金盘科技
JINPAN TECHNOLOGY

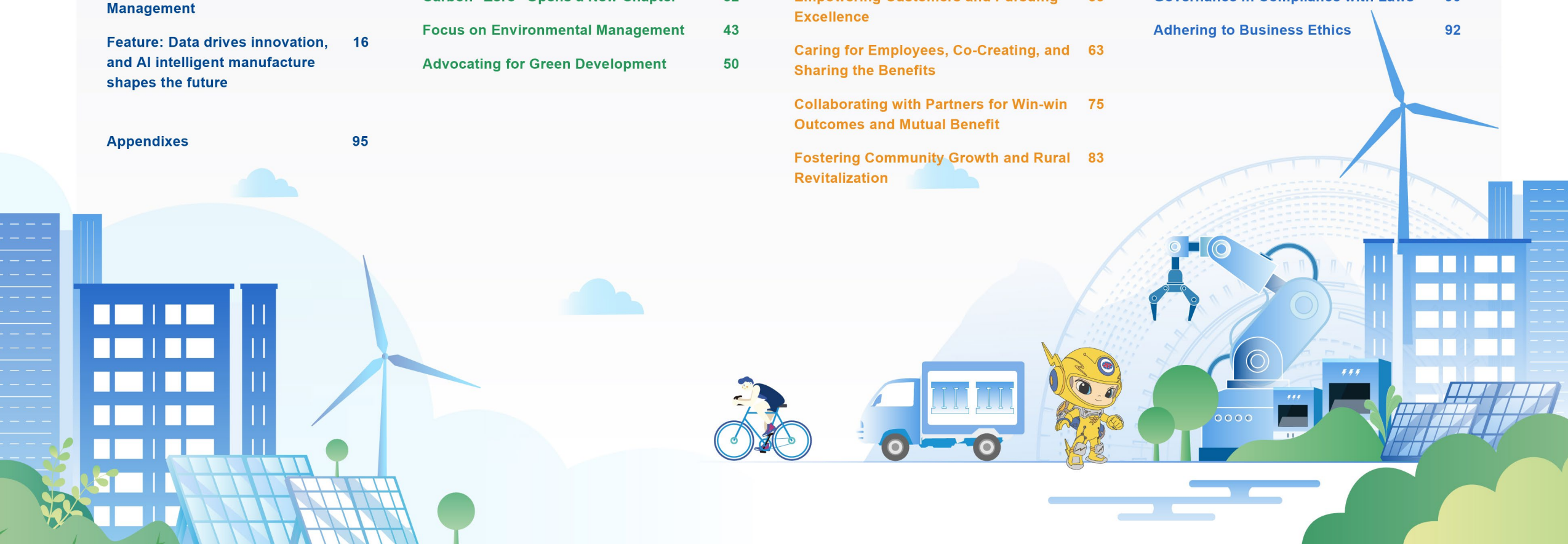
STOCK CODE
688676

2024

Sustainability Report Environmental, Social and Governance Report

Hainan Jinpan Smart Technology Co., Ltd.

CONTENTS



About This Report

This report is the fourth Environmental, Social and Governance (hereinafter “ESG”) report released by Hainan Jinpan Smart Technology Co., Ltd. It aims to disclose the Company’s management measures, highlights, practices, and achievements on environmental, social, and governance aspects for the year 2024.

Report Scope

This report presents an overview of the sustainability initiatives and critical performance metrics of Hainan Jinpan Smart Technology Co., Ltd. and its affiliated companies. For the sake of conciseness and clarity, “Hainan Jinpan Smart Technology Co., Ltd.” will also be referred to as “Jinpan Smart Technology,” “the Company,” or simply “We” throughout this document.

Time Range

This report serves as an annual report, covering the period from January 1, 2024, to December 31, 2024. Certain contents exceed the above time range to enhance the completeness and continuity of the report.

Reporting Guidelines

- Transforming our World: *The 2030 Agenda for Sustainable Development* (UN SDGs)
- *GRI Standards (2021)*
- *Guidelines No. 1 for Self-regulation of Listed Companies of Shanghai Stock Exchange—Normative Operations*
- *Guide No.13 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market—Compilation of Sustainable Development Reports (Draft for Comment)*
- *Guidelines No. 14 of Shanghai Stock Exchange for Self Regulation of Listed Companies—Sustainability Report (Trial)*
- Corporate Social Responsibility Research Center of the Chinese Academy of Social Sciences's *China Corporate Social Responsibility Guide Framework (CASS-CSR5.0)*
- *Task Force on Climate-related Financial Disclosures (TCFD) Recommendations*

Data Source

The information and data presented in this report are sourced from the Company's annual reports, internal official documents, internal statistical data, and publicly available information. Unless otherwise specified, all amounts herein are expressed in RMB. The Board of Directors is responsible for the authenticity, accuracy, and completeness of the contents contained within this report.

External Assurance

TÜV SUD Certification and Testing (China) Co., Ltd., Shanghai Branch has independently verified the report. The assurance statement is included as an attachment.

Report Access

This report is available in both simplified Chinese and English versions. In the event of any discrepancies between the two versions, the Chinese version shall prevail. The report can be downloaded for review from the official website of Jinpan Smart Technology (http://www.jst.com.cn).

Contact

If you have any suggestions or comments on this report or the Company's sustainability performance, please direct them to the following email address: info@jst.com.cn.

Chairman's Statement

Artificial intelligence (AI), green and low-carbon development, and high-end manufacturing have emerged as pivotal forces propelling global progress. These domains represent the forefront of technological competition, the core of sustainable development, and the foundation of national competitiveness. This year, topics such as AI, green and low-carbon initiatives, and high-end manufacturing have become central themes at the National People's Congress and the Chinese People's Political Consultative Conference. As a pioneering force driving transformation, AI is intricately woven into data elements, thereby unlocking unprecedented opportunities for value creation. As a nationally recognized demonstration enterprise within the manufacturing sector, Jinpan Smart Technology actively seeks innovative pathways amid this wave of AI transformation. The Company embraces challenges and is dedicated to integrating its own developmental trajectory with the broader context of national technological advancement, thereby actively contributing to the realization of sustainable development goals.

I. Data drives innovation, and AI intelligent manufacture shapes the future

In today's era of surging artificial intelligence, the phrase "Data drives innovation, and AI-driven intelligent manufacturing shapes the future" has emerged as a pivotal force propelling industry transformation. Jinpan Smart Technology strives to establish a new intelligent manufacturing system characterized by being "data-driven, software-defined, platform-supported, and AI-enabled decision-making." By leveraging advanced technologies such as digital twins, the Internet of Things (IoT), and cloud computing artificial intelligence, the Company has achieved significant advancements in critical areas including production lines, logistics, and automation of information flow, management and operation. The Company has owned 7 fully-operational digital factories and has comprehensively enhanced the performance, quality, delivery capabilities, and customer service of its products. In addition, Jinpan Smart Technology also has the capability of exporting comprehensive digital solutions to empower industrial development. By the end of 2024, the Company precisely positioned itself in the core carrier of intelligent manufacturing, intelligent industrial robots. Under the general trend of global manufacturing industry's intelligent upgrade, intelligent industrial robots, as the core carrier of intelligent manufacturing, will build the third growth curve for the company's sustainable development. At the beginning of 2024, the Company actively deployed artificial intelligence combined with our digital platform to transition towards intelligent manufacturing. Due to its exceptional performance in the realm of smart manufacturing, Jinpan Smart Technology has been successfully selected as part of the inaugural batch of Excellent Smart Factories by the Ministry of Industry and Information Technology in 2024. In that same year, Jinpan Smart Technology not only achieved DCMM Level 3 certification—an authoritative recognition in national data management—but also facilitated the listing of its data assets on a big data exchange. This accomplishment marks a significant transformation from mere data resources into valuable data assets, thereby injecting new momentum into the high-quality development of the enterprise.

II. Crafting the Foundation for Growth, Expanding the Global Strategy

Jinpan Smart Technology has always adhered to the strategic concept of "innovation-driven and global layout" and further deepened its globalization strategy. Building on our domestic market, we leverage our accumulated technical advantages and brand influence developed over the years to accelerate our overseas market expansion, with a commitment to increasing our market share and competitiveness in the global power equipment sector and the AI computing power center. By enhancing collaboration with leading international enterprises, actively engaging in global energy transformation and technological innovation, continuously optimizing our product structure, and improving service capabilities, we deliver more efficient and reliable solutions to global customers. Through ongoing technological advancements, exceptional product quality, and superior service experience, we have earned the trust and support of our global customers, thereby contributing to the achievement of global energy transformation and sustainable development goals.

III. Adhere to ESG principles and collaborate to create a zero-carbon ecosystem

We are committed to the objective of "achieving carbon peak by 2025 and carbon neutrality by 2050." To this end, we have established a comprehensive green evaluation system, set Science-Based Targets Initiative (SBTi) scientific carbon targets, disclosed climate-related financial information reports in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), and expanded our utilization of clean energy through research and development, manufacturing, and offering innovative new energy products and solutions. To facilitate the attainment of our "dual carbon" goals, we leverage four green factories and zero-carbon facilities located in Hainan, Guilin, Wuhan, and Shanghai. We uphold our commitment to environmental protection, continuously enhance our environmental management system, strictly control resource use and pollutant emissions during production and operation, achieve green production and operations, create social value by using green equipment to facilitate energy transformation, and jointly safeguard the beautiful home where humans and nature coexist harmoniously.

IV. Commitment to win-win development, jointly creating social value for a shared future.

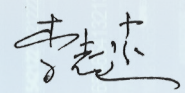
Adhering to the concept of "innovation-driven development", we are committed to embracing new trends and striving for excellence. We have established a "123+N" digital Jinpan management model, and have established our brand with leading technological strength in the industry. We regard innovation as the core driving force for enterprise development, promoting comprehensive upgrades in product technology, products, and services. In 2025, we were rated as a national enterprise technology center by the National Development and Reform Commission. We are profoundly committed to the growth of each employee, offering an equitable and inclusive platform for development, and fostering a collaborative environment where we can create and share success together. We actively engage in industry collaboration, building a responsible supply chain and advancing with our partners towards mutual prosperity. Furthermore, we actively respond to the national rural revitalization strategy, generously giving back to society and contributing to harmonious social development. For the first time, we were named to the Top 100 of the Guoxin Cup: ESG Golden Bull Award in 2024.

V. Upholding compliance and integrity, and enhancing governance

Upholding compliance and integrity, enhancing governance, and ensuring long-term stability. We continue to deepen our strategic layout, steadily improving corporate governance capabilities, and solidifying our risk management system to ensure operations that are compliant with legal standards. We strictly uphold the fundamental principles of business ethics, promoting a corporate culture characterized by honesty, integrity, and self-discipline. We continuously enhance our ESG governance framework and operational mechanisms, thereby strengthening the Company's sustainable competitiveness. We deeply integrate the ESG philosophy into every facet of our business, fostering both internal and external ESG influence. Our commitment lies in maximizing economic, environmental, and social value for all stakeholders, steering the company towards steady advancement on the path of comprehensive sustainable development.

Over the past year, we sincerely thank our many customers and partners for their trust, as well as the support of investment institutions and investors. We also extend our sincere gratitude to the government, communities, and the public for their ongoing support and attention towards Jinpan Smart Technology. We especially appreciate the courage and perseverance demonstrated by every member of the Jinpan team—your dedication has been a vital driving force behind the Company's steady growth.

In the future, guided by technological innovation, oriented towards green development, and centered on intelligent manufacturing, Jinpan Smart Technology will leverage AI technology and digital manufacturing techniques to explore the field of intelligent industrial robots. It aims to achieve a comprehensive transformation towards intelligent manufacturing, fully participate in promoting the coordinated development of economic, social, and environmental benefits, and demonstrate the company's new commitment to high-quality sustainable development in the era of artificial intelligence.



Chairman of Jinpan Smart Technology

About Jinpan Smart Technology

Company Profile

Founded in 1997, Hainan Jinpan Smart Technology Co., Ltd. (referred to as “Jinpan Smart Technology”, stock code: 688676) is located in the Haikou Integrated Free Trade Zone. It is a national high-tech enterprise integrating research and development, production, sales, and services. The Company has four R&D and manufacturing bases in Haikou, Wuhan, Shanghai, and Guilin, and operates offices in the United States and Hong Kong. On March 9, 2021, Jinpan Smart Technology was publicly listed on the Science and Technology Innovation Board (STAR Market) of the Shanghai Stock Exchange, becoming the first company from Hainan to list on the STAR Market.

As a global supplier of power equipment, Jinpan Smart Technology remains focused on research, development, production, and sales of various series of medium and low voltage transformers, complete sets of equipment, energy storage solutions, and other related products. The Company has fully adopted a digital manufacturing model, consistently delivering high-quality power supply solutions and advanced equipment for diverse applications including new energy (such as wind energy, photovoltaics, energy storage), AIDC modular power systems, new infrastructure projects, high efficiency and energy-saving initiatives, rail transit systems, among others. Jinpan Smart Technology is dedicated to delivering comprehensive, first-class solutions for digital factories throughout the entire lifecycle of manufacturing enterprises, with a particular focus on discrete manufacturing sectors. Additionally, it is actively expanding its presence in the field of intelligent industrial robotics. The Company's products have received a series of authoritative certifications, including UL (United States), KEMA (Netherlands), CE (European Union), DNV-GL (Europe), CSA (Canada), and China Energy-saving Product Certification, totaling 355 certifications both domestically and internationally. Furthermore, the Company continuously enhances its core competitiveness through advanced digital manufacturing models. The Company's products and services are distributed across 6 continents and in 87 countries worldwide.

Jinpan Smart Technology has repeatedly undertaken national, provincial, and municipal science and technology projects and has been honored with numerous provincial-level science and technology progress awards and technology achievement transformation awards. The Company has received recognition as a National Key High-Tech Enterprise, a National Enterprise Technology Center, and winner of Hainan Province’s first “Government Quality Award”. Jinpan Smart Technology has also secured over two hundred patents. Led by its own technology R&D team, the Company continues to increase investments in technological innovation, focusing on the exploration of information technology applications throughout the entire business and manufacturing process. It is committed to innovating and upgrading manufacturing models, gradually achieving deep integration of informatization and industrialization, as well as transforming and upgrading digital and intelligent manufacturing. These efforts continually enhance the Company’s core competitiveness and improve its ability to create value for customers.

- With its core product, the dry-type transformer, it has been awarded the title of National Manufacturing Industry Single-Product Champion Demonstration Enterprise
- Nomination for the China Quality Award
- Selected into the pool for nurturing leading enterprises in the development of a quality powerhouse
- Outstanding Smart Factory
- National Enterprise Technology Center

RMB **6.901** billion

Revenue

RMB **0.574** billion

Net profit attributable to shareholders of listed company

2,318

Total number of employees

6 Continents

Global coverage

Company Culture

Corporate Style

Exhibit integrity in character and diligence in your work; seek fulfillment in your profession and maintain a healthy lifestyle.

Corporate Spirit

Ambitious, passionate, intelligent;
Make bold innovations, work hard, embrace responsibility.

Business Philosophy

Integrity operation, green development, digital leadership, smart future.

Vision

Build a “Community of Shared Future for Enterprises” and benefit employees, enterprises, and society.

Mission

Create greater value for customers, foster growth opportunities for employees, and blaze a development path for the Company.

Goal of Digital Factory

With data, demand is better met because of intelligent manufacturing.

Value

Centering on customer value, building on employee value, oriented at social value, learning and growth, self-fulfillment, innovation and development, and supporting others.

Work Guidelines

Customer Service Guidelines: Put customers at the center and create the best customer experience.

Quality Guidelines: Rigorous analysis, meticulous operation, strict inspection.

Safety Guidelines: Comply with regulations, eliminate hidden dangers, prevent accidents.

Efficiency Guidelines: Standardization, Automation, Digitalization.

Employee Guidelines: Mutual assistance and love, loyalty and gratitude, dedication and efficiency, integrity and self-discipline.

Cadre Guidelines: Professional competence, professional ethics, professional spirit, proactive, capable, and successful.

Honors

National-level

- National Enterprise Technology Center
- Quality Strong Country Leading Enterprise Cultivation Database
- Excellent-level Smart Factory
- National-level "Green Factory" (Wuhan Jinpan Intelligent Technology Co., Ltd.)
- National Catalogue of Energy-Saving and Carbon-Reduction Technologies and Equipment for Industry and Informatization (2024 Edition)
- National Supply Chain Innovation and Application Demonstration Enterprise
- In 2024, Wuhan Jinpan Intelligent Technology Co., Ltd. and Jinpan Electric Group (Shanghai) Co., Ltd. obtained high-tech enterprise certification

Industry-level

- First Listed Digital Asset
- Data Management Capability Maturity Assessment (DCMM Level 3)
- Zero-Carbon Factory Certification (Wuhan Jinpan Intelligent Technology Co., Ltd.)
- 2024 Zero-Carbon Benchmark Enterprise
- 2024 Top 10 Excellent Wind Power Products in China's Wind Power Industry Top 50 (Jinpan Electric Group (Shanghai) Co., Ltd.)
- 2024 Best Practice Case for Digital Transformation of Chinese Listed Companies
- 2023 Annual New Quality Enterprise Golden Bull Award
- Guoxin Cup · ESG Golden Bull Top 100 Award
- Selected as a Best Sustainable Development Practice Case for Listed Companies in 2024

Client-level

- 2024 Wind Supplier Excellence Award -GE
- Level 5 Green Supplier – Innomotics 2024 Best Suppliers Award
- Most Promising Partner – Dongfang Electric Wind Power Co., Ltd.
- A+ Supplier of Jiangxi Copper Corporation – Jiangxi Copper Corporation, Jiangxi Copper Company Limited
- Innomotics 2024 Best Supplier Award

Jinpan Smart Technology "Numbers Tell" 2024

Economic value

Revenue

RMB **6.901** billion

Net profit attributable to shareholders of listed company

RMB **0.574** billion

Social contribution per share

2.88 RMB/share

Revenue per employee

RMB **2.9771** million

Profit per employee

RMB **247,820**

Environmental value

Greenhouse gas emissions (Scope I, Scope II)

4,749.29 tons of carbon dioxide equivalent

The reduction ratio of greenhouse gas emissions for Jinpan Smart Technology in 2024 compared to 2023

45.86 %

Clean energy generation

16.95 GWh

Photovoltaic self-use electricity

12.74 GWh

Greenhouse gas emission intensity

0.007 tons of carbon dioxide equivalent /RMB 10,000 of revenue

Energy consumption intensity

0.0082 tons of standard coal/RMB 10,000 of revenue

Amount of environmental protection investment

RMB **7.7047** million

Number of products certified for carbon footprint

16 units

Number of certified zero-carbon factories

4 units

Social value

Total number of employees

2,318

Average training hours per employee

79 hours

Total amount of R&D investment

RMB **0.356** billion

Accumulated number of patented technologies obtained

284 items

Number of suppliers

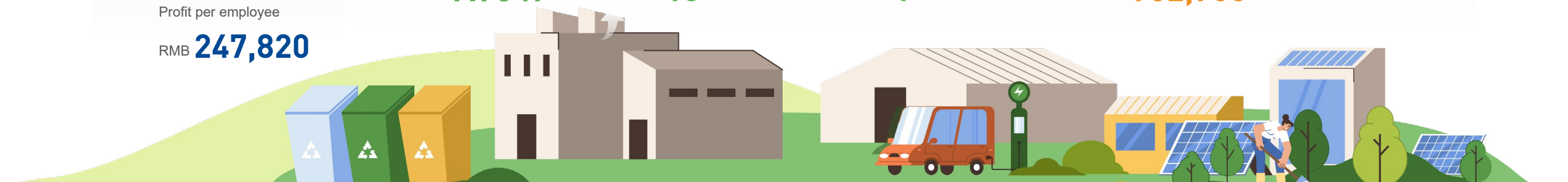
1,108

Number of products that obtained quality certification

355 units

Amount of public welfare donations

RMB **932,700**



Optimizing Responsible Management

We continue to integrate ESG management comprehensively into our daily operations and overall management framework, firmly establishing sustainability as an essential part of our strategic development. We continue to improve our ESG management mechanism, establish and improve our ESG management system in combination with internal and external requirements and the company's development plan, and formulate internal sustainability-related documents such as the *ESG Management Manual* and the *Environmental, Social and Governance Indicator System Manual (Trial)* to promote ESG management and processes, rationally allocate resources, and provide guidance for sustainable development decision-making. We take proactive measures to identify ESG-related material risks, formulate ESG risk management strategies, and improve the level of ESG risk management through scientific methods and processes, so as to provide a solid guarantee for the sound operation and sustainable development of our business.

ESG Management Structure

Jinpan Smart Technology has established a three-tier ESG governance structure comprising the Board of Directors, ESG Committee and ESG Working Group. The Company has also developed the *Environmental, Social, and Governance (ESG) Working Group Responsibility Handbook* to define clear roles and responsibilities at each level. This governance framework ensures that ESG factors, including potential risks and opportunities, are fully considered in business decision-making processes.

Jinpan Smart Technology's ESG Management Structure

The Board of Directors, as the highest responsible body for the Company's ESG management and public disclosure, exercises the responsibilities of considering and approving the Company's ESG strategies and objectives, monitoring the relevant policies, management, performance and progress, assessing the significance of relevant risks, supervising the stakeholder communication mechanism, and approving the disclosure of ESG-related information, etc. Meanwhile, the Board of Directors is responsible for supervising and managing ESG issues such as business ethics, information security, environmental protection and climate change, employee diversity and inclusiveness. Meanwhile, the Board of Directors is responsible for supervising and managing ESG issues such as business ethics, information security, environmental protection and climate change, employee diversity and inclusion.

The ESG Committee under the Board of Directors is responsible for formulating and overseeing the implementation of the Company's ESG vision, strategy and objectives, evaluating the effectiveness of the ESG framework, monitoring ESG trends and risks, guiding the identification and management of substantive issues, overseeing the stakeholder communication mechanism, reviewing the ESG reports and important matters, receiving reports from the ESG working group at least twice a year on its work and ESG trends. Supervise and manage issues such as business ethics, information security, environmental protection and employee diversity and inclusion, and report to the Board of Directors and provide opinions.
Receive a minimum of two reports annually from the ESG working group, detailing their activities and emerging trends in ESG.

The ESG Working Group is composed of the relevant persons in charge of each functional department of the Company, and is mainly responsible for the management and implementation of ESG matters, including the specific implementation of the Company's ESG strategies, objectives and action paths, as well as the preparation, validation and publication of the Company's annual sustainability report, and reporting to the Board of Directors and the ESG Committee on the Company's ESG work. The head of the ESG working group is responsible for the coordination and overall promotion of the ESG work, while the members of the group are responsible for the implementation of the ESG work, and the ESG working group meets once every two months in principle. In 2024, the ESG working group held 7 meetings.

To continuously enhance its ESG governance capabilities, the Company regularly conducts ESG-related trainings to deepen internal understanding of ESG efforts. In 2024, multiple specialized ESG training sessions were held for members of the ESG Working Group. External ESG industry experts were invited to provide insights on ESG standards, emerging trends, and best practices from industry peers, fostering discussions on ESG management models. Through a series of training sessions, the ESG Working Group has gained a clearer and deeper understanding of regulatory policy development, emerging trends in the capital market, and new compliance requirements. This has laid a solid foundation for driving the Company's internal momentum toward sustainable development. At the same time, Jinpan Smart Technology actively engages with partners to exchange insights on industry ESG trends and leading ESG principles. The Company also encourages ecosystem-wide collaboration in sustainability efforts, contributing to the creation of a greener, more harmonious, and responsible business environment. In 2024, thanks to its strong ESG commitments and performance, Jinpan Smart Technology was recognized as one of the Top 100 Companies in the Guoxin Cup · ESG Golden Bull Awards. This honor underscores the Company's ESG governance capabilities and highlights its significant role in promoting sustainable economic development.

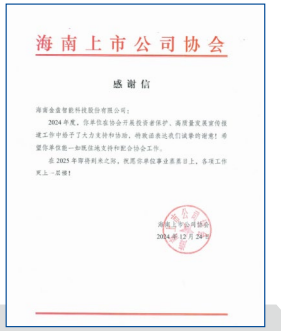
Case | Jinpan Smart Technology conducted ESG training to build an internal sustainability ecosystem

Jinpan Smart Technology recognizes that sustainability is the cornerstone of future corporate development and is committed to implementing cutting-edge sustainability principles. So, the Company invited external experts to host an ESG training session, exploring the latest trends and response strategies in the field. During the training session, the leader of the ESG Working Group emphasized the long-term significance of ESG efforts for corporate growth. Industry experts provided clear and in-depth explanations on key topics such as report preparation, metric setting, and information disclosure. Participants actively engaged in discussions and raised insightful questions, strengthening their understanding of the new *Sustainability Reporting Guidelines (Trial)* and laying a solid foundation for future ESG initiatives.

Stakeholder Communication

Jinpan Smart Technology understands that efficient and transparent communication with stakeholders is crucial for goal management and value co-creation. To this end, the Company has established diverse and open communication channels to ensure timely and comprehensive sharing of corporate developments while actively gathering feedback from various stakeholders. By integrating stakeholder insights into its sustainability strategies, the Company fosters mutual understanding, recognition, and support, laying a solid foundation for the Company's continued progress in sustainable development.

In order to fully understand the opinions and suggestions of our stakeholders, we conduct a stakeholder questionnaire survey at least once a year, optimise our communication strategy based on the survey results, and establish regular or irregular communication mechanisms according to the characteristics and needs of different stakeholders. In addition, we incorporate ESG-related initiatives, progress and effectiveness into our annual sustainability report to transparently demonstrate our practice results and accept the supervision and feedback from stakeholders. In 2024, the Company was honoured by the Hainan Listed Companies Association for its good investor protection and high-quality development publicity and reporting practices.


海南上市公司协会

感谢信

Thank you letter from Hainan Listed Companies Association

Stakeholders	Employees	Government/regulatory agency	Shareholders/investors	Customers	Suppliers and other partners	Community and the public
Expectations and demands	• Compliant employment and basic rights protection • Fair promotion and development • Occupational health and safety • Welfare and care	• Compliant operations • Business ethics and anti-corruption management • Driving local economic development	• Corporate governance • Business ethics and anti-corruption management • Product quality and safety • Continuous and stable returns • Transparent information disclosure	• High-quality products and services • Customer relationship management • Product quality and safety • Responsible marketing • Win-win cooperation	• Anti-unfair competition • Integrity in fulfillment • Win-win cooperation • Intellectual property protection • Supply chain management	• Public welfare and donations • Emissions management • Resource usage • Site biodiversity
Communication channels	• Staff meetings • Management meetings • Employee trainings • Employee activities	• Institutional investigations • Correspondence • Submission of compliance reports	• Shareholders' meetings • Information disclosure • Roadshows • Investor conference calls	• Customer research • Customer satisfaction surveys • Technological seminars	• Exchange and visits • Industry forums • Suppliers' meetings • Contract negotiations	• Exchange and interviews • Volunteer service • Community activities • Rural revitalization activities
Content of communication	• Corporate strategic objectives • Performance evaluation results • Career development programmes • Health and safety policies • Changes in employee benefits	• Reporting of operating conditions and compliance • Tax payment status • Social responsibility fulfilment	• Financial performance • Dividend distribution policy • Progress of ESG work	• Product and service updates • Customer support services • Introduction to social responsibility programmes	• Terms of cooperation agreement • Delivery schedule • Quality standards and requirements • Procurement policy	• Social impact assessment results • Fulfilment of corporate citizenship responsibilities • Environmental protection measures • Implementation of community contribution projects

Identification and analysis of material issues

Jinpan Smart Technology has identified key ESG issues for 2024 based on global sustainability trends, industry-specific characteristics, and internal and external stakeholder concerns. For the first time, the Company conducted a double materiality assessment in accordance with *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, issued by the Shanghai Stock Exchange. Building on its previous impact materiality assessment, Jinpan Smart Technology integrated a financial perspective, evaluated ESG issues based on financial materiality and impact materiality, and formed 2024 Jinpan Smart Technology's materiality matrix.

Materiality Assessment Process

Establishing the list of ESG issues 01

Based on the Shanghai Stock Exchange's sustainability reporting requirements, Jinpan Smart Technology identified 25 potential key ESG issues by analyzing four major dimensions, forming the Company's list of ESG issues.

Materiality assessment 02

Impact materiality assessment

Conducted surveys and research among internal and external stakeholders to analyze the scale and scope of their concerns regarding each ESG issue.

Financial materiality assessment

Evaluated by expert scoring and internal review, assessing the risks, opportunities, and financial impact of ESG issues on the Company's business operations, financial performance, and cash flow.

Double materiality analysis 03

Based on the results of both impact materiality and financial materiality assessments, prioritize the issues and develop the Jinpan Smart Technology's 2024 ESG Materiality Matrix.

ESG issue review and disclosure 04

The ESG Committee reviews and validates the materiality analysis results, implements targeted disclosures and enhances practical management improvements based on the findings related to ESG material issues.

Step 1: Establishing the list of ESG issues

Jinpan Smart Technology creates the list of ESG issues based on the 21 issues outlined in *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*. This is supplemented with insights from national regulatory policies, ESG-related standards, capital market focus, and peer benchmarking analysis. The list is tailored to the Company's industry characteristics, industry development stage, and its own business model to ensure that it is comprehensive and relevant to the Company's operations.

National regulatory policies

Guidelines No. 1 for Self-regulation of Listed Companies of Shanghai Stock Exchange—Normative Operations, Guidelines No.13 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market—Compilation of Sustainable Development Reports, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), etc.

ESG-related standards

Global Reporting Initiative's *GRI Standards*, Corporate Social Responsibility Research Center of the Chinese Academy of Social Sciences's *China Corporate Social Responsibility Guide Framework (CASS-CSR5.0), Task Force on Climate-related Financial Disclosures (TCFD) Recommendations,* etc.

Capital market focus

Indicators such as EcoVadis sustainable supply chain rating.

Peer benchmarking analysis

The ESG major issues of leading companies with ESG outstanding practices within the same industry.

