick leave) Non-parental paid family/care leave: 7 days of leave in the event of the death of a child, spouse or civil partner.
Germany	14 weeks	A legally compliant paternity leave of 24 to 36 months is provided, and the specific leave duration is at the employee's own choice.	Legally compliant parental leave is provided: up to 3 years per child, with eligibility for the government parental allowance Elterngeld (approximately 65% of salary).	Statutory entitlement: short-term paid care leave of 10 working days for urgent care of immediate family members; subsidies are paid by long-term care insurance, not fully borne by the Company
Dubai	45 days (full-paid) and 15 days (half-paid)	5 days	5 days	Implement in compliance with relevant local laws and regulations
Spain	16 weeks	16 weeks	12.5% to 50% of daily working hours until the child reaches 12 years of age	Family Care Leave: 5 days
Australia	Up to 18 weeks	Up to 18 weeks	2 weeks of paid partner leave	Family Care: 10 days
Brazil	120 days	5 days	Equal entitlements to maternity leave (120–180 days)	Implement in compliance with relevant local laws and regulations

Employee Care and Leisure Activities

To further enrich employees' leisure lives and enhance their sense of happiness and belonging, the Company continued to ramp up employee care initiatives in 2025, striving to cultivate a warm and supportive corporate atmosphere. Regarding physical facilities, two newly constructed standardized badminton halls were opened to all employees free of charge. These facilities provide a professional and convenient fitness space for sports enthusiasts, allowing staff to fully enjoy the benefits of exercise outside of working hours.

Efforts are made simultaneously to establish employee clubs and organize activities. The Company has witnessed the vigorous growth of 11 employee amateur associations, covering sports, culture, and other interesting areas. These associations have enrolled a total of 4,445 members, becoming an important platform for employee communication and interaction as well as for broadening personal interests. In terms of sports events, in 2025, each sports association actively assisted the Group's labor union in successfully organizing six "Sungrow Cup" series sports events, covering several popular events such as badminton, basketball, and tennis, attracting a cumulative total of more than 5,000 participants. A positive atmosphere of striving for progress and teamwork permeated both inside and outside the venues, fully showcasing the employees' high-spirited and upbeat demeanor.

Cultural activities were also rich and diverse. The Company carefully planned a series of signature events, such as "Sungrow Hiking", "Sungrow Family Carnival", and "Mid-Autumn Music Festival". Through global linkage, the Company broke geographical boundaries by inviting employees and their families to participate together, strengthening family bonds. These activities also effectively connected employees across regions in China and overseas, enhancing cross-regional and cross-department communication and collaboration. While enriching spiritual and cultural life, these activities further forged a strong corporate synergy of moving forward with one heart and pooling strength for growth and development.

Help for Employees in Difficulty

In 2025, the Company's interest-free loans covered a total of 135 people, with total support exceeding RMB37.05 million.

Typical case: A family member of an employee was diagnosed with uremia and needed to be hospitalized for treatment. The family's financial pressure increased sharply, so the employee applied to The Company for an interest-free loan. After receiving the relevant process, the Company promptly initiated an assessment and review. The application was ultimately approved for an interest-free loan of RMB100,000, which helped the employee address the urgent need.

Care for Female Employees

The Company strictly complies with and implements relevant systems such as maternity leave, breastfeeding leave and parental leave in all global regions, effectively protecting the legitimate rights and interests of female employees during childbirth. To create a more friendly and considerate workplace environment, the Company has set up lactation rooms in each office building, equipped with sofas, air purifiers, disinfection equipment, refrigerators, independent nursing booths and sanitation facilities, providing female employees with a private, hygienic and comfortable nursing space to help them smoothly pass through this special physiological period.

In addition, the Company has launched an online meal ordering service for expectant mothers, supporting advance meal reservations, and has set up dedicated dining seats to ensure that pregnant employees can replenish nutrition in a timely manner. Meanwhile, female care stations have been established in each office area, with supplies such as brown sugar ginger tea and heat packs available for free use, providing more detailed and humanized care services for female employees.

Mental Health Care

To provide in-depth care for employees' mental health and foster a positive organizational atmosphere, the Company has systematically planned and launched the year-round "Mind Safeguard" support system. Through quarterly themed lectures, the Company guides employees to explore their inner world from diverse dimensions: the lecture "Body Narrative and Mandala" in the first quarter helps employees perceive the connection between the body and the mind; the lecture "OH Card Psychological Exploration" in the second and third quarters guides employees to delve into their subconscious mind; and the lecture "Cognitive Emotion" in the fourth quarter focuses on enhancing emotional management capabilities. Meanwhile, the "Mind Station" psychological support platform remains open throughout the year to provide employees with convenient and professional psychological support, with a cumulative total of approximately 120 hours of one-on-one psychological counseling completed.

Metrics and Targets

The Company has set targets regarding employee rights and employment, aiming for female employees to account for 22% and female managers 15% by 2025. Building on this progress, the Company has revised its ESG strategic goals, setting a target to increase the proportion of female managers to 20% by 2030, with the aim of further enhancing leadership diversity. In addition, the Company continues to promote local employment, setting a goal to maintain employee diversity, foster an equitable and inclusive work environment, and keep the local employment rate at 97% or higher.

Employee Training and Development

Governance

Sungrow's management of training and talent development-related topics adopts a three-tier structure of "company-wide coordination, business unit implementation, and local execution": At the Company level, the Company's Human Resources Center is responsible for the top-level planning, design, and optimization of the global training system, ensuring alignment between the training strategy and the overall corporate strategy. At the same time, the Company is committed to fostering a fair and equitable organizational culture that encourages innovation, fully unleashing employees' potential, and attracting, retaining, and motivating talent, thereby promoting shared growth for the Company and its employees. All training management-related policies are implemented only after being submitted level by level to the designated vice president for approval. At the business level, each business unit, as the implementation unit, is responsible for the specific execution and advancement of the training plan. At the local level, each subsidiary is required to develop and implement differentiated training management guidelines in accordance with the laws and regulations of the country/region in which it operates. Training teams at all levels are composed of full-time training personnel and part-time personnel from business units, ensuring professionalism while enhancing business alignment and ensuring the efficient operation of training work.

The Company upholds "promoting employee development and fulfilling employees' dreams" and is committed to achieving systematic and scientific employee empowerment. The Human Resources Center has established a three-tier training framework of Company (leadership/new employees/general competency development) + Business Units (professional competency development) + Department (job skills). Through the establishment of a virtual organization, the Learning Committee, the Company continuously empowers broader groups with professional training methodologies, ensuring the effective implementation of the Company's three-tier training framework. This advances the development of a learning organization, makes learning part of the corporate culture, and enables learning to become a tremendous potential and strong driving force for the organization's sound development and business performance growth.

The Company formulated and implemented a series of policies, including the *Training Management Regulations, Internal Trainer Management Regulations*, and *Onboarding Tutor Management Regulations*, to systematically enhance organizational capability. In 2025, the Company revised and issued documents including the Continuing Education Rules for Employees, Provisions on Probationary Period Management for New Employees and Internal Trainer Management Regulations, continuously improving the training management system to comprehensively support employee growth and development.



Strategy

Impacts/Risks/Opportunities

Actual positive impacts

By providing systematic vocational training and development opportunities, the Company has helped employees enhance their professional skills, strengthen their employability and competitiveness, and create favorable conditions for employees' individual career advancement and corporate development.

Product and service opportunities

Strengthening training helps the Company cultivate employees' innovative mindset, promote product optimization, service upgrades, and market expansion, enhance the Company's competitiveness, and strengthen the ability to adapt to market and technological changes.

Financial Impacts of Risks/Opportunities

Financial impacts in 2025

The Company's investment in employee training has maintained a steady growth trend. The Company's investment in employee training amounted to RMB23.74 million, and such relevant expenses have been incorporated into the annual operating budget.

Expected financial impacts

In the short term, the Company's investment related to talent development will continue to increase. In the medium to long term, the Company regards employee training as a strategic investment. The enhancement of skills will directly improve production efficiency, increase product pass rates, and accelerate the pace of technological innovation, thereby driving the Company's sustained growth in profitability.

Strategy and Adaptability

Every year, the Company carries out systematic training programs based on its strategic objectives and establishes a comprehensive job grade and position qualification system for employees to build a talent pool aligned with the development needs. This enables the Company to fully adapt to the continuously changing market environment and to adjust flexibly in response to the business model.

Impacts, Risks, and Opportunities Management

Each year, based on organizational strategy decomposition, the Company systematically breaks down annual strategic objectives (such as digital transformation, quality management, and internationalization strategy) into requirements for core business capabilities, and precisely identifies key capability gaps. Meanwhile, through multiple channels including organizational health index surveys, comprehensive manager assessment, departmental KPI gap analysis, job qualification benchmarking, performance feedback, career planning interviews, and engagement surveys, the Company comprehensively collects business needs and individual development aspirations, forming an annual training needs pool.

Based on this, the Company applies the four-quadrant framework and a priority scoring card (a comprehensive evaluation across dimensions including strategic alignment, business impact, urgency of demand, population coverage, and implementation feasibility) to classify and rank needs, clarifies resource allocation as well as decision and approval pathways, and subsequently develops quarterly/annual phased training and development plans.

In terms of program design, the Company adopts the 7-2-1 model to determine the specific implementation approach: 70% focus on on-the-job practice (project-based assignments, job rotation, and mentor coaching), 20% emphasize interpersonal learning (experience sharing and coaching guidance), and 10% involve classroom training (internal training, external training, and online learning). The Company also matches appropriate budgets, instructors, and timelines, preparing an implementable project execution plan. The Company implements end-to-end control throughout the training execution process, covering pre-training research, in-training engagement tracking, and post-training implementation plans. The Company establishes supporting learning communities and mandatory application mechanisms to ensure effective knowledge transfer.

Finally, the Company quantifies training effectiveness through the four-level evaluation model and, in combination with the annual ROI review and process optimization, establishes a complete closed-loop management system.

Employee Training

The Company provides diversified and systematic training support to all employees. The training covers multiple dimensions, including employees' diversity awareness, leadership development, corporate culture communication, mental health counseling, digital transformation capabilities, the OCET program, social responsibility-related training, and policy communication and implementation.

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

Scope of employees covered by all the above training: All employees (including contractors, part-timers, and interns).

Leadership Development Training

The Company attaches great importance to the leadership development of managers and has designed systematic training programs for various types of managers, such as the “Blooming Program” for high-potential employees, the “Transition Plan” for new managers. In 2025, the Company newly launched the "180-Day Companion Coaching Program for New Managers", which provides ongoing professional support to newly appointed managers through standardized processes and systematic empowerment, helping them accelerate their role transition. For mid-level and senior managers, programs such as “Backbone Sailing”, “Advanced Leadership”, and “Ascending Leadership” programs are available. In addition, the Company’s online learning platform has a “Leadership Academy” module, which is accessible to all employees, including part-time employees and contractors. The aim is to help employees at all levels improve their leadership by creating a learning atmosphere that involves all employees, and to build a comprehensive succession and development plan for the Company at multiple levels.

Tutoring and Mentoring

To promote employees’ all-round development and talent pipeline development, the Company has established a comprehensive mentor development system. The Company assigns an onboarding mentor to every new employee to help new employees quickly integrate into the working environment and adapt to the Company’s culture; For high-potential campus recruits who have been onboarded for one to two years, the Company matches mid-to-senior management or key business talent within the Company to serve as their IDP mentors, assisting them in developing personalized development plans and enhancing their professional skills and leadership. Through the talent development model of “mentoring and coaching”, the Company has not only accelerated the growth of new employees but also established a positive mechanism for knowledge transfer and experience sharing, thereby building a reserve of core talent to support the Company’s sustainable development.

Learning Platforms and Networks

Dimension	Specific Measures/Platforms	Main Content and Functions	Quantitative Indicators and Results
Virtual Organization	Learning Committee (Group–Business Unit/Center–Department)	Establish a top-down learning governance network responsible for overall resource coordination, project implementation, and feedback on needs, to ensure alignment between learning and business	• Total number of committee members: 83 • Business units covered: 100%
Digitalization Learning Platforms	Sungrow e-Learning Platform (online learning platform)	Centrally manage internal course resources, operate learning programs, and track learning data	• Annual courses launched: 4,075 • Cumulative number of learners: over 1.28 million
	Sungrow e-Talk (language learning platform)	Provide free multilingual learning resources to all employees, supporting international development and employees’ personal growth.	• Number of active users: 3,445 • Average learning duration: 1.8 hours/person
	Internal Office Software Knowledge Base	Build an online knowledge base to promote knowledge sharing.	• Cumulative reads: 600,000 • Number of knowledge base entries: 715
Diversified Learning Approaches	Blended Learning System	Integrate online courses, offline in-person instruction, external professional training, benchmarking study tours, and other approaches to meet employees’ diverse learning needs.	• Annual online & offline training programs: 13,503 sessions • External training participants: 141 •Benchmark study tour organization: 8 times

Cultural Education and Training

To strengthen cultural consensus and promote cross-cultural integration, the Company carried out a series of online and offline diversity training activities and launched the "Values and Behaviors Micro-course Series" in Chinese and English, with cumulative participation exceeding 48,000 person-times. The Company organized cultural workshops and cross-cultural exchange salons in multiple overseas locations and designed the "Sunflower Values Learning Experience Program", including the first Sunflower Values Learning Experience Program: "Sungrow Film Festival and Values Micro-Film Creation Competition", actively building bridges for cross-cultural understanding and communication, enhancing organizational cohesion and employees' sense of belonging.

To continuously advance the internationalization of talent development and strengthen the employee development support system, the Company's Human Resources Center launched in 2024 the "Overseas Colleagues Experience Trip to HQ" (OCET) program. With a focus on strengthening global connections and empowering talent development, the program invited employee representatives from various regions worldwide to return to headquarters for in-depth exchanges, building a face-to-face platform for communication and collaboration. Through a two-week immersive learning and interaction experience, the program focused on three key dimensions: business synergy, cultural integration, and interpersonal connection. It effectively enhanced global employees' identification with, and sense of belonging to, the Company's strategy and culture, supported the upgrade of cross-regional and cross-cultural collaboration efficiency, and injected talent-driven momentum into the implementation of the Company's internationalization strategy. In 2025, the program has been successfully conducted in two cohorts, reaching a total of 60 global employees. The program's NPS recommendation score reached 100%, earning strong recognition from participating employees.

Digitalization Training

The Company continued to strengthen the application of AI tools, and improved efficiency and effectiveness by upgrading digital systems; In 2025, the Company upgraded the internal job qualification certification system, enhancing the system's certification efficiency and intelligent user experience; the Company launched the "Smart Talent Supply Chain Project", focusing on talent data integration and AI function applications, using data to drive talent decision-making, and enhancing the effectiveness of talent management and decision-making; the Company advanced the overseas SF project to support the upgrade and application of the human resources digitalization system. The Company innovated AI applications, upgraded the intelligent Q&A chatbot iKE, conducted the "AI × TTT" internal trainer development program, held the first "AI Course Development Competition", and promoted the "AI sparring" feature to support presentation training.

Degree Programs and Certification Support

The Company encourages employees to pursue self-growth and development by enhancing their professional capabilities and supports all employees—including part-time employees, contractors, and interns—in obtaining certifications and continuing education. In 2025, the Company continued to implement the *Continuing Education Rules for Employees*, encouraging domestic and overseas employees to participate in continuing education programs offered by domestic and international universities, fully supporting their personal growth and development. In 2025, 43 employees participated in continuing education, with total expenses reaching approximately RMB4,420,000. In addition, the Company provided employees with professional course resources required for examinations and reimbursed the expenses after they passed the examinations. Supported certifications include PMP, high- and low-voltage electrician certificates, forklift operator certificates, welder certificates, etc. In 2025, the Company supported more than 1,700 employees in obtaining certificates and provided approximately RMB110,000 in employee certification support.



Employee Development

The Company has established a comprehensive talent development mechanism and regularly carries out job qualification certification and manager appointment work every year to promote employee growth. In 2025, a total of more than 5,000 employees received job/grade promotions.

In terms of career development path, the Company continues to optimize the Company's job grade and job qualification framework, improve the digitalization platform for certification qualifications and introduce AI tools, and enhance employees' development experience. Meanwhile, the Company gradually rolls out the job grade and job qualification framework to overseas regions and factories. In 2025, the Company sorted out more than 150 job development pathways across overseas regions, completed job grade placement for more than 1,600 overseas employees, further improved overseas employees' development pathways, and supported their career growth.

In terms of leadership development, the Company has systematically built a manager management system and formulated and issued the *Manager Management Measures of the Group*, establishing the guiding principles for manager management, standardizing management mechanisms and processes, and embedding the "manager standards" throughout the full lifecycle management, including selection, appointment, development, retention, and exit. The Company has deeply implemented and promoted the leadership competency model, and strengthened attention to managers and developmental feedback through 360° assessments and probationary post management; Through the inventory of the manager pipeline, leadership development programs, continuing education, and other initiatives, the Company continues to empower the development of leadership capabilities among managers, effectively gives full play to the role of the locomotive, and continuously optimizes the manager pipeline to ensure organizational vitality.

Case
Manager Pipeline Development Project

From September to December 2025, with BU as the pilot, the Company completed a comprehensive review of a total of 200+ core managers, established a key experience database, and generated talent insights. The Company accurately identified the high-potential talent pool (92 people) through the Talent Nine-square Grid. In parallel, the Company tailored and designed the pipeline talent development program, and planned to systematically expand the key position experience map for management personnel through diverse development approaches, such as promoting job rotations, conducting IDP coaching, and providing specialized training, by 2026, comprehensively enhancing versatile leadership capabilities and professional depth, and strengthening the development of the management talent pipeline.

Employee Performance Evaluation and Management

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

In 2025, the Company standardized the management of organizational performance at all levels in accordance with the *Regulations on Organizational Performance Management*, including the formulation of organizational performance targets, follow-up on the performance process, assessment of performance completion, and analysis and review of performance deviations; In accordance with the *Regulations on Employee Performance Management* and the *Detailed Rules for Performance Management of Overseas Employees*, the Company implemented employee performance management, including the formulation of individual employee performance targets, follow-up coaching during the performance process, performance appraisal and evaluation, as well as interview feedback.

At the same time, the Company further improved the performance management mechanism for overseas employees. Under the guidance of the *Detailed Rules for Performance Management of Overseas Employees*, following North America and Europe, the Asia-Pacific region also developed a performance management system that meets management needs in light of actual conditions; In accordance with the actual conditions of performance management for employees in overseas regions, the Company further refined and developed an information-based overseas performance management platform.

In addition, the Company sorted out the performance index database of each post sequence, and built a digitalization performance management system to help decompose and undertake strategic objectives layer by layer, empower managers at all levels, optimize employee operating experience, and promote the digital transformation of the whole process of performance management.



Performance Evaluation Methods and Dimensions

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

Assessment Type	Specific Content	Target Group (Coverage)	Assessment Frequency
Objective-Based Continuous Performance Appraisal	In accordance with the *Regulations on Employee Performance Management*, employees complete a performance plan/form at the beginning of each assessment cycle, specifying the assessment indicators. At the end of the cycle, they describe their completion status against the indicators. The assessor evaluates accordingly and organizes an interview to provide feedback and help employees improve.	All employees	1. Monthly: Frontline production positions 2. Quarterly: Functional, R&D, and marketing positions 3. Semi-annually: Overseas positions 4. Annually: Executive group
Degree Performance Appraisal	An annual 360 degree leadership evaluation is conducted for managers, based on the “Leadership Competency Model” which encompasses three dimensions: “Driving Business, Organizational Development, and Cultural Leadership.” The evaluation covers 28 behavioral indicators across several dimensions, including: strategic thinking, innovation leadership, global perspective, customer orientation, digital transformation, organizational development, pursuit of excellence, cultural leadership, spiritual quality, and conduct style. Individual development reports are generated by integrating perspectives from supervisors, subordinates, and peers. Through feedback sessions, managers are supported in identifying their strengths and blind spots and in formulating personal development plans. This approach promotes improvement through assessment, empowers growth, and drives strategic implementation.	All managerial personnel (strategy formulation level, strategy alignment level, strategy execution level, junior manager)	1. Regular: Conduct once in a centralized manner in Q1-Q2 each year 2. Irregular: Conduct irregularly each year for newly promoted managers, providing developmental feedback
Team-Based Performance Appraisal	Align with the *Regulations on Organizational Performance Management*, the Company has developed a comprehensive organizational performance management system that targets organizations at different levels, and sets and evaluates team performance goals. The results of team performance evaluation are applied to member performance evaluation to ensure a close relationship between team performance and individual performance of individual team members.	All tiered organizational units	Quarterly

Performance Appealing

The complainant may file an appeal upon becoming aware of the current performance evaluation results and provide the objective factual basis for disapproving the results of the performance evaluation. According to the performance appeal procedure, the complaint shall be upgraded step by step by the direct superior/skip-level superior, the responsible leader and the HRBP, and the Audit and Inspection Department.

Metrics and Targets

In 2023, the Company set the target to maintain 100% employee training coverage and to continuously improve the quality of global training and multi-level leadership training, which was achieved smoothly and will be maintained on an ongoing basis.

Occupational Health and Safety

The Company attaches great importance to employees' occupational health and safety, and complies with the *Work Safety Law of the People's Republic of China, Fire Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Special Equipment Safety Law of the People's Republic of China, Factories Act, 1948 (India), Occupational Safety, Health and Environment Act, 2011 (Thailand), EU's Occupational Safety and Health (OSH) Framework Directive 89/391/EEC* and other global laws and regulations.

Occupational Health and Safety Governance

The Company has established a Work Safety Committee as the management body for workplace safety and occupational health. The Chairman serves as the Director of the committee, with board members and senior management acting as committee members. The committee is responsible for reviewing and issuing safety-related rules and policies and making decisions on major safety issues. The Work Safety Committee holds quarterly meetings to coordinate and promote work safety management efforts. The Company established a three-tier safety responsibility system of "principal person in charge-department heads-employees", clarified the responsibilities at each level, and all employees signed the *2025 Work Safety Responsibility Statement*. The Company implemented the principle of "managing safety as an integral part of managing business", integrated EHS indicators into the performance appraisal of business departments and ensured the simultaneous advancement of business decision-making and EHS risk management. With the leadership's continued drive to foster an EHS culture, employees' EHS awareness and the importance they attach to EHS has increased significantly.

The Company has established the EHS Management Department as a dedicated management body for environmental, occupational health, and safety, responsible for safety oversight and guidance, and coordinating occupational health and safety and work safety management across all business units and subsidiaries. Each business unit and subsidiary has established a dedicated EHS Management Department or position, and each department has appointed safety representatives consisting of employee representatives and general employees to assist in conducting internal safety audits, participating in the formulation of work safety systems, and regularly organizing hazard identification and rectification, thereby ensuring the comprehensive implementation of safety management requirements. The Company has established a tiered safety management grid, clearly defining the safety responsibilities and structured work lists for personnel at different levels. This framework ensures full coverage of safety management at the smallest operational unit level on-site.