Jinpan Smart Technology's 2024 list of ESG issues:

Scope	Issue
Environmental	Emissions management
	Water resource management
	Energy management
	Green products
	Responding to climate change
	Biodiversity protection
	Circular economy
Social	Diversity, equality and inclusion
	Employee employment and human rights
	Remuneration and benefits
	Occupational health and safety
	Employee trainings and development
	Product quality and safety
	Customer service
	Responsible marketing
	Customer privacy and information security
	R&D and innovation
	Digital transformation
	Intellectual property protection
	Supply chain management
	Public welfare and charity
Governance	Sustainability governance
	Stakeholder Communication
	Corporate governance
	Business ethics and anti-corruption

Step 2: Materiality assessment

Impact materiality assessment

A questionnaire survey was conducted with internal and external stakeholders, collecting 670 valid responses. The survey gathered and analyzed the assessments from stakeholders on the "impact level" of ESG issues on the economy, environment, and society.

Determine the impact materiality assessment factors

Identify the factors for impact materiality assessment, including impact scale, scope, irreparability, likelihood, etc.

Conduct stakeholder surveys

Conduct a survey targeting internal and external stakeholders, including employees, government/ regulatory agencies, shareholders/ investors, customers, communities, suppliers/partners, etc. Stakeholders comprehensively assess the actual or potential significant impact of each ESG issue on the economy, society, and environment, based on the factors of impact materiality assessment.

Forming impact materiality assessment conclusion

Based on the results of 670 valid responses, prioritize the ESG issues and form the conclusion for the impact materiality assessment.

Impact materiality assessment results:

Impact materiality	Issue
High material issues	Product quality and safety
	Green products
	Remuneration and benefits
	Employee employment and human rights
	Energy management
	Occupational health and safety
Moderate material issues	Customer service
	R&D and innovation
	Circular economy
	Responding to climate change
	Customer privacy and information security
	Emissions management
	Digital transformation
	Intellectual property protection
	Diversity, equality and inclusion
	Supply chain management
	Employee training and development
	Responsible marketing
	Water resource management
	Business ethics and anti-corruption
	Sustainable development governance
	Biodiversity protection
General material issues	Corporate governance
	Stakeholder communication
	Public welfare and charity

Financial materiality assessment

Jinpan Smart Technology evaluates the financial materiality of ESG issues based on whether they are expected to have a significant impact on the Company's business model, operations, development strategy, financial condition, business results, cash flow, financing methods, and costs in the short, medium, and long term. The financial materiality is assessed through expert scoring, leading to the conclusion of the financial materiality assessment.

Determine the financial materiality assessment factors

Based on the likelihood of financial impact and the extent of financial impact, the degree of impact is analyzed around two dimensions: "dependence/impact on resources" and "dependence/impact on relationships."

Experts score to determine material issues

Experts score based on the likelihood and extent of financial impact, and combine results from internal department and management interviews to determine the Company’s financially material issues.

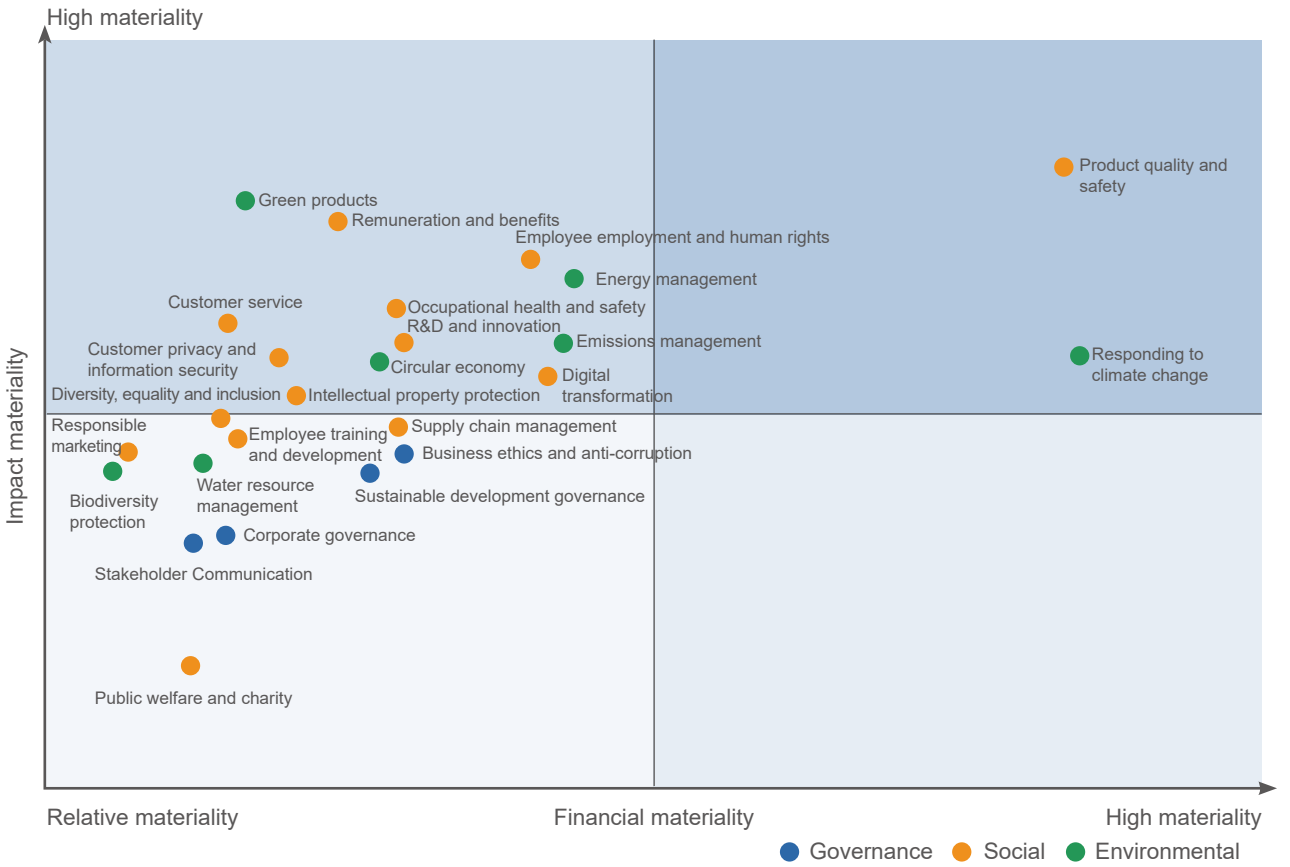
Form financial materiality assessment conclusion

Based on expert scoring results, the Company concludes its financial materiality assessment and identifies **product quality and safety, responding to climate change**, as financially material issues.

Step 3: Double materiality analysis

Based on the results of the materiality assessment, issues are prioritized from two dimensions: "impact materiality" and "financial materiality." The overall materiality priority of each issue is presented in a matrix, forming the ESG materiality matrix for Jinpan Smart Technology in 2024.

Jinpan Smart Technology's 2024 ESG Materality Matrix



Step 4: ESG issue review and disclosure

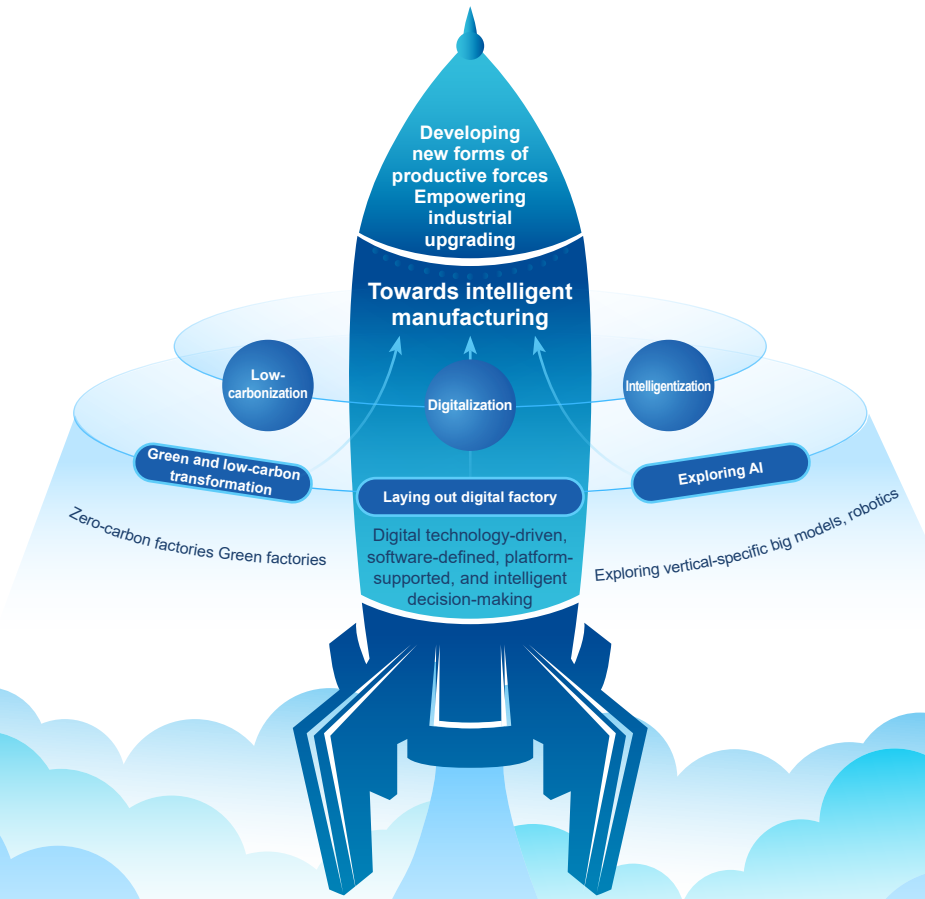
The Company's ESG Committee reviews and confirms the analysis results for the materiality of ESG issues in 2024. For ESG issues identified as financially material, they will be prominently disclosed in the report and will be subject to focused management in the Company's future operations.

Feature

Data drives innovation, and AI intelligent manufacture shapes the future

The surge of the digital economy and the advancement of AI are sweeping across the globe, with Chinese enterprises demonstrating exceptional potential for growth and innovation. This phenomenon not only acts as a crucial driving force behind high-quality economic development but also serves as an essential support for enhancing the nation's overall competitiveness. As a global supplier of power equipment, Jinpan Smart Technology stands at the forefront of the industry, committed to providing excellent power supply solutions for key sectors such as new energy, new infrastructure, and energy efficiency. The Company aligns with national strategic development directions, focusing on advancing new quality productive forces, strengthening digital capabilities, and actively pushing forward the process of intelligent manufacturing through digital and green low-carbon transformations. Jinpan Smart Technology has established a green, low-carbon intelligent industry cluster with decarbonization, digitalization, and intelligentization as its three pillars. The aim is to become a top-tier manufacturer in intelligent manufacturing toward a greener, smarter, and more sustainable future.

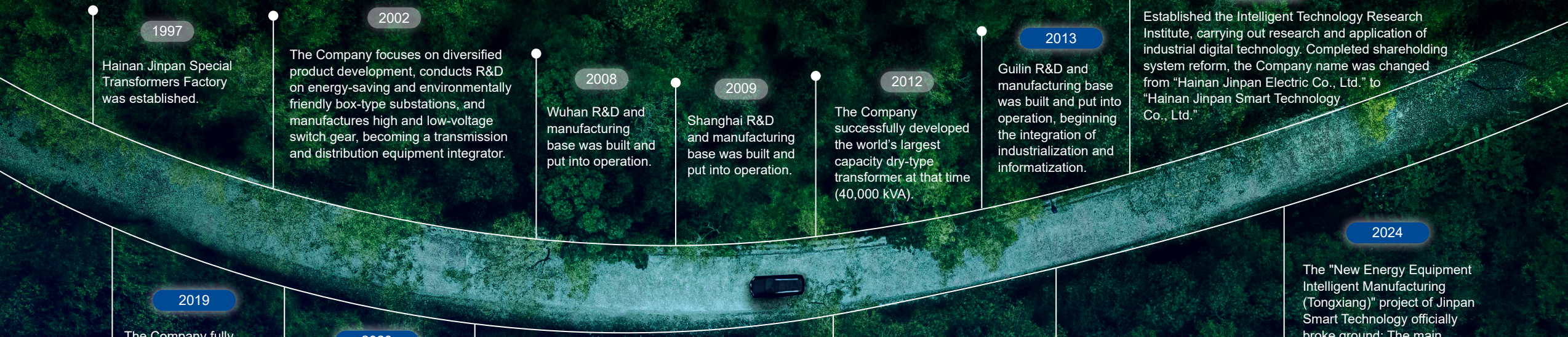
Achieving digitalization aligned with ESG principles
Promoting green, low-carbon, and sustainable development



Jinpan Smart Technology's "Digital Intelligence" Supports the Development of Various Businesses

History of digitalization

Jinpan Smart Technology adheres to ESG principles and is unwavering in its commitment to advancing digital transformation. As early as 2013, Jinpan Smart Technology began promoting the integration of industrialization and informatization, marking the start of its digital transformation journey. To date, the Company has successfully built 7 digital factories in China, developed unique green, low-carbon, and intelligent manufacturing industry clusters, and driven the AI+ initiative in its digital factories. By developing specialized large models, Jinpan has achieved the digitalization and decarbonization of new quality productive forces, actively advancing intelligence, and firmly promoting the industrialization of the "three transformations."



1997

Hainan Jinpan Special Transformers Factory was established.

2002

The Company focuses on diversified product development, conducts R&D on energy-saving and environmentally friendly box-type substations, and manufactures high and low-voltage switch gear, becoming a transmission and distribution equipment integrator.

2008

Wuhan R&D and manufacturing base was built and put into operation.

2009

Shanghai R&D and manufacturing base was built and put into operation.

2012

The Company successfully developed the world's largest capacity dry-type transformer at that time (40,000 kVA).

2013

Guilin R&D and manufacturing base was built and put into operation, beginning the integration of industrialization and informatization.

2017

Established the Intelligent Technology Research Institute, carrying out research and application of industrial digital technology. Completed shareholding system reform, the Company name was changed from "Hainan Jinpan Electric Co., Ltd." to "Hainan Jinpan Smart Technology Co., Ltd."

2019

The Company fully carried out digital transformation, independently designed and constructed the first high-end dry-type transformer digital factory of Jinpan Smart Technology that complies with the German industrial standard VDI4499.

2020

Haikou high-end dry-type transformer digital factory was built and put into operation.

2021

Jinpan Smart Technology was listed on the Shanghai Stock Exchange's STAR Market for the first time. Guilin complete digital factory was built and put into operation. Haikou Digital Factory was selected as the "2021 Intelligent Manufacturing Demonstration Factory" by four ministries and commissions. Signed a contract for an overall solution for intelligent manufacturing worth over RMB 100 million.

2022

Guilin base energy storage equipment digital factory and high-end dry-type transformer digital factory were built and put into operation. 35kV high-voltage cascade large-capacity energy storage equipment was launched.

2023

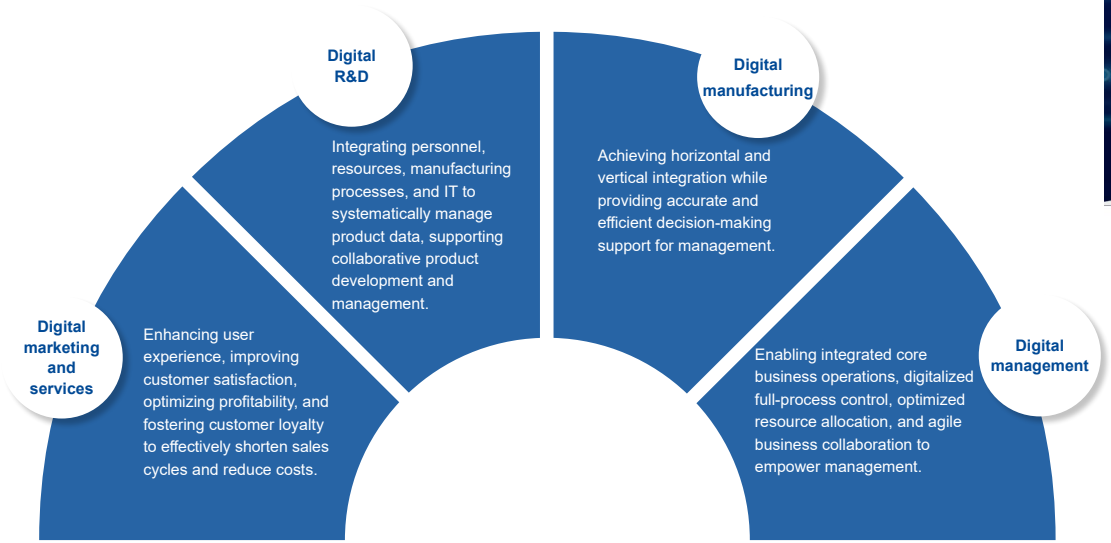
Won the national manufacturing single champion demonstration enterprise. Wuhan Dry-Type Transformer Digital Factory, Energy Storage Equipment Digital Factory, and Offshore Wind Power Transformer Digital Factory are built and put into operation.

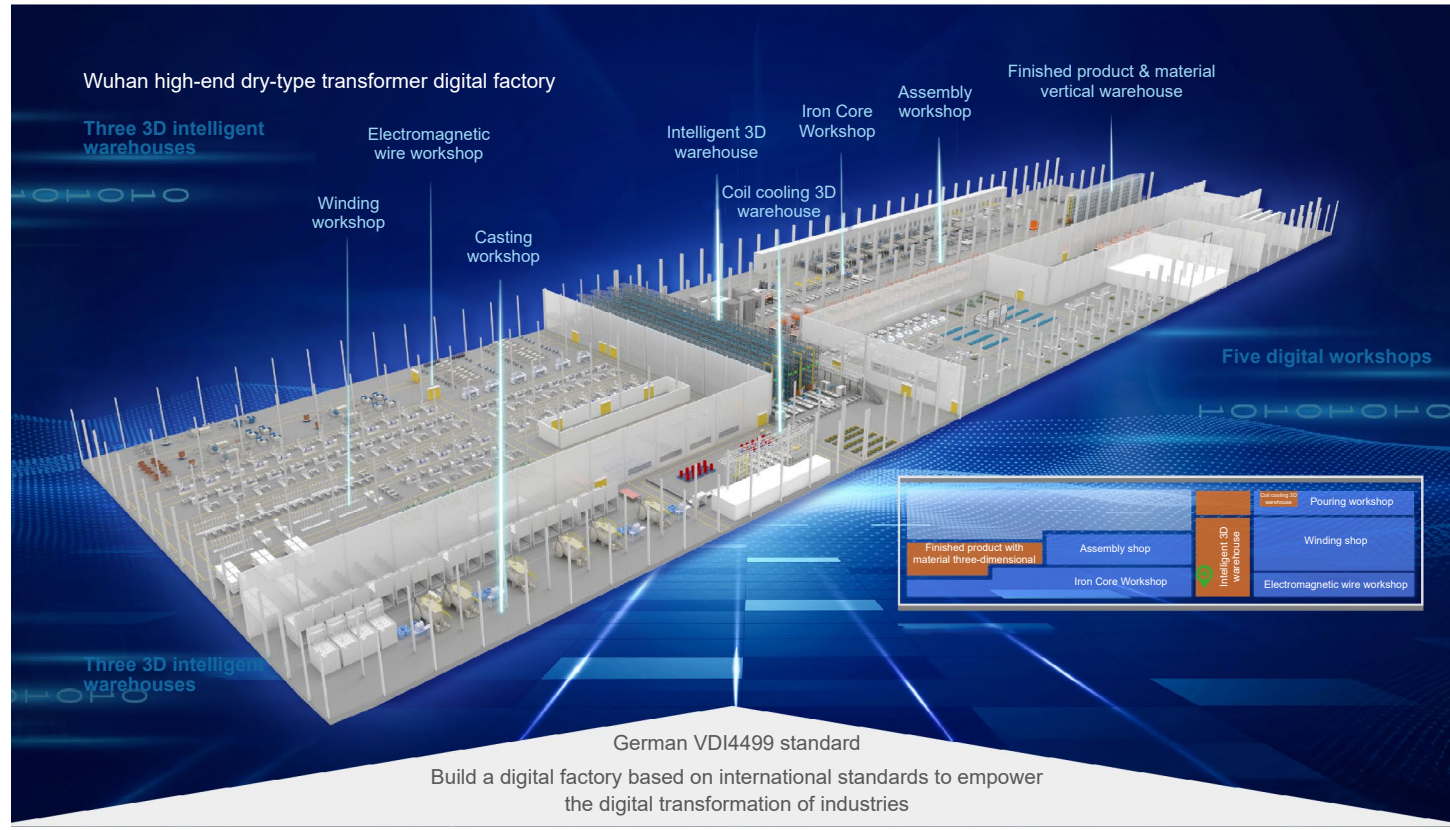
2024

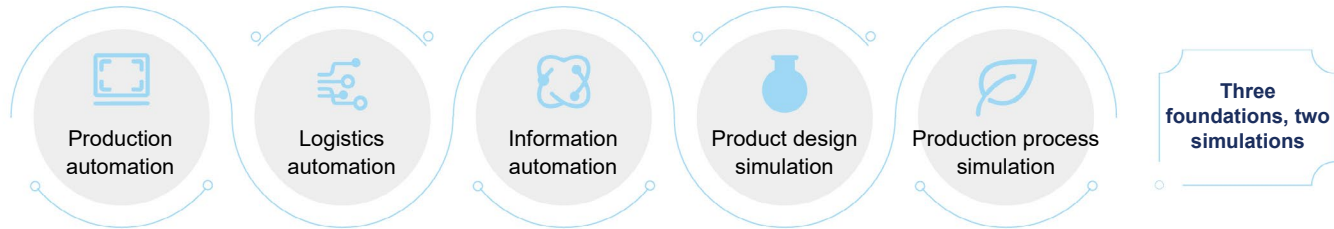
The "New Energy Equipment Intelligent Manufacturing (Tongxiang)" project of Jinpan Smart Technology officially broke ground; The main factory building of Phase I of "New Energy Equipment and New Materials Intelligent Manufacturing Industrial Park" project in Shaoyang, Hunan of Jinpan Smart Technology was completed. The first batch of Excellence-level smart factories; initiate the exploration of vertical large models.

Jinpan Smart Technology has built 7 digital factories, including those for transformers, complete sets, and energy storage, forming unique green, low-carbon, and intelligent manufacturing industry clusters. By deeply integrating cutting-edge technologies such as digital twins with traditional manufacturing processes, Jinpan Smart Technology has successfully achieved the digital transformation of discrete manufacturing industries. This has significantly improved overall production efficiency and product quality, while also greatly reducing energy consumption and emissions, setting a new benchmark for efficiency, environmental sustainability, and intelligentization in the industry.

The digital factory spans all business stages, from R&D to after-sales service, while extending horizontally to supply chain management. It enables automation across production lines, logistics, and information flow. Based on business processes, we have structured the framework into four key areas: digital marketing and services, digital R&D, digital manufacturing, and digital management.







Through the in-house development of a digital integration platform, we have established a "123+N" digital quality assurance framework, enabling full lifecycle digital quality control for our products.

123+N

“1”

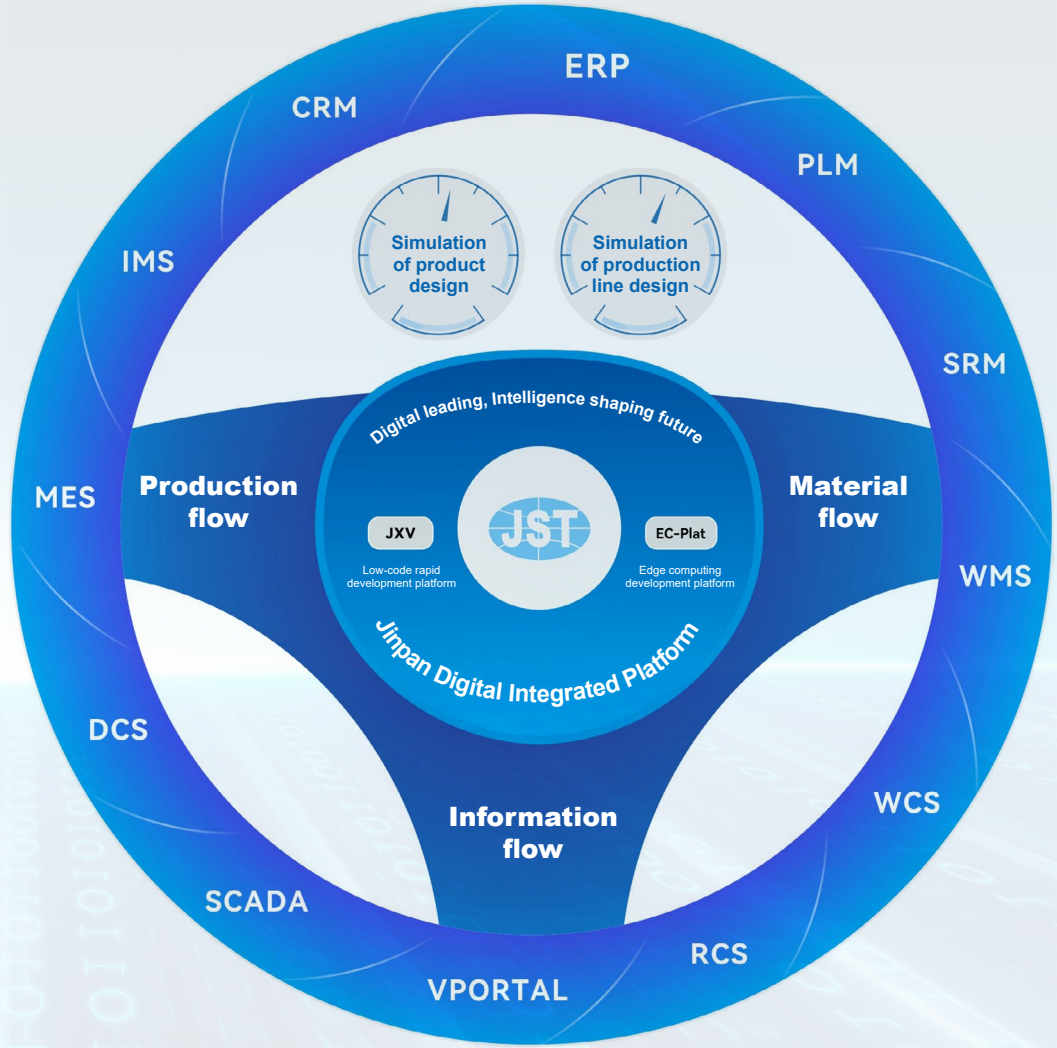
Built upon an integrated platform as the foundational framework for advancing digitalized quality management, we have independently developed JXV, the Edge Computing Platform (EC-Plat), and the Industrial Data Bus Middleware (Vportal).

“2”

Developed and implemented two key simulation tools—the "Digital Factory Production Line Motion Simulation System" and the "Thermal Simulation Model"—enhancing product design accuracy and ensuring stability in the manufacturing process.

“3” and “N”

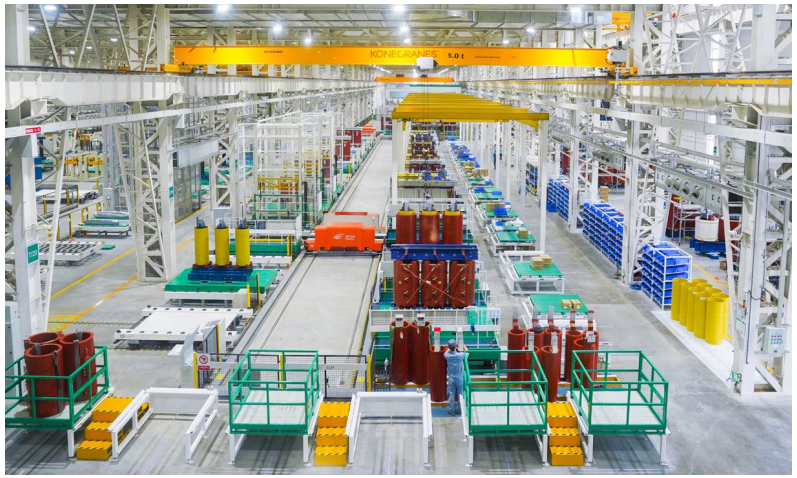
Leveraging three digital foundations—automated production, automated logistics, and automated information flow—we drive digital transformation across "N" business systems such as R&D, production, management, and marketing services, fostering collaborative development with suppliers and customers.

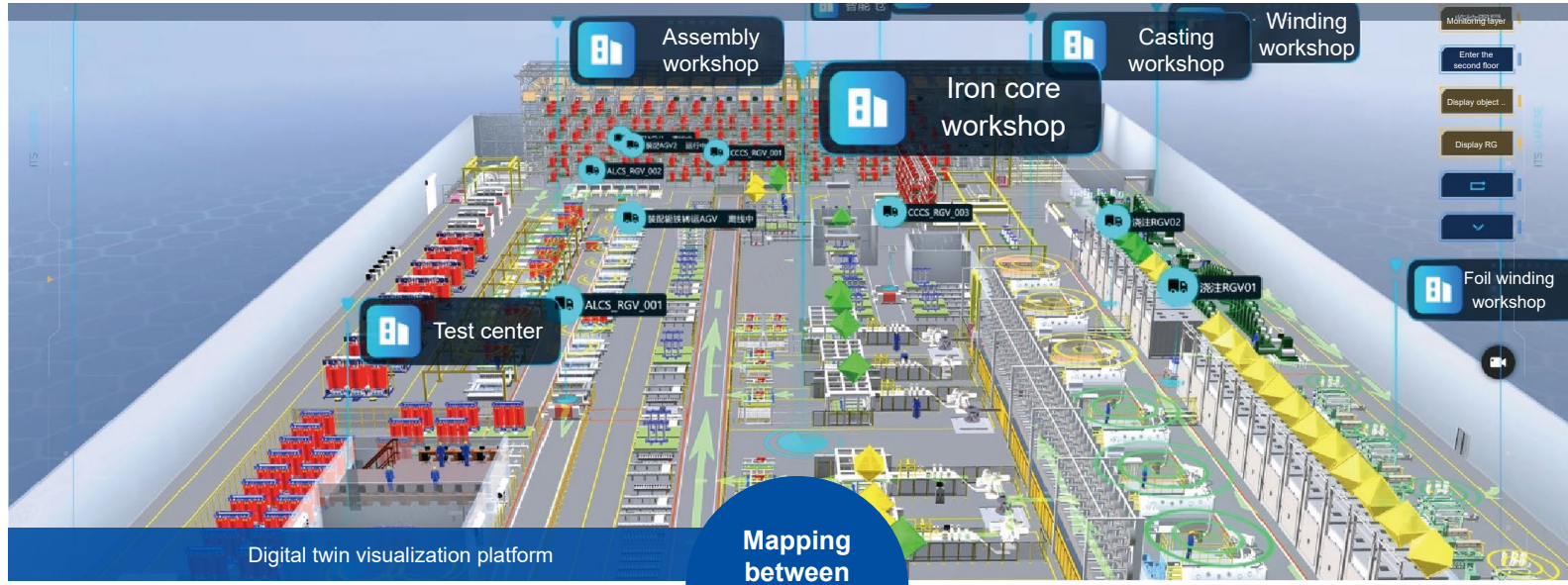


Jinpan Smart Technology selected as an Outstanding Smart Factory

Jinpan Smart Technology continues to embrace the Internet, IoT, big data, and AI technologies, driving its strategic transformation toward "intelligent manufacturing + intelligent services." With the "Intelligent factory for high-end dry-type transformers based on digital twin technology", the Company has successfully made it onto the first batch of the excellent-level smart factory list by the Ministry of Industry and Information Technology, receiving high recognition.