The Company has established management procedures and policies, including the *Occupational Health and Safety Operation Control Procedure, EHS Risk Hierarchical Control Regulation, EHS Incident (Accident) Reporting and Handling Procedure, Employee Safety Behavior Code Management Regulation*, and *First Aid Supplies Management Regulation*. In 2025, the Company newly formulated the *ESG and EHS Management System Review Process*, and revised policies including the *Fire Safety Management Regulations, First Aid Kit and AED Management Regulations, EHS Hazard Investigation and Management Regulations, EHS Incident (Accident) Reporting and Handling Process*, and *Innovation and Improvement Promotion Process*. The Company also publicly disclosed the *Health and Safety Management Policy* on the Company's official website. It applies to operational activities related to the Company's production and business operations, products and services, and all employees, and requires suppliers, service providers, contractors, and other key business partners to actively comply.

To address the growing management needs and business complexity, further improve EHS management efficiency, and strengthen risk prevention and process control, the Company actively advanced the development of the EHS management platform project. The platform was successfully brought online in July 2025. Based on business needs, the platform integrates core functional modules such as the dual prevention mechanism, management of related parties and hazardous operations, accident and incident management, and hazard reporting and improvement, enabling efficient online circulation of business processes and strengthening support capabilities for digital EHS management.

In 2026, the Company will further deepen the digital management of occupational health and safety, actively explore the integrated application of advanced technologies including IoT, wearable devices and AI intelligent monitoring, promote the upgrading of EHS management in a more efficient and intelligent direction, and continuously enhance the capabilities of risk prediction and process control.

Occupational Health and Safety Risk Identification and Management

The Company monitors changes in health and safety policies both domestically and internationally, regularly screens for and identifies compliance risks, assesses and develops response strategies, ensuring that all business activities comply with the requirements of relevant laws and regulations. The Company has established a dynamic tracking mechanism, regularly carries out risk identification, assessment, and early warning, promptly formulates and implements control measures, ensures that risks are identifiable and controllable, and enhances its ability to respond to policy changes.

The Company optimizes the dual prevention system for safety risk grading control and hazard identification and remediation, implements tiered and layered management, and encourages all employees to participate in the identification and assessment of risk points and hazard sources, thereby developing a graded control list. Visual management was implemented through tools such as the four-color safety risk map and position risk notification cards. Measures were also adopted, including engineering and technical safeguards, inspection and maintenance, provision of personal protective equipment, and standardization of operating procedures. Continuous improvement was achieved through a rolling cycle of the system, ensuring that the level of health and safety risk prevention and control continues to improve.

The Company uses methods such as JSA (Job Safety Analysis) and LEC (Likelihood-Exposure-Consequence) to quantitatively assess hazard sources in the production process, categorizes risks into four levels: major, relatively major, general, and low, and has established the *Risk Classification and Control List* to specify control measures and responsible persons. Meanwhile, the Company has formulated the *2025 Occupational Health and Safety Management Action Plan*, focusing on four major high-risk scenarios: live electrical testing, automated machinery operation, aluminum grinding and welding, and work at height. Following the systematic hierarchical principle of "Elimination-Substitution-Engineering Controls-Administrative Measures", the Company has summarized replicable improvement approaches and best practices through pilot rectification, and guided business units in scaling up and applying them.

The Company has established an EHS major risk early warning and prevention mechanism, proactively identifying and assessing major risks on a regular basis and dynamically tracking changes in risks. The Company reports potential risk issues to Senior Management monthly and communicates with relevant departments to develop targeted rectification and preventive measures, thereby enhancing the Company's capability to prevent and mitigate major risks. Meanwhile, the Company regularly reports the EHS performance of each business unit and its subsidiaries in areas such as work-related injury incidents, hazard identification inspections, and high-risk operation management, issues warnings to departments with poor performance, urges them to strengthen their sense of responsibility, and enhances the overall EHS management level.

The Company has fully implemented the ISO 45001:2018 Occupational Health and Safety Management System, and 90% of its business units have obtained certification for this system at present. Meanwhile, the Company entrusts third-party institutions to regularly conduct testing on hazardous factors such as dust and noise in the workplace. All test results have been found to comply with national standards, and rectification measures are immediately implemented for any posts where indicators exceed the standard limits.

To strengthen the control of environmental, health and safety risks during the operation of various business units, the Company has introduced the ISRS International Safety & Sustainability Rating System. In 2025, the Company carried out ISRS assessments on the PV-Wind-Charging factory Factory, Energy Storage Factory, Thailand Factory and Sungrow Hydrogen respectively, and launched targeted improvement initiatives for the issues identified in the assessments, to continuously enhance the Company's risk control capacity at home and abroad.

Occupational Health and Safety Projects

Category	Project	Description	Amount (RMB10,000)
Health and safety	Protective equipment	Expenditure on improving, renovating, and maintaining health and safety protective facilities and equipment (excluding health and safety facilities during the initial construction phase), including expenditures for fire prevention, explosion prevention, fall protection, toxic substance prevention, static electricity prevention, corrosion prevention, dust control, noise and vibration control, radiation protection, and isolation operation facilities at production worksites, as well as costs related to various on-site safety management measures.	3,734.69
	Emergency resources	Expenditure on the provision, maintenance, and servicing of emergency rescue equipment (including first aid supplies and facilities, spill containment devices, firefighting equipment, respirators, protective clothing, etc.), as well as expenditures for building emergency response teams and conducting emergency drills.	986.14
	Risk monitoring	Expenditure on the assessment, monitoring, and rectification of major hazards and accident risks; maintenance and inspection of firefighting facilities; expenditure on monitoring of occupational disease hazards; expenditure on health check-up costs for personnel; expenditure on the inspection and testing of safety facilities and special equipment.	794.96
	Technical consulting	Expenditure on health and safety inspections, assessments, audits, consulting, and standardization construction (excluding the initial phase of project construction); expenditure on hazard identification, health and safety consulting services, and specialized health and safety advisory services.	292.31
	Education and training	Expenditure on health and safety publicity, education, and training, including online education, internal training, external training, and training for statutory professional qualification certificates.	423.14
	Labor protection	Expenditure on the provision and update of health and safety protective equipment for on-site workers.	642.52
	Technology promotion	Expenditures for improving health and safety performance indicators through the promotion and application of new technologies, standards, processes, and equipment.	116.83
	Insurances	Expenditure on safety production liability insurance, workers' compensation insurance, accident insurance, and other related insurance.	1,598.69
	Other	Other expenditures directly related to health and safety production, including repairs of workshop floors, rooftops, and factory roads, as well as indoor air quality management.	5271.47

Employee Engagement

The Company has implemented a “Hazard Reporting Reward Mechanism”. All employees can anonymously report identified hazards through the EHS management platform. Verified hazards are eligible for corresponding rewards based on hazard level. In 2025, a total of 353 valid reports were received, with a hazard rectification rate of 100%.

The Company has established an “Improvement and Innovation Incentive Mechanism”. All employees can carry out innovative improvements for identified issues through the innovation improvement development platform. Innovative improvement proposals that pass review and certification may receive corresponding rewards by level. In 2025, employees submitted 3,266 innovative improvement proposals, up 39.81% year on year, including 546 proposals related to safety and environmental protection, accounting for 16.72%.

Occupational Health and Safety Training

The Company has established an inclusive health and safety training matrix covering all employees, including senior and middle management, newly appointed managers, new employees, technical professionals, and relevant external personnel. Tailored training programs are designed to enhance safety awareness and skills, covering EHS leadership and management, general safety training, specialized operations safety training, and occupational hazard-specific training. To strengthen EHS training faculty, the Company has implemented a monthly professional development plan, offering targeted training sessions based on business needs. A dual evaluation system is in place for trainers and trainees, ensuring continuous optimization based on identified key issues. During the reporting period, the Company conducted 272 emergency drills focused on high-risk EHS areas and accident-prone scenarios, with an increase of 90% over the previous year. A variety of training methods, including offline sessions, online learning programs, panel discussions, and interactive experiences in safety training centers, were held to ensure the effectiveness of EHS education and training.

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

The Company has established a Work Safety Committee, with employee representatives involved, and holds regular health and safety meetings. Each department also incorporates safety meetings into their monthly work reports. In addition, the Company has launched the “Hazard Snap” module, providing a direct channel for employees to report safety hazards. The privacy of employees who report hazards is protected (only the EHS department can access the reported information, while the responsible department and other departments cannot view it). The EHS Management Department oversees the rectification process to ensure that the identified hazards are addressed and closed-loop management is implemented.



Supplier EHS management

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

The Company signed a safety agreement with contractors, specifying their safety responsibilities and requirements. All contractor construction personnel entering the plant area are required to complete safety training and pass the assessment, be equipped with personal protective equipment that meets national standards, comply with the Company's safety management policies, and be included in the scope of daily supervision and inspection. The Company has formulated the *Plant Entry Safety Instructions*. All visitors are required to be accompanied by designated personnel and to understand the relevant safety precautions.

Incident and Accident Management

The Company has established a sound EHS accident (incident) reporting and handling process and has launched the accident and incident management module on the EHS management platform to achieve full-process digitalization control: employees can promptly submit accident and incident information online through the platform, with support for uploading attachments, ensuring unimpeded reporting channels and complete information retention. After receiving the report, the EHS department immediately initiates the emergency response, goes to the site at the earliest time to verify the situation, and organizes emergency response actions such as personnel medical treatment and prevention and control of secondary risks.

The Company establishes a dedicated accident investigation team according to the accident level. The investigation team includes professionals in safety management, technical, and other fields, to ensure the professionalism and comprehensiveness of the investigation. The investigation team carries out investigation activities including on-site inspection and evidence collection, interviews with key personnel, and full-dimensional data traceability, accurately analyzes the direct and indirect causes of the accident, and defines the responsible party and levels of responsibility.

On this basis, the investigation team simultaneously develops corrective and preventive measures (specifying responsible personnel, implementation standards, and completion deadlines), puts forward accountability and rectification optimization recommendations, and produces a standardized *EHS Accident Investigation Report*. The EHS department has established a tracking ledger for the implementation of measures, supervises the rectification progress throughout the process, and confirms the effectiveness of measure implementation through on-site inspections, effectiveness verification measures, and other methods, thereby forming a full closed-loop management process of "reporting-emergency response-special investigation-cause analysis-responsibility determination-rectification implementation-effectiveness verification", and preventing the recurrence of similar accidents and incidents at the source.

During the reporting period, the Company experienced 24 recordable incidents. None of the above incidents had a material adverse impact on the Company's operations or the personal safety of its employees. Root cause analysis and accident investigations indicated that the primary causes were employee violation of operating procedures and inadequate identification of operational risks. The Company has since implemented measures such as improving equipment and facility safeguards, strengthening safety education and training, and enhancing on-site supervision and inspection to prevent the recurrence of such incidents.

Metrics and Targets

In 2023, the Company set the targets to reduce the LTIFR to 0.94 by 2025 and maintain this level, and to achieve 100% coverage of occupational health and safety training by 2028 while maintaining zero workplace fatal accidents.

In addition, the Company has fully updated its sustainability strategic objectives toward 2030, including targets related to "Occupational Health and Safety": achieving 100% coverage of occupational health and safety training by 2028, maintaining zero workplace fatalities, and reducing the LTIFR to 0.5, sustaining this level thereafter.



Public Welfare and Community Engagement

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

The Company complies with laws and regulations including the *Charity Law of the People's Republic of China* and the *Regulations on the Administration of Foundations* and has formulated the *Regulations on the Management of External Donations* to regulate its external donation activities. It has strengthened the development of its volunteer team, standardized voluntary service practices, and promoted the sustainable development of the Company's voluntary service programs. The Company actively fulfills its social responsibilities. In the 2025 fiscal year, it donated nearly RMB20 million for public welfare, of which approximately RMB15 million was contributed to the Sungrow Foundation for public welfare sectors including ecological improvement, community development, science popularization and education support, and emergency disaster prevention and relief. As an independent legal entity, the Sungrow Foundation recorded total public welfare expenditures of over RMB100 million in 2025. Details of its revenues, expenditures and project implementation have been disclosed on the National Charity Information Publicity Platform (Charity in China).

Ecological Environment Improvement

During the reporting period, Sungrow Foundation, together with the Nature Conservancy (TNC) and the Deyang Management Branch of Giant Panda National Park, launched the fourth phase of the "Sun Forest Program". Building on the first three phases, Phase IV of the "Sun Forest Program" continues to carry out habitat restoration and artificial nest demonstration along the Jiudingshan-Tudiling Corridor. With biodiversity afforestation and tending as the main means, the program provides a healthy habitat environment and breeding resources for small giant panda populations and promotes the effective enhancement of the ecosystem service functions of Giant Panda National Park.

In September 2025, Sungrow Foundation joined hands with the World Wildlife Fund for Nature (WWF) and the One Planet Foundation to enter Qilian Mountains National Park (candidate area) and launched a habitat vegetation restoration project. The Company built 100 mu of Sun Forest, integrated it into the Qilian Mountains ecological corridor, connected wildlife migration routes and habitats, and created a healthy forest where all living things coexist.

Emergency Response and Disaster Prevention

In November 2025, a sudden fire broke out in Tai Po, Hong Kong. Sungrow Foundation initiated its emergency response mechanism and donated HKD 10 million for assistance to affected residents and post-disaster reconstruction. In response to the severe floods in southern Thailand, the Company donated THB 0.1 million through the Thai Red Cross Volunteer Foundation to support disaster relief. In response to the sudden floods in Texas, the United States, the Company donated USD 50,000 to the American Red Cross to provide shelter, medical care, and basic supplies assistance to affected families.

Community Development

In November 2025, the Sungrow Foundation launched the "Sungrow Action" community public welfare initiative. The project brings together professional forces from across the clean energy sector to provide new energy facilities and services for urban, rural and natural communities, supporting their green and sustainable development. As the first stop of the program, a 6.23kW/10kWh photovoltaic energy storage system was donated to Jingui Community in Hefei, Anhui Province. The system is expected to generate an annual average of 7,400 kWh of green electricity, effectively meeting the community's needs for uninterrupted power supply and emergency lighting.

Popular Science and Education Support

In April 2025, Chairman Cao Renxian donated RMB100 million to Hefei University of Technology through the Sungrow Foundation to support the university's discipline development and talent cultivation. In September 2025, Sungrow Foundation signed a donation agreement with Anhui University of Science and Technology, donating RMB1 million to provide targeted financial support to 200 undergraduate and postgraduate students of the university, helping advance the university's "Double First-Class" construction.

Voluntary Service

In 2022, the Company initiated the program of Global Volunteer Service Week. Themed on "Go for Nature", the Company organizes volunteer services for environmental protection worldwide every year. By the end of 2025, the Company has reached 4,166 volunteers, with cumulative voluntary service time of 12,637 hours.

From November 29 to December 5, 2025, the fourth Sungrow Global Volunteer Service Week was carried out simultaneously globally. Domestic activities focused on biodiversity conservation and the advocacy of low-carbon living: In Hefei, volunteers carried out tree maintenance and a large-scale low-carbon carnival event, with more than one thousand participants taking part in the experiences; In Shanghai, the program focused on bird conservation. Through observation and the making of ecological bird nests, it protected the city's birds; In Shenzhen and Beijing, volunteers respectively experienced plant treasure hunts and the making of Traditional Chinese medicine soap, as well as intangible cultural heritage creation using discarded fabric, personally putting resource recycling into practice; In Nanjing, the activity ingeniously repurposed used coffee grounds to create environmentally friendly refrigerator magnets.

Overseas volunteers also responded proactively and carried out a wide range of volunteer service activities in multiple countries and regions, focusing on environmental protection and community care. In Germany and South Africa, volunteers participated in voluntary tree-planting activities, contributing to local ecological restoration and carbon emissions reduction; In Australia, volunteers delivered Christmas gifts, bringing warmth and care to the community; In South Korea and India, volunteers carried out park cleanups and riverbank litter cleanups, respectively, safeguarding the cleanliness and health of the natural environment; Volunteers in the Middle East organized first-aid training, enhancing the community's ability to respond to emergencies; US volunteers promoted sustainable gardening and green living concepts through low-carbon potted plant cultivation activities; Japanese volunteers promoted the "New Life for Old Items" upcycling project, advocating resource circularity and eco-friendly creativity; Volunteers in the Middle East and Africa region added artistic vibrancy and human warmth to community spaces through garden wall murals. The participation of volunteers further demonstrated the Company's long-term commitment to being rooted locally and giving back to the community, serving as a practical exploration of our implementation of the sustainable development strategy.



Certification Status of Business Units

In this Report, “business units” refer to core operational units covering the Company’s principal businesses—namely photovoltaic inverters, energy storage systems, and renewable energy power plant development—including R&D and innovation functions as well as manufacturing facilities. The detailed list and corresponding certification status are as follows.

Entity	Certification	Authority
Sungrow Power Supply Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Hazardous Substances Process Management System IECQ QC080000:2017	SGS
	Social Responsibility Management System SA8000®:2014	SGS
	Energy Management System ISO 50001:2018	TÜV SÜD
	Information Security Management System ISO/IEC 27001:2022	DNV
	Privacy Information Management System ISO/IEC 27701：2019	DNV
	Laboratory Accreditation ISO/IEC 17025:2017	CNAS
	ESD Management System IEC61340-5-1:2024 ANSI/ESD S20.20-2021	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	TÜV SÜD
	Evaluation System for After-Sales Service of Commodity GB/T 27922-2011	HXC
	Compliance Management System ISO 37301：2021	BSI
	Measurement Management System ISO 10012:2003	CQC
Sungrow Renewables Development Co., Ltd.	Quality Management System for Engineering CQC Construction Enterprise GB/T 19001-2016/ISO 9001:2015 + GB/T 50430-2017	CQC
	Environmental Management System GB/T 24001-2016/ISO 14001:2015	CQC
	Occupational Health and Safety Management System GB/T 45001-2020/ISO 45001:2018	CQC
Sungrow Energy Storage Technology Co., Ltd.	Quality Management System ISO 9001:2015	SGS

Entity	Certification	Authority
Sungrow Energy Storage Technology Co., Ltd.	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Energy Management System ISO 50001:2018	TÜV SÜD
	Social Responsibility Management System SA8000：2014	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	TÜV SÜD
	Measurement Management System ISO 10012:2003	CQC
Sungrow FPV Sci.& Tech. Co., Ltd.	Quality Management System GB/T 19001-2016/ISO 9001:2015	CQC\IQNET
	Environmental Management System GB/T 24001-2016/ISO 14001:2015	CQC\IQNET
	Occupational Health and Safety Management System GB/T 45001-2020/ISO 45001:2018	CQC\IQNET
	Hazardous Substances Process Management System IECQ QC080000:2017	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	TÜV SÜD
Hefei Sungrow E-Power Technology Co., Ltd.	Automotive Industry Quality Management System IATF 16949：2016	BV
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Energy Management System ISO 50001:2018	TÜV SÜD
	Road Vehicles Functional Safety System— ASIL-D ISO26262：2018	SGS-TÜ V Saar Gmbh
	ESD Management System ANSI/ESD20.20:2021 IEC-61340-5-1:2016	SGS
	Measurement Management System ISO 10012:2003	CQC
Sungrow Smart O&M Technology Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	TÜV SÜD
Sungrow Smart O&M Technology Co., Ltd.	Information Security Management System ISO/IEC 27001:2013	SGS
	Information Security Management System ISO/IEC 27001:2022	ASME
Sungrow Hydrogen Technology Co., Ltd.	Quality Management System ISO 9001:2015	BV
	Environmental Management System GB/T 24001-2016/ISO 14001:2015	CQC
	Occupational Health and Safety Management System GB/T 45001-2020/ISO 45001:2018	CQC
	ASME U System	ASME
	Laboratory Accreditation Certificate ISO/IEC 17025:2017	CNAS
	Measurement Management System ISO 10012:2003	CQC
Sungrow iCarbon Technology Co., Ltd.	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Information Security Management System ISO 27001:2013	DNV
	Information Technology Service Management System ISO 20000-1:2018	NOA
	Energy Management System ISO 50001:2018	SGS
SUNGROW DEVELOPERS INDIA PRIVATE LIMITED	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	TÜV SÜD
SUNGROW DEVELOPERS THAILAND CO,LTD	Quality Management System ISO 9001:2015	SGS
	Environmental Management System ISO 14001:2015	SGS
	Occupational Health and Safety Management System ISO 45001:2018	SGS
	Greenhouse Gas Verification Statement ISO 14064-1:2018	TÜV SÜD

Sustainability Performance Tables

Topic	Metric	Unit	2025	2024	2023
Environmental Compliance Management	Environmental protection investment	RMB10,000	1485.96	1026.4	795
	Routine operations and maintenance	RMB10,000	766.7	222	69.04
	Pollution control	RMB10,000	484.25	684	581.17
	Regular monitoring and testing	RMB10,000	50.77	19.4	29.92
	Technical consultancy services	RMB10,000	63.14	16.2	65.78
	Training and education	RMB10,000	14.2	35.7	42.88
	Environmental emergency response	RMB10,000	106.9	49.1	6.4
	Total monetary value of significant fines for non-compliance with environmental laws and/or regulations	RMB10,000	0	0	0
	Number of incidents of non-compliance with water quality permits, standards, and regulations	/	0	0	0
	Number of environmental protection projects implemented	/	4	3	/
	% of business units certified to ISO 14001	%	100	100	100
	% of employees trained on environmental issues	%	100	/	/
	% of business units that have conducted environmental risk assessments	%	100	/	/
Pollutant Discharge	Total air emissions	m^3	16.347	16.149	/
	Emissions of persistent organic pollutants (POPs)	t	0	0	/
	Average concentration of persistent organic pollutants (POPs)	mg/m^3	0	0	/
	POP emissions per unit of product	kg/GW	0	0	/
	Emissions of volatile organic compounds (VOCs)	t	9.8036	12.157	8.874
	Average concentration of volatile organic compounds (VOCs)	mg/m^3	3.63	3.5	/
	VOC_S emissions per unit of product	kg/GW	30.27	42.08	42.79
	Emissions of particulate matter (PM10)	t	6.5356	3.549	2.673
	Emissions of particulate matter (PM10)	mg/m^3	1.16	2.5	/
	Particulate matter (PM10) emissions per unit of product	kg/GW	20.18	12.28	12.89
Pollutant Discharge	Total domestic wastewater discharge	t	677952	554027	/
	Total chemical oxygen demand (COD) discharge	t	131.442	78.105	59.49
	Average discharge concentration of chemical oxygen demand (COD)	mg/L	135	140.441	/
	COD discharge per unit of product	kg/GW	405.903	259	286.837
	Total ammonia nitrogen (NH_3-N) discharge	t	18.449	8.037	8.262
	Average discharge concentration of ammonia nitrogen (NH_3-N)	mg/L	13.055	14.506	/
	NH_3-N discharge per unit of product	kg/GW	56.972	26.774	39.836
	Total phosphorus (TP) discharge	t	0.922	2.076	/
	Average discharge concentration of total phosphorus (TP)	mg/L	0.455	3.732	/
	TP discharge per unit of product	kg/GW	2.847	6.889	/
	Total biochemical oxygen demand (BOD_5) discharge	t	33.945	16.497	26.44
	Average discharge concentration of biochemical oxygen demand (BOD_5)	mg/L	41.864	29.664	/
	BOD_5 discharge per unit of product	kg/GW	104.825	54.753	127.483
	Total industrial wastewater discharge	t	3004	2116	/
	Number of penalties for water pollution violations	/	0	0	0
	Number of penalties for air pollution violations	/	0	0	0
	Total number of recorded significant spills	/	0	0	0
	Total volume of recorded significant spills	t	0	0	0