By leveraging next-generation digital technologies as a key driver of sustainable development, based on green and low-carbon ecology, and with technological innovation as its core strength, Jinpan Smart Technology has anchored its transformation on three pillars: digitalization, green development, and innovation. This strategic shift has reshaped the Company's growth trajectory and established a sustainable ecosystem. With this recognition as a milestone, Jinpan Smart Technology will continue to deepen its expertise in intelligent manufacturing, optimize production processes, and enhance management models. The Company remains committed to advancing its intelligence level, improving production efficiency, and driving China's manufacturing industry towards a more high-end, intelligent, and sustainable future.





Digital twin visualization platform

Mapping between virtuality and reality

Digital factory core workshop for high-end dry-type transformers

Case | Wuhan Jinpan recognized as a benchmark smart factory

In the "2024 Wuhan Benchmark Smart Factory" selection, Wuhan Jinpan Intelligent Technology Co., Ltd. successfully secured a place on the list. This recognition highlights the Company's outstanding performance in digital and intelligent transformation. Following its previous achievements—earning the title of Hubei Province 5G Fully Connected Factory, being listed as a Hubei Province Intelligent Manufacturing Pilot Demonstration Enterprise, and being among the first batch of enterprises selected as a Typical AI Application Case for Enabling Manufacturing Transformation and Upgrading—Wuhan Jinpan has once again solidified its position as an industry benchmark.

Guilin Juntaifu Digital Factory

As the first "zero carbon emissions" factory in Guilin, Guilin Juntaifu Electric Co., Ltd., a subsidiary of Jinpan Smart Technology, has leveraged Jinpan Smart Technology's extensive experience in digital transformation to drive intelligent manufacturing upgrades. Recognized as a **"5G Factory"** for its superior technological innovation and intelligent management, Guilin Juntaifu has set a new benchmark in its digital factory construction. In the future, the company will further optimize production processes through 5G technology to achieve higher efficiency and intelligent operations.

Guilin Juntaifu successfully integrates the basic network services with the specific business requirements of the industrial park, creates a personalized intelligent park private network, promotes the integration of cloud computing and network services, and realizes the seamless connection between network resources, computing resources, and enterprise management systems. Focusing on the integration of information technology (IT), operational technology (OT) and communication technology (CT), Guilin Juntaifu closely interconnects the physical world on the production end with 5G technology, edge cloud computing, automated guided vehicle (AGV) platform and identification resolution technology. This integration has created an information-based smart production industrial park based on 5G technology, driving the transformation of manufacturing towards intelligent manufacturing.

Digital factory integrated solution

We adhere to innovation-driven development, continuously advancing the deep integration of digital transformation and intelligent manufacturing. Based on business needs, user requirements, and product demands, we have independently developed a series of industrial software products on our "Digital Integrated Platform." These solutions can quickly respond to digital factory construction demands based on specific requirements, enabling data sharing, business collaboration, and seamless processes within the factory. By enhancing management capabilities, we drive the rapid development of new quality productive forces in the enterprise.

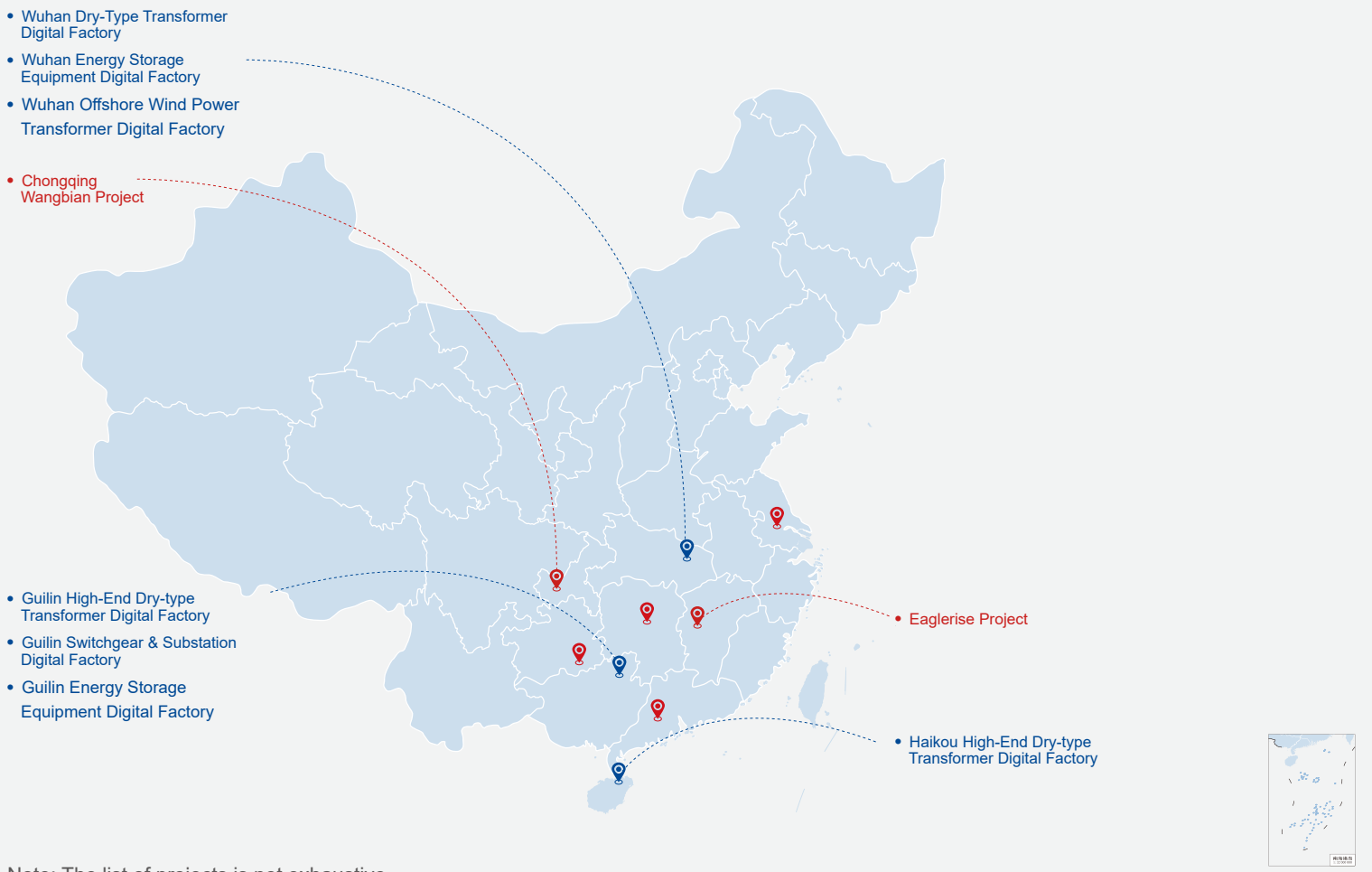
Expansion of digital factory applications

As of December 31, 2024, we have independently established 7 digital factories and successfully delivered 10 digital factories to external partners. These projects serve as replicable and scalable models for digital transformation in the industry, accelerating the manufacturing sector's shift toward greater efficiency and sustainability.

Cumulative orders for digital factory overall solutions

exceeded **800** million (tax-excluded)

Self-built digital factories External digital factory deployments



Note: The list of projects is not exhaustive.

Data assets leading development

In the digital economy era, data assets have become a core component of corporate competitiveness and a key driver of new quality productive forces. Beyond traditional datasets like customer information and operational data, data assets now encompass a wealth of information accumulated through technological innovation and business activities. Activating data elements will be a crucial path to "integrating technological innovation resources, leading the development of strategic emerging and future industries, and accelerating the formation of new quality productive forces."

Relying on the vast amount of data generated by digital manufacturing, the Company deepens the exploration of data value by establishing a data standard system. This involves organizing both structured and unstructured data while improving platforms for data governance, storage, and analysis. The Company's team collaborates with external professional institutions to verify and identify valuable data resources. Additionally, newly acquired data assets are systematically entered into records in accordance with regulations set forth by the Ministry of Finance.

In April 2024, Jinpan Smart Technology, in accordance with the regulations set by the Ministry of Finance, successfully listed its newly acquired data assets in the financial records and debuted at the Fujian Big Data Exchange. This marked Jinpan Smart Technology's official entry into the stage of transforming data elements into valuable data assets. Later, in December 2024, Jinpan Smart Technology achieved another milestone in its data management journey by successfully obtaining the DCMM (Data Management Capability Maturity Model) Level 3 certification, a highly recognized authority in the field of data management. This achievement has propelled the Company to a new level in data management, providing strong support for its sustainable development and digital transformation. Moving forward, we will continue to deepen our focus on the data asset field, advancing our own digital transformation and empowering industry development while promoting AI+ initiatives for digital factories, thus providing intelligent and integrated solutions for digital transformation across industries.

Exploration and application of AI

Artificial intelligence (AI) has become a key force in driving a new round of technological revolution and industrial transformation, serving as a crucial engine for the development of new quality productive forces. As the Company continues its digital and green low-carbon transformation, it has integrated AI technologies with digital manufacturing techniques. Significant investments have been made in the development of data governance platforms, big data platforms, and the ABI (Artificial Business Intelligence) one-stop data analysis platform, as well as the construction of AI large models. This enables the digitalization, decarbonization, and intelligentization of new quality productive forces, making groundbreaking contributions to the Company's sustainable development. In the field of artificial intelligence, the Company has launched the Jinpan AI large model, established a cross-departmental AI team, collaborated with outstanding industry teams to build the foundation of the large model, integrated OCR to enhance text perception, and applied Reranker to optimize retrieval accuracy. Furthermore, it has leveraged ReAct technology to bolster long-text processing capabilities and systematically improved multi-format parsing, semantic analysis, problem decomposition, and reasoning abilities. Additionally, the Company utilizes AI technology for in-depth analysis of production data to optimize processes, predict and resolve issues effectively. This approach also explores avenues for enhancing management practices and improving production efficiency.

Case | **Wuhan Jinpan Intelligent was among the first batch of enterprises selected as a Typical AI Application Case for Enabling Manufacturing Transformation and Upgrading**

Wuhan Jinpan Intelligent has successfully developed and applied a “machine vision and intelligent sensing-based intelligent manufacturing production line for electrochemical energy storage systems.” By integrating advanced machine vision and intelligent sensing technologies, the production line has achieved intelligent upgrades in the production process, becoming a significant innovation highlight in the high-end power equipment manufacturing industry. The intelligent manufacturing production line integrates machine vision technology and intelligent sensing technology. It achieves real-time monitoring of key parameters in the production process through high-precision image recognition systems and intelligent sensing systems, thereby improving the detection speed and accuracy of products and significantly optimizing the resource utilization efficiency of the production line.

Wuhan Jinpan Intelligent Energy Storage Equipment Digital Factory Manufacturing Line

Feature

Crafting the Foundation for Growth, Expanding the Global Strategy

In its journey of relentless progress, Jinpan Smart Technology has steadfastly aligned itself with national development strategies, positioned itself at the forefront of industry trends, and elevated Chinese national brands on the global stage through its worldwide strategic presence. As a global supplier of power equipment, Jinpan Smart Technology drives sustained technological innovation and actively responds to industry transformation to provide diversified solutions to global customers. These approaches enable the company to achieve a profound dual-drive development in domestic and overseas markets and accelerate the expansion of its global footprint.

Global Market

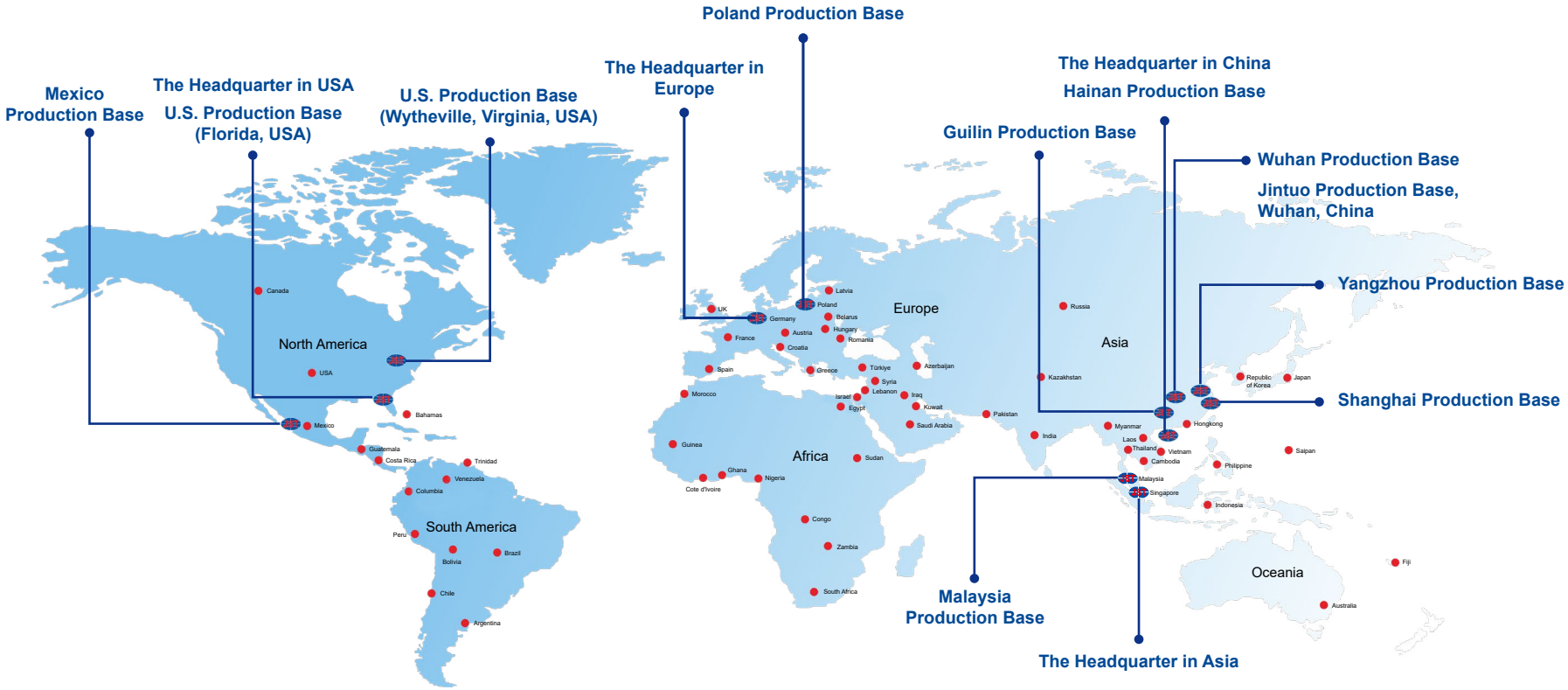
The global energy mix is currently in a critical state of transition. In the wave of comprehensive promotion of green transformation, the installed capacity of new energy on the power generation side continues to grow, with its percentage constantly increasing. On the power consumption side, with the steady development of the global economy, increasing electrification rate, and the rapid emergence of industries such as AI, energy innovation has created new development opportunities for infrastructure upgrades and new construction on the power grid side.

Propelled by the robust growth of global market demand in various segments, Jinpan Smart Technology has adopted a dual-pronged strategy of strengthening core engines and securing steady growth to pioneer new development frontiers. On the basis of improving product performance, the company has continuously developed transformer series, energy storage systems, and other products tailored for diverse fields, built a whole industrial chain, continuously expanded the application in downstream sectors, and accelerated the introduction of new customers.

Backed by the strong domestic market and the company's years of forward-looking deployment in overseas markets coupled with deep brand accumulation, we actively adapt to the international situation, accelerate the expansion of overseas business, and promote the in-depth implementation of the company's globalization strategy. To date, Jinpan Smart Technology's products and services have covered six continents and 87 countries. Our core products have obtained 355 authoritative certifications domestic and international, including UL certification in the United States, KEMA certification in the Netherlands, CE certification in the European Union, DNV-GL certification in Europe, CSA certification in Canada, and China's energy-saving product certification, fully demonstrating our product excellence and market recognition. Our products and solutions are widely applied in key sectors such as wind power, solar energy, energy storage, rail transit, and new infrastructure, empowering global customers to achieve sustainable development goals.

Looking forward, we will intensify our participation in international cooperation and exchange. We will continue to increase our international influence by participating in international exhibitions, expanding into new industries, attracting new customers, launching new products and signing strategic cooperation agreements. Focusing on core business at a more stable and vigorous pace, we will continue to deepen the drive of technological innovation, actively research and develop new products, new processes and new materials, fully integrate the whole industry chain, and build an efficient and coordinated industrial ecosystem. We are committed to providing excellent product quality and superior customer experience, accurately addressing the diverse needs of the global market, continuously creating value for customers, and laying a solid foundation for the sustainable development of the company.

Globalization Action in 2024



Operates

11 global production bases

Distribution covering

6 continents

Products and services applied in

87 countries worldwide

Cumulatively

8,000+ global clients

Jinpan Smart Technology will continue to uphold the strategic vision of "innovation-driven, global expansion" and further deepen its strategy for international growth. We will regard the domestic market as our foundation, leveraging our years of accumulated technological advantages and brand influence to accelerate our overseas market penetration while continuously enhancing our market share and competitiveness in the global power equipment sector. By enhancing collaboration with leading international enterprises and actively engaging in the global energy transformation and technological innovation, we will continuously optimize our product portfolio, improve our service capabilities, and deliver more efficient and reliable solutions to customers worldwide. Through continuous technological innovation, exceptional product quality, and a superior service experience, we aim to earn the trust and support of customers worldwide. This commitment will contribute to the realization of global energy transformation and sustainable development goals. Jinpan Smart Technology is poised to advance onto a broader international stage with resolute steps, offering Chinese wisdom and strength to the advancement of the global power equipment industry.

Global Talents

We are actively cultivating a localized professional team while attracting top international talent to advance the development and execution of local projects. We have established an international team of professionals consisting of 154 members, providing solid support for the expansion of international business. We remain committed to enhancing the influence of the "Jinpan" brand and jointly building a world-renowned enterprise with the brand of "Jinpan".

Lake Mary, FL — JST Power Equipment, Inc. has been honored with the "Top Workplace 2024" award by the Orlando Sentinel Media Group for the second consecutive year.

TOP WORK PLACES 2024 Orlando Sentinel

Highlight Projects in 2024

The world's second largest hydroelectric power station

We make significant contributions to the renovation project of the Itaipu Hydropower Station in Brazil, which is recognized as **the world's second-largest hydropower facility**. Our involvement includes the delivery of four dry-type transformers with a combined capacity of 18,000 kVA.

Australia's largest battery project

Delivered six transformers with a combined capacity of 6,960 kVA for Australia's largest battery project.

Support the development of Kazakhstan's energy sector

For the Kazakhstan combined cycle power generation project, a total of 8 transformers with an aggregate capacity of 15,200 kVA are designed and produced.

Environmental

Green Future
Building a Zero-Carbon
Ecosystem Together

In recent years, global temperatures have repeatedly broken historical records, and the frequency of extreme weather events has significantly increased, posing severe challenges to infrastructure and creating profound socio-economic impacts. Faced with the escalating climate crisis, urgent and collaborative action is needed to address this global, pressing challenge. As a global power equipment supplier, Jinpan Smart Technology adheres to the national strategies of "carbon peaking, carbon neutrality," and "industrial digitalization, digital industrialization." The Company is committed to pursuing a green, low-carbon, and sustainable development path that aligns with ESG principles. We focus on key fields such as new energy, high-end equipment, energy efficiency, green low-carbon technologies, and intelligent manufacturing, continuously driving the commercialization of comprehensive digital solutions such as digitalization and smart parks.

Jinpan Smart Technology is moving forward toward the new quality productive forces focused on "digitalization, decarbonization, and intelligentization." Driven by technological innovation, we are committed to advancing the in-depth development of green, low-carbon digitalization, continuing to play a leading role in green initiatives. We are dedicated to contributing our wisdom and strength to building a "zero-carbon future" and tirelessly working toward the beautiful vision of sustainable development.

Our actions

Jinpan Smart Technology is committed to enhancing its environmental management practices, promoting the concept of green development, and establishing a comprehensive environmental management system with clearly defined responsibilities at all levels. Based on the TCFD framework recommendations, we effectively identify climate-related risks and opportunities, proactively develop strategies to address climate change and work together with industry partners to drive the transformation of the energy structure. We continue to build more zero-carbon and green factories, implement green production and green office practices, and use green value as a driving force to achieve both economic and social benefits, supporting the low-carbon transformation of the entire

SDGs contributions

Our performance

Total greenhouse gas emissions (Scope 1 and Scope 2)

4,749.29

tons of carbon dioxide equivalent

Scope 1 greenhouse gas emissions

1,679.76

tons of carbon dioxide equivalent

Scope 2 greenhouse gas emissions

3,069.53

tons of carbon dioxide equivalent

Percentage reduction in greenhouse gas emissions compared to the previous year

45.86%

Total energy consumption reached

5686.95

tons of standard coal

Carbon "Zero" Opens a New Chapter

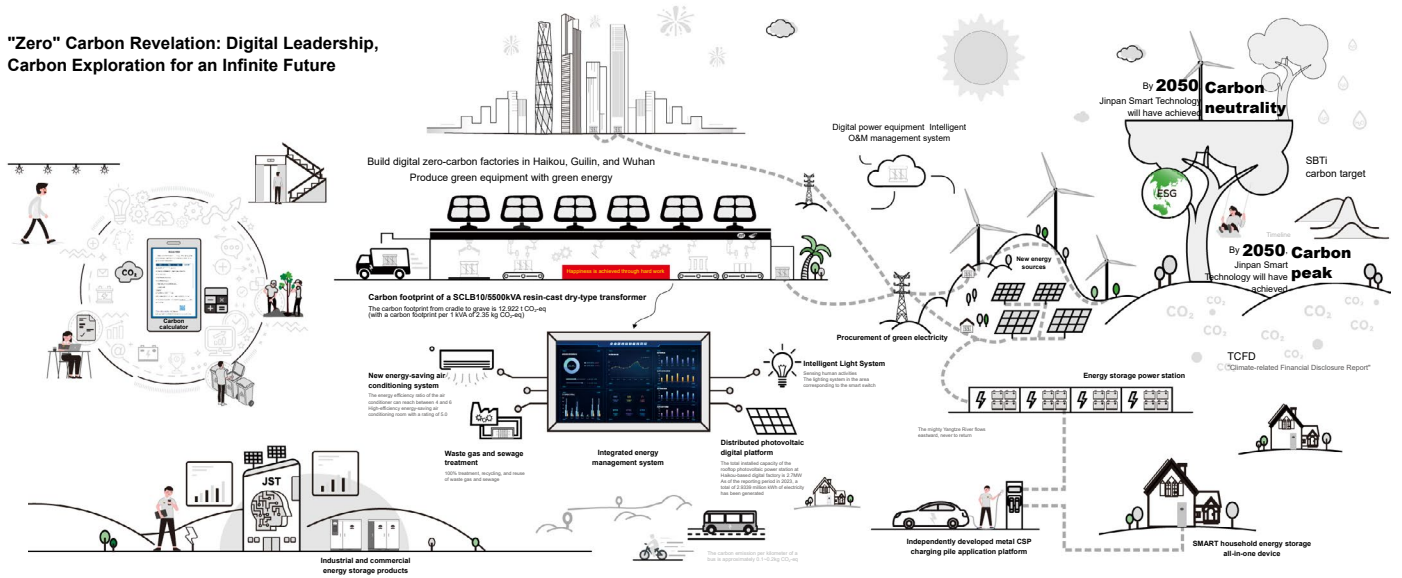
Climate change has become a common challenge for mankind. Jinpan Smart Technology is committed to aligning with the national strategies of "carbon peaking and carbon neutrality" as well as "industrial digitalization" and "digital industrialization" in this new era. We explore various low-carbon technological solutions, integrating the concept of sustainable development into every stage of a product's lifecycle. By promoting green, low-carbon new energy products, we connect the industrial chain to collectively build a sustainable green ecosystem, opening a new chapter in carbon "zero".

With the goal of "peaking carbon dioxide emissions by 2025 and achieving carbon neutrality by 2050," we have established a green evaluation system, set up SBTi scientific carbon targets, disclosed TCFD climate-related financial information reports, and expanded the use of clean energy through research, development, and the construction of new energy products and solutions.

We have developed comprehensive energy management systems, photovoltaic monitoring and operation systems, new energy centralized control systems, and virtual power plant systems to fully manage environmental risks, improve efficiency, and offset carbon emissions by purchasing green electricity and green certificates. Currently, we have established four zero-carbon factories in Haikou, Guilin, Wuhan, and Shanghai, making solid progress towards our "zero-carbon" goal.

We emphasize green product design and research, implement product lifecycle management, actively promote a circular economy, and minimize the environmental impact of our products. At the same time, we encourage employees to manage their carbon footprint in daily life through carbon calculators and reduce carbon emissions by taking measures such as green travel, garbage classification, and promotion of paperless office.

This year, we started a new chapter in our carbon "zero" journey. From the production, operation and other dimensions, Jinpan Smart Technology has continued to explore and make unremitting efforts to achieve "zero carbon". We are committed to driving Jinpan Smart Technology's ecosystem to take joint actions, propelling both ourselves and the entire industrial chain towards a zero-carbon future.



Zero-Carbon revelation

Climate-related governance

We have established a climate-related governance mechanism, clearly defining the primary responsible departments and the cooperating departments for responding to climate change. We actively identify climate risks and opportunities, formulate mitigation strategies, and manage product carbon footprints throughout the entire lifecycle. Our goal is to enhance carbon emission performance across the entire value chain and reduce our impact on climate change.

The Company has built a three-tier governance structure consisting of the Board of Directors, the ESG Committee, and the ESG Working Group. The Board of Directors integrates climate-related risks into major strategic planning, risk assessment systems, and performance evaluations to ensure that climate strategies and risk management are fully embedded in the Company's business development. Under the Board of Directors, the ESG Committee is directly responsible for climate change affairs. It regularly reviews and assesses the implementation of climate strategies and targets, making necessary adjustments and modifications. Additionally, it oversees and guides the Company in addressing climate-related risks and opportunities.

The ESG Working Group is responsible for implementing resolutions from the Meeting of Shareholders, the Board of Directors, and the ESG Committee. It conducts regular assessments of climate risks and opportunities, tracks the execution of climate-related initiatives, ensures the implementation of climate-related goals, and reports regularly to the Board on climate change-related targets, action plans, and progress.

Strategy

Jinpan Smart Technology continues to focus on the impact of climate change on the Company's business operations. Based on climate scenario analysis, we identify and assess climate change risks related to the Company. At the same time, we develop targeted measures to enhance our ability to adapt to climate change.

Climate scenario analysis

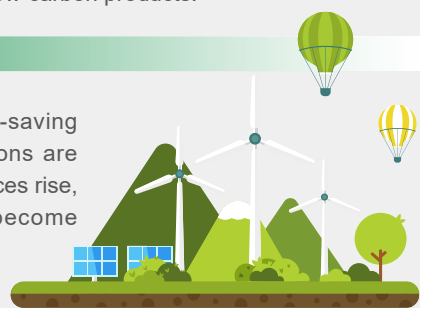
We refer to publicly available scenarios set by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), such as the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), Shared Socioeconomic Pathways (SSP), and Representative Concentration Pathways (RCP). Based on these references, we have developed two contrasting future societal models:

1.5°C Scenario

This scenario anticipates stricter energy-saving and low-carbon regulations, widespread use of clean energy, and customer preference for low-carbon products.

4°C Scenario

In this scenario, energy-saving and low-carbon regulations are fragmented, fossil fuel prices rise, and natural disasters become more frequent.



Stringent Energy-saving/low-carbon regulations

1.5°C scenario

Fossil Fuel-Dependent Society

- Strict carbon emission management
- Rising carbon prices
- Increase in fossil fuel prices, transitioning towards the use of clean energy
- [Risks] Strict requirements for carbon emission management and rising fossil fuel prices lead to increased product prices and reduced sales opportunities.
- [Opportunities] Reduced costs resulting from the early introduction of clean energy and leading the market through innovation in low-carbon technologies.

Net-Zero Society

- Strict carbon emission management
- Rising carbon prices/carbon tariffs
- Widespread use of clean energy
- Common use of low-carbon products
- [Risks] Delay in adopting low-carbon technologies and failure to meet carbon emission management standards leads to lost sales opportunities, while also increasing R&D costs.
- [Opportunities] Growing demand for new energy storage, increased sales of products with low carbon emissions throughout their lifecycle.