Topic	Metric	Unit	2025	2024	2023
Pollutant Discharge	Volume of spills recovered	t	0	0	0
Waste Disposal	Total waste generated	t	47845	34430.73	17389.89
	Waste generated per unit of product	t/GW	147.7	119.2	88.7
	Total non-hazardous waste generated	t	46013	33107	16937
	Total non-hazardous waste subject to resource recovery	t	41819	29796.58	10179.14
	Total non-hazardous waste disposed	t	4194	3310.42	6757.86
	Non-hazardous waste sent to landfill	t	0	0	0
	Non-hazardous waste incinerated with energy recovery	t	4194	3310.42	6556.56
	Non-hazardous waste incinerated without energy recovery	t	0	0	0
	Non-hazardous waste disposed by other methods	t	0	0	201.3
	Non-hazardous waste resource utilization rate	%	90.9	90	60.1
	Total hazardous waste generated	t	1832	1184.73	452.89
	Total hazardous waste recycled/reused	t	1004	618.3	124.27
	Total hazardous waste disposed	t	828	566.43	328.62
	Hazardous waste sent to landfill	t	0	0	0
	Hazardous waste incinerated with energy recovery	t	766	566.43	0
	Hazardous waste incinerated without energy recovery	t	11	0	304.33
	Hazardous waste disposed by other methods	t	51	0	24.29
	Total waste recycled/reused	t	42823	30414.88	10303.41
	% of waste recycled/reused	%	90	88	59
	Compliance rate of hazardous waste disposal	%	100	100	100
	Hazardous waste generated per unit of product	t/GW	5.7	4.1	/

Topic	Metric	Unit	2025	2024	2023
Waste Disposal	Non-hazardous waste generated per unit of product	t/GW	142.1	114.6	/
	Number of penalties for waste management violations	/	0	0	0
Water Resource Management	Water recycling rate	%	1.48	0	/
	Volume of water recycled and reused	m^3	2515	0	/
	Water consumption per unit of product	kg/kW	0.53	0.48	0.47
	Total water withdrawal	m^3	851195.23	695179	459024
	Total water withdrawal in water-stressed areas	m^3	0	0	0
	Total water discharge	m^3	680956.18	556143	367219
	Total water discharge in water-stressed areas	m^3	0	0	0
	Total water consumption	m^3	170239.05	139036	91805
	Total water consumption in water-stressed areas	m^3	0	0	0
	Coverage rate of water-saving training	%	100	/	/
	Total energy consumption	tce	36384.56	29116.51	23421.69
	Direct energy consumption	tce	1168.21	701.7	/
	Indirect energy consumption	tce	35216.36	28414.81	/
	Non-renewable energy consumption	tce	9826.53	9129.4	/
	Renewable energy consumption	tce	26558.03	19987.11	/
	Total electricity consumption	MWh	286544.79	231202.7	186819.98
	Grid electricity	MWh	70450.13	68573.67	89142.29
	Self-generated green electricity for own use	MWh	32730.03	12753.72	10050.71
	Directly purchased green electricity	MWh	183364.64	149875.31	87626.98

Topic	Metric	Unit	2025	2024	2023
Energy Management	Renewable energy certificates purchased	MWh	10400	0	5000
	Total renewable electricity	MWh	226494.66	162629.03	102677.69
	Wind power	MWh	/	41365.04	/
	% of wind power	%	/	25.44	/
	Solar power	MWh	/	121263.98	/
	% of solar power	%	/	74.56	/
	Hydropower	MWh	/	0	/
	% of hydropower	%	/	0	/
	% of renewable electricity	%	79	70	55
	Natural gas consumption	tce	753.07	235.97	143.7
	Gasoline consumption	tce	41.96	47.923	38.93
	Diesel consumption	tce	373.18	417.807	278.88
	Energy consumption per unit of product	kgce/kW	0.0851	0.0843	0.0884
	Energy consumption per RMB10,000 output value	kgce/ RMB10,000	4.08	3.74	3.11
	Clean energy usage	tce	27311.1	20223.08	12762.79
	Energy productivity	RMB10,000/ MWh	31.12	33.67	38.67
	Energy savings	tce	442.05	310.32	159.77
	Total installed capacity of power electronic conversion equipment by the end of the year	GW	1000	740	515
Circular Economy	Total packaging materials used for finished products	t	134406	/	/
	Packaging materials used for finished products per unit of product	t/GW	479	/	/
	Emissions reduction from solar PV generation	tCO_2e	19951	7469	5689

Topic	Metric	Unit	2025	2024	2023
Responding to Climate Change	Domestic renewable energy certificate (REC) offsets	tCO_2e	0	0	/
	International renewable energy certificate (REC) offsets	tCO_2e	5685	/	2852
	Emissions reduction from directly purchased green electricity	tCO_2e	111450	87767	48871
	Targeted funds for responding to climate change	RMB10,000	423	1784	/
	Total greenhouse gas (GHG) emissions	tCO_2e	9909739	9109321	9000664
	Scope 1 GHG emissions	tCO_2e	9756	6426	3806
	Scope 2 GHG emissions – location-based	tCO_2e	134497	117487	42996
	Scope 2 GHG emissions – market-based	tCO_2e	36061	40061	42996
	Scope 3 GHG emissions	tCO_2e	9863922	9062835	8953862
	Category 1: Purchased goods and services	tCO_2e	9135404	8491155	8471339
	Category 4: Upstream transportation and distribution	tCO_2e	29931	90481	61288
	Category 5: Waste generated in operations	tCO_2e	3777	1547	501
	Category 6: Business travel	tCO_2e	6577	8317	5094
	Category 7: Employee commuting	tCO_2e	1547	696	506
	Category 9: Downstream transportation and distribution	tCO_2e	59616	45813	45237
	Category 11: Use of sold products	tCO_2e	546666	367121	369898
	Category 12: End-of-life treatment of sold products	tCO_2e	80404	57704	/
	GHG emissions in China	tCO_2e	9409011	9104865	8997566
	GHG emissions in India	tCO_2e	1418	1836	1091
	GHG emissions in Thailand	tCO_2e	499309	2620	2008
	GHG emissions from fuel combustion	tCO_2e	2307	1475	/

Topic	Metric	Unit	2025	2024	2023
Responding to Climate Change	GHG emissions from electricity consumption	tCO_2e	36061	40061	/
	GHG emission intensity (Scope 1 + Scope 2)	tCO_2e/GW	163	175	/
	GHG emissions directly reduced by mitigation measures	tCO_2e	138341	95236	/
	Scope 1 GHG emissions directly reduced by mitigation measures	tCO_2e	170	0	/
	Scope 2 GHG emissions directly reduced by mitigation measures	tCO_2e	137523	95236	/
	Scope 3 GHG emissions directly reduced by mitigation measures	tCO_2e	648	0	/
	GHG emissions reduction from production process redesign	tCO_2e	0	0	/
	GHG emissions reduction from equipment upgrades	tCO_2e	111	0	/
	GHG emissions reduction from process improvements	tCO_2e	326	0	/
	GHG emissions reduction from fuel substitution	tCO_2e	170	0	/
	Carbon credits	tCO_2e	7127	3485	/
Employee Employment and Rights	% of employees entitled to parental leave	%	100	100	100
	Number of male employees that took parental leave	/	1767	996	/
	Number of female employees that took parental leave	/	442	237	/
	Total number of employees that took parental leave	/	2209	1233	/
	Return-to-work rate	%	99.37	100	/
	Return-to-work rate of male employees after parental leave	%	99.38	100	/
	Return-to-work rate of female employees after parental leave	%	99.32	100	/
	Retention rate of male employees after parental leave	%	89.3	92.2	/
	Retention rate of female employees after parental leave	%	92.5	94.1	/
	Overall retention rate	%	90	92.7	/

Topic	Metric	Unit	2025	2024	2023
Employee Employment and Rights	Total parental leave days granted	days	7818.625	/	/
	Parental leave days granted – primary caregiver	days	2885.625	/	/
	Parental leave days granted – non-primary caregiver	days	4933	/	/
	Number of employees that took maternity leave	/	185	/	/
	Number of employees that took maternity leave in China	/	177	/	/
	Number of employees that took maternity leave in APAC (excluding China)	/	2	/	/
	Number of employees that took maternity leave in the Americas	/	2	/	/
	Number of employees that took maternity leave in EMEA	/	4	/	/
	Maternity leave days granted	days	22793	/	/
	Maternity leave days granted in China	days	22118	/	/
	Maternity leave days granted in APAC (excluding China)	days	250	/	/
	Maternity leave days granted in the Americas	days	67	/	/
	Maternity leave days granted in EMEA	days	358	/	/
	Number of employees that took paternity leave	/	694	/	/
	Number of employees that took paternity leave in China	/	657	/	/
	Number of employees that took paternity leave in APAC (excluding China)	/	9	/	/
	Number of employees that took paternity leave in APAC (excluding China)	/	6	/	/
	Number of employees that took paternity leave in EMEA	/	22	/	/
	Paternity leave days granted	days	10070.375	/	/
	Paternity leave days granted in China	days	8379.375	/	/
	Paternity leave days granted in APAC (excluding China)	days	54	/	/

Topic	Metric	Unit	2025	2024	2023
Employee Employment and Rights	Paternity leave days granted in the Americas	days	30	/	/
	Paternity leave days granted in EMEA	days	1607	/	/
	Total number of employees	/	19006	17305	13697
	Number of full-time contract employees	/	19006	/	/
	Number of re-employed retirees	/	0	/	/
	Number of male employees	/	15395	14070	11118
	Number of female employees	/	3611	3235	2579
	Number of employees aged 30 and below	/	8050	7689	6503
	Number of employees aged 31 to 40	/	9341	8335	6340
	Number of employees aged 41 to 50	/	1410	1093	724
	Number of employees aged above 50	/	205	188	130
	% of male employees	%	81	81.31	81.17
	% of female employees	%	19	18.69	18.83
	% of employees aged 30 and below	%	42.36	44.43	47.48
	% of employees aged 31 to 40	%	49.15	48.17	46.29
	% of employees aged 41 to 50	%	7.42	6.32	5.29
	% of employees aged above 50	%	1.08	1.09	0.95
	Number of employees with doctoral degrees	/	166	138	89
	Number of employees with master's degrees	/	4742	4018	3024
	Number of employees with bachelor's degrees	/	7846	7469	6025
	Number of employees with associate degrees	/	3638	3314	2686

Topic	Metric	Unit	2025	2024	2023
Employee Employment and Rights	Number of employees with education below associate degree	/	2614	2366	1873
	Number of R&D technical personnel	/	7625	6989	5372
	Number of sales and marketing personnel	/	2463	2414	2076
	Number of general and administrative personnel	/	2798	2641	1988
	Number of production personnel	/	6120	5261	4261
	Number of employees working in China (including Hong Kong, Macau, and Taiwan)	/	16798	15531	12274
	Number of employees working overseas	/	2208	1774	1423
	% of employees working in China (including Hong Kong, Macau, and Taiwan)	%	88.38	89.75	89.61
	%of employees working overseas	%	11.62	10.25	10.39
	Number of employees in APAC (excluding China)	%	775	542	498
	Number of employees in the Americas	%	572	513	397
	Number of employees in EMEA	%	861	719	528
	Number of employees with disabilities	%	23	26	26
	Number of employees from ethnic minorities	%	390	361	269
	Number of entry-level employees	%	16751	15182	11806
	Number of junior management employees	/	1368	1317	1292
	Number of middle management employees	/	788	702	529
	Number of senior management employees	/	99	104	70
	Number of female entry-level employees	/	3231	2908	/
	Number of female junior management employees	/	251	208	/
	Number of female middle management employees	/	123	113	/

Topic	Metric	Unit	2025	2024	2023
Employee Employment and Rights	Number of female senior management employees	/	6	6	/
	% of female managers	%	16.9	15.4	15.7
	Global localization hiring rate	%	98	98.4	98.8
	Localization hiring rate in China	%	99.9	99	/
	Localization hiring rate overseas	%	83	85	/
	Labor contract signing rate	%	100	100	100
	% of female employees in revenue-generating roles	%	24.64	22.2	/
	% of female employees in STEM-related positions (e.g., science, technology, engineering, and data fields)	%	12.5	11.7	/
	Number of new hires	/	4039	4860	/
	Number of male new hires	/	3297	4017	/
	Number of female new hires	/	742	843	/
	Number of new hires with Chinese nationality (including Hong Kong, Macau, and Taiwan)	/	3398	4285	/
	Number of new hires with non-Chinese nationality	/	641	575	/
	Number of new hires aged 30 and below	人	2524	2954	/
	Number of new hires aged 31 to 40	/	1302	1719	/
	Number of new hires aged 41 to 50	/	184	159	/
	Number of new hires aged above 50	/	29	28	/
	Number of new entry-level hires	/	3927	4667	/
	Number of new junior management hires	/	66	138	/
	Number of new middle management hires	/	42	49	/
	Number of new senior management hires	/	4	6	/

Topic	Metric	Unit	2025	2024	2023
Employee Employment and Rights	Total number of employee departures	/	3031	2628	/
	Voluntary turnover rate	%	10.64	13.43	15.67
	Turnover rate of male employees	%	16.9	14.09	16.53
	Turnover rate of female employees	%	12	10.56	11.98
	Turnover rate of employees aged 30 and below	%	18.5	16.22	17.08
	Turnover rate of employees aged 31 to 40	%	14.2	11.18	14.66
	Turnover rate of employees aged 41 to 50	%	13.1	10.13	12.28
	Turnover rate of employees aged above 50	%	16.1	11.95	15.04
	Turnover rate of entry-level employees	%	17.4	16.5	/
	Turnover rate of junior management	%	5.48	6.4	/
	Turnover rate of middle management	%	4.57	4.1	/
	Turnover rate of senior management	%	6.06	3.7	/
	Turnover rate of employees with Chinese nationality (including Hong Kong, Macau, and Taiwan)	%	15.6	12.94	/
	Turnover rate of employees with non-Chinese nationality	%	19.2	17.7	/
	Turnover rate of employees working in China (including Hong Kong, Macau, and Taiwan)	%	15.6	/	/
	Turnover rate of employees working overseas	%	18.7	/	/
	Turnover rate of employees in APAC (excluding China)	%	18.8	/	/
	Turnover rate of employees in the Americas	%	24.8	/	/
	Turnover rate of employees in EMEA	%	14.4	/	/
	Number of internal hires	/	196	172	183
	% of internal hires	%	4.35	3.2	4

Topic	Metric	Unit	2025	2024	2023
Employee Employment and Rights	% of employees receiving regular performance and career development reviews	%	100	100	100
	Employee health check coverage rate	%	100	100	100
	Social insurance coverage rate	%	100	100	100
	Total number of discrimination incidents during the reporting period	/	0	0	0
	Number of incidents of child labor during the year	/	0	0	0
	% of business units that have been subject to human rights reviews or human rights impact assessments	%	100	100	/
	% of security personnel who have received formal training in the Company's human rights policies or specific procedures and their application to security	%	100	100	/
	% of employees who received training on diversity, discrimination, and/or harassment across all locations	%	100	100	/
	% of employees covered by formally-elected employee representatives across all locations	%	100	100	100
	% of employees represented by independent trade unions or covered by collective bargaining agreements	%	100	100	100
Employee Training and Development	Total investment in employee training	RMB10,000	2374	2155	2054
	Training investment per employee	RMB10,000	0.1249	0.1245	0.15
	Employee engagement	Score	4.45	4.34	4.28
	Organizational health index	%	89.4	88	86.8
	Percentage of employees covered by performance-based variable compensation	%	100	100	100
	Number of employees receiving hardship assistance	/	10	4	/
	Average tenure of male employees	years	3.2	2.83	/
	Average tenure of female employees	years	3.2	2.78	/
	Number of training sessions conducted	/	13503	11482	/
	Training coverage rate	%	100	100	100
	% of employees receiving skills-related training	%	100	/	/
	% of female employees receiving training	%	19	/	/
	% of male employees receiving training	%	81	/	/
	% of entry-level employees receiving training	%	88.13	/	/
	% of junior management receiving training	%	7.2	/	/
	% of middle management receiving training	%	4.15	/	/
	% of senior management receiving training	%	0.52	/	/
	Average training hours per employee	hours	91.1	90.63	90
	Average training hours for male employees	hours	92.3	90.2	44.5
	Average training hours for female employees	hours	86	92.51	48.8
	Average training hours for entry-level employees	hours	89.12	91.24	/
	Average training hours for junior management	hours	117.58	85.39	/
	Average training hours for middle management	hours	89.51	87.6	/
	Average training hours for senior management	hours	59.4	86.82	/
	Average training hours for employees aged 30 and below	hours	105.22	106.61	/
	Average training hours for employees aged 31 to 40	hours	85.31	81.58	/
	Average training hours for employees aged 41 to 50	hours	57.92	52.51	/
	Average training hours for employees aged above 50	hours	29.24	24.23	/
	Average training hours for Han employees	hours	101.91	90.63	/
	Average training hours for ethnic minority employees	hours	78.08	83.8	/
	Number of employees covered by leadership training programs	/	961	702	700
	Average training hours for leadership training programs	hours	54.26	61.3	60

Topic	Metric	Unit	2025	2024	2023
Employee Training and Development	Investment in supporting employees' academic advancement and certification attainment	RMB10,000	552.504	515.13	329
	Number of employees supported in obtaining certifications or degrees	/	1889	1916	/
	Number of employees meeting qualification certification requirements	/	5867	5083	2073
	Number of employees successfully promoted	/	4596	4057	1653
Occupational Health and Safety	Number of work-related fatalities due to health issues	/	0	0	/
	Number of recordable work-related health cases	/	24	39	/
	Health check coverage rate for employees in positions with occupational disease risks	%	100	100	/
	Number of occupational disease cases	人	0	0	/
	Incidence rate of occupational diseases	%	0	0	/
	Number of employees participating in safety training	/	19006	13577	5367
	Average health and safety training hours per employee	hours	9.29	10.75	15.98
	Number of safety training sessions conducted annually	/	2490	385	162
	Number of lost workdays due to work-related injuries	workdays	52	403.35	149
	Number of work-related fatalities due to injuries	/	0	0	0
	Work-related fatality rate	persons / 1 million hours worked	0	0	0
	Lost Time Injury Frequency Rate (LTIFR) per million hours worked	lost time injuries / 1 million hours worked	0.25	0.71	0.643
	Number of recordable incidents	/	24	39	70
	Total Recordable Incident Frequency Rate (TRIFR)	times / 1 million hours worked	0.66	1.16	3.00
	Number of fatal incidents	/	0	0	0
	Number of serious injuries	/	0	1	0
	Number of minor injuries	/	9	23	15

Topic	Metric	Unit	2025	2024	2023
Occupational Health and Safety	Lost Time Days Rate (LTDR)	workdays / 1 millions hours worked	1.42	11.99	6.391
	Total Recordable Injury Rate (TRIR)	times / 200,000 hours worked	0.13	0.23	0.60
	Total hours lost due to work-related injuries	hours	416	3226.8	1192
	Investment in health and safety	RMB10,000	13860.8	12540.8	5623.4
	Amount invested in employee work injury insurance	RMB10,000	861.89	553.52	/
	Amount invested in employer liability insurance for workplace safety	RMB10,000	736.80	660.72	/
	Work injury insurance coverage rate	%	100	100	/
	Employer liability insurance coverage rate	%	100	100	/
	% of business units certified to ISO 45001	%	90	80	80
	Total working hours	hours	36508706.06	33648244.25	23315124
	Number of major safety incidents	/	0	0	0
	% of business units that have conducted employee health and safety risk assessments	%	100	100	100
	% of employees represented by formal joint management–worker health and safety committees across all locations	%	100	100	100
Public Welfare and Community Engagement	Amount of charitable donations	RMB10,000	1948.83	2078.03	587.79
	Number of registered volunteers	/	4166	2341	/
	Number of volunteer participations	/	2082	1875	/
	Total employee volunteer service hours	hours	12637	8303.5	3442
Product Quality and Safety	Number of significant product-related safety and quality incidents during the reporting period	/	0	0	0
	Monetary losses associated with significant product-related safety and quality incidents during the reporting period	RMB10,000	0	0	0
	Number of products recalled due to safety and health reasons	/	0	/	/
	% of products recalled due to safety and health reasons	%	0	/	/

Topic	Metric	Unit	2025	2024	2023
R&D and Innovation	R&D investment	RMB10,000	417497	316352	244739
	% of R&D personnel	%	40.12	40.39	39.22
	Total number of patent applications (cumulative)	/	11504	9401	7756
	Number of domestic patent applications	/	9949	8145	6725
	Number of overseas patent applications	/	1555	1256	1031
	Total number of patents granted (cumulative)	/	6569	5082	4123
	Number of invention patents granted	/	2218	1786	1417
	Number of software copyrights	/	201	186	/
	Total number of employees rewarded for patents during the reporting period	/	1976	1580	1273
	Total amount of rewards for patents during the reporting period	RMB10,000	570	609	585
	Number of industry standards participated in during the reporting period	/	28	18	14
	Number of trademarks approved during the reporting period	/	129	241	274
Customer Relationship Management	Customer satisfaction	%	94.68	93.7	93.9
	Number of complaints received regarding products and services	/	293	/	/
	Complaint responding rate	%	100	/	/
	Complaint closure rate	%	95	/	/
Sustainable Supply Chain	Number of suppliers participating in ESG training	/	306	138	/
	Number of suppliers participating in ESG training	hours	2543	798.9	/
	Total number of suppliers	/	696	695	650
	Supplier distribution – Chinese mainland	/	621	614	629
	Supplier distribution – Hong Kong, Macau, and Taiwan	/	15	16	/