Society Prone to Natural Disasters

- More frequent warm weather globally
- Frequent natural disasters such as typhoons, floods, earthquakes
- Rising sea levels
- [Risks] High temperatures leading to reduced product performance and shortened lifespan, necessitating higher R&D costs; frequent natural disasters may cause logistics disruptions.
- [Opportunities] Increased demand for energy-related products for large-scale power generation, sales increase for highly durable transformers with low power distribution losses, and energy storage devices.

Low-Carbon Consumption Society

- Delayed or disjointed implementation of energy-saving/low-carbon regulations
- Depletion of fossil fuel resources, leading to widespread use of expensive clean energy
- Widespread use of high-priced low-carbon products
- [Risks] Losing opportunities due to late adoption of clean energy, coupled with the need to increase investments in low-carbon technology research and development.
- [Opportunities] Significant increase in demand for new energy storage, along with increased sales of products that have low power distribution losses and low in carbon emissions.

4°C scenario

Preference for Low-carbon products

Identifying and assessing climate risks and opportunities

Through a comprehensive assessment of climate-related risks, we have identified both the risks and opportunities associated with climate change. By strengthening our climate resilience, we endeavor to capitalize on the developmental prospects arising from the global energy transition and low-carbon transformation. In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified, prioritized, and managed both physical and transitional risks that may impact company assets, thereby laying the groundwork for devising response strategies.

We have defined short-term, medium-term, and long-term time frames for addressing climate-related risks and opportunities. Short-term refers to the next 1-2 years, medium-term refers to 3-5 years, and long-term refers to five years and beyond. Specific climate risks and opportunities are as follows:

		Risk	Opportunity
Physical risks and opportunity			
Acute risks	Frequent typhoons, rainstorms, etc.	[Short-term] Increased costs for flood and waterlogging control	[Short-term] Increased demand for resilient infrastructure
	Frequent earthquakes and droughts	[Short-term] Sales decrease due to supply chain disruptions	[Short-term] Increased demand for disaster preparedness equipment and facilities
Chronic risks	Rising sea levels	[Medium to long-term] Some operations in coastal provinces and regions of China may be damaged, increasing corporate infrastructure costs	[Medium to long-term] Increased demand for resilient infrastructure
	Increased hot weather	[Short-term] Poor health condition of employees may reduce work efficiency	
		[Medium to long-term] Reduced product lifespan and quality	
		[Medium to long-term] Production interruptions due to electricity usage restrictions	
Transitional risks and opportunity			
Policies and regulations	Increase in carbon taxes	[Long-term] Increased costs for energy procurement, leading to increased production and transportation costs	[Long-term] Gaining business opportunities through early adoption of renewable energy differentiation
		[Medium-term] Increased export costs for products leading to higher prices and lower sales volumes	[Medium-term] Stabilizing costs through early adoption of renewable energy
	Increasingly stringent energy-saving/ low-carbon regulations	[Medium-term] Strict carbon emission management increases carbon management costs	[Medium to long-term] Increase in sales of energy storage business
		[Short-term] Strict requirements for the carbon footprint of the entire product lifecycle, increasing calculation costs	[Short to medium-term] Increased sales opportunities by producing compliant energy-saving/low-carbon products
		[Short-term] Increased introduction costs for renewable energy certificates	
Technologies and innovation	Rapid development of low-carbon technologies	[Medium-term] Missing opportunities due to delayed R&D in decarbonization technologies	[Medium-term] Increased demand for technologies promoting decarbonization
		[Medium-term] Increased investment in the development of low-carbon technologies	[Medium-term] Business opportunities for prioritizing highly sustainable products
	Low-carbon products replacing traditional products	[Short-term] Increased investment in renewable energy facilities	[Short-term] Increased demand for renewable energy and energy-saving products
		[Medium to long-term] Traditional products replaced by low-carbon products	
Markets	Changes in customer behavior patterns	[Medium to long-term] Failure to achieve 100% use of renewable energy in the production process, resulting in lost sales opportunities	[Medium to long-term] Enhancing brand influence through sustainable value chain realization
		[Medium to long-term] Failing to keep pace with customer preferences for low-carbon products	[Medium to long-term] Customers achieve sustainability in their own value chains by purchasing sustainable products
	Transition to a circular economy	[Short-term] Customers not favoring products from resource recycling	[Short term] Transition from traditional to circular economy business models
		[Medium to long-term] Increased costs due to resource recycling and circular technologies	[Medium to long-term] Expanding demand related to low-carbon products and energy management businesses
Reputation	Increased public environmental awareness	[Medium to long-term] Damage to reputation due to insufficient efforts in emission reduction	[Medium to long-term] As a sustainable business, offering sustainable products attracts more customers

Risk management

Jinpan Smart Technology has integrated climate change risks into its daily risk management system and regularly reports to the Board of Directors. The Company has established a mature risk identification and management process, continuously monitoring international, national, and industry developments to promptly identify regulatory trends, potential risks, and opportunities relevant to the Company's growth.

Climate-related risk identification process

We continuously monitor climate change trends and their potential actual impacts on production and operations. We also closely track domestic and international climate change regulations, maintaining close communication with external stakeholders such as investors, customers, and suppliers to stay informed of their expectations regarding climate issues. We regularly conduct a comprehensive climate-related risk identification process to optimize and improve relevant contingency plans.

Collect potential climate risks

Collect internal and external initial information related to the Company's climate risk, organize potential climate risks that may affect the Company's business, including potential physical risks and transition risks.

Utilize diverse methods for assessment

Evaluate the extent and likelihood of impact of climate risks by means of group discussions, expert consultation, policy analysis, etc.

Compile a climate risk inventory

Based on the preliminary assessment results of climate risks, comprehensively take into account the potential impact, probability of occurrence, urgency and controllability of different risks, determine the order of climate risks, compile a list of climate-related risks, and clarify the priority of related tasks.

Climate-related risk management process

We follow the *Basic Norms for Internal Control of Enterprises*, the *Risk Management Guidelines (ISO 31000:2018)*, and the *COSO Enterprise Risk Management - Integrating with Strategy and Performance 2017,* among other guidelines and standards, to establish the *Jinpan Smart Technology Risk Management System.* This system integrates climate change risks into the core content of strategic planning, and recognizes them as key management issues in supply chain management to enhance the overall importance of climate risk management.

Aligned with the Company's comprehensive risk management system, climate risk management primarily involves four key procedures: risk identification, risk analysis, risk response, and risk monitoring. The ESG Committee oversees and supervises all climate-related risk assessments and decision-making processes.

Indicators and goals

Goals and commitments

As a pioneer in the new energy sector, Jinpan Smart Technology strives to play a greater role and take on more responsibility in global climate action. In response to the national "carbon peaking" and "carbon neutrality" goals, Jinpan Smart Technology has formulated specific dual-carbon strategic goals. In 2023, Jinpan Smart Technology applied to join the Science Based Targets initiative (SBTi) to ensure that our carbon emissions goals are consistent with the global scientific carbon reduction pathways.

Our science-based carbon targets are currently under official review by SBTi, and we publicly commit to taking all necessary measures to achieve our emissions reduction targets.

Based on the 2022 baseline year, we have set the following specific targets:

Short-term goals (by 2030):

Reduce Scope 1 and Scope 2 greenhouse gas emissions by at least **50%** ↓

Reduce Scope 3 greenhouse gas emissions by at least **25%** ↓

Net zero target (by 2050):

Reduce Scope 1, Scope 2, and Scope 3 greenhouse gas emissions by at least **90%** ↓

Indicators

Jinpan Smart Technology continuously monitors multiple climate-related indicators in combination with its own business characteristics, asset distribution, and potential climate-related risks. Among them, we regard greenhouse gas emission intensity and energy efficiency as key indicators. The Company quantifies carbon emissions data in daily management and conducts in-depth assessments of energy utilization efficiency, enabling the timely identification and effective response to potential carbon emission challenges.

Compared with 2022, the greenhouse gas emissions of Jinpan Smart Technology in 2024 decreased by about **70.39%**, achieving the near-term emission target earlier than expected.

Greenhouse gas emission data

Total greenhouse gas emissions (Scope 1 & Scope 2)[1]

Unit: Tons of carbon dioxide equivalent

2022	16,041
2023	8,773
2024	4,749.29

Greenhouse gas emission intensity (Scope 1 & Scope 2)

Unit: Tons of carbon dioxide equivalent /RMB 10,000 of revenue

2022	0.0338
2023	0.0131
2024	0.007

Scope 1 greenhouse gas emissions

Unit: Tons of carbon dioxide equivalent

2022	2,105
2023	1,958
2024	1,679.76

Scope 2 greenhouse gas emissions

Unit: Tons of carbon dioxide equivalent

2022	13,936
2023	6,815
2024	3,069.53

[1] Scope 1 greenhouse gas emissions refer to carbon emissions generated from the combustion of direct energy sources such as natural gas, gasoline, and diesel, as well as carbon emissions from renewable energy power generation. Scope 2 greenhouse gas emissions refer to carbon emissions generated from indirect energy sources such as purchased grid electricity and purchased green electricity. The standards for accounting greenhouse gas emissions are based on Greenhouse gases -Part 1: ISO 14064-1:2018 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals and the GHG Protocol.

Climate action response

We have integrated the concept of responding to climate change response into the Company's business strategy and production operations. With "achieving low-carbon production" and "empowering low-carbon development of the industry" as the two primary objectives, we have been steadily promoting the realization of Jinpan Smart Technology's "dual-carbon" goals and driving the transformation and upgrading of the new energy manufacturing industry.

Achieving low-carbon production

Jinpan Smart Technology actively responds to the national "carbon peaking" and "carbon neutrality" goals, driven by high-quality development, and relying on advanced technology, intelligent transformation, and green development concepts, to achieve eco-friendly production of green energy equipment. The Company incorporates eco-friendly principles throughout the entire production lifecycle. This year, Jinpan Smart Technology continues to expand clean energy use, increasing the share of clean energy in operations, and accelerating its transition to green and sustainable operations.

Zero-carbon factories

Since the introduction of the dual carbon goals, China has made them one of the key national strategies for high-quality development. The country has formulated multiple supportive documents for systematic planning and overall deployment, and has completed the integration of the "dual carbon" implementation plans across 17 provinces, effectively and orderly advancing the "dual carbon" agenda. In the national dual-carbon plan, industrial parks play a crucial strategic role as key areas of energy consumption and carbon emissions. Starting from the concept of a "Zero-Carbon Factory", we adhere to the development philosophy of "green ecology," deepen the green revolution in the industrial sector, and promote the establishment of more green factories and "zero-carbon factories". Together with industry peers, we aim to build a "community of shared destiny" for the green energy equipment manufacturing industry and jointly promote the green and high-quality development of the manufacturing sector.

The zero-carbon factories of Jinpan Smart Technology fully integrate the concept of carbon neutrality in the dimensions of park planning, construction, management and operation. Relying on a zero-carbon management system, it accurately calculates and plans carbon neutrality targets, utilizes the Internet of Things to comprehensively monitor the generation and reduction of carbon elements, and integrates carbon-neutral measures such as energy conservation, emission reduction, carbon fixation, and carbon sink through digital means. With intelligent management, it achieves low-carbon industrial development, energy green transformation, facility specialization and sharing, and resource recycling, achieving a self-balancing of carbon emissions and absorption within the park, while deeply integrating production, ecology, and life.

- Virtual power plant system
- Integrated energy management system
- Park-wide water and gas monitring system

Zero-carbon park energy control hub

Zero-carbon park energy control units

- Edge terminal gateway
- Edge data gateway

- Energy system park power distribution system
- Energy storage system
- Photovoltaic system
- Park air conditioning system
- Charging pile system and other equipment

Zero-carbon park energy control terminals

Zero-carbon park energy control algorithms

- Multi-energy scheduling and multi-energy coordination algorithm
- Optimized energy-saving control algorithm for air conditioning
- AI algorithm

By the end of 2024, Jinpan Smart Technology's production bases in Haikou, Guilin, and Wuhan have earned national recognition as Green Factories and Zero-Carbon Factories. The Shanghai base has become a model for Shanghai Green Factory and Zero-Carbon Factory. We are making steady progress on the path of green transformation, continuously establishing benchmarks for green intelligent manufacturing.

To meet the company's scientific carbon targets, Jinpan Smart Technology has actively promoted the establishment of zero-carbon factories since 2023. As a result, four such factories have been successfully established in Haikou, Guilin, Wuhan, and Shanghai. By 2024, each factory had achieved significant progress in green carbon reduction. Compared to 2022 (the baseline year for Jinpan Smart Technology's SBTi target setting), the Haikou factory reduced carbon emissions by 95.8% throughout the year, the Guilin factory by 78.8%, and the Shanghai factory by 99.4%. The Wuhan factory, which was officially completed and put into operation in December 2023, achieved a carbon reduction ratio of 97.4% throughout the year of 2024 (compared to the calculated carbon emissions without carbon reduction measures in 2024).

Case **Wuhan Jinpan Intelligent and Shanghai Jinpan added new "zero-carbon factories", further strengthening Jinpan Smart Technology's sustainable development blueprint**

In 2024, Wuhan Jinpan Intelligent Technology Co., Ltd. (hereinafter referred to as "Wuhan Jinpan Intelligent") and Jinpan Electric Group (Shanghai) Co., Ltd. (hereinafter referred to as "Shanghai Jinpan"), subsidiaries of Jinpan Smart Technology, achieved significant milestones, showcasing the Company's unwavering commitment and outstanding achievements in digitalization and green, low-carbon transformation.

Wuhan Jinpan Intelligent successfully obtained the Zero-Carbon Factory certification and the AAA-level Integration of Informatization and Industrialization Management System certificate, becoming the third digital factory under Jinpan Smart Technology to receive the "Zero-Carbon Factory" recognition, following the recognition of Haikou and Guilin digital factories. Meanwhile, Shanghai Jinpan was awarded both the Shanghai Green Factory and the Shanghai Zero-Carbon Factory honors, further demonstrating Jinpan Smart Technology's excellence in green, low-carbon transformation. Shanghai Jinpan, with its well-established green manufacturing management system, significant environmental protection outcomes, and advanced production technologies, was successfully listed as a Shanghai Green Factory, becoming the fourth green factory under Jinpan Smart Technology. Wuhan Jinpan Intelligent and Shanghai Jinpan fully harness clean energy to its maximum potential. In conjunction with their self-developed Jinpan Smart Technology Integrated Energy Management System, they utilize advanced technologies such as the Internet of Things, big data analytics, and artificial intelligence to optimize and integrate resources within the park, culminating in the establishment of a zero-carbon emission smart park.

Case | Guilin Juntaifu Energy Storage Power Station connected to the grid and operational

Jinpan Smart Technology remains committed to green and low-carbon development, actively promoting regional green economic growth. This year, the Guilin Juntaifu Energy Storage Power Station under Jinpan Smart Technology was successfully integrated into the power grid and put into operation, contributing to the improvement of regional economic and environmental benefits.

Relying on the "Jinpan Digital Energy Management System" platform, Guilin Juntaifu Energy Storage Power Station has demonstrated excellent energy storage and discharge flexibility. By managing peak and off-peakpower grid usage it has effectively improved the energy efficiency at the base, reduced the overall electricity cost, and further reduced carbon emissions.

In 2024

Direct reduction of greenhouse gas emissions due to retrofitting equipment

150 Tons of carbon dioxide equivalent

Capital investment in greenhouse gas emission reduction

RMB **31.9698** million

Direct reduction of greenhouse gas emissions due to process improvements

447.68 Tons of carbon dioxide equivalent

Direct reduction of greenhouse gas emissions due to fuel replacement

3,426.1 Tons of carbon dioxide equivalent

Empowering low-carbon development in the industry

Jinpan Smart Technology, leveraging its unique product attributes and technical expertise, actively collaborates with industry chain partners to jointly advance toward a low-carbon economy. We continue to increase R&D investment in the renewable energy sector, providing clean energy generation services for numerous partners. At the same time, we actively respond to national strategies by replicating and promoting the successful experience of agrivoltaics projects. In rural areas, we make full use of wind energy resources and scattered idle non-arable land and organize the "Thousand Towns and Ten Thousand Villages Wind Action" to promote the development of decentralized wind power in various places, supporting local economic development and environmental protection.

Case | Solar rooftop project empowering industrial low-carbon development

In 2024, we assisted a grain reserve company in implementing a solar rooftop project. The project officially started on April 29, 2024, and achieved energy self-sufficiency by installing solar energy panels on the top of the warehouse. With a total installed capacity of 6,382.8 kWp, after four months of intensive construction, the project was successfully connected to the grid at full capacity on August 15, 2024, and passed its final acceptance inspection on August 30, 2024.

Since reaching full-capacity grid connection, the solar power station has been operating smoothly, with actual power generation aligning with expected targets. According to forecasts, over its 25-year operational lifespan, the power station will generate an average of 4,628.15 MWh annually. The implementation of this project is expected to save about 569 tons of standard coal per year, significantly reduce carbon dioxide emissions by about 2,480 tons.

Reduce carbon dioxide emissions by about

2,480 tons

Photovoltaic Project of Chongqing Grain Reserves Group

Effective carbon emission data management is the foundation of carbon reduction efforts. We continuously advance carbon inventory and carbon footprint certification, systematically promoting emission reduction initiatives. By assessing high-carbon-emission processes, we are gradually reducing the carbon footprint across the entire industry chain and our products. In 2024, we successfully obtained carbon footprint certification for 16 products.

Focus on Environmental Management

Jinpan Smart Technology abides by its commitment to environmental protection, continuously improves the environmental management system, and ensures the implementation of environmental management responsibilities. We strictly abide by the laws and regulations in the countries and regions where we operate, such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of the Environmental Pollution of Solid Wastes* and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*. We have established control procedures for sewage and solid waste, etc., and strictly control the use of resources and pollutant emissions during production and operation through source management and process governance to achieve green production and green operation. In 2024, Jinpan Smart Technology recorded no environmental violations.

We have referred to relevant national standards and, in conjunction with our company's circumstances, established environmental management objectives that cover all operational production bases of Jinpan Smart Technology (from 2024 baseline).

Indicator	Unit	Year 2023	Year 2024	Changes	2030 target (from 2024 baseline)	National standards
COD Emission Concentration of Industrial Wastewater	mg/L	102	60.67	40.52% ↓	The discharge concentration of COD of industrial wastewater shall not exceed 150mg/L	500mg/L *(Integrated wastewater dscharge standard GB8978)*
Volatile organic compounds (VOCs) emission concentrations	mg/m³	2.04	2.82	38.47% ↑	Volatile organic compounds (VOCs) emission concentrations do not exceed 10mg/m³	120mg/m³ *(Integrated emission standard of air pollutants GB 16297)*
Industrial wastewater discharge intensity	Tons/RMB 10,000	0.0417	0.0372	10.86% ↓	Reduce industrial wastewater discharge intensity by 10% by 2030 compared to base year	
Intensity of non-hazardous waste generation	Tons/RMB 10,000	0.0054	0.0051	5.1% ↓	Reduce industrial solid waste emission intensity by 5% by 2030 compared to the base year	

Environmental management system

Based on the requirements of the ISO 14001 Environmental Management System, Jinpan Smart Technology has developed policy documents covering various environmental impact factors, including the 'Water Pollution Prevention and Control Procedure,' 'Air Pollution Prevention and Control Procedure,' and 'Noise and Vibration Pollution Prevention and Control Procedure,' providing institutional support for the company's environmental management. During the reporting period, all Jinpan Smart Technology's operational bases have obtained ISO 14001 Environmental Management System certification.

Environment governance structure

We ensure the effective advancement of the Company's environmental management work through three aspects: environmental management framework, environmental performance assessment, and environmental management audits, promoting our transformation and upgrading toward resource conservation and environmental friendliness.

Environmental governance structure

- The general manager is the primary person in charge, and each base shall set up EHS (environment, health, and safety) officers responsible for implementing the specific tasks. We set environmental performance indicators and designate the responsible department for managing these indicators. This ensures comprehensive management of Jinpan Smart Technology's environmental performance, controls environmental risks, and aligns environmental goals with business strategy.

Environmental performance evaluation

- Set environmental performance indicators and designate the responsible department for managing these indicators
- "Safety and environmental protection" has been set as a key performance indicator for the factory's general manager's annual review, ensuring that environmental management goals are given full attention and effectively implemented.

Environmental management audit

- The Environmental Review Plan has been established, with regular environmental management audits conducted. Designated personnel follow up on identified issues and implement corrective actions, ensuring continuous reduction of environmental risks.

At the same time, the Company integrates environmental management concepts into its supplier management strategy, encouraging and requiring suppliers to take environmental responsibility and work together to build a green supply chain.

Energy management

Jinpan Smart Technology strictly abides by the *Law of the People's Republic of China on Energy Conservation* and other relevant laws and regulations. We improve the energy management system, continuously optimize the energy use structure, and explore more space for energy conservation and consumption reduction, so as to maximize the energy use efficiency. As of the end of the reporting period, Hainan Jinpan, Guilin Juntaifu, Wuhan Jinpan, and Shanghai Jinpan have obtained ISO 50001 Energy Management System certification, marking significant progress in our energy management efforts.

Optimizing energy management

We have developed multiple energy management systems with digitalization as the core, established energy consumption data application and service systems, monitored energy consumption through intelligent systems, innovatively developed the integrated energy management and distributed asset management model for green smart parks, and continued to expand the coverage of our energy management systems to help the park reduce their environmental footprint. Our system also provides real-time data on green energy utilization for operation and maintenance personnel by analyzing the percentage of new energy consumption. We have built a comprehensive energy management system that incorporates photovoltaic monitoring and operation and maintenance systems, new energy centralized control systems, and virtual power plant systems. Through intelligent monitoring and data analysis, we increase the proportion of clean energy and renewable energy use, reduce energy waste, and reduce greenhouse gas emissions. In addition, the integrated energy system can also improve the efficiency of the energy system by integrating energy storage facilities and distributed energy, effectively promote the consumption of clean energy, enhance the hierarchical utilization of energy, and realize the green and low-carbon development of the park.

Photovoltaic monitoring and operation and maintenance system

Photovoltaic monitoring and operation and maintenance system improves power generation efficiency, reduces operating costs, optimizes energy utilization, and promotes the development of clean energy. The application of intelligent operation and maintenance technology has significantly improved the power generation efficiency and stability of photovoltaic power plants, and reduced downtime and maintenance costs. At the same time, through real-time monitoring and data analysis, the operation and maintenance system can timely discover and deal with faults, ensure the long-term stable operation of power stations, and reduce transmission losses.

Virtual power plant system

The virtual power plant uses information technology and intelligent control to achieve unified management and optimized scheduling of various types of power sources in the power system. It also guides real-time charging and discharging scheduling strategies through photovoltaic power generation forecasts, plant load forecasts, and energy storage scheduling strategy forecasts, thereby achieving a balance between the plant power grid, photovoltaic generation, and energy storage loads. This will save energy costs and achieve the regulation and control of the power grid load.

New energy centralized control system

The new energy centralized control system integrates data collection and control, electric energy collection and summary calculation functions of each station, and can carry out unified and centralized monitoring and management of substations scattered across the country. Through the "connection, movement, storage, processing and analysis" of real-time data, combined with big data and AI applications, the system guides the power generation optimization control strategy to reduce power loss and improve the power generation efficiency of new energy power plants.

Adoption of clean energy

The adoption of clean energy plays a crucial role in achieving carbon neutrality goals, adjusting energy structures, and promoting social harmony and economic stability. This year, Jinpan Smart Technology has reduced its dependence on fossil energy by increasing the installed capacity of distributed photovoltaic power and purchasing green electricity. The Company has also independently developed and implemented an energy management system to improve the digitalization, networking, and intelligentization of its internal energy management. Jinpan Smart Technology continues to improve energy efficiency and increase the proportion of clean energy usage. In 2024, the Company's clean energy consumption increased by 74.46% compared to 2023, reaching a clean energy utilization rate of 61.35%.

Case | Energy efficiency retrofit at the Shanghai Base

The Shanghai Base has achieved significant environmental and economic benefits through a series of energy efficiency improvement projects. This year, the Shanghai Base upgraded its photovoltaic projects, which increased the annual power generation by 340,000 kWh and effectively increased the proportion of self-supply electricity. Additionally, a lighting system retrofit reduced lighting electricity consumption by 30%, while simultaneously improving lighting quality.

In addition, the Shanghai Base has also developed an energy management system, which enables optimized energy planning to reduce unit product energy consumption, further improving economic benefits and reducing carbon dioxide emissions.

a lighting system retrofit reduced lighting electricity consumption by **30%**

Leveraging our technological prowess, Jinpan Smart Technology harnesses its product technology advantages to actively explore and tap into potential opportunities for energy savings and emissions reduction. In 2024, our unit revenue carbon emission intensity decreased to 0.007 tons of carbon dioxide equivalent/RMB 10,000, demonstrating our commitment to environmental responsibility.

In 2024

Total energy consumption[2]
5,685.95 Tons of standard coal

Energy consumption intensity
0.0082 Tons of standard coal/RMB 10,000 of Revenue

Clean energy usage ratio
61.35%

Carbon reduction from clean energy use
9,094 Tons of carbon dioxide equivalent

Total installed capacity of photovoltaic power generation projects
23 MW

Cumulative power generation
16.95 GWh

Supplying the power plant itself
12.74 GWh

Feed to the power grid
4.21 GWh

Total amount of hydroenergy used
43.47 Tons of standard coal

Total amount of solar energy used
1,565.6 Tons of standard coal

Total amount of green electricity purchased
1,880.12 Tons of standard coal

[2] For the calculation of energy consumption for various energy sources and resources, refer to General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

Water resource management

Jinpan Smart Technology adheres to the *Water Law of the People's Republic of China*, the *Action Plan for Improving Industrial Water Efficiency*, and other relevant laws, regulations, and systems across its operational sites to save water for daily operation and improve the water utilization efficiency of factories in various places.

Water conservation

Through digital manufacturing and digital factory systems, we realize intelligent management of water resources in production and operations to improve the efficiency of water resource utilization. We continually improve water-saving measures, introduce advanced water-saving equipment, promote the recycling of water resources, and improve employee's awareness of water conservation through comprehensive training, and strengthen the supervision of water resources.

Industrial water conservation

We regularly conduct comprehensive inspections of water recycling pipelines, timely find and identify leakage problems of water pipelines, take repair and rectification measures to ensure the effective use of water resources. Meanwhile, we keep exploring more ways to recycle water. We recycle wastewater in Haikou Base. In 2024, we treated and reused about 1,353 tons of wastewater, achieving zero discharge and zero pollution of industrial wastewater. At the same time, we have tried to adopt a new treatment process for coil painting waste gas treatment in the new factory at Wuhan Jiangxia to achieve the ecological benefits of not using water resources and not discharging industrial wastewater.

Conservation in daily life

In terms of canteen tableware washing, we have adopted a centralized machine dishwashing model, which has greatly improved the effective utilization of water resources. At the same time, we have adjusted the water flow rate and tank capacity of domestic water facilities to control the consumption and flow rate of water, thereby achieving rational use and conservation of domestic water. In addition, we have implemented recycling measures for air conditioning condensate, achieving the reuse of cooling sources and further improving energy use efficiency.

In 2024

Water use intensity

0.2986 ton/RMB 10,000 of Revenue

Water withdrawal

206,202 Tons

Water reuse volume

1,353 Tons

Water use intensity decreased

11.34%

Reducing wastewater discharge

Jinpan Smart Technology fully complies with the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and other relevant laws and regulations, and implements a strict wastewater management system.

On the operation side, our advanced rainwater and sewage separation technology is applied to the drainage system, and domestic sewage undergoes deep treatment through the municipal sewage network before safe discharge.

On the production side, we continuously carry out wastewater discharge treatment and monitoring, and replace and install new equipment based on actual needs to ensure that the industrial wastewater generated in the production process can be recycled after treatment. We use the Rixin membrane wastewater treatment system to remove suspended solids, organic matter, bacteria, viruses and other harmful substances in the wastewater by physical separation to achieve the purpose of purifying water quality and protecting water resources and environment.

In 2024

Industrial wastewater discharge

25,661.6 Tons

Industrial wastewater discharge intensity

0.03716 ton/RMB 10,000 of Revenue

Waste gas management

Jinpan Smart Technology strictly follows the *Integrated Emission Standard of Air Pollutants* along with other national and local regulations and standards to regulate waste gas emissions.

In our commitment to meeting environmental protection requirements, we have installed advanced waste gas collection and treatment facilities at each production base as per the specifications outlined in environmental impact assessments. These installations ensure that emissions, following effective collection and treatment by environmental protection equipment, adhere to standard discharge criteria. Jinpan Shanghai base replaced the waste gas treatment equipment, so that its waste gas was discharged after UV photolysis and activated carbon treatment. As a result, its non-methane hydrocarbon emission concentration was reduced by 96.63%, which effectively improved the waste gas treatment efficiency and reduced the impact of waste gas on the environment.

Packaging materials and waste management

Jinpan Smart Technology adheres to the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and the *Guidelines for the Formulation of General Industrial Solid Waste Management Ledger of People's Republic of China (Trial)* among other national and local laws and regulations. In alignment with the ISO 14001 environmental management system, we have established a rigorous waste management system and delineated the responsibilities of dedicated supervisory personnel.

General industrial solid waste

We implement categorized collection practices and, in compliance with relevant national regulations, hand it over to a qualified third party for treatment, resource recovery and reuse. Household waste undergoes uniform processing by professional environmental sanitation departments.

Hazardous waste

After temporary storage in specially designed hazardous waste rooms, it is handled by qualified professional entities. We ensure that storage sites for hazardous waste are equipped with measures for rain, leakage, spill, and theft prevention, clearly marked with warning signs. Additionally, we maintain detailed hazardous waste management ledgers and submit annual hazardous waste disposal plans to environmental protection departments to ensure compliant management.

To prevent leaks, spills, and other potential issues during production processes that could compromise the soil environment, all liquid material storage tanks in our workshops are equipped with leak-proof trays. We provide dedicated chemical cabinets for proper chemical storage, with the floor of the chemical storage area constructed from cement with an epoxy resin coating to prevent chemical leakage. Additionally, the area is equipped with specialized leak-proof trenches and collection pools to further ensure proper handling of leakage incidents.