Topic	Metric	Unit	2025	2024	2023
Sustainable Supply Chain	Supplier distribution – Overseas	/	60	65	/
	Total number of significant suppliers	/	20	20	51
	Number of significant suppliers in tier-1	/	20	20	/
	% of procurement on significant suppliers in tier-1	%	39	38	/
	Number of significant suppliers in non-tier-1	/	0	0	/
	% of procurement on local suppliers – China	%	89.31	92	/
	Total number of suppliers in capability-building programs	/	37	5	/
	% of suppliers signing the *Supplier Code of Conduct*	%	99.21	96.93	96.79
	% of suppliers signing contracts with environmental, labor, and human rights clauses	%	98.34	98.34	/
	Number of suppliers that have undergone ESG on-site audits	/	251	112	33
	% of suppliers that have undergone ESG on-site audits	%	36.06	16.12	5.08
	Number of new suppliers	/	44	90	56
	Number of new suppliers screened using environmental and social criteria	/	44	90	/
	Number of suppliers assessed for environmental and social impacts during the reporting period	/	139	92	33
	Number of suppliers assess with substantial actual/potential negative environmental and social impacts	/	24	17	0
	Number of suppliers with substantial actual/ potential negative environmental and social impacts with agreed corrective actions / improvement plans	/	24	17	0
	Number of suppliers with substantial actual/ potential negative impacts that were terminated	/	0	0	0
	Total number of key suppliers assessed for environmental and social impacts	/	9	8	/
	% of suppliers complying with restricted substances requirements	%	86.8	85.25	/
	% of suppliers certified to ISO 14001	%	80.03	73.77	66.17
	% of suppliers certified to ISO 45001	%	67.24	62.3	53.32

Topic	Metric	Unit	2025	2024	2023
Sustainable Supply Chain	% of suppliers certified to ISO 9001	%	97.30	96.31	88.87
	Number of suppliers that have conducted organizational carbon inventories	/	182	139	/
	Number of materials with calculated product carbon footprints	/	142	66	/
	% of procurement staff trained in sustainable procurement	%	49.29	43.93	/
	% of suppliers complying with conflict minerals requirements	%	52	43.02	/
	Number of suppliers subject to responsible minerals due diligence	/	298	195	123
	Revenue from products containing conflict minerals	RMB10,000	0	0	0
Corporate Governance	Total number of members in the governance level (including the board of directors and executive management)	/	14	14	15
	Number of female members in the governance level	/	2	2	2
	Number of board members	/	8	8	8
	Number of executive directors	/	5	4	4
	Number of other non-executive directors	/	0	1	1
	Number of independent directors	/	3	3	3
	Number of board meetings	/	8	7	8
	Average tenure of board members	years	7.95	6.95	/
	Average board meeting attendance rate	%	100	100	100
Business Ethics	Signing rate of *Employee Integrity Commitment*	%	100	100	/
	Number of directors trained in anti-bribery and anti-corruption	/	8	/	/
	% of directors trained in anti-bribery and anti-corruption	%	100	/	/
	Total training hours for directors on anti-bribery and anti-corruption	hours	6.5	/	/
	Average training hours per director on anti-bribery and anti-corruption	hours	0.81	/	/
	Number of management personnel trained in anti-bribery and anti-corruption	/	2255	/	/
	Number of management personnel trained in anti-bribery and anti-corruption	%	100	/	/
	Total training hours for management on anti-bribery and anti-corruption	hours	2595	/	/
	Average training hours per management personnel on anti-bribery and anti-corruption	hours	1.15	/	/
	Number of employees trained in anti-bribery and anti-corruption	/	19006	17305	13697
	% of employees trained in anti-bribery and anti-corruption	%	100	100	100
	Total training hours for employees on anti-bribery and anti-corruption	hours	31140	/	/
	Average training hours per employee on anti-bribery and anti-corruption	hours	1.64	/	/
	Total number of grievances filed during the reporting period	/	29	25	19
	Number of grievances processed (or reviewed) during the reporting period	/	29	25	19
	Number of grievances resolved during the reporting period	/	29	25	19
Business Ethics	% of new employees covered by anti-bribery and anti-corruption training	%	100	100	100
	Total number of business units within the reporting boundary	/	10	10	/
	Number of business units assessed for corruption risks	/	10	10	/
	% of business units assessed for corruption risks	%	100	100	/
	Number of significant corruption risks identified through risk assessments	/	0	0	/
	Number of integrity training sessions for high-risk personnel	/	32	25	8
	Total number of confirmed corruption incidents (internal and external, including suppliers)	/	33	26	13
	Number of rectified corruption cases	/	33	26	/
	Number of internal corruption incidents	/	23	18	/
	Number of employees found in violation of integrity policies	/	31	25	13
	Number of employees dismissed due to corruption	/	21	19	13

Topic	Metric	Unit	2025	2024	2023
Business Ethics	Number of confirmed incidents leading to termination or non-renewal of contracts with business partners due to corruption	/	2	8	/
	Total monetary losses from legal cases related to bribery or corruption	RMB10,000	0	0	/
	% of business units with certified anti-corruption management systems	%	20	20	/
	Supplier anti-bribery and anti-corruption due diligence coverage rate	%	100	/	/
	Number of concluded legal cases related to bribery or corruption during the reporting period	/	5	/	/
Compliance and Risk Management	Number of cases related to anti-competitive behavior and anti-trust during the reporting period	/	0	0	/
	Total monetary losses from legal cases related to anti-competitive behavior	RMB10,000	0	0	/
	Number of compliance risk management training sessions	/	61	53	/
	Number of employees trained in anti-competitive practices	/	352	/	/
	% of employees in high-risk positions trained in anti-competitive practices	%	44.3	/	/
Cybersecurity and Privacy Protection	Total number of substantiated complaints concerning breaches of customer privacy	/	0	0	0
	Total number of identified data breaches, theft, or loss of customer data	/	0	0	0
	Monetary losses associated with customer data breaches	RMB10,000	0	0	0
	Total training hours on information security and data protection	hours	6060	7948	/
	Training coverage rate for information security and data protection	%	100	100	/
	Monetary losses associated with data security incidents	RMB10,000	0	0	0
	% of business units with ISO 27001-certified (or equivalent) information security management systems (ISMS)	%	30	30	/
	% of business units that have conducted internal audits or risk assessments on information and privacy security	%	30	/	/
	Supplier information security due diligence coverage rate	%	67.58	/	/
Economic Performance	Revenue	RMB100 million	891.8	778.6	722.5
	Net profit attributable to shareholders of the listed company	RMB100 million	134.6	110.4	94.4

Notes

- Wind Power, % of Wind Power, Solar Power, % of Solar Power, Hydropower, % of Hydropower: The relevant government departments have not yet released the aforementioned data. These will be supplementally disclosed in the 2026 Sustainability Report.
- Targeted funds for responding to climate change: The decrease in funding for 2025 compared to 2024 is primarily due to the high investment in the construction of energy and carbon management systems in 2024. Following the successful launch, the systems have operated steadily, leading to a reduction in related expenditures.
- Number of suppliers that have undergone ESG on-site audits and % of suppliers that have undergone ESG on-site audits: These indicators represent cumulative values; the disclosed figures for 2024 have been revised accordingly.
- Total number of members in the governance level (including the board of directors and executive management): In accordance with regulatory requirements, the Company no longer maintains a Board of Supervisors. The data for 2023 and 2024 have been adjusted to reflect this change.
- % of employees receiving training by category = Number of employees receiving training in the category / Total number of employees receiving training.
- Number of complaints received regarding products and services: Refers to the number of key quality issues identified based on the Company's internal classification and management system.
- Complaint closure rate: All customer issues are addressed and resolved in a timely manner; this closure rate refers to the internal rate of reducing quality issues to zero.

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Section 2 Innovation-Driven Development and Ethics of Science and Technology Article 41		R&D and Innovation
Innovation	Article 42	R&D and Innovation Sustainability Performance Tables
Ethics of science and technology	Article 43	During the reporting period, the Company focused on the research, development, production, sales, and service of new energy power equipment, including solar, wind, energy storage, and electric vehicles, it is not involved in ethically sensitive fields of technology such as life sciences or artificial intelligence. Therefore, this was not identified as a material topic. For topics related to data security and privacy protection, disclosures are provided in the Cybersecurity and Privacy Protection section.
Section 3 Suppliers and Customers Article 44		Sustainable Supply Chain Product Quality and Safety Customer Relationship Management Cybersecurity and Privacy Protection

Topics, Provisions No.		Location, Other Descriptions
Chapter IV Social Disclosure		
Supply chain security	Article 45	Sustainable Supply Chain
Equal treatment of SMEs	Article 46	The Company has not identified this as a material topic. During the reporting period, the Company had no overdue payments to small and medium-sized enterprises.
Product and service safety and quality	Article 47	Product Quality and Safety Sustainability Performance Tables
Data security and customer privacy	Article 48	Cybersecurity and Privacy Protection Sustainability Performance Tables
Section 4 Employees Article 49		Employee Employment and Rights Employee Training and Development Occupational Health and Safety
Employees	Article 50	Employee Employment and Rights Employee Training and Development Occupational Health and Safety Sustainability Performance Tables
Chapter V Disclosure of Sustainability-Related Governance Information		
Section 1 Sustainability-Related Governance Mechanisms Article 51		Sustainability Management
Due diligence	Article 52	Materiality Assessment
Stakeholder engagement	Article 53	Materiality Assessment
Section 2 Business Practices Article 54		Business Ethics
Anti-commercial bribery and anti-corruption	Article 55	Business Ethics Sustainability Performance Tables
Fair competition	Article 56	Business Ethics Sustainability Performance Tables
Chapter VI Supplementary Provisions and Interpretation		
Article 57		Indexes
Article 58		Independent Assurance Statement

IFRS S2 Climate-related Disclosures Index

KPI	Description	Location
Core Content: Governance		
6(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Responding to Climate Change — Governance
6(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
Core Content: Strategy		
Climate-related risks and opportunities		
10(a)	Describe climate -related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Responding to Climate Change — Strategy
10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or a climate-related transition risk.	
10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	
10(d)	Explain how the entity defines "short term", "medium term" and "long term"and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	
Business model and value chain		
13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	Responding to Climate Change — Strategy
13(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making		
14(a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	Responding to Climate Change — Strategy
14(b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	
14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	
Financial position, financial performance and cash flows		
15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	Responding to Climate Change — Strategy
15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	

KPI	Description	Location
16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Responding to Climate Change — Strategy
16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
16(c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans and its planned sources of funding to implement its strategy.	
16(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	
Climate resilience		
22(a)	The entity's assessment of its climate resilience as at the reporting date.	Responding to Climate Change — Strategy
22(b)	How and when the climate-related scenario analysis was carried out.	
Risk management		
25(a)	The processes and related policies the entity uses to identify, assess, prioritise, and monitor climate-related risks.	Responding to Climate Change — Impacts, Risks, and Opportunities Management
25(b)	The processes the entity uses to identify, assess, prioritise, and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	
25(c)	The extent to which, and how, the processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	
Metrics and targets		
Climate-related metrics		
29(a)	Greenhouse gases (including Scope 1, 2, and 3).	Responding to Climate Change — Metrics and Targets
29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	
29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.	