In 2024

Total non-hazardous waste
3,554.34 Tons

Non-hazardous waste intensity
0.0051 ton/RMB 10,000 of Revenue

Percentage of non-landfilled waste
96.85%

Total hazardous waste
97.49 Tons

Hazardous waste intensity
0.00014 ton/RMB 10,000 of Revenue

In order to build a green enterprise reduce solid waste discharge and pollution and Jinpan Smart Technology signed the *Green Packaging Action Plan Commitment Letter* and *Green Packaging Joint Implementation Commitment Letter*, formulated and improved the *Product Packaging Procurement System*, *Product Packaging Management System*, *Packaging Recycling and Reuse Management Measures* and other systems, and issued the *Green Packaging, Warehousing and Transportation (Plan Implementation* Scheme) to standardize the Company's green packaging procurement and recycling work. This year, our green packaging work has been certified by an external third party and evaluated as a "green packaging implementation unit".

We give priority to materials that are recyclable, degradable or have less impact on the environment, and according to the characteristics of packaging materials, we have established a recycling mechanism for packaging materials to minimize packaging waste. After the product is used or discarded, we recover or recycle the packaging or parts as much as possible. Meanwhile, for recyclable packaging materials, we strictly follow the Company's system and process for use. For recyclable packaging, we cooperate with packaging manufacturers for timely recycling.

Advocating for Green Development

Jinpan Smart Technology focuses on building green products, using environmentally friendly materials and designs, while optimizing production processes to reduce energy consumption and waste. We implement intelligent operation and maintenance and recycling, and conduct comprehensive life cycle assessments to reduce environment impact. At the same time, we pay attention to the protection of natural ecology, carry out green office practices, and have put forward a Green, Low-carbon and Sustainable Development Initiative to promote the green transformation of the industrial chain and contribute to the construction of a green future.

Promoting green products

In the process of product design and development, we always take the concept of green environmental protection as the core strategy, and are committed to creating green products that are both efficient and safe as well as environmentally friendly. This year, Jinpan Smart Technology's "dry-type transformer" was selected into the *National Catalogue of Recommended Energy-saving and Carbon Reduction Technologies and Equipment in the Industrial and Information Technology Fields (2024 Edition)*.

Green design

We adhere to the concept of environmental protection, give priority to the use of renewable resources, and use environmentally friendly materials such as bio-based plastics and recycled metals, so as to reduce the burden on the environment. Meanwhile, we strictly follow RoHS (Restriction of Hazardous Substances Directive) standards to avoid the use of harmful chemicals to ensure that all products meet environmental protection standards, thereby providing customers with safe and environmentally friendly solutions.

We have adopted a modular design concept to design a recyclable and easily disassembled product structure, making the product easier to expand and maintain, while reducing energy waste and material consumption.

Environmentally friendly production

We continuously optimize our production processes. Through the use of energy-saving equipment and green manufacturing technologies, we have significantly reduced energy consumption and greenhouse gas emissions. At the same time, we have implemented stringent waste management measures to ensure that all waste can be properly treated and recycled, thereby reducing the burden on the environment.

In terms of supply chain management, we collaborate with suppliers who have a strong environmental awareness to ensure that our sources of raw materials meet sustainability standards. In addition, we gradually conduct carbon footprint assessments of our supply chain and formulated emission reduction strategies to further promote energy conservation and emission reduction in the production process and reduce the environmental impact of our supply chain.

Intelligent operation and maintenance

In order to ensure stable operation of the energy storage system and prolong the service life of the equipment, we have adopted an intelligent monitoring and maintenance strategy that utilizes the Internet of Things (IoT) technology to monitor the energy storage system in real time, so as to identify and deal with potential problems in time. At the same time, we have developed a preventive maintenance strategy that effectively reduces failures and downtime through regular inspections and maintenance, thereby extending the service life of the equipment.

Recycling

We work closely with professional recycling organizations to develop comprehensive recycling programs to minimize environmental pollution. For different types of materials, we adopt different recycling treatment methods to reduce the accumulation of hazardous and non-hazardous wastes and the environmental impact of hazardous wastes, so as to reduce production costs and resource consumption.

Protecting natural ecology

Jinpan Smart Technology, in accordance with the laws, regulations, standards, and technical requirements of the locations where it operates, systematically evaluates and manages the negative impact that business activities may have on the ecological environment. The Company consistently enhances and refines ecological and environmental protection measures to preserve the ecological environment of its project sites.

Throughout the development, construction, and operation and maintenance phases of projects, we remain vigilant about their ecological impact, actively mitigating threats to biodiversity and ecosystems. This year, we found terrestrial wildlife under national second-class protection during our routine patrols and ecological protection activities in the park. By taking prompt action and working with professional wildlife protection agencies, we have successfully rescued the rare animals, making a positive contribution to maintaining the biodiversity and ecological balance of the park.

Wildlife Rescue Certificate

Carrying out green office practices

We promote the concept of green environmental protection and low-carbon life, encouraging employees to embrace eco-friendly commuting and office practices while promoting resource conservation and environmental protection. We continuously carry out the accounting of Scope 3 greenhouse gas emissions, newly incorporating employees' business travel by high-speed rail while improving the disclosure of relevant information.

In order to improve the efficiency of resource utilization and reduce waste, Jinpan Smart Technology has implemented a series of paper recycling and saving measures. We have implemented a unified paper recycling plan, and the recycled paper will be collected and sorted for secondary use or recycling into pulp to minimize resource waste. We encourage employees to utilize duplex printing and to reuse obsolete documents that have been printed on one side to further reduce the demand for new paper.

This year, we have fully launched the electronic seal system, established a unified group-wide seal management platform, and realized full-process electronic signing. While reducing compliance risks and enhancing management efficiency through digital means, we also minimize paper wastage and conserve resources comprehensively. We actively participate in the industry low-carbon development forum, and earnestly learn from the advanced green development concepts and experiences in the industry. At the same time, we actively share the achievements and experience of Jinpan Smart Technology on the road of low-carbon development with all sectors of society, hoping to share our achievements in low-carbon development and contribute our strength to building a green and low-carbon future.

Jinpan Smart Technology Participates in 2024 Macao International Environmental Co-operation Forum & Exhibition

Jinpan Smart Technology was honored as one of the Top 50 Cases of Green and Low-Carbon Development of National Private Enterprises in 2024 for its "Zero-Carbon Park (Factory) Comprehensive Energy Management Solution"

Jinpan Smart Technology participates in the Second China Carbon Finance Forum

Social

Achieving Each Other with Shared Destiny

We are committed to leveraging our professional expertise to provide customers with excellent products and services. We regard the growing talent pipeline as the Company's most valuable asset, and strive to provide each employee with opportunities to work, grow and create value in a diverse, fair and inclusive culture and environment. We always uphold a high sense of responsibility, help promote rural revitalization, promote social inclusion, and work with partners from all sectors to create a better and sustainable future.

Our actions

Jinpan Smart Technology takes innovation as an inexhaustible driving force to promote the continuous progress of enterprises, and is committed to providing higher value to customers based on high product quality. We create a win-win situation with partners and promote industrial transformation and upgrading. We work hand in hand with employees to help nurture outstanding talents. We help rural construction and work together with partners from all sectors to seek common development.

SDGs contributions

Our performance

Amount invested in research and development

RMB **0.356** billion

Customer satisfaction:

98.26%

Total number of employees:

2,318

Total employee training hours:

183,335 hours

Number of suppliers:

1,108

Empowering Customers and Pursuing Excellence

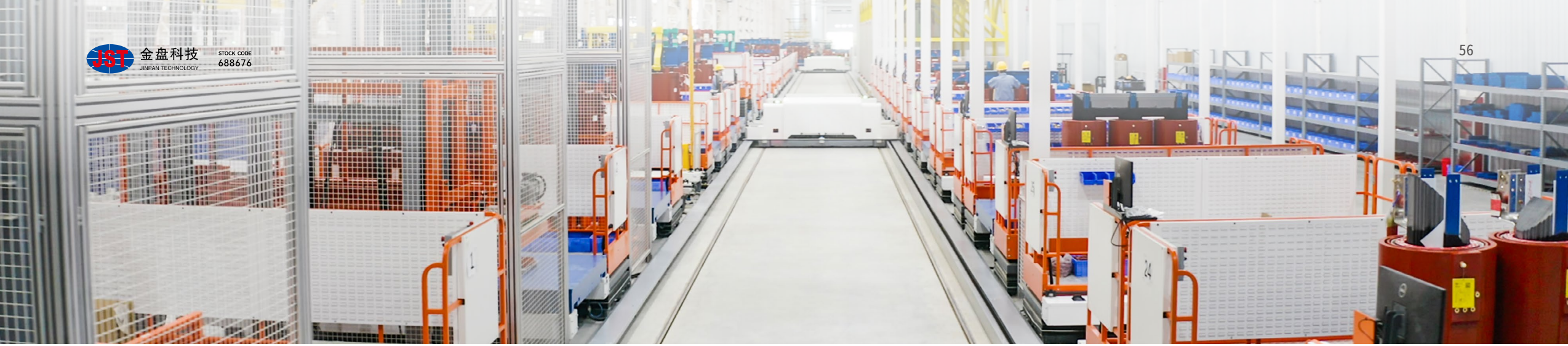
We are committed to innovation-led development, providing customers with high-quality products and services and creating diversified values for customers. We work hand in hand with customers to meet their diverse service needs and continuously optimize customer service experience.

R&D and innovation

As a listed company on the STAR Market, Jinpan Smart Technology focuses on technological innovation and promote continuous innovation and improvement to adapt to the market environment and achieve sustainability goals. The Company continuously improves the innovation management system, integrates internal and external resources including the Electric Research Institute, the Intelligent Technology Research Institute, and the Energy Storage Technology Research Institute, so as to enrich the innovation talent team, improve the level of innovation and research and development, and promote the innovation and development of the industry.

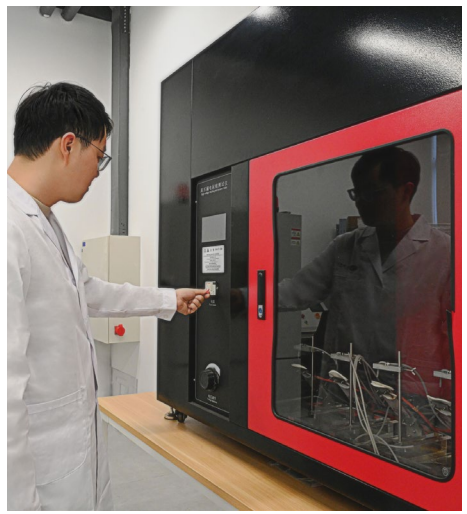
We continuously increase R&D investment and actively encourage technological innovation. In 2024, we revised the *Major Technical Development Project Reward System* to further optimize the project categories, evaluation criteria, incentive standards and other contents, and to clarify the incentive range, aiming to promote the technological development of enterprises, encourage technicians to continuously improve their professional capabilities and actively participate in the design and development of key technology projects, so as to overcome key common technical problems in the industry. At the same time, in terms of innovation project review incentives, we revised the *Innovation (Management) Regulations* to refine the review rules and scoring rules to ensure a comprehensive assessment from three levels: economic benefits, technical foresight, and practical applicability of the project.

In terms of attracting and developing R&D talents, Jinpan Smart Technology has attracted and cultivated a group of outstanding R&D talents by engaging in in-depth cooperation with universities and scientific research institutions, and participating in technology cooperation projects and major project applications. In 2024, the Company deepened the industry-academia-research collaborations with Shanghai Jiao Tong University, and closely cooperated on the key technology R&D of high-voltage direct-mounted energy storage system, and achieved a series of important technological achievements including adaptive Soc equalization technology, ripple suppression technology, fault isolation and fault tolerance control technology. In 2024, the Company independently undertook key R&D projects (Project Name: Research and Application of Key Core Technologies for Large-Capacity Medium- and High-Voltage Direct-Attached Marine Major Energy Storage Equipment, Project No.: ZDYF2024GXJS305) in Hainan Province.



Case | **The dry-type transformer material laboratory provides technical support for cost reduction and efficiency improvement of dry-type transformer products.**

In order to comprehensively improve the research system of basic materials for dry-type transformers, the Company has established the dry-type transformer materials laboratory, which is dedicated to conducting basic performance research related to these materials, aiming to provide accurate data support for simulation analysis. By deeply exploring the laws of material performance, the Company has identified effective ways to optimize material performance, which significantly enhances its material research system capability. The establishment of the dry-type transformer materials laboratory not only enables the Company to understand the basic properties of these materials, but also lays a solid foundation for research into their application performance and provides robust technical support for cost reduction and performance optimization of dry-type transformer products.



Year 2024

Amount invested in research and development
RMB **0.356** billion

Proportion of total revenue
5.15 %

R&D team has
408 persons

Accounting for
17.6 %

We actively promote the transformation of innovative achievements and have completed several projects, including the *20.6MVA* Nacelle-integrated *Dry-type Transformer for Floating Wind Power Generator Set, the Dry-type Transformer with Climate Grade C4 and Environment Grade E4*, and the *11.3MVA Nacelle-integrated Dry-type Transformer for Land 10MW Wind Power Generator Set*. These projects have been successfully recognized as the first set of advanced equipment manufacturing projects in Hainan Province. We have also achieved continuous new breakthroughs in areas such as technical routes, structural design, manufacturing processes, and standard parameters, all of which are related to functions and performance.

Key Scientific Research of Jinpan Smart Technology (2024):

20.6MVA Nacelle-integrated Dry-type Transformer for Floating Wind Power Generator Set

This project develops a 66kV grade, 18MW nacelle-integrated dry-type transformer for floating wind power generator set. It addresses issues related to transformer component vibration, investigates the horizontal winding and casting process of high-voltage coil, and studies the external insulation structure to improve the level of external insulation.

Research and application of core technologies in key fields of large-capacity medium- and high-voltage direct-mounted marine major energy storage equipment

This project, independently undertaken by Jinpan Smart Technology and recognized as a key R&D project in Hainan Province, aims to develop an offshore medium- and high-voltage direct-mounted energy storage system. This system is designed to meet the needs of medium- and large-scale electrochemical energy storage, is suitable for a 6/10/35kV grid-connected voltage, and targets practical application in new energy power generation scenarios as well as promoting industrialization.

Dry-type Transformer with Climate Grade C4 and Environment Grade E4

This project develops dry-type transformers capable of safe operation under severe climatic conditions, meeting Climate Grade C4 and Environmental Grade E4; It researches the technology to resist cold and heat impact, high salt spray, and high pollution in resin-cast dry-type transformers and verifies the bonding and heat resistance between the filler resin and conductors.

100KW/215kWh Integrated Prototype Project for Industrial and Commercial Storage Energy

This project focuses on the research and industrialization of new energy low-voltage energy storage systems. It features an innovative design of upper and lower structured battery compartments and integrated cabinets to reduce size and cost. Equipped with a PACK-level fire protection system to ensure safety, the battery cells utilize full liquid cooling technology to enhance thermal management efficiency, and the industrial-grade design improves aesthetics and environmental adaptability.

High-Low Voltage Integrated Smart Transformer Substation Project

This project is primarily designed for application in the intelligent data centers, with a focus on studying and resolving the product's specific application scenarios within these environments. The technical challenges include the need for the product to have a minimal footprint, excellent heat dissipation capabilities, and effective monitoring of power equipment data.

Case | **The project *Research and Application of Core Technologies in Key Fields of Large-capacity Medium- and High-voltage Direct-mounted Marine Major Energy Storage Equipment* was successfully applied**

Jinpan Smart Technology has responded positively to the local policy of Hainan Province. In accordance with the requirements of the *Measures to Promote R&D Investment Across Society in Hainan Province* and the *Action Plan to Optimize and Reform the S&T Planning System of Hainan Province*, it has closely followed the local policy guidance in terms of R&D project application, actively used the government's incentive policies for R&D investment, and actively integrated into regional development strategies.

The Company focuses on the domestic energy storage field, especially the R&D of medium- and high-voltage direct-mounted marine major energy storage equipment. It has successfully applied for the project of *Research and Application of Core Technologies in Key Fields of Large-capacity Medium- and High-voltage Direct-mounted Marine Major Energy Storage Equipment*, which not only provides a solid technical and innovative foundation for the Company in the application for national scientific research projects, but also reflects the Company's accurate grasp of the needs of local industrial development and the direction of scientific and technological innovation. At present, the project has successfully completed key steps such as system hardware design and preliminary simulation of the liquid cooling system, and is moving forward steadily as planned.

As of the end of 2024

Accumulated patented technologies
284 Items

Domestic invention patents
36 Items

Domestic design patents
8 Items

Domestic utility model patents
235 Items

International invention patents
5 Items

Cumulative participation in standards preparation
13 Items

Among them, there are a total of new standards:
3 Items

Published national standards
7 Items

Industry standards
4 Items

Group standards
1 Item

Local standards
1 Item

Intellectual property protection

Protecting intellectual property (IP) is protecting innovation. We continue to upgrade the IP protection system, strictly abide by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China,* along with relevant local regulations. We have updated and improved our *Intellectual Property Management System*, standardizing the application, approval, and management processes for IP. We also implement real-time monitoring and control of IP applications and costs, promptly track the application status and related data at each base, and provide decision-making support for the overall development and strategic planning of the Company's IP.

In addition, we have established an IP risk early warning and control mechanism, integrating legal protection into the Company's comprehensive risk management system. Various departments, in line with their respective responsibilities, oversee all aspects related to the whole process of IP innovation, patent application, copyright registration and strictly control the legal risks of IP.

Product quality and safety

Jinpan Smart Technology leverages cutting-edge information technologies such as AI, digital twins, IoT, big data, and cloud computing to vigorously promote a digital quality platform, advance industrial digitalization transformation and upgrading, and help enterprises actively meet quality challenges under new industries, business forms, and business models.

We are continuously optimizing and improving our quality management system, updating our quality systems and processes to cover multiple aspects such as product design, manufacturing, and quality control. This further ensures the quality and safety of our products, and enhances the standardization and sustainability of our internal quality system. In 2024, Jinpan Smart Technology and its subsidiaries were all certified by ISO 9001 Quality Management System.

We fundamentally eliminate any possibility that our products could harm our customers' health and safety. Each year, we set company-wide quality objectives and break them down to various departments. By regularly monitoring and analyzing data, we effectively track the progress and completion of these objectives. For specific projects, we adopt APQP (Advanced Product Quality Planning) and quality gate processes to foresee and resolve potential quality risks in advance. In key production processes, we have set up strict quality checkpoints to prevent non-conforming products from continuing to the next process, thereby significantly reducing quality losses and costs. In 2024, Jinpan Smart Technology's one-time passing rate of finished products reached 100%.

We have established a comprehensive product recall system, formulated related system requirements such as *Production and Service Provision Control Procedures* and *Non-conforming Product Output Control Procedures*, and implemented product quality inspection and testing procedures. We carry out the product recall procedure in accordance with the process for non-conforming products. In 2024, there were no incidents of product recalls due to safety and health reasons at the company.

We have developed the Jinpan Smart Technology Quality Digitalization Platform. Through the four-step process of standardizing process, digitizing quality process records, structuring quality records, and digitizing quality information, we have achieved comprehensive quality digital management across the foundational operational level, mid-level data management, and high-level decision-making layers. The Quality Digitalization Platform has established a traceability tree diagram for each product, enabling one-click rapid forward and reverse life-cycle information traceability. By using the digital identity of the product and the product traceability tree diagram, the source of quality issues can be quickly located. Furthermore, in terms of quality data management, our quality digitalization platform has established a key performance indicator (KPI) analysis model for quality. By correlating quality data collected from the Manufacturing Execution System (MES), the platform can automatically generate quality performance data, charts, and alerts, and then deliver them to the decision-making level for effective and prompt decision-making. This significantly enhances the accuracy of the Company's quality data and the scientific nature of decision-making.

Case **Promote product simulation research to improve product quality and safety**

Jinpan Smart Technology actively promotes the research and application of product simulation, uses simulation technology to predict potential risks in dry-type transformer design, and effectively reduces product risks and material costs. Simulation analysis can help accurately diagnose product faults, shorten the troubleshooting cycle, reduce manual operations, and reduce the requirements for operator skills. At present, the Company has gradually realized the automatic simulation technology of modules such as magnetic field and electric field, which has significantly improved the quality and safety of products.

Case **Jinpan Smart Technology was selected into the Quality Strong Country Leading Enterprise Cultivation Database**

In November 2024, the Company was successfully selected into the Quality Strong Country Leading Enterprise Cultivation Database, becoming the first enterprise in Hainan Province to win this honor. The Company shared and exchanged its strong enterprise experience at the National Quality-strong Enterprise Experience Exchange and On-site Promotion Conference. It also jointly signed the *Action Initiative on Quality Strong Country Construction* with other selected enterprises, which emphasizes the need to establish a strong awareness of prioritizing quality, vigorously promote quality technology innovation, strengthen the implementation of comprehensive quality management, and contribute to the creation of regional quality highlands.

Jinpan Smart Technology jointly signed the *Action Initiative on Quality Strong Country Construction* with Other Selected Enterprises

Improving customer experience

Jinpan Smart Technology has always been based on the specific needs of customers and is committed to providing services with maximum value. Relying on efficient, professional and considerate services, Jinpan Smart Technology has won the trust and recognition of customers.

We are committed to providing an exceptional service experience for every customer. The company has established internal policies such as the 'Customer Service Behavior Standards and Requirements,' 'Sales Contract Signing and Management Regulations,' 'First-Point Responsibility System for Sales,' and 'Customer Service Behavior Code' to standardize customer service practices. By leveraging the Customer Relationship Management (CRM) platform, we integrate digitalization into our customer service processes. This enables us to manage the entire life-cycle of projects in a one-stop manner, from tracking and filing to bidding and quoting, and from contract signing to execution. Consequently, we comprehensively enhance the level of customer relationship management and further provide our customers with more cost-effective, convenient, and considerate products and services. In 2024, Jinpan Smart Technology's customer satisfaction reached 98.26%.

In order to meet the higher expectations of customers for after-sales service in the digitalization era, especially in terms of product installation, use and troubleshooting, the Company actively promotes the digital transformation of after-sales service and realizes the electronic after-sales planning and guidance documents. The Company has built an efficient online document management platform to achieve convenient and centralized control over electronic after-sales service planning and guidance documents. This facilitates smooth access to relevant service documents on various mobile devices, enhancing the timeliness of information acquisition for employees and providing more comprehensive training and support.

To enhance customer experience, we provide after-sales support services, including product installation, operation, and troubleshooting, through video tutorials. This makes the guidance more intuitive and convenient. At the same time, we continuously optimize the content according to different user requirements to improve the work efficiency of on-site technicians and effectively reduce service costs. Additionally, we introduce AI tools and effectively utilize prompts to enhance the intelligence level of our service, making full use of the convenience brought by digitalization and intelligence.

Case | Implement digital after-sales service training

To enhance customer satisfaction and improve employee work efficiency, the Company has launched digital after-sales service training. It has set clear goals to improve customer satisfaction and work efficiency through digital means and has resolved to implement a series of measures. These include increasing the recovery rate of customer satisfaction surveys, developing a function form for after-sales service planning that automatically incorporates project information, widely using electronic guides and videos, and introducing AI tools to promote the standardization and intelligence of services. This training has significantly enhanced employees' proficiency in digitalization tools, helping them to respond more effectively to customer needs in future services, thus improving customer satisfaction in an all-round way.

Carry out After-Sales Service Digital Training to improve Customer Satisfaction and Work Efficiency

Customer privacy and information security

Jinpan Smart Technology strictly abides by the *CyberSecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Data (Privacy) Ordinance* and other relevant laws and regulations, formulates the *Customer Information Security Confidentiality Management System* and the *Data Security Management Measures*, and clarifies the responsibility system, basic principles and workflow of the Company's data and information security and confidentiality management, to ensure clear responsibilities and feasible measures.

To safeguard customer privacy and information security, we have implemented several stringent measures to enhance the security of information interfaces. By utilizing advanced technologies such as HTTPS encryption for data transmission, AccessToken token verification, and network firewalls, we ensure information security and data security during the transmission process. Furthermore, the interconnectivity of our key systems such as Enterprise Resource Planning (ERP), Product Lifecycle Management (PLM), Manufacturing Execution System (MES), Supply Chain Management System (SRM), and Customer Relationship Management (CRM) enables comprehensive digitalization management throughout the product life-cycle and further solidifies the security and reliability of the data. In 2024, there were no violations of customer privacy and information security at Jinpan Smart Technology.

The Company attaches great importance to data security, and regularly conducts data security audits in accordance with the *Data Security Audit Norm* to check the implementation of various security policies and measures. The audit covers areas including, but not limited to, access control, data transmission, backup and recovery, and user permission management. Any issues and risks identified during the audit must be promptly rectified and monitored to ensure ongoing data security.

To enhance the compliance and security of third-party data, the Company conducts comprehensive risk assessments and compliance checks before introducing any third-party data. This ensures that the data sources are legal, the data quality is reliable, and the use of data complies with relevant laws, regulations, and company policies. By entering into clear data cooperation agreements, the Company stipulates in detail the use of data, scope of sharing, security responsibilities, confidentiality clauses, and ownership of data, among other important matters. At the same time, the Company classifies and manages data based on its importance and sensitivity, adopting appropriate security measures to align with the Company's internal data security standards.

Additionally, the Company regularly conducts data security training to enhance employees' awareness and skills regarding data security, covering topics such as data security regulations, company policies, operational procedures, and risk awareness, and ensures that every new employee receives tailored data security training upon hiring and when they change positions.

Caring for Employees, Co-Creating, and Sharing the Benefits

Talent is the key to high-quality technological innovation of Jinpan Smart Technology. We continue to improve the talent recruitment system and are committed to providing a safe and comfortable working environment, as well as creating an inclusive, open, diverse, and equal workplace atmosphere. We value the development of a diverse workforce and support the growth of professional talents needed for our business development with a comprehensive training and incentive mechanism.

Employee Rights and Diversification

We strictly abide by the *Labor Contract Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, the *Regulations on Work-related Injury Insurance*, the *Provisions on the Prohibition of Using Child Labor*, and the *Law of the People's Republic of China on the Protection of Minors,* along with other laws and regulations. During the recruitment and employment process, we always comply with local laws, regulations, and international standards. We respect and protect the rights and interests of our employees, ensuring compliance and fairness.

Employee recruitment and employment

We adhere to the principle of equal employment, and have formulated internal management systems such as the *Personnel Management System*, the *Regulations on Non-Discrimination of Employees*, the *Recruitment Management System*, the *Employee Handbook* to eliminate any discriminatory and prejudiced language, behavior, and decision-making in the recruitment process. The Company improves its *Human Rights Policy*, clarifies labor practices and human rights management principles, ensures that it always complies with international and domestic human rights standards in its global business, makes a firm commitment to the protection of employees' labor rights and human rights, and provides employees with a fair, safe, and respectful working environment for personal dignity. We firmly prohibit the use of child labor, and prevent the employment of child workers through our employee file management system and stringent recruitment review processes. We further improve the *Provisions on Remedial and Preventive Measures for Child Labor Recruitment and Management of Minor Workers*. In the event that the employment of child labor is discovered, the Company takes proactive and effective remedial actions to ensure the protection of children's rights. Additionally, we establish a sound internal supervision mechanism to regularly conduct self-examination and self-correction on the recruitment process and employment situation, and resolutely oppose illegal acts such as employment discrimination, forced labor, employment of child labor, and workplace harassment. In 2024, the Company had no incidents of child labor or forced labor. To promote and protect employees' human rights, the Company sets a dual target of achieving a 100% labor contract signing rate and a 100% coverage rate for employee health check-ups, and contributes to employee social insurance in accordance with national laws and regulations. In 2024, the Company achieved a 100% labor contract signing rate successfully meeting its goals.

We strive to provide good employment opportunities for candidates by establishing diversified recruitment channels to attract a wide range of talents, and ensuring an accurate match between jobs and talents with a rigorous interview process. We have set up a variety of recruitment channels such as the Company's website, WeChat official account, online recruitment platform and campus recruitment. During the recruitment process, we attach importance to the investigation of the candidate's professional knowledge, skills, comprehensive quality and potential, and adopt diversified means such as structured interview, leaderless group discussion and psychological evaluation to fully understand the candidate's ability, potential and personality traits, aiming at achieving precise and efficient talent selection. To ensure the fairness and professionalism of the interview, the interviewers must undergo strict screening, training, and assessment, and receive regular evaluation.

Relying on the export business, the Company has absorbed senior technical management talents and overseas business talents for the export business of transformers and energy storage products, which provides a solid human resource guarantee for the continuous expansion of its overseas business.

In 2024, the Company achieved a labor contract signing rate of

100%

Diversification and inclusion

We provide inclusive and fair development and promotion opportunities for employees of different nationalities, ethnicities, ages, genders, beliefs, and cultural backgrounds, and provide broad employment space for talents of different educational levels and professional backgrounds. We pay special attention to the career development of vulnerable employees and strive to promote a diverse, equal, inclusive, and open workplace environment. As of the end of December 2024, Jinpan Smart Technology had a total of 2,318 full-time employees, including 22 disabled employees and 35 veterans. In addition, we have established a comprehensive mechanism and channels for appealing against discrimination or harassment incidents. In 2024, there were no incidents of discrimination or harassment.

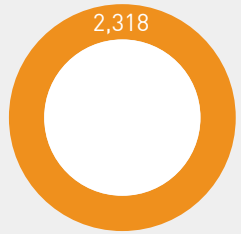
We value the growth and development of female employees, ensuring that they have the same rights and opportunities as male employees in terms of recruitment, promotion, and training. We encourage women to set higher career goals and achieve remarkable success in their careers. By the end of December 2024, the percentage of female employees in Jinpan Smart Technology was 22.4%, and the percentage of women in senior management was 36.4%.