KPI	Description	Location
29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Responding to Climate Change — Metrics and Targets
29(f)	Internal carbon prices.	——
29(g)	Remuneration—the entity shall disclose: a description of whether and how climate-related considerations are factored into executive remuneration; and the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	
Climate-related targets		
33(a)	The metric used to set the target.	Responding to Climate Change — Metrics and Targets
33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	
33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).	
33(d)	The period over which the target applies.	
33(e)	The base period from which progress is measured.	
33(f)	Any milestones and interim targets.	
33(g)	If the target is quantitative, whether it is an absolute target or an intensity target.	
33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
34(a)	Whether the target and the methodology for setting the target has been validated by a third party.	
34(b)	The entity's processes for reviewing the target.	
34(c)	The metrics used to monitor progress towards reaching the target.	
34(d)	Any revisions to the target and an explanation for those revisions.	
36(a)	Which greenhouse gases are covered by the target.	
36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	
36(c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	
36(d)	Whether the target was derived using a sectoral decarbonisation approach.	
36(e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Responding to Climate Change — Strategy

GRI Index

Statement of use	Sungrow has reported in accordance with the GRI Standards for the period January 1 to December 31, 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	No applicable sector standard

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosure 2021	2-1	Organizational details	About Sungrow	Omission		
	2-2	Entities included in the organization's sustainability reporting	About this Report			
	2-3	Reporting period, frequency and contact point	About this Report			
	2-4	Restatements of information	Sustainability Performance Tables			
	2-5	External assurance	Independent Assurance Statement			
	2-6	Activities, value chain and other business relationships	About Sungrow, Sustainability Materiality Assessment			
	2-7	Employees	Employee Employment and Rights			
	2-8	Workers who are not employees	Employee Employment and Rights			
	2-9	Governance structure and composition	Sustainability Management, Corporate Governance			
	2-10	Nomination and selection of the highest governance body	Corporate Governance			
	2-11	Chair of the highest governance body	Corporate Governance			
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management, Corporate Governance			
	2-13	Delegation of responsibility for managing impacts	Sustainability Management, Corporate Governance			
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Management			
	2-15	Conflicts of interest	Business Ethics, Compliance and Risk Management			
GRI 2:General Disclosure 2021	2-16	Communication of critical concerns	Stakeholder Communication			
	2-17	Collective knowledge of the highest governance body	Sustainability Management			
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance			
	2-19	Remuneration policies	Corporate Governance			
	2-20	Process to determine remuneration	Corporate Governance			
	2-21	Annual total compensation ratio	Omission	2-21-a 2-21-b 2-21-c	Confidentia	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.
	2-22	Statement on sustainable development strategy	Chairman's Statement, Sustainability Strategy			
	2-23	Policy commitments	Employee Employment and Rights, Business Ethics, Sustainable Supply Chain			
	2-24	Embedding policy commitments	Business Ethics, Sustainable Supply Chain			
	2-25	Processes to remediate negative impacts	Business Ethics, Compliance and Risk Management, Customer Relationships Management			
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics			
	2-27	Compliance with laws and regulations	Please refer to specific topics			
	2-28	Membership associations	Industry-Academia-Research Collaboration			
	2-29	Approach to stakeholder engagement	Stakeholder Communication			
	2-30	Collective bargaining agreements	Employee Employment and Rights			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment			
	3-2	List of material topics	Materiality Assessment			
	3-3	Management of material topics	Materiality Assessment			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Economic Performance						
GRI 3: Material Topics 2021	3-3	Management of material topics	Annual Performance, Sustainability Performance Tables			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Performance, Sustainability Performance Tables			
	201-2	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change			
	201-3	Defined benefit plan obligations and other retirement plans	Employee Employment and Rights			
	201-4	Financial assistance received from government	Please refer to the *2025 Annual Report*			
Market Presence						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employment Compensation and Welfare			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Employment and Rights			
	202-2	Proportion of senior management hired from the local community	Omission	202-2-a 202-2-b 202-2-c 202-2-d	Confidential	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Public Welfare and Community Engagement			
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Public Welfare and Community Engagement			
	203-2	Significant indirect economic impacts	Public Welfare and Community Engagement			
Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Sustainable Supply Chain			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Supply Chain			
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Business Ethics			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosure 2021						
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics			
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics			
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics			
Anti-competitive Behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Business Ethics			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Business Ethics			
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics	For details regarding tax matters, please refer to the *2025 Annual Report*.			
GRI 207: Tax 2019	207-1	Approach to tax	For details regarding tax matters, please refer to the *2025 Annual Report*.			
	207-2	Tax governance, control, and risk management	For details regarding tax matters, please refer to the *2025 Annual Report*.			
	207-3	Stakeholder engagement and management of concerns related to tax	For details regarding tax matters, please refer to the *2025 Annual Report*.			
	207-4	Country-by-country reporting	For details regarding tax matters, please refer to the *2025 Annual Report*.			
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Circular Economy			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Omission	301-1-a	Confidential	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.
	301-2	Recycled input materials used	Omission	301-2-a	Confidential	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.
	301-3	Reclaimed products and their packaging materials	Omission	301-3-a 301-3-b	Confidential	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Energy Management			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management			
	302-2	Energy consumption outside of the organization	Energy Management			
	302-3	Energy intensity	Energy Management			
	302-4	Reduction of energy consumption	Energy Management			
	302-5	Reductions in energy requirements of products and services	Energy Management			
Water and Effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Water Resource Management			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Resource Management			
	303-2	Management of water discharge-related impacts	Water Resource Management			
	303-3	Water withdrawa	Water Resource Management			
	303-4	Water discharge	Water Resource Management			
	303-5	Water consumption	Water Resource Management			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Biodiversity						
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	Ecosystems and Biodiversity Protection, Sustainability Strategic Objectives and Progress			
	101-2	Management of biodiversity impacts	Ecosystems and Biodiversity Protection			
	101-3	Access and benefit-sharing	Ecosystems and Biodiversity Protection			
	101-4	Identification of biodiversity impacts	Ecosystems and Biodiversity Protection			
	101-5	Locations with biodiversity impacts	Ecosystems and Biodiversity Protection			
	101-6	Direct drivers of biodiversity loss	Ecosystems and Biodiversity Protection			
	101-7	Changes to the state of biodiversity	Ecosystems and Biodiversity Protection			
	101-8	Ecosystem services	Ecosystems and Biodiversity Protection			
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Responding to Climate Change			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change			
	305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change			
	305-3	Other indirect (Scope 3) GHG emissions	Responding to Climate Change			
	305-4	GHG emissions intensity	Responding to Climate Change			
	305-5	Reduction of GHG emissions	Responding to Climate Change			
	305-6	Emissions of ozone-depleting substances (ODS)	Omission	305-6-a 305-6-b 305-6-c 305-6-d	Incomplete information	The Company does not have significant emissions of ODS and therefore has not conducted relevant accounting.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions Management			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Pollutant and Waste Management			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Pollutant and Waste Management			
	306-2	Management of significant waste-related impacts	Pollutant and Waste Management			
	306-3	Waste generated	Sustainability Performance Tables			
	306-4	Waste diverted from disposal	Sustainability Performance Tables			
	306-5	Waste directed to disposal	Sustainability Performance Tables			
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Sustainable Supply Chain			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainability Performance Tables			
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Employment and Rights, Sustainability Performance Tables			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Employment and Rights			
	401-3	Parental leave	Sustainability Performance Tables			
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Omission	402-1-a 402-1-b	Confidential	Due to information confidentiality requirements, this in formation will not be disclosed to the public in this Report.

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety			
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety			
	403-3	Occupational health services	Occupational Health and Safety			
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety			
	403-5	Worker training on occupational health and safety	Occupational Health and Safety			
	403-6	Promotion of worker health	Occupational Health and Safety			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety			
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety			
	403-9	Work-related injuries	Occupational Health and Safety, Sustainability Performance Tables	403-9-b	Confidential	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.
	403-10	Work-related ill health	Occupational Health and Safety, Sustainability Performance Tables	403-10-a 403-10-b	Confidential	Due to information confidentiality requirements, this information will not be disclosed to the public in this Report.
Training and Education						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Training and Development			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Sustainability Performance Tables			
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development			
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Performance Tables			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Board Diversity and Independence, Employee Employment, Sustainability Performance Tables			
	405-2	Ratio of basic salary and remuneration of women to men	Omission	405-2-a 405-2-b	Confidential	The Company implements a fair compensation policy for both male and female employees. As remuneration is influenced by factors such as position and job role and involves company-sensitive information, the pay ratios between gender groups across employee categories are not disclosed at this time.
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights Management			
Freedom of Association and Collective Bargaining						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Communication and Collective Bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Communication and Collective Bargaining			
Child Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Employment and Rights			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Employment and Rights			
Security Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Employee Employment and Rights			
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Employee Employment and Rights			
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Public Welfare and Community Engagement, Ecosystems and Biodiversity Protection			
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Public Welfare and Community Engagement, Ecosystems and Biodiversity Protection			
Local Communities						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Public Welfare and Community Engagement			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact	Public Welfare and Community Engagement			
	413-2	Operations with significant actual and potential negative impacts on local communities	Public Welfare and Community Engagement			
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Sustainable Supply Chain			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Performance Tables			
	414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain, Sustainable Performance Tables			

GRI Standards	Disclosure		Location	Omission		
				Requirement(s) Omitted	Reason	Explanation
Public Policy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Omission	3-3	Not applicable	The Company's operations do not involve public policy issues.
GRI 415: Public Policy 2016	415-1	Political contributions	Omission	415-1	Not applicable	The Company's operations do not involve public policy issues.
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Product Quality and Safety, Customer Relationships Management			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety, Customer Relationship Management			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety, Customer Relationship Management			
Marketing and Labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Product Quality and Safety, Customer Relationship Management			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Responsible Marketing			
	417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Relationship Management			
	417-3	Incidents of non-compliance concerning marketing communications	Customer Relationship Management			
Customer Privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Assessment, Cybersecurity and Privacy Protection			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Privacy Protection			

Independent Assurance Statement

SGS

ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE SUNGROW POWER SUPPLY CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by SUNGROW POWER SUPPLY CO., LTD. (hereinafter referred to as SUNGROW) to conduct an independent assurance of the Sustainability Report for 2025 for the period of January 1, 2025 to December 31, 2025.

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

RESPONSIBILITIES
The sustainability information in the Sustainability Report for 2025 and its presentation are the responsibility of SUNGROW's Strategy and Sustainability Committee,Sustainability Management Office,ESG Development Center and Sustainability Implementation Working Group. SGS-CSTC has not been involved in the preparation of any of the material included in the Sustainability Report for 2025.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

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

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (In Accordance with)
Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at SUNGROW'S Headquarter,No.1699, Xiyou Road, High-Tech Insustry Development Zone, Hefei City, P. R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of SUNGROW POWER SUPPLY CO., LTD. and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

SGS

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

The greenhouse gas emission related data in the Sustainability Report for 2025 has been directly adopted from the independent third party verification data and has not been double verified in this audit.

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

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

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the SUNGROW POWER SUPPLY CO., LTD.'S SUSTAINABILITY REPORT FOR 2025.

ADHERENCE TO GRI STANDARDS 2021
The assurance team concludes that the SUNGROW POWER SUPPLY CO., LTD.'S SUSTAINABILITY REPORT FOR 2025 has been prepared in accordance with the requirements of GRI Standards 2021.

ADHERENCE TO SELF-REGULATORY GUIDELINES NO. 17 FOR COMPANIES LISTED ON SHENZHEN STOCK EXCHANGE—SUSTAINABILITY REPORT (FOR TRIAL IMPLEMENTATION)
The assurance team concludes that the SUNGROW POWER SUPPLY CO., LTD.'S SUSTAINABILITY REPORT FOR 2025 has been prepared in accordance with the requirements of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).

Signed:

For and on behalf of SGS-CSTC

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

Apr. 8th, 2026
WWW.SGS.COM

CN26/00002410

Sungrow Power Supply Co., Ltd.,

1699 Xiyou Road, High-tech Zone, Hefei, Anhui Province, China

+86 551 6532 7877