Employee employment

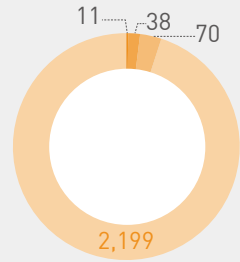
Total number of employees **2,318**

Number of new employees **111**

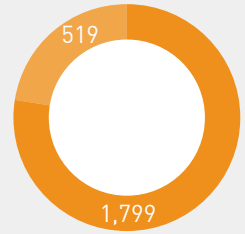
By employee type



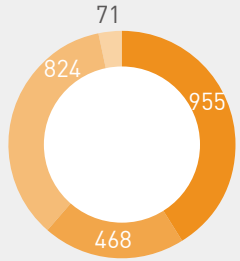
By job level



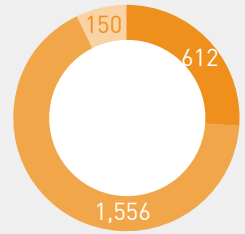
By gender



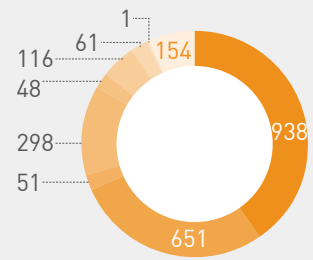
By educational background



By age



By geographical region



Employee turnover

Employee turnover rate **9.03%**

By gender

Male	6.99 %
Female	2.04 %

By age group

Age 30 and under	4.04 %
Age 31-40	3.30 %
Age 41-50	1.18 %
Age 50 and above	0.51 %

By geographical region

Southern China	2.59 %
Central China	2.83 %
Northern China	0.47 %
Eastern China	1.96 %
Northwestern China	0.20 %
Southwestern China	0.32 %
Northeastern China	0.27 %
Hong Kong, Macao, and Taiwan	0 %
Overseas	0.39 %

Remuneration and benefits

Through the establishment of a sound compensation system and incentive mechanism, we provide employees with competitive compensation treatment and clarify the employee compensation and welfare system in the *Employee Handbook* to facilitate employees' understanding of the composition of compensation.

Salary system

We have established a compensation management system that takes personal value, job value, and contribution value into consideration to provide employees with competitive compensation. In order to ensure the fairness and efficiency of the Company's remuneration system, we have formulated the *Compensation and Performance Management Measures for Directors, Supervisors, and Senior Executives of Hainan Jinpan Smart Technology Co., Ltd.* to establish a more scientific and systematic remuneration management framework for senior managers. We continuously refine our talent incentive mechanism to make it more targeted and directional, ensuring that our R&D objectives are more closely aligned with the Company's goals. Based on employee performance assessments, we identify and discover talents, increasing incentives for those who demonstrate significant value to the Company.

Employee benefits

The Company strictly adheres to laws and regulations, ensuring timely contributions to employees' social securities, including the five social insurances and one housing fund. In 2024, the amount invested in work injury insurance was RMB 844,100. Additionally, it provides accident insurance to further strengthen the employees' protection system. We provide comprehensive welfare benefits, including high temperature subsidies, nutrition subsidies, fuel subsidies, transportation subsidies, commuting transportation subsidies, washing fees, heat prevention and heating fees, catering subsidies, paid leave, etc., and are committed to improving employees' life quality.

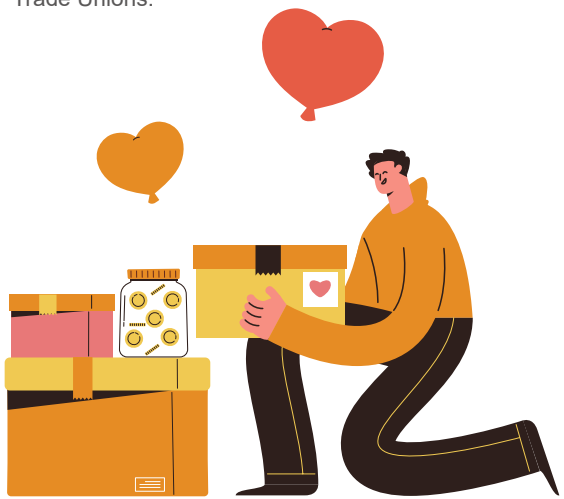
Employee communication

We adhere to open communication, establish multi-dimensional communication channels such as suggestion boxes, symposiums, and employee satisfaction surveys, and disclose communication channel information in the *Employee Handbook*, so as to make every employee's voice heard. We value the complaints and suggestions of every employee, investigate and deal with the complaints according to the facts, properly protect the identity of the informants, and strictly prohibit any form of retaliation. In 2024, we formulated a sound employee labor dispute mediation process, set up an employee labor mediation room, and promised to review the application within 5 working days after the party concerned had submitted the mediation application, so as to provide a fair and efficient dispute resolution platform for employees.

Care for employees

The Company encourages and supports employees to develop their hobbies and build a rich and diverse cultural and sports atmosphere. In 2024, the Company worked closely with the Trade Unions to organize a variety of activities, including tress management training titled Empowerment through Stress Reduction, a female employees' book club called Rose Book Fragrance, family education activities focusing on parent-child reading, training on social and business etiquette, “Children’s Day” family open day, and youth social events, all aimed at enriching employees' leisure lives.

Additionally, to fully meet employees' reading needs, the Company established an employee library with a collection of 3,000 books. In 2024, it was honored with the title of Municipal Model Employee Library Demonstration Site by the Haikou Federation of Trade Unions.



Case The Company organizes “Children’s Day” family open day and the 2nd Digital Factories Science Popularization Day

Jinpan Smart Technology consistently practices a sustainable development path of digitalization aligned with ESG principles, safeguarding the shared destiny of employees, the Company, and society, and continuously focusing on the work-life balance of its employees. In June 2024, the Company organized “Children’s Day” family open day and the 2nd Digital Factories Science Popularization Day Through visits from the science and technology museum to the Carbon Zero Magic Interactive Wall, and from the data operations monitoring center to the digital factories' production lines, children get an up-close look at the digital and carbon-neutral initiatives their parents strive for, and feel the new world brought by science and technology and innovation. This exposure sows the seeds of technological curiosity in the youth of the digital age and contributes to the future strength of technological development for the great rejuvenation of the nation.

Jinpan Smart Technology held 2024 “Children’s Day” Family Open Day

Jinpan Smart Technology's Party Committee party-building day event

Jinpan Smart Technology's Table Tennis Matches

International Children's Day Family Open Day

The Company carries out Family Education Activities focusing on Parent-child Reading to share the Joy of Reading

Jinpan Smart Technology's Badminton Competition

Jinpan Smart Technology's Team Building Activities for Employees

Employees of Jinpan International USA Limited

Jinpan Smart Technology's Youth Fellowship Event

Jinpan Smart Technology's Team Building Activities for Employees

Employees of Jinpan International USA Limited

Employees Development Training

Occupational health and safety

Work safety

The Company strictly follows the *Work Safety Law of the People's Republic of China*, the *Administrative Provisions on Protective Articles*, the *Regulations on Work-Related Injury Insurance* and other laws and regulations, and formulates the *Safe and Civilized Production Management System*, which lays out clear regulations and requirements for the Company's work safety. By the end of 2024, Jinpan Smart Technology has successfully obtained ISO 45001 certification for occupational health and safety management systems in Haikou, Guilin, Shanghai, Wuhan Jintuo and other bases, demonstrating our strong commitment to employee safety and environment protection. In 2024, the Company achieved its annual occupational health and safety management objectives with no work-related fatal incidents or recordable work accidents occurring. There were zero work-related deaths and zero lost workdays due to occupational injuries and health issues; the safety education and training sessions were conducted for a cumulative duration of 4,544 hours, and the safety drills were carried out 26 times.

In order to promote the front-end of work safety and environmental management, the Company has built a safety and environmental protection cloud platform, which has realized online management from occupational health files to hazardous waste disposal, effectively reducing accident risks, and improving emergency response capabilities and environment compliance. Through third-party testing agencies, each base conducts an annual assessment of occupational hazard factors and a triennial evaluation of the current state of occupational hazards. Positions identified with occupational hazards from these assessments and evaluations are incorporated into the Company's occupational health management system. On-site, hazard notice signs are posted, and workers are provided with personal protective equipment such as protective earplugs, dust masks, gas masks, and protective gloves. Pre-employment, ongoing, and post-employment occupational health check-ups are carried out. Employees with identified occupational contraindications are reassigned away from exposed positions, and individual occupational health records are established to effectively safeguard the occupational health of employees.

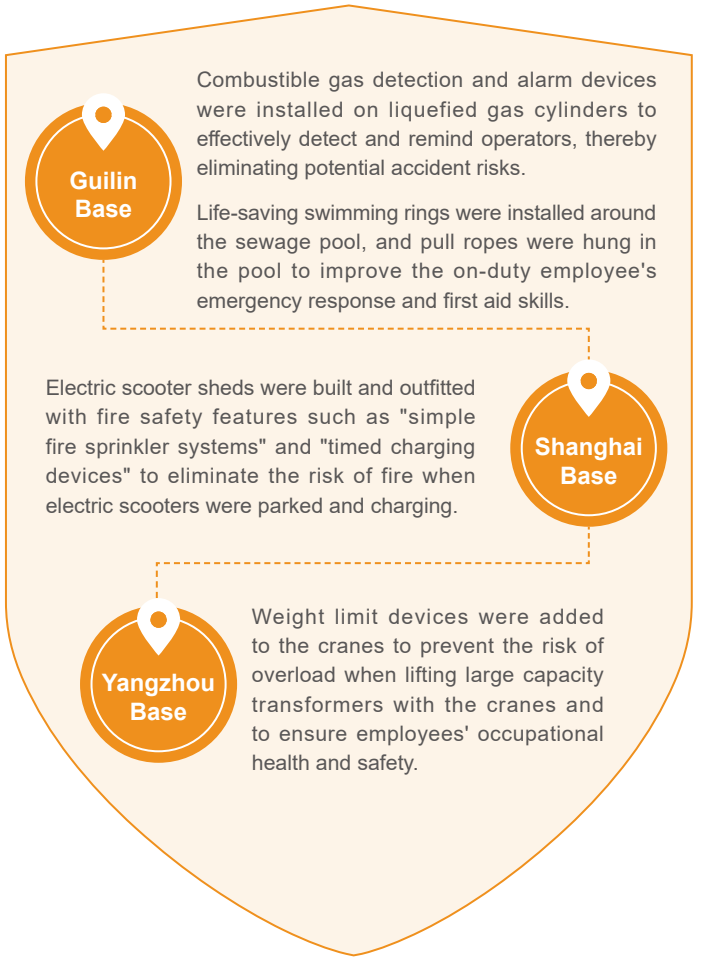
The Company fully protects the contractor's employees' safety and health, develops safety management regulations for contractors, strengthens the supervision and management of risk identification and assessment of the contractor's work process and site, provides consultation and advice to the contractor, ensures that the contractor can comply with the Company's safety requirements, and collaborates to create a safe and healthy working environment. The Company evaluates and reviews the new contractor and signs a safety agreement with the contractor to clarify the contractor's scope of work, work methods, work requirements, and safety responsibilities, in order to ensure that the contractor complies with the Company's health and safety management regulations. In 2024, the coverage rate for signing safety agreements was 100%.

The Company provides the contractor's employees with the necessary health and safety training before their on-site operation, including an explanation of workplace safety regulations and operating procedures, as well as preparation for preventing and responding to safety accidents. It also develops relevant education plans to ensure that the contractor's employees have appropriate safety awareness and emergency response skills. Furthermore, the Company strictly enforces the contractor's on-site operation management supervision and inspection system, carries out the contractor's safety operation supervision responsibilities, and monitors the contractor's on-site operation safety prevention and control through regular special inspections, irregular spot inspections, and other means.

In 2024, the coverage rate for signing safety agreements was

100%

Jinpan Smart Technology's Key Measures to Ensure Employee Occupational Health and Safety



Employee Health

The Company prioritizes the physical and mental well-being of its employees. We schedule professional occupational health examinations for workshop employees once a year and comprehensive physical examinations for all employees every two years. We also purchase commercial accident insurance to ensure that the health of employees is fully protected. We focus on the mental health of our employees, set up a psychological counseling room, and invite external experts to conduct mental health education lectures for them. We actively encourage employee participation in sports and cultural activities and have established a variety of leisure and entertainment facilities, including a gym, a reading lounge, and basketball courts, to encourage employees to adopt a healthy lifestyle.

We invited external experts to conduct mental health education lectures for our employees to help them reduce stress and empower themselves

Female staff reading club

Sports Association

Employee training and development

We continue to optimize our talent development management system and are committed to broadening employee growth paths. We have created diverse and fulfilling career development opportunities for our employees by implementing a job qualification level system, dual-channel promotion pathways, and a perfect internal talent mobility mechanism, allowing them to continuously climb the career ladder and achieve a win-win situation for both personal value and company development.

Talent development management system

Qualification Level System

Jinpan Smart Technology establishes job qualification level standards tailored to various job categories. We identify competency gaps among employees through job qualification assessments and implement targeted talent development and training initiatives.

Dual-channel Promotion Pathways

Jinpan Smart Technology plans a dual track (management + professional direction) career development channel for employees. We offer diversified development opportunities through career promotion and transfers.

Internal Talent Mobility Mechanism

Jinpan Smart Technology has implemented an internal competitive recruitment mechanism, which conducts internal and public competitive recruitment for some positions. This approach enables two-way selection between employees and positions, considering employees' career development aspirations and fostering mutual growth.

To support each employee in realizing their full potential, the Company tailors its training approach to suit the unique talents of each individual, fostering an environment where everyone has to succeed and showcase their talents. In 2024, Jinpan Smart Technology conducted a total of 252 training sessions. The completion rate of training projects reached 100%, with a cumulative participation of 65,165 person-times and a total training duration of 183,335 hours.

Type of training	Number of trainings carried out (times)	Training content
Basic quality training	25	Employee mental health, stress management, professional etiquette, legal knowledge, digital knowledge, information and data security, etc
Quality, safety and internal control training	72	Environmental safety, occupational health and safety, fire safety, safe use of hazardous chemicals, product quality management, etc
Employee skills training	130	Post standardized operation, platform system use, post expertise, business process management, key elements of quality control, product knowledge, etc
General training in management	15	Manage knowledge and tool use, digital transformation cases, project practices, etc
Thematic training	10	Sustainability reporting guidelines, integrity and self-discipline, ESG, etc

We are committed to providing comprehensive resources for new employees to help them quickly integrate into the company culture, maximize their potential, and realize their own value. We attach great importance to campus recruitment talents, formulate the 2024 college student training plan, and successfully conduct the 2024 college student orientation training of Jinpan Smart Technology. This helps new employees quickly understand the company culture, assessment system, job responsibilities, production technology, operation basics, and other things. It also gives them a solid starting platform, helping them grow rapidly in the early stages of their career and contribute to the future development of the Company. In 2024, 68 college students attended the training, including 22 marketing management trainees and 46 technical college students. Furthermore, we introduced a training mode in which the experienced guide the inexperienced and arranged tutors for new technical college students. Tutors' systematic and personalized training and guidance allows them to integrate into the team more quickly, stimulate their personal potential, and advance their careers.

We conducted the 2024 college student orientation training of Jinpan Smart Technology

We implemented a mentorship program ceremony for new technical college students in 2024 to help them grow quickly with the help of tutors

We place a high value on cadre and core personnel training, and we use it in conjunction with the current development of digital transformation, AI, and automation technology to improve the leadership, management strategy, innovative thinking, and technical integration ability of management cadres and core personnel, allowing the Company to cope with market changes and achieve strategic development objectives. The training uses a combination of organizational joint learning and a benchmarking project system, and the training content is based on specific project objectives. We intend to assist management cadres in identifying and improving their inadequate abilities, comprehensively improving their management skills and leadership, and further strengthening the team's cohesion and cooperation ability by implementing a series of well-planned course training and learning activities, combined with targeted team learning management strategies and benchmarking project practices.

In 2024

we organized
11
training activities

in which
139
cadres and core personnel participated

with an average training time of
33
hours per participant

Case | The Second Jinpan Smart Technology Management Cadre/Core Personnel Training in 2024

The Company successfully completed the second management cadre and core personnel training program. We carefully designed training content based on clear project objectives and integrated benchmarking project learnings.

The entire training process is divided into three stages: general management knowledge training and assessment, management practice training, and training result display. The training includes fundamental management knowledge, practical application of management tools, project practice, management ability assessment, team building and management, leadership training, and other topics.

In 2024, we organized 11 training activities in which 139 cadres and core personnel participated, with an average training time of 33 hours per participant. This series of training activities not only improved the employees' professional skills, but also established a solid foundation for the Company's talent training and development.

Opening ceremony of the 2024 cadre/core personnel training class of Jinpan Smart Technology

We also attach great importance to the cultivation and development of technical, functional and marketing talents. For technical and functional talents, we followed the annual training plan for employees and implemented comprehensive job skills improvement training, which included basic quality training, quality safety and internal control training, job skills improvement training, bright sharing meetings, and so on. We mainly use video self-study and online training for marketing training, including marketing courses and training for sales and business skills. These training programs are intended to provide employees with business skills and product knowledge, as well as to help employees master sales skills, technical specifications, manufacturing processes, and other things in a systematic manner, in order to effectively improve sales representatives' professional knowledge and business ability.

Furthermore, the Company has improved AI and AI large model talent training. We provide regular training on large AI models for intelligent manufacturing in collaboration with external agencies, and we organize employees to participate in AI trainer qualification certification. Eleven people are certified as AI trainers.

Case | Benchmarking department training for cadres and core personnel

To improve the digitalization operation efficiency of the group in an all-round way, the Company comprehensively promotes the benchmarking department training mode and is committed to sharing the successful digital transformation of the high-end dry-type transformer digital factory in Guilin, Intelligent Technology Research Institute and the offshore wind power transformer digital factory with all departments through systematic training, enhancing the professional ability, management efficiency and innovative thinking of the team at each base in the digital transformation.

The benchmarking department training is mainly aimed at cadre/core personnel class trainees and members of the digitalization practice group project in 2024, including key position employees such as workshop managers and technical core personnel. Employees can improve their ability to use digitalization tools in daily work with diversification training methods such as on-site teaching, case analysis, and scenario simulation. They can also fully understand the basic concepts, key tools, and technical methods of digital transformation, as well as clarify the specific goals and quantitative evaluation indicators that each team must achieve during the digital transformation process. This will significantly improve the intelligence level, production efficiency, and continuous innovation capability of the group's overall business processes, propelling the group into a new stage of digital transformation.

Employee training and development

Employee training coverage **100**%

Total number of employees trained **2,318**

Total training hours for employee **183,335** hours

The average training hours per employee **79** hours

Proportion of trained employees by gender

Male **100** %

Female **100** %

Number of trained employees by gender

Male **1,799**

Female **519**

Proportion of trained employees by employment category

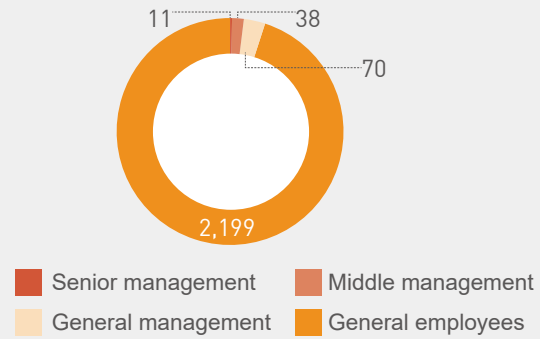
Senior management **100** %

Middle management **100** %

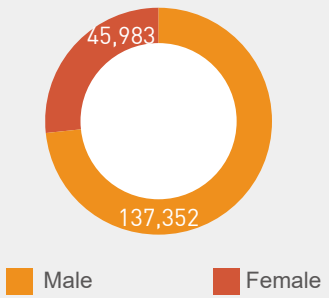
General management **100** %

General employees **100** %

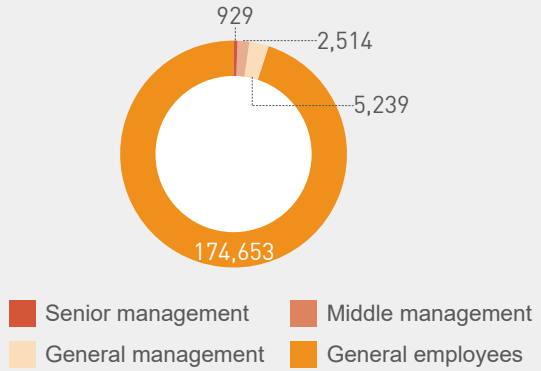
Number of trained employees by employment category



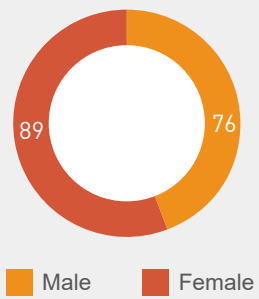
Trained hours by gender (Hours)



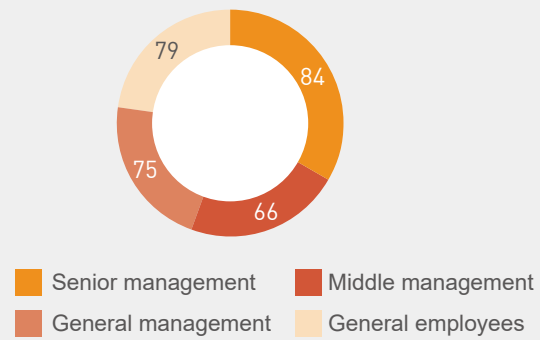
Trained hours by employee category (Hours)



Trained hours by gender (Hours)



Trained hours by employee category (Hours)



Collaborate with Partners for Win-win Outcomes and Mutual Benefit

Jinpan Smart Technology has consistently broadened its extensive, cross-field, and in-depth strategic cooperation network with and beyond the industry. It has been actively involved in industry exchanges and cooperation, improved the supplier management system, established a responsible supply chain, and co-authored a new chapter in the industry's development with its partners.

Empower Industry Development

We actively establish communication channels with local governments, industry chain partners, industry organizations, and other partners in order to create and share mutual benefits. We actively participate in the development of industry standards, exchange ideas and collaborate with partners from various fields, and promote the industry's coordinated growth. In 2024, we received a total of 452 batches of 2,215 people for visits and exchanges, fully demonstrated Jinpan Smart Technology's digital and intelligent achievements to our partners, and contributed Jinpan Smart Technology's wisdom and experience to the intelligent development of the industry.

In March

A delegation of Russian small and medium-sized enterprises visited Wuhan Jinpan Smart Technology Green Industry Park to learn more about Jinpan Smart Technology's practical achievements in digital transformation and intelligent management.

Wuhan Jinpan Smart Technology Green Industry Park celebrated its third anniversary and hosted a supplier conference, where a ceremony was held for the listing of data assets and the unveiling of the dual zero-carbon factory.

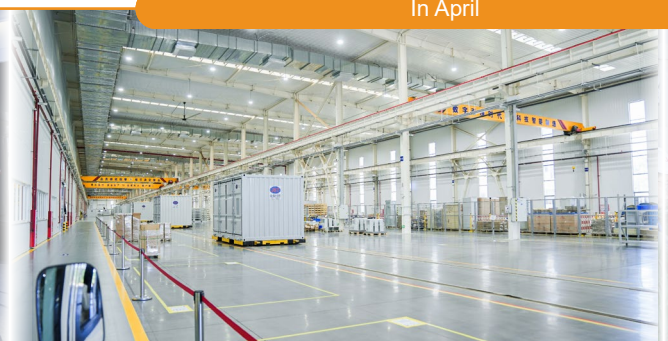
In April

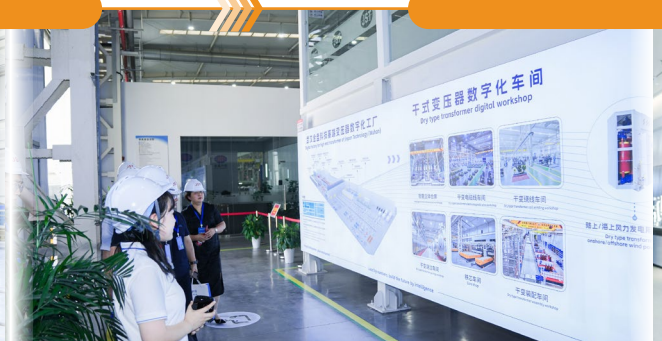
The Wuhan Municipal Committee of the Communist Party of China and its United Front Work Department led a delegation of Wuhan's leading technology-based private enterprises to Wuhan Jinpan. The enterprises conducted in-depth observation, exchange, and discussion, as well as mutual learning, at Wuhan Jinpan Smart Technology Green Industry Park.

Jinpan Smart Technology received a research visit from the Sino-African Trade and Investment Promotion Training Class and demonstrated its leading technology in the field of intelligent manufacturing and digital factory practices to the African participants.

In July

The Wuhan Municipal Bureau of Economy and Informatization held a supply and demand matchmaking conference in Wuhan Jinpan Smart Technology Green Industry Park. Wuhan Jinpan introduced the actual application results of the enterprise in many cutting-edge technologies.





Case Jinpan Smart Technology actively participates in the formulation of industry standards

In June 2024, the Company held a meeting of the Standardization Technical Committee in Chongqing, where the two industry standards, *Technical Specifications for Compact Type Box Transformer Substation for Photovoltaic Power Generation* and *Technical Specifications for Photovoltaic Inversion Compact Type Box Transformer Booster Integrated Device*, were thoroughly discussed with experts. Combining product design experience, customer usage, and other information, the meeting provided the Standardization Technical Committee with practical and feasible recommendations, contributing wisdom to the industry's development.

Case Jinpan Smart Technology and its partners, such as universities and research institutes, carried out intensive industry-academia-research collaborations

The Company has conducted extensive industry-academia-research collaborations with Shanghai Jiao Tong University, focusing on core technologies in key fields of high-voltage direct-mount energy storage systems. They collaborated on joint research and development, which resulted in a number of significant technological achievements. Furthermore, Jinpan Electric Group and Tongji University's Maglev Center are conducting extensive research and development on magnetic pole technology for maglev vehicles, as well as the construction project of a loop maglev test bench.

Loop Maglev Test Bench Project

Case Jinpan Smart Technology attended China Wind Power 2024 in Beijing

Jinpan Smart Technology showcased its large-capacity, high-voltage, floating offshore wind power transformer series products at China Wind Power 2024 in October 2024, capturing the attention of peers and industry customers. During the exhibition, Jinpan Smart Technology had full exchanges with well-known companies in the industry, such as Goldwind, Shanghai Electric, Sany Renewable Energy, and Envision, to jointly explore the application potential and industry development trend of wind power technology, effectively increasing the Company's brand influence in wind energy.

Jinpan Smart Technology appeared at China Wind Power 2024 to share its R&D achievements

Case | Tongxiang Digital Technology held the 2nd Digitalization Case Study Meeting

In July 2024, Guangzhou Tongxiang Digital Technology Co. Ltd., a wholly owned subsidiary of Jinpan Smart Technology, successfully held the 2nd Digitalization Case Study Meeting to discuss in-depth digital transformation cooperation with industry clients, jointly seek to expand the digitalization application market, improve the practical application value of digitalization solutions, and jointly create a green and low-carbon digitalization ecosystem. During the meeting, Tongxiang Digital Technology's team presented special reports on digitalization innovation research and development, technological innovation, overall solutions, supply chain management, project implementation, intelligent distribution, simulation applications and other topics under the theme "Sharing the Future with Joint Development". The team also comprehensively demonstrated the Company's independent innovation achievements in industrial software and hardware products, serving as a valuable reference for enterprises undergoing digital transformation in the industry.

Supply chain management

Jinpan Smart Technology continues to improve its supplier management system, strengthens social responsibility assessment and dynamic monitoring of suppliers, and is committed to collaborating with suppliers to promote the sustainable development strategy and jointly open a new chapter in sustainable development.

Supplier Management System

The Company continuously improves its supplier management system and implements full life cycle management for supplier screening, access, assessment, and evaluation via a hierarchical and classified supplier management mechanism in order to improve supplier management efficiency. We strictly control supplier risks, conduct social responsibility risk assessments prior to supplier access, and conduct annual reviews of all suppliers to continually improve supplier quality and social responsibility management. The Company establishes a mature hierarchical assessment and audit mechanism, implements a hierarchical management system for various categories of suppliers, and reviews and assesses suppliers' overall ability through annual reviews.

The Company continues to standardize the supplier management process, continuously refines the evaluation system, develops the *Control Procedure for External Supply Processes, Products, and Services* management system, clarifies the control measures for key activities such as supplier selection, development and review, and imposes higher requirements on suppliers in compliance, environmental protection, business ethics and social responsibility. The company ensures the stability and security of the supply chain through a series of technological innovations.

Supplier Sourcing

The Company follows the principle of openness, fairness, and equity by implementing a transparent digital supplier procurement mechanism. This includes the introduction of the SRM system, which oversees sourcing, negotiation, bidding, and contract signing throughout the entire platform. This standardized approach enhances transparency in procurement, bidding control processes, and contract signing. As a result, the Company has established enduring partnerships with a group of high-quality suppliers, fostering long-term stability and avoiding any actions detrimental to business partners.

Supplier admission

The Company has established a comprehensive supplier admission system, evaluating suppliers based on multiple dimensions including capability, quality control, and green low-carbon practices, to ensure the selection of high-quality suppliers that meet the Company's needs.

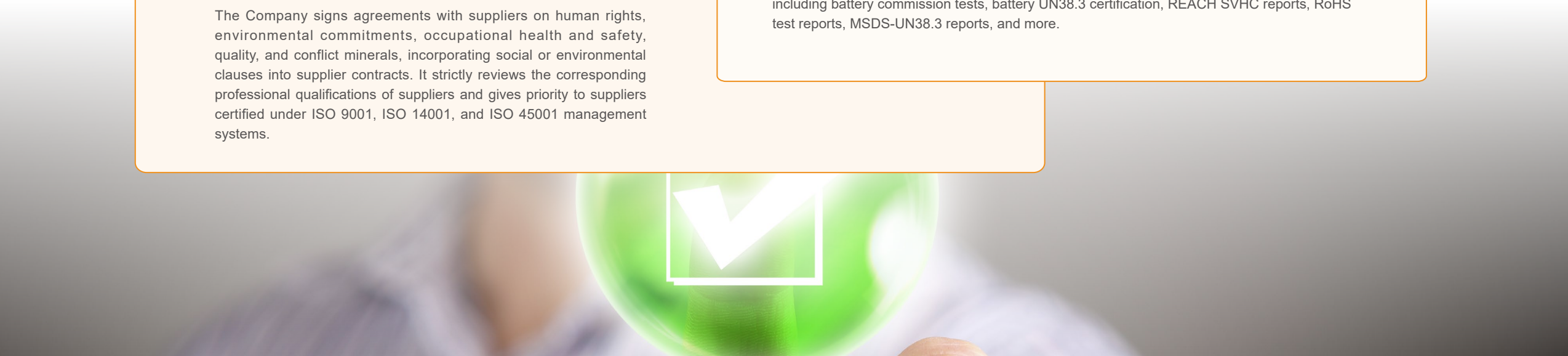
To effectively manage the social responsibility risks of all suppliers, the Company has developed the *Supplier Social Responsibility Risk Assessment and Management Regulations*. According to the regulations, the Company conducts a social responsibility risk analysis and assessment before engaging new suppliers and subcontractors, which is also a key criterion for supplier approval, covering all Class A/B qualified suppliers. Based on the *Supplier Social Responsibility Risk Assessment Form*, the Company evaluates suppliers through various methods such as on-site assessments and online audits. These evaluations cover multiple aspects, including human rights, business ethics, and health and safety. Suppliers assessed as "high risk" will not be granted admission.

The Company signs agreements with suppliers on human rights, environmental commitments, occupational health and safety, quality, and conflict minerals, incorporating social or environmental clauses into supplier contracts. It strictly reviews the corresponding professional qualifications of suppliers and gives priority to suppliers certified under ISO 9001, ISO 14001, and ISO 45001 management systems.

Supplier assessment

Jinpan Smart Technology classifies suppliers into four categories according to their business types and evaluates them on quality, price, and service. Each year, the Company evaluates suppliers' overall capabilities through their delivery performance and conducts unannounced on-site inspections.

The Company gives priority to cooperating with suppliers that meet environmental standards and energy-saving requirements to ensure that the products they produce meet environmental regulations. For critical materials, the Company insists on third-party identification by suppliers to ensure their safety and reliability. In 2024, the Company completed 15 identifications, including battery commission tests, battery UN38.3 certification, REACH SVHC reports, RoHS test reports, MSDS-UN38.3 reports, and more.



Supplier quality management

To ensure that suppliers deliver products and services meeting expected quality standards, reduce procurement risks, and foster collaborative growth, Jinpan Smart Technology audited 70 suppliers in 2024. The audit covered multiple aspects, including quality assurance, delivery efficiency, environmental health and safety (EHS), and more. Additionally, to identify issues in advance, the Company conducted on-site supervision for some critical materials and complex components, such as machined parts, enameled wires, battery cells, and high/low voltage equipment. In 2024, a total of 42 on-site supervisions were carried out, further ensuring the quality of incoming materials.

In response to issues existing in the supplied materials, a material team is set up in the Company to jointly tackle quality problems with suppliers. Simultaneously, Jinpan Smart Technology assists suppliers in adopting advanced quality management methods and technical approaches, such as online inspection and automated testing, to help them enhance their digital quality management and technical capabilities.

Jinpan Smart Technology promises that we won't cooperate with suppliers that have high social responsibility risks, including:

- Suppliers that use forced labor (debt-bonded, slave, involuntary prison labor) either within their own organization or through their subcontractors;
- Suppliers who have been penalized by labor inspection authorities or exposed by the media for employing child labor;
- Suppliers who have been penalized by labor inspection authorities or exposed by the media for inhumane treatment;
- Suppliers who have experienced fatal or higher-level work safety incidents within the past year;
- Suppliers who have been reported, complained about, or exposed by the media for failing to adhere to integrity standards, engaging in corruption, extortion, or embezzlement.

Year 2024

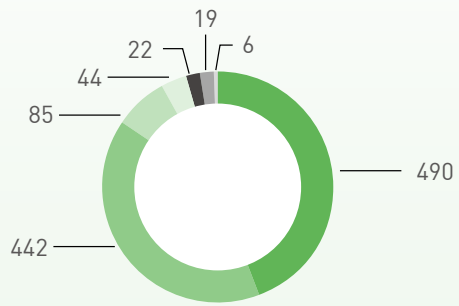
Total number of suppliers

1,108

Number of domestic suppliers

1,102

Number of suppliers by geographical region



- Eastern China
- Southern China
- Northern China
- Southwestern China
- Northwestern China
- Northeastern China
- Hong Kong, Macao, Taiwan, and overseas

Target supplier[3] *Sustainable Procurement Charter* or *Supplier Code of Conduct* signing rate

100%

Percentage of target suppliers who have signed contracts containing environmental, labor, and human rights requirements

100%

Awarded the National Supply Chain

Innovation and Application Demonstration Enterprise by the Ministry of Commerce of the People's Republic of China

Green procurement

We incorporate the principles of safety, environmental protection, and recycling into our procurement processes, continuously improving green procurement standards, and update the *Code of Conduct for Suppliers in Collaboration with Jinpan Smart Technology* management practices in environmental protection and green, low-carbon initiatives. This helps us continually reduce the environmental impact of the materials we purchase and actively optimize production technologies. We continuously expand the scope of our procurement of low-carbon, energy-efficient products and work hand-in-hand with suppliers to build a green supply chain, thereby expanding our environmental contributions.

We encourage our suppliers to embrace the principles of green and low-carbon development, actively implement green production methods, reduce the generation of solid waste, and lower emissions into the air, water, and soil, thereby lessening impacts on biodiversity, climate change, and water resources. Suppliers should drive down emissions across the supply chain through green procurement initiatives, thereby enhancing greenhouse gas reduction efforts. By analyzing carbon footprint data, we assess the potential impacts of climate change on business operations and develop effective risk management strategies. We encourage suppliers to regularly monitor and report on the progress of their carbon reduction targets, in order to jointly promote the achievement of sustainable development.

[3] Target supplier refers to those raw material suppliers who have a long-term collaboration and hold key strategic value for Jinpan Smart Technology. In 2024, there are a total of 55 target suppliers.

Conflict minerals management

Jinpan Smart Technology is committed to eliminating the purchase of metallic mineral such as gold, tantalum, tungsten, cobalt, and tin that involves "conflict areas", actively implementing a zero-tolerance policy, and will continue to require suppliers to fulfill their responsible procurement and supply responsibilities through responsible supply chain management measures. We actively promote conflict minerals traceability and supplier due diligence regarding conflict minerals. We use methods such as querying the country of origin for minerals from "conflict areas" and identifying and verifying upstream smelters or refiners through the *Responsible Minerals Initiative* (RMI) to accurately determine whether smelters or refiners have been validated as conflict-free. In 2024, all 10 metal suppliers signed the *Non Use of Conflict Minerals Warranty*, and there was no use of conflict minerals.

Additionally, we prioritize the use of certified raw materials to minimize the environmental and social impacts of our procurement processes. This includes prioritizing eco-friendly raw materials, such as paper certified by sustainable forest certification programs, and inks and adhesives certified by the China Environmental Labeling Product Certification.

Supplier communication and empowerment

In the midst of the rapid development of digital technologies and AI, we deeply recognize that digitalization and intelligence are key pathways for enterprises to improve quality, increase efficiency, and reduce costs. In the face of the accelerated advancement of digital transformation, building a more resilient, sustainable, and highly collaborative new supply chain system is particularly crucial. We are dedicated to strengthening communication and cooperation with our suppliers, ensuring that communication channels are always clear and accessible. By working hand in hand with our suppliers, we strive to achieve mutual growth and build a better future together.

Supplier contact channels

Email: jstcg@jst.com.cn

Website: Jinpan Smart Technology SRM Welink SCF
https://jst.going-link.com

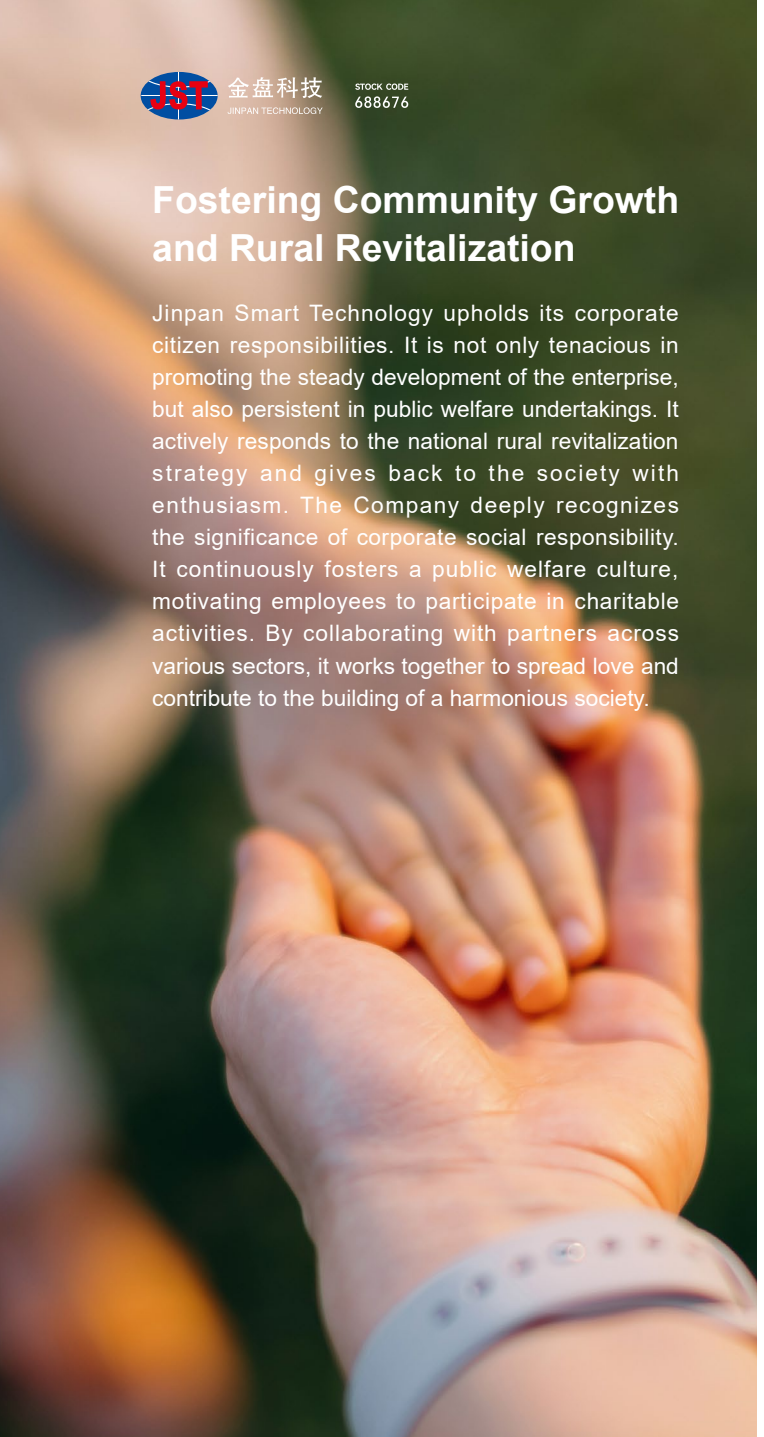
Supplier integrity construction

Jinpan Smart Technology always adheres to the principles of transparency and openness in procurement. Throughout its business activities, it strictly complies with all applicable laws and regulations. It resolutely opposes any unfair competition, corruption, or other improper practices during the procurement process and supplier responsibilities. Jinpan Smart Technology is committed to working hand in hand with suppliers to promote a fair and honest responsible procurement supply chain, aiming to achieve high standards in integrity, compliance, and sustainable development. We conduct background checks on supplier access information through the Supplier Survey Form of the SRM digital system. To ensure the integrity and honesty of our suppliers, we establish open reporting channels and conduct training on the code of conduct for all suppliers, and require suppliers to sign a *Supplier Confidentiality and Integrity Agreement* before establishing any business relationships.

In 2024, we attained a

100%

signing rate for the *Integrity Agreement* with our suppliers



Fostering Community Growth and Rural Revitalization

Jinpan Smart Technology upholds its corporate citizen responsibilities. It is not only tenacious in promoting the steady development of the enterprise, but also persistent in public welfare undertakings. It actively responds to the national rural revitalization strategy and gives back to the society with enthusiasm. The Company deeply recognizes the significance of corporate social responsibility. It continuously fosters a public welfare culture, motivating employees to participate in charitable activities. By collaborating with partners across various sectors, it works together to spread love and contribute to the building of a harmonious society.

Public welfare and charity

The Company actively carries out a series of public welfare donation activities to give back to society through concrete actions. In 2024, Jinpan Smart Technology donated a total of RMB 932,700. The Company encourages employees to actively participate in public welfare and charitable activities. In 2024, over 40 employees participated as volunteers, contributing love and support to society. In addition, U.S. subsidiaries match employee donations by a certain proportion to encourage staff participation in public welfare initiatives, thereby fostering the sustainable growth of public welfare programs.

Case | Supporting special education with love and donations

In 2024, Jinpan Smart Technology donated RMB 36,000 to Haikou Special Education School and held a donation activity for a student assistance program. Since signing the donation agreement with Haikou Special Education School in 2022, this is the third year of hosting the donation activity.

Jinpan Smart Technology donation campaign for school sponsorship

In September 2024, after typhoon "Yagi", teachers at Haikou Special Education School swiftly returned to clear obstacles and clean up, ensuring students could resume classes on time. In order to honor the dedicated teachers in special education, Jinpan Smart Technology donated RMB 20,000 in teacher bonuses and provided approximately RMB 40,000 worth of office equipment to aid in post-disaster recovery. By continuously backing special education initiatives, Jinpan Smart Technology not only shows its brand's warmth but also makes significant contributions to building a more harmonious society.

Jinpan Smart Technology donates educational tools and materials to Haikou Special Education School

Jinpan Smart Technology received an award certificate and trophy from the Suining County Education Promotion Association in Shaoyang City in recognition of their RMB 200,000 donation to the association in 2023.

In September 2024, in the face of the severe challenges brought about by the scale 17 super typhoon ‘Yagi’, Jinpan Smart Technology, while quickly resuming its own work and production, and guaranteeing the delivery of tasks to customers, actively participated in the disaster relief action, and carried out a series of public welfare charitable and voluntary service activities, to practise its social responsibility with practical actions.

Rallying volunteer teams to help with power repairs

Jinpan Smart Technology actively cooperated with Qionghai Power Supply Bureau, mobilizing a team of over ten employees to help with post-typhoon power restoration, demonstrating its strong corporate responsibility. Before the typhoon arrived, Jinpan Smart Technology's Hainan Power Installation Division had already made advance preparations and conducted inspections. After the disaster struck, the team quickly assembled and worked around the clock on anti-typhoon disaster relief and repair efforts. From meticulous inspections of damaged lines to rapid equipment replacements, each operation was carried out with precision and efficiency, significantly reducing power outage time and ensuring minimal downtime and reliable power supply for homes and enterprises. Jinpan Smart Technology teamed up with Qionghai Power Supply Bureau, contributing professional technical support to the power restoration in the disaster area.

Jinpan Smart Technology assists in power restoration

Volunteer to clear road obstructions on the front line

The 100MW agrivoltaic photovoltaic power generation project of Jinpan Smart Technology in Jiazi Town is a significant force in promoting local new energy development. After the typhoon struck, Jinpan Smart Technology immediately organized a team to go to the Jiazi photovoltaic project site to assist with frontline disaster relief efforts, clear road obstructions, and ensure that rescue supplies and support teams could pass through smoothly.

Jinpan Smart Technology carries out obstacle clearance work

Jinpan Smart Technology provided urgent aid to disaster-stricken areas with donated supplies

Additionally, the Company donated approximately RMB 60,000 worth of emergency supplies to both Jiazi Town and Longtang Town, including rice, cooking oil, instant noodles, and drinking water, totaling approximately RMB 120,000 of essential supplies. These donations aimed to meet the basic living needs of the affected residents and bring warmth to the local community.

Jinpan Smart Technology donates emergency supplies

Jinpan Smart Technology successfully held the "2024 Super Typhoon 'Yagi' Resistance - Advanced Collectives and Individuals in Typhoon and Flood Prevention and Resumption of Work and Production Commendation Meeting", to commend individuals and collectives who actively participated in and performed excellently in the process of typhoon and flood prevention and resumption of work and production.

Rural revitalization

Jinpan Smart Technology actively responds to the national rural revitalization strategy, leveraging its experience and resource advantages to empower rural development and construction. By showing care and support for rural disadvantaged groups, Jinpan Smart Technology brings warmth to the villages and promotes the development of "Warm Village".

Case | Jinpan Smart Technology supported the rural revitalization efforts in Dongshan Village

Considering the large number of left-behind elderly in Dongshan Village, Jinpan Smart Technology donated 40 outdoor backrest stone benches, with a total value of RMB 29,000, at the "Caring for the Masses, Supporting Rural Revitalization" donation ceremony. With the assistance of the officers of Haikou Free Zone and the village affairs committee of Dongshan Village, the backrest stone benches were distributed along the tree-lined lanes of the village, effectively improving the rural living environment and enhancing the villagers' sense of happiness and fulfillment.

Donation ceremony of "Caring for the Masses, Supporting Rural Revitalization"

Case | Jinpan Smart Technology participated in the public welfare project of "Warm Village Initiative"

With the aim of enriching the spiritual and cultural life of the villagers, Jinpan Smart Technology purchased Hisense LCD TV for the village residents under the Qihui Village Party Branch of Xianghuaqiao Street, as a gesture of concern for the rural disadvantaged groups. The Company also took this activity as an opportunity to continuously deepen the implementation of the "Warm Village Initiative" activity, bringing a brighter and happier future to the rural areas.

Jinpan Smart Technology participated in the public welfare project of "Warm Village Initiative"

Case | Jinpan Smart Technology illuminated the way for beautiful rural construction

In June 2024, Jinpan Smart Technology and Hainan Provincial Department of Industry and Information Technology held a PV street light donation ceremony and a party day activity with the theme of "Party Branch Joint Construction for Revitalization, Concentrated Efforts for Construction" in Hongfeng Village, Qicha Town, Changjiang County. From donating office supplies to providing photovoltaic (PV) streetlights, Jinpan Smart Technology has consistently focused on improving the living environment in Dazhang Village, actively fulfilling its social responsibility and commitment, illuminating the way for a more beautiful and prosperous rural community.

The secretary of Dazhang Village presented a banner to Jinpan Smart Technology

Case | **Jinpan Smart Technology's Jiazi 100MW agricultural solar power generation project promotes rural employment**

The Jinpan Smart Technology Jiazi 100MW Agricultural-Photovoltaic Complementary Power Generation Project is a comprehensive demonstration initiative that integrates "abandoned mine restoration, rural revitalization, efficient agriculture, and photovoltaic power generation." By advancing photovoltaic power generation, fostering efficient agriculture tailored to local conditions, engaging and empowering farmers to revitalize rural areas, and promoting local employment, this project stands as a pioneering effort in Hainan. Remarkably, it demonstrated remarkable resilience during Super Typhoon "Yagi" in 2024 with minimal damage, showcasing its robustness in the face of natural disasters.

Jinpan Smart Technology actively explores diversified economic development modes. Suitable shade-tolerant plants, as well as plants and vegetables with medicinal value, are planted under photovoltaic panels. This initiative aids local villagers in developing high-value agriculture and explores a new industrial development model that integrates agriculture and photovoltaics. After completion, the project will generate approximately 130 million kWh of green power annually, yielding an income of about RMB 52 million. This equates to saving 16,000 tons of standard coal, and reducing carbon dioxide emissions by about 70,000 tons. The project brings an annual agricultural output value of about RMB 20 million, offers stable employment for over 100 people, effectively drives local economic growth and employment, and provides solid support for rural revitalization.

Jinpan Smart Technology Jiazi 100MW Agricultural Photovoltaic Power Generation Project

Governance

Compliance and Integrity
Steady Progress for Lasting Success

"Integrity is the root of all virtues." Jinpan Smart Technology is committed to maintaining a fair and just business order, upholding "integrity operation" as its guideline, integrating ESG principles into business decisions, and promoting high-quality company development. We are committed to establishing a robust corporate governance system, strengthening risk management capabilities, creating more sustainable business value for shareholders, and contributing to the harmony and progress of society.

Our actions

To enhance corporate governance effectiveness and continuously strengthen the risk management system, Jinpan Smart Technology integrates the concept of sustainable development into its corporate strategic planning. Jinpan Smart Technology continuously improves its ESG governance structure and operational mechanisms, strengthens the development of sustainable competitiveness, and promotes steady progress on the way to comprehensive sustainability by enhancing employees' sense of responsibility and engagement.

SDGs contributions

Our performance

Shareholder general meetings were held

2 times

Independent board meeting were held

1 time

Employee anti-corruption training coverage rate:

100%

Signing rate of the *Integrity Agreement* by Employees:

100%

Signing rate of the *Integrity Agreement* by Management:

100%

Signing rate of the *Integrity Agreement* by Suppliers:

100%

Governance in Compliance with Laws

Jinpan Smart Technology adheres to the principle of integrity as its core business philosophy, strictly complies with relevant laws and regulations, continuously optimizes its corporate governance structure, and conducts operations with transparency and fairness. It consistently improves its risk management framework and systems, actively earning the trust of investors, partners, and the broader community, ensuring the Company's stable and long-term development.

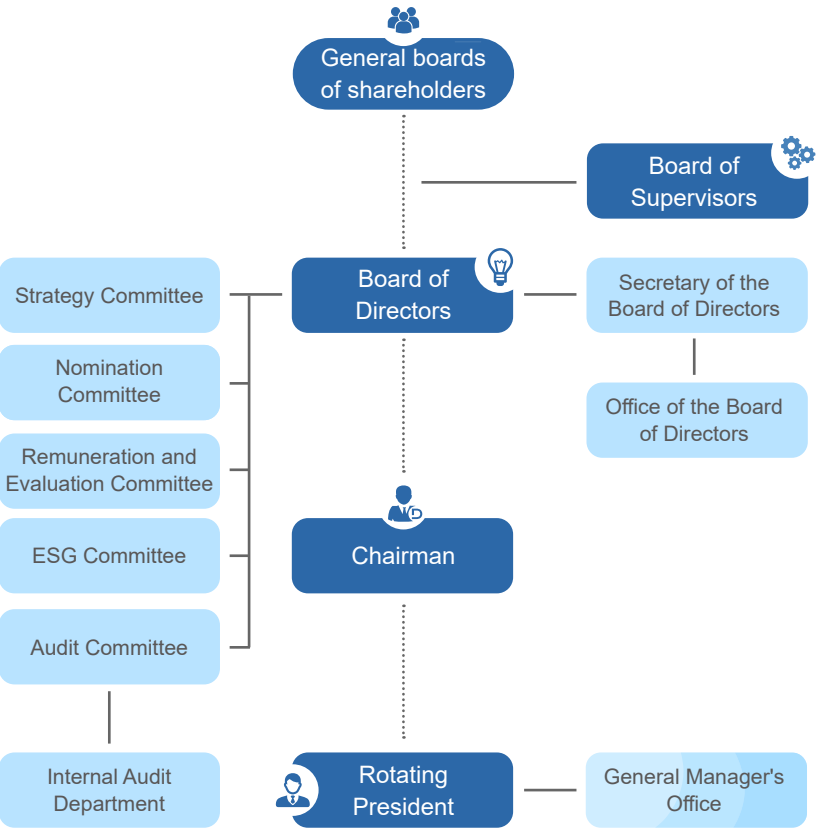
Corporate governance

The Company earnestly fulfills its obligations as a listed company and establishes an effective and professional corporate governance system. Jinpan Smart Technology strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Corporate Governance of Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and other legal regulations and relevant normative documents. Based on these, we revised documents including the *Articles of Association*, *Rules of Procedure of the Shareholders' Meeting*, and *Independent Directors Work System*. It constantly improves the "three-tier" corporate governance structure, which consists of the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors, by focusing on their core responsibilities to "set strategies, make decisions, and prevent risks." It fully participates in the organization and implementation of the corporate governance structure, improves performance service guarantees, and ensures standard operation.

We strive to promote the diversity of the Board of Directors in terms of gender, culture, professional skills, and other areas to align with the ongoing diversification of our business. Based on the directors' backgrounds and responsibilities, the Board of Directors strategically appoints members to various committees. With each board member possessing professional knowledge and supervisory capabilities, the board effectively fulfills its oversight duties, ensuring the professionalism and efficiency of the Board of Directors' deliberations and decision-making. We also enhance our company governance capabilities by regularly organizing specialized training sessions for Board members, supervisory board members, and senior management. As of the end of December 2024, Jinpan Smart Technology has a total of six board members, including two executive directors, two non-executive directors, and two independent directors. Among them, one is a female director, and the two independent directors have backgrounds in accounting and electrical industry expertise respectively.

We pay attention to protecting investor rights and have established a diverse range of investor communication channels, primarily consisting of digital factory site visits for research, public performance briefings, shareholder meetings, investor exchange meetings, investor open day, an investor hotline, and E-interactive. Additionally, to promote the deep integration of management and shareholder interests, the Company's Board of Directors approved the *Proposal on Increasing Variable Performance Rewards and Adjusting Compensation for Senior Executives* and the *Compensation and Performance Management Measures for Directors, Supervisors, and Senior Executives*, aiming to encourage senior executives to focus more on the Company's business development and goal achievement.

Jinpan Smart Technology's Governance Structure



Risk management

The Company continues to improve its risk management and internal control system, having established the *Risk Management System.* A risk management framework led by the Board of Directors has been set up, thereby forming a "three lines of defense" risk management mechanism that functions at all levels. This provides strong support for the Company's stable development. In 2024, The company has optimized and upgraded its risk management system by incorporating the 21 topics from the newly released 'Sustainability Reporting Guidelines' by the Shanghai Stock Exchange, further enhancing the comprehensiveness, focus, and accuracy of its risk management.

Jinpan Smart Technology's "Three Lines of Defense" Risk Management Mechanism

The first line of defense	All business divisions and business departments	Identify and analyze risks in business processes in real time using the Jinpan Smart Technology digital risk management platform. Develop and implement risk response strategies, and promptly report updates to higher-level risk management bodies, ensuring the efficient operation of the risk management system.
The second line of defense	The Audit Committee under the Board of Directors and the Audit Department	The audit department independently conducts regular reviews to evaluate the design and execution of control systems and procedures. It also thoroughly investigates significant losses or negative events resulting from inadequate risk control, drives corrective actions by business departments, and ensures effective problem resolution, while providing real-time reports to the Audit Committee.
The third line of defense	The Board of Directors and the decision-makers	As the highest decision-making body of the Company, the Board of Directors assumes ultimate responsibility for risk management. It is responsible for approving risk management preferences, strategies, policies, and processes, establishing the overall risk thresholds acceptable to the Company, and continuously monitoring the real-time status of risk management and the development and improvement of the risk management system.

Adhering to Business Ethics

Jinpan Smart Technology strictly complies with the laws and regulations including *the Supervision Law of the People's Republic of China, Anti-Money Laundering Law of the People's Republic of China, and Anti-Unfair Competition Law of the People's Republic of China*. The Company has established internal policies such as *the Code of Business Conduct and Ethics, the Anti-Corruption and Anti-Bribery Management System, and the Anti-Monopoly and Anti-Unfair Competition Management Regulations*. These policies apply to all employees, including those at subsidiaries and contracted staffing agencies, ensuring proper business conduct across the organization. In 2024, Jinpan Smart Technology had no incidents of commercial bribery or corruption, and no lawsuits or significant administrative penalties due to unfair competition.

Business ethics management

The company has established an anti-corruption organizational structure, which includes the General Manager's Office, management teams at the company level and its subsidiaries, as well as the Audit Department.

The General Manager's Office is responsible for drafting anti-corruption policies and regulations and establishing relevant internal control systems.

Management teams at the company level and its subsidiaries are tasked with building, improving, and effectively implementing internal controls. They must take appropriate corrective actions against any acts of corruption, bribery, or embezzlement and comply with supervision from the Audit Department.

The Company's audit department oversees and investigates anti-corruption and anti-bribery efforts within both the Company and its subsidiaries. It conducts regular or irregular special audits in high-risk business areas that are prone to corruption and bribery, thoroughly identifying and assessing potential fraudulent risks. This ensures that the Company can proactively mitigate and prevent corruption risks. Additionally, Jinpan Smart Technology conducts credit ratings for each of its partner clients, evaluating risks from multiple perspectives and categorizing them into risk levels. Targeted preventive measures are implemented for identified risk points to enhance the Company's ability to manage business ethics risks in commercial partnerships.

In 2024, Jinpan Smart Technology conducted a comprehensive assessment of the company's risks of corruption, bribery, and fraud. It identified potential vulnerabilities across twelve key business cycles, including sales, procurement, production and warehousing, salary and personnel management, fund management, financial reporting, fixed assets management, engineering projects, research and development activities, information systems management, planning oversight, and listing compliance. To effectively manage these identified risks associated with business ethics, specific measures and improvement action plans were proposed for thorough review and response.

Report and complaint management

Jinpan Smart Technology firmly opposes any form of bribery, corruption, unfair competition, and other behaviors that violate business ethics, maintaining a strict "zero tolerance" stance on such actions. To ensure a fair operating environment and protect the Company's reputation, we have established a *Whistleblowing System*, along with comprehensive reporting and investigation procedures. We offer multiple reporting channels, including a hotline and an Email. Our *Anti-Corruption and Anti-Bribery and Anti-Corruption Management System* publicly available on the Company's official website, along with contact information for submitting reports. We welcome reports from any organization or individual. In the event of a report, the Company's Board or designated personnel will promptly initiate an investigation into the alleged violations, conducting a thorough review and taking appropriate corrective actions. Upon confirming a violation, the company will impose corresponding internal penalties on the personnel involved based on the severity of the misconduct. In cases of serious offenses, we will take decisive action by terminating employment and referring the matter to judicial authorities for further handling. In 2024, the number of reports that were either not reported or, after investigation, were verified to be true, was zero.

The Company encourages reports made under real names and also accepts anonymous reports via letters or phone calls. The Company upholds a strict whistleblower confidentiality policy, ensuring that the personal information of whistleblowers—whether employees, suppliers, or other partners—as well as any materials they provide, are kept fully confidential. Any retaliation against whistleblowers is strictly prohibited. Personnel responsible for handling reports who disclose confidential information or fail to perform their duties properly, as well as individuals who retaliate against whistleblowers or their families, will be subject to disciplinary action according to the gravity and impact of their actions. If the behavior constitutes a criminal offense, the matter will be handed over to the judicial authorities for criminal prosecution.

Reporting Channels

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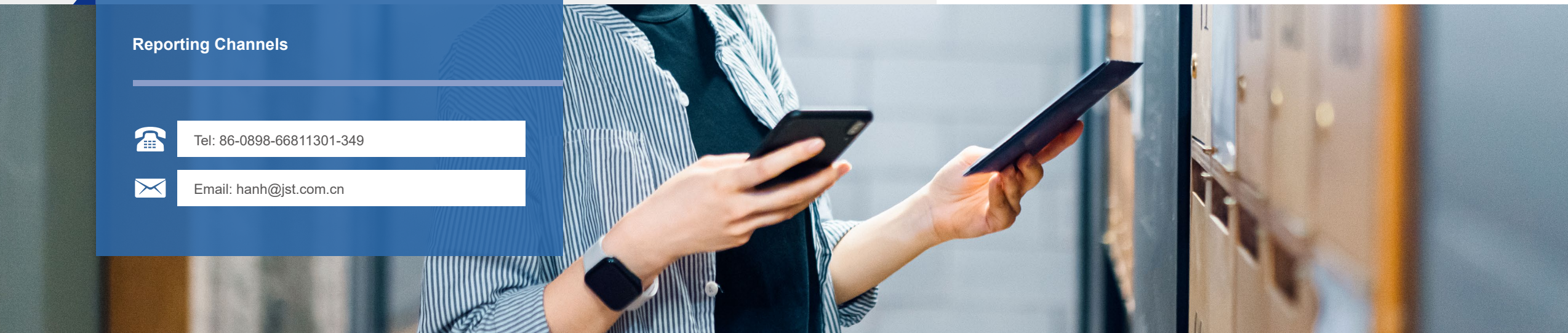

Anti-unfair competition

The Company is committed to maintaining a fair and competitive market environment, regulating the market conduct of sales personnel, and preventing the risks of unfair competition. A mechanism for regularly reviewing anti-unfair competition risks has been established, focusing on key business areas such as sales, marketing, and procurement. This includes evaluating risks related to price manipulation, market division, and other forms of unfair competition. The audit department oversees the implementation of this process to ensure the accuracy and effectiveness of risk assessments.

In 2024, the Company provided specialized training on the "Bidding Compliance Law" for all sales personnel at marketing centers nationwide and bidding and quoting staff across departments. The training covered areas such as tendering and bidding laws and regulations, operation procedures, and risk prevention, aiming to comprehensively enhance the team's ability to compete legally and compliantly in the market. It also sought to strengthen employees' awareness of legal compliance, thereby reducing the Company's exposure to unfair competition risks.

Fostering a culture of business integrity

The Company advocates a culture of integrity, honesty, and self-discipline. The core values for employees are "mutual assistance and care, loyalty and gratitude, professionalism and efficiency, and integrity and self-discipline." Anti-corruption and anti-bribery policies and procedures are made available to employees and partners through emails, bulletin boards, and the official website, ensuring timely and effective communication of the Company's business ethics and compliance governance culture. The Company requires suppliers and procurement personnel to sign the *Supplier Integrity and Confidentiality Agreement* and the *Personal Integrity and Self-Discipline Commitment Letter*. The audit department updates the agreements and commitments annually based on policies and Company development needs. In 2024, the Company achieved a 100% signing rate for employee integrity commitment letters and a 100% signing rate for new suppliers' integrity and confidentiality agreements.

The Company offers training programs to strengthen employees' awareness of integrity and compliance, promotes full employee involvement in building a culture of honesty and integrity, and fosters a clean and fair work environment. Every year, the Company brings in external lawyers to conduct a specialized training session on business ethics standards for all employees, covering key areas such as anti-corruption, integrity and compliance, and anti-unfair competition. In 2024, the Company organized internal training for all employees on business ethics, integrity and self-discipline, and confidentiality policies, reinforcing the shared understanding of maintaining a clean and ethical work environment, and achieving 100% training coverage across the Company.

Year 2024

Per Capita Anti-Corruption Training Duration

Directors	**2** Hours/Person
Supervisors	**2** Hours/Person
Senior executives	**2** Hours/Person
Employees	**2** Hours/Person

Business Ethics Training for Total Staff of Jinpan Smart Technology

Appendixes

Appendix I Key Performance Indicators

ESG indicators	Year 2023	Year 2024	Unit	Changes
Enviroment indicators				
Photovoltaic self-consumption power	832.05	1,273.88	10,000 kilowatt-hours	53.10% ↑
Clean energy generation	981	1,694.8	10,000 kilowatt-hours	72.76% ↑
Proportion of clean energy used	36.21	61.35	%	69.43% ↑
Amount invested in environmental protection	570.85	770.47	RMB 10,000	34.97% ↑
GHG emissions (Scope 1 and Scope 2)	8,773	4,749.29	Tons of carbon dioxide equivalent	45.86% ↓
Total greenhouse gas emissions (Scope 1, Scope 2)	0.013	0.007	Tons of carbon dioxide equivalent / RMB 10,000 of Revenue	46.15% ↓
Scope 1 GHG	1,958	1,679.76	Tons of carbon dioxide equivalent	14.21% ↓
Scope 2 GHG	6,815	3,069.53	Tons of carbon dioxide equivalent	54.96% ↓
Sulfur dioxide (SO_2) emissions	0.023	0	Tons	100% ↓
Water use intensity	0.3368	0.2986	Tons per RMB 10,000 of Revenue	11.34% ↓
Industrial wastewater discharge intensity	0.04166	0.03716	Tons per RMB 10,000 of Revenue	10.80% ↓
Social indicators				
Number of training sessions conducted	243	252	Times	3.70% ↑
Average training hours per employee	77	79	Hours	2.60% ↑
Cumulative patent technology	250	284	Items	13.60% ↑

ESG indicators		Year 2022	Year 2023	Year 2024	Unit
Enviroment					
Emissions	Nitrogen oxides (NO_X) emissions	0.118	0.458	0.493	Tons
	Sulfur dioxide (SO_2) emissions	0.108	0.023	0	Tons
	Volatile organic compounds (VOCs) emissions	0.086	0.18	0.492	Tons
	Particulate matter emissions	0.283	1.44	1.51	Tons
	Total amount of non-hazardous waste	4,092.16	3,616.27	3,554.34	Tons
	Intensity of non-hazardous waste	0.0086	0.0054	0.0051	Tons/RMB 10,000 of Revenue
	Kitchen waste	/	77.49	28.53	Tons
	Quantity of waste cardboard	/	108.49	123.78	Tons
	Recycling volume of non-hazardous waste	2,725.20	2,771.07	3,105.44	Tons
	Disposal volume of non-hazardous waste	1,361.26	845.2	448.9	Tons
	Total amount of hazardous waste	115	82.562	97.488	Tons
	Intensity of hazardous waste	0.00024	0.00012	0.00014	Tons/RMB 10,000 of Revenue
	Recycling volume of hazardous waste	/	/	4.45	Tons
	Disposal volume of hazardous waste	/	79.362	93.040	Tons
GHG	GHG emissions (Scope 1 and Scope 2)	16,041	8,773	4,749.29	Tons of carbon dioxide equivalent
	GHG intensity (Scope 1 & Scope 2)	0.0338	0.0131	0.007	Tons of carbon dioxide equivalent/ RMB 10,000 of Revenue
	Scope 1 GHG	2,105	1,958	1,679.76	Tons of carbon dioxide equivalent
	Scope 2 GHG	13,936	6,815	3,069.53	Tons of carbon dioxide equivalent
Resource usage	Total energy consumption	4,921	5,522.7	5,686.95	Tons of standard coal
	LPG consumption	/	/	0.3689	10,000 standard cubic meter
	Natural gas	67.62	67.4778	55.088	10,000 standard cubic meter
	Gasoline	64,856	50,234	52,240	Litre
	Diesel	38,333	22,290	20,024	Litre

ESG indicators		Year 2022	Year 2023	Year 2024	Unit
Resource usage	Energy consumption intensity	0.0104	0.0083	0.0082	Tons of standard coal /RMB 10,000 of Revenue
	Electricity usage	/	35,875,342	42,265,429	kWh
	Electricity intensity	/	53.77	61.20	kWh/RMB 10,000 of Revenue
	Purchased electricity	25,198,388	27,554,865	29,526,598	kWh
	PV self-consumption electricity	611.6	832.05	1,273.88	10,000 kilowatt-hours
	Clean energy generation	/	981	1,694.80	10,000 kilowatt-hours
	— Equivalent to reduction in greenhouse gas emissions	/	5,595	9,094	Tons of carbon dioxide equivalent
	Photovoltaic power generation output	/	981	1,694.8	10,000 kilowatt-hours
	— Equivalent to reduction in greenhouse gas emissions	/	5,595	9,094	Tons of carbon dioxide equivalent
	Installed capacity of deployed photovoltaic generation projects	9.89	23	23	Megawatt
	Clean energy usage ratio	/	36.21	61.35	%
	Renewable resource consumption	/	/	3,489.19	Tons of standard coal
	—Total amount of solar energy used by the Company	/	/	1,565.6	Tons of standard coal
	—Total amount of hydroenergy used by the Company	/	/	43.47	Tons of standard coal
	—Total amount of green electricity purchased by the Company	/	/	1,880.12	Tons of standard coal
	Percentage of renewable resources	/	/	61.35	%
	—Proportion of solar energy used by the Company	/	/	27.53	%
	—Proportion of hydroenergy used by the Company	/	/	0.76	%
	—Proportion of green electricity purchased by the Company	/	/	33.06	%
Water Resource management	Water consumption	203,215	224,720	206,202	Tons
	Water intensity	0.428	0.3368	0.2986	Tons/RMB 10,000 of Revenue
	Volume of water recycled	1,212	1,236	1,353	Tons
	Volume of water saved	/	9.67	2.65	Tons
	Industrial wastewater discharge volume	23,333	27,796	25,662	Tons
	Industrial wastewater discharge intensity	0.05	0.04166	0.03716	Tons/RMB 10,000 of Revenue
	COD emissions	2.09	/	1.56	Tons
	Ammonia nitrogen emissions	0.22	/	0.08	Tons
	Total nitrogen emissions	0.42	/	0.11	Tons

ESG indicators			Year 2022	Year 2023	Year 2024	Unit
Packaging materials	Packaging materials consumption		1,903.6	1,772.9	1,887.0	Tons
Others	Amount of environmental protection investment		/	570.85	770.47	RMB 10,000
	Capital investment in greenhouse gas emission reduction		/	/	3,196.98	RMB 10,000
	Number of environmental incidents or administrative penalties for environmental issues		0	0	0	Times
Social indicators						
Employee employement	Total number of employees		2,046	2,207	2,318	Persons
	Number of employees by employment type	Full time staff	2,046	2,207	2,318	Persons
		Part time staff	0	0	0	Persons
	Number of employees by job level	Senior management	10	11	11	Persons
		Middle management	40	39	38	Persons
		General management	53	71	70	Persons
		General employees	1,943	2,086	2,199	Persons
	Number of employees by gender	Male	1,609	1,735	1,799	Persons
		Female	437	472	519	Persons
	The proportion of women in senior management		40	36.4	36.4	%
	Number of employees by educational background	High school and below	/	979	955	Persons
		Associate degree	/	467	468	Persons
		Bachelor’s degree	/	709	824	Persons
		Graduate degree and above	/	52	71	Persons

ESG indicators			Year 2022	Year 2023	Year 2024	Unit
Employee employement	Number of employees by age	Age 30 and under	519	630	612	Persons
		Age 31-50	1,425	1,464	1,556	Persons
		Age 50 and above	102	113	150	Persons
	Number of employees by region	Southern China	1,476	956	938	Persons
		Central China	/	616	651	Persons
		Northern China	48	53	51	Persons
		Eastern China	239	259	298	Persons
		Northwestern China	45	41	48	Persons
		Southwestern China	109	111	116	Persons
		Northeastern China	64	61	61	Persons
		Hong Kong, Macao, and Taiwan	/	/	1	Persons
		Overseas	65	110	154	Persons
	Total number of disabled employees		/	24	22	Persons
	Total number of veterans employed		/	41	35	Persons
	Number of new employees		63	161	111	Persons
Employee turnover	Employee turnover rate		10.93	10.9	9.03	%
	By gender	Male	7.97	8.44	6.99	%
		Female	2.96	2.46	2.04	%
	By age group	Age 30 and under	4.75	3.51	4.04	%
		Age 31-40	6.01	4.52	3.3	%
		Age 41-50		1.66	1.18	%
		Age 50 and above	0.17	1.21	0.51	%

ESG indicators			Year 2022	Year 2023	Year 2024	Unit
Employee turnover	By geographical region	Southern China	6.84	4.4	2.59	%
		Central China	/	2.92	2.83	%
		Northern China	0.3	0.28	0.47	%
		Eastern China	2.26	1.78	1.96	%
		Northwestern China	0.13	0.36	0.2	%
		Southwestern China	0.87	0.52	0.32	%
		Northeastern China	0.3	0.44	0.27	%
		Hong Kong, Macao, and Taiwan	/	/	0	%
		Overseas	/	0.2	0.39	%
Remunerationand welfare	Rate of labor contract signing		/	100	100	%
	Average annual paid leave days per employee		/	6	6.7	Days
Occupational health and safety	Number of new cases of occupational diseases		/	0	0	Persons
	Rate of employee physical examination		/	/	100	%
	Number of work-related fatalities		0	0	0	Persons
	Number of workdays lost due to work-related injuries		246.5	0	0	Days
	Total duration of safety education and training		3,258	3,456	4,544	Hours
	Number of factories certified with ISO 45001 Occupational Health and Safety Management System		/	4	7	Pieces
	Percentage of factories certified with ISO 45001 Occupational Health and Safety Management System		/	/	100	%
	Expenditure on work-related injury insurance		/	/	84.41	RMB 10,000
	Percentage of employees covered by work-related injury insurance		/	/	100	%

ESG indicators			Year 2022	Year 2023	Year 2024	Unit
Occupational health and safety	Number of workplace accidents involving employees		/	/	0	Occurrences
	Rate of workplace accidents involving employees		/	/	0	%
	Number of safety drills		/	14	26	Times
Employee training and development	Employee training coverage		100	100	100	%
	Number of training sessions conducted		237	243	252	Times
	Total number of employee training participation		26,614	63,805	65,165	Persons
	Total number of employees trained		/	2,207	2,318	Persons
	Proportion of trained employees by gender	Male	100	100	100	%
		Female	100	100	100	%
	Number of trained employees by gender	Male	1,609	1,735	1,799	Persons
		Female	437	472	519	Persons
	Proportion of trained employees by employment category	Senior management	100	100	100	%
		Intermediate management	100	100	100	%
		General management	100	100	100	%
		General employees	100	100	100	%
	Number of trained employees by employment category	Middle management	10	11	11	Persons
		Middle management	40	39	38	Persons
		General management	53	71	70	Persons
		General employees	1,943	2,086	2,199	Persons
	Trained hours by gender	Male	/	130,361	137,352	Hours
		Female	/	40,600	45,983	Hours
	Trained hours by employee category	Senior management	/	904	929	Hours
		Middle management	/	2,480	2,514	Hours
		General management	/	5,062	5,239	Hours
		General employees	/	162,515	174,653	Hours

ESG indicators			Year 2022	Year 2023	Year 2024	Unit
Employee training and development	Total training hours of employees		169,573	170,961	183,335	Hours
	Average training hours per employee		83	77	79	Hours
	Trained hours for trained employees by gender	Male	82	75	76	Hours
		Female	87	86	89	Hours
	Number of trained employees by employment category	Senior management	94	82	84	Hours
		Middle management	117	64	66	Hours
		General management	113	71	75	Hours
		General employees	81	78	79	Hours
Product quality and service	Percentage of products sold or delivered that were recalled for quality reasons		0.013	0.008	0.011	%
	Number of products and service-related complaints received		13	13	11	Pieces
	Complaint resolution rate for products and services		100	100	100	%
	Customer satisfaction		/	98.03	98.26	%
	Number of products that obtained quality certification		242	306	355	Nos.
Product R&D	R&D investment		2.47	3.51	3.56	RMB 100 million
	R&D team	Total number of members	340	394	408	Persons
		Percentage	16.62	17.85	17.6	%
	Number of Invention Patents Applied to Core Business (Cumulative Patented Technologies)		231	250	284	Items
	Domestic invention patents	Cumulative	16	31	36	Items
		Filed	11	9	27	Items
		New	3	15	5	Items
	Domestic utility model patents	Cumulative	204	206	235	Items
		New	33	31	36	Items
	Domestic design patents	Cumulative	9	8	8	Items
		New	2	0	3	Items

ESG indicators			Year 2022	Year 2023	Year 2024	Unit
Product R&D	International invention patents	Cumulative	2	5	5	Items
		New	0	3	0	Item
	Number of standards participated in compilation	Cumulative	9	10	13	Items
		New	2	1	3	Items
		National standards	3	4	7	Items
		Industry standards	4	4	4	Items
		Group standards	1	1	1	Items
		Local standards	1	1	1	Items
	Training on intellectual property	Number of times	1	2	1	Times
		Cumulative time	3	4	8	hours
		Number of participants	7	146	10	Persons
	Number of trademark rights		32	36	37	Items
	Number of copyrights		34	49	73	Items
	Number of products certified for carbon footprint		4	18	16	Pieces
Supply chain management	Total number of suppliers		927	1,137	1,108	Supplier
	Number of domestic suppliers		922	1,132	1,102	Supplier
	Number of suppliers by geographical region	Southern China	457	371	442	Supplier
		Central China	/	/	0	Supplier
		Northern China	88	97	85	Supplier
		Eastern China	296	557	490	Supplier
		Northwestern China	19	27	22	Supplier
		Southwestern China	42	57	44	Supplier
		Northeastern China	20	21	19	Supplier
		Hong Kong, Macao, Taiwan and overseas	5	7	6	Supplier
	Number of suppliers reviewed in accordance with the practices relating to engaging suppliers		44	63	70	Supplier

ESG indicators		Year 2022	Year 2023	Year 2024	Unit
Supply chain management	Percentage of suppliers that have undergone corporate social responsibility (CSR) assessment (e.g., through questionnaires)	/	/	8.75	%
	Percentage of suppliers that have undergone on-site corporate social responsibility (CSR) audit	/	/	2.08	%
	Number of suppliers that have failed the audit due to environmental, safety, and health factors	/	/	0	Supplier
	Percentage of audited/assessed suppliers that have engaged in corrective actions or capacity-building initiatives	/	/	96	%
	Signing rate of the *Supplier Confidentiality and Integrity Agreement* among suppliers	100	100	100	%
	Signing rate of the *Code of Conduct for Suppliers in Collaboration with Jinpan Smart Technology* among target suppliers	/	/	100	%
	Signing rate of the Commitment Letter on Social Responsibility and Occupational Health and Safety Protection among target suppliers	/	/	100	%
	Percentage of target suppliers who have signed contracts containing environmental, labor, and human rights requirements	/	/	100	%
	Number of suppliers who have signed the *Non Use of Conflict Minerals Warranty*	/	6	10	Supplier
	Percentage of suppliers providing conflict mineral information (e.g., CMRT)	/	/	100	%
	The amount of overdue payments to small and medium-sized enterprises	/	/	0	RMB10,000

Anti-corruption	Number of participants in anti-corruption	/	2,207	2,318	Persons
	Average duration of anti-corruption training	2	2	2	Hours
	Number of employees attending anticorruption training	2,046	2,207	2,318	Persons
	Management *Integrity Agreement* signing rate	100	100	100	%
	Employee *Integrity Agreement* signing rate	100	100	100	%
	Number of corruption lawsuits filed or concluded	0	0	0	Cases
ESG indicators		Year 2022	Year 2023	Year 2024	Unit
Public welfare and charity	Total investment amount for rural revitalization	/	6.7	11	RMB 10,000
	Number of employees receiving financial aid	6	5	7	Persons
	Number of employees with difficulties who were visited during the Spring Festival	34	32	39	Persons
	Amount of financial assistance provided to employees in need	12.67	14	12.34	RMB 10,000
	Number of charitable donations initiated	3	9	11	Times
	Total amount of charitable donations	27.36	81.97	93.27	RMB 10,000
	Number of volunteers	/	/	40	Persons
Economic indicators					
Economic performance	Revenue	47.46	66.68	69.01	RMB 100 million
	Net profit attributable to shareholders of the listed company	2.83	5.05	5.74	RMB 100 million
	Social contribution per share	1.86	2.57	2.88	RMB/share
Governance indicators					
Governance	Shareholders' meetings	5	3	2	Times
	Board of Directors meetings	16	13	12	Times
	Supervisory Board meetings	13	8	8	Times
	Number of directors	6	6	6	Persons
	Executive directors	2	2	2	Persons
	Non-executive directors	2	2	2	Persons
	Independent directors	2	2	2	Persons
	Female directors	1	1	1	Persons

Appendix II *Self-Regulatory Guidelines for Listed Companies—Sustainability Report (Trial)*

Dimension	No.	Issue	Corresponding articles	Report sections
Environmental	1	Responding to climate change	Articles 21 to 28	Carbon "Zero" Opens a New Chapter
	2	Pollutant emission	Article 30	Waste gas management
	3	Waste disposal	Article 31	Packaging materials and waste management
	4	Ecosystem and biodiversity conservation	Article 32	Protecting natural ecology
	5	Environment compliance management	Article 33	Environmental management system
	6	Energy utilization	Article 35	Energy management
	7	Water resource utilization	Article 36	Water resource management
	8	Circular economy	Article 37	Packaging materials and waste management Promoting green products
Social	9	Rural revitalization	Article 39	Fostering Community Growth and Rural Revitalization
	10	Social contribution	Article 40	Fostering Community Growth and Rural Revitalization
	11	Innovation-driven development	Article 42	R&D and innovation Intellectual property protection
	12	Science and technology ethics	Article 43	Not applicable
	13	Supply chain security	Article 45	Supply chain management
	14	Equal treatment of SMEs	Article 46	Supply chain management
	15	Product and service safety and quality	Article 47	Product quality and safety Improving customer experience
	16	Data security and customer privacy protection	Article 48	Customer privacy and information security
	17	Employees	Article 50	Caring for Employees, Co-Creating, and Sharing the Benefits
Sustainability-related governance	18	Due diligence	Article 52	ESG governance
	19	Stakeholder Communication	Article 53	Stakeholder communication
	20	Anti-bribery and anti-corruption	Article 55	Business ethics management Fostering a culture of business integrity
	21	Anti-unfair competition	Article 56	Anti-unfair competition

Appendix III GRI Content Index

Statement of use	Hainan Jinpan Smart Technology Co., Ltd. reported the information referenced in this GRI content index for the period from January 1, 2024, to December 31, 2024, in accordance with GRI standards
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	P4-7
	2-2 Entities included in the organization's sustainability reporting	P1
	2-3 Reporting period, frequency and contact point	P1
	2-5 External assurance	
	2-6 Activities, value chain and other business relationships	P6, P27-30
	2-7 Employees	P64-65
	2-8 Workers who are not employees	P99
	2-9 Governance structure and composition	P91
	2-10 Nomination and selection of the highest governance body	P91
	2-11 Chair of the highest governance body	P2-3
	2-12 Role of the highest governance body in overseeing the management of impacts	P91-92
	2-13 Delegation of responsibility for managing impacts	P92
	2-14 Role of the highest governance body in sustainability reporting	P8
	2-16 Communication of critical concerns	P10
	2-23 Policy commitments	P33
	2-24 Embedding policy commitments	P8

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	P44, P48-50, P63-64, P70, P91, P93
	2-29 Approach to stakeholder engagement	P10
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P11-15
	3-2 List of material topics	P13, P15
	3-3 Management of material topics	P15
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P4
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P93
	205-2 Communication and training about anti-corruption policies and procedures	P93
	205-3 Confirmed incidents of corruption and actions taken	P94
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P46-47
	302-2 Energy consumption outside of the organization	P46-47
	302-3 Energy intensity	P47
	302-4 Reduction of energy consumption	P46-47
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P48
	303-2 Management of water discharge-related impacts	P48
	303-3 Water withdrawal	P48
	303-4 Water discharge	P48
	303-5 Water consumption	P48
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P53
	304-2 Significant impacts of activities, products and services on biodiversity	P53

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P39
	305-2 Energy indirect (Scope 2) GHG emissions	P39
	305-4 GHG emissions intensity	P39
	305-5 Reduction of GHG emissions	P42
	305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	P49
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P50
	306-2 Management of significant waste-related impacts	P50
	306-3 Waste generated	P50
	306-4 Waste diverted from disposal	P50
	306-5 Waste directed to disposal	P50
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P80
	308-2 Negative environmental impacts in the supply chain and actions taken	P80-81
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P65
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P66
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P70-71
	403-2 Hazard identification, risk assessment, and incident investigation	P70
	403-3 Occupational health services	P71
	403-5 Worker training on occupational health and safety	P70
	403-6 Promotion of worker health	P70
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P70
	403-8 Workers covered by an occupational health and safety management system	P70
	403-9 Work-related injuries	P101

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P75
	404-2 Programs for upgrading employee skills and transition assistance programs	P72-74
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P91
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P64
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	P64
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	P64
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	P64
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P79-81
	414-2 Negative social impacts in the supply chain and actions taken	P79-81
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P63

Appendix IV Feedback Form

Respected Readers,

Thank you for reading the *Hainan Jinpan Smart Technology Co., Ltd. 2024 Environmental, Social, and Governance (ESG) Report*. To better meet your needs and provide more valuable information to you and all stakeholders, while promoting Jinpan Smart Technology's comprehensive management capabilities and work performance, and enhancing our ability and level of social responsibility, we sincerely hope that you can provide valuable feedbacks on the report. You can do so by contacting us through the following channels:

Phone: 0898-66811301
Email: info@jst.com.cn

1. Which stakeholder category do you belong to?

☐ Senior Management (including directors, supervisors, senior executives, etc.)
☐ Employees ☐ Customers ☐ Government/Regulatory Agencies
☐ Shareholders/Investors ☐ Suppliers/Partners
☐ Non-Governmental Organizations ☐ Other:_____

2. Your overall impression of this report:

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

3. How do you rate Jinpan Smart Technology in the following aspects?

Corporate Governance:
☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

Environmental Management:
☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

Social Responsibility:
☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

ESG Management:
☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

4. In terms of the amount of information disclosed, accuracy, completeness, readability, and layout design in this report, you would rate them as follows:

Amount of information disclosed:
☐ Very High ☐ High ☐ Moderate ☐ Low ☐ Very Low

Accuracy:
☐ Very High ☐ High ☐ Moderate ☐ Low ☐ Very Low

Completeness:
☐ Very High ☐ High ☐ Moderate ☐ Low ☐ Very Low

Readability:
☐ Very Good ☐ Good ☐ Moderate ☐ Poor ☐ Very Poor

Layout design:
☐ Very Reasonable ☐ Reasonable ☐ Moderate ☐ Poor ☐ Very Poor

5. What are your opinions and suggestions for Jinpan Smart Technology in promoting sustainable development?

_____

6. What are your opinions and suggestions regarding the compilation of the ESG report by Jinpan Smart Technology?

_____

Appendix IV Independent Verification Statement

Independent Verification Statement

Verification Statement：EIV2 119843 0015 Rev. 00

To the management and stakeholders of Jinpan Technology,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Hainan Jinpan Smart Technology Co., Ltd. (hereinafter referred to as "Jinpan Technology" or "the Company") to perform an independent third-party verification on Jinpan Technology 2024 Sustainability Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Jinpan Technology and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Jinpan Technology and provided to TÜV SÜD. The scope of verification is limited to the given information. Jinpan Technology shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by Jinpan Technology during the reporting period from January 1st, 2024 to December 31st, 2024, including governance, environmental and social information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
  No.168-39 Nanhai Avenue, Haikou City, Hainan Province, China

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of Jinpan Technology and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of Jinpan Technology's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and place. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2024 are beyond the scope of this verification.
- TÜV SÜD's verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

TÜV SÜD Certification and Testing (China) Co., Ltd.
No.151 Heng Tong Road, Shanghai 200070
Tel: +86 21-61410123
Fax: +86 21-61408600
Web: www.tuvsud.com

Independent Verification Statement

Verification Statement：EIV2 119843 0015 Rev. 00

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- *AA 1000AS v3, Type 2 Engagement and Moderate Assurance*
- *International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance*
- *Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)*

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by Jinpan Technology; tracing and verification of key performance information;
- Special interview with the representative of Jinpan Technology's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in Jinpan Technology's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

Inclusivity	Jinpan Technology has identified the internal and external stakeholders such as shareholders and investors, employees, customers, suppliers, governments, and regulatory authorities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	Jinpan Technology has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	Jinpan Technology has disclosed the management approach and performance of high material topics that stakeholders concern, such as product quality and safety, climate change, emission management, and digital transformation, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	Jinpan Technology has established a Sustainability Committee to oversee, monitor, measure, and hold the Company accountable for its performance in environmental, social responsibility, and corporate governance. The committee integrates impact assessments into organizational governance and strategy, and establishes clear processes and mechanisms to measure and

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Independent Verification Statement

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	manage ESG-related risks and opportunities, ensuring the transparency and credibility of the Company's reporting.

Recommendations on Continuous Improvement

- It is recommended that the Company consistently implements and executes its low-carbon development strategy, regularly updates climate change-related reports, and enhances the disclosure of quantitative information.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.
TÜV SÜD and Jinpan Technology are two entities independent of each other and both TÜV SÜD and Jinpan Technology and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by Jinpan Technology. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

AA1000 Licensed Report 000-437V3-J78FD

Zhu Wenjun
TÜV SÜD Sustainability Authorized Signatory Officer
Feb 24th, 2025
Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

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金盘科技

JINPAN TECHNOLOGY

STOCK CODE

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