ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2024

Reporting Compilation Description

This report is the first Environmental, Social, and Governance (ESG) report issued by SolaX Power Network Technology (Zhejiang) Co., Ltd., disclosing to stakeholders the philosophy, management approaches, initiatives, and achievements in addressing sustainability issues during its operations. Through an annual thematic focus, the report highlights SolaX's contributions in key ESG areas.

Reporting Scope

The information disclosed in this report covers SolaX Power Network Technology (Zhejiang) Co., Ltd. and its subsidiaries (hereinafter referred to as "SolaX", "the Company", or "we"), consistent with the scope of the consolidated financial statement of SolaX (688717. SH). For details on the coverage of ESG performance data, please refer to the "ESG Data Performance Table".

Reporting Period

This annual sustainability report covers the period from January 1, 2024, to December 31, 2024. Any information extending beyond this timeframe will be explicitly noted in the relevant sections.

Compilation Guidelines

- The preparation of this report adheres to the following guidelines:
- Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)
- United Nations Sustainable Development Goals (SDGs)
- Chinese Academy of Social Sciences China CSR Report Preparation Guide (CASS-ESG 6.0)
- Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange-Sustainability Report (For Trial Implementation)

Data Sources

All disclosed textual information and quantitative data are derived from the original records of SolaX and financial reports. In case of any discrepancies between the financial data presented herein and the Company's annual report, the annual report shall prevail.

Report Access

This report is provided in electronic format. The electronic version of this report can be viewed from the official website (https://www.solaxpower.com) or Shanghai Stock Exchange website (https://www.sse.com.cn/). For any questions or suggestions, please contact via the following channels:

SolaX Power Network Technology (Zhejiang) Co., Ltd.

Address: No. 278 Shizhu Road, Chengnan Sub-district, Tonglu County, Hangzhou City, Zhejiang Province

Tel: 400-108-8548

Email: info@solaxpower.com

CONTENTS

Message from the Chairman

> The past year was marked by both opportunities and risks. Amid a challenging economic landscape and complex global dynamics, SolaX has always adhered to the mission of "making electricity smarter, more affordable, more convenient, greener, and more eco-friendly", deeply integrating ESG principles into strategic decision-making and daily operations. We are committed to striking a balance between high-quality development and a sustainable future through innovation in energy technology. In 2024, we achieved revenue of CNY 3,073 million, with net profit attributable to shareholders of CNY 204 million. By embedding ESG into our business practices, we advanced green and low-carbon initiatives while actively fulfilling corporate social responsibilities.

Transparency and Compliance: Strengthening the Foundation of Trust

Sustainable development requires robust corporate governance and the trust of stakeholders. At SolaX, we uphold a governance framework centered on the "Board Structure and Governance" (General Meeting of Shareholders, Board of Directors, and Supervisory Board), continuously refining decision-making and oversight mechanisms. Through the investor relations platform and regular disclosures, we safeguarded stakeholders' rights to information and participation. In the field of compliance and risk management, we have established a comprehensive risk management response system to safeguard steady operation and sustainable development. Facing the challenges of the digital era, we have taken the lead in obtaining the ISO 27001 Information Security Management certification, setting the highest standards for data privacy and ensuring the most rigorous protection of data resources.

Anchoring Green Transition, Driving Low-Carbon Revolution

Climate change is a critical global challenge. SolaX prioritizes green transformation as a core strategy, optimizing energy efficiency and building a low-carbon operational model across the entire industry chain. We increased the adoption of renewable energy, creating a synergistic ecosystem of photovoltaic (PV) plants, energy storage systems, and smart grids. Moving forward, we will accelerate energy structure innovation to advance global carbon neutrality goals through technological and industrial expertise.

Adhering to Innovation-Driven, Empowering a Clean Future

In an era of rapid advancements in new energy technologies, SolaX invested CNY 481.1386 million in R&D in 2024 and established a "Zhejiang Provincial Key Enterprise Research Institute for PV and Smart Energy," which covers research in inverters, batteries, and energy storage system integration. Guided by zero-defect quality management objectives, our "Factory of the Future" leverages intelligent manufacturing. In supply chain management, we implemented a green supplier evaluation mechanism to align customer value with environmental accountability. As of December 2024, SolaX held 244 patents, including 58 invention patents (5 of which are international patents), and secured over 1,100 domestic and international certifications for our products.

People-Oriented, Sharing Development Value

Talent is the cornerstone of innovation, while integrity forms the bedrock of sustainable enterprise. SolaX prioritizes employee rights and well-being through competitive compensation, tailored career development programs, and comprehensive occupational health and safety measures. We foster a diverse, equitable, and inclusive work environment while refining talent cultivation and promotion mechanisms. Guided by our corporate social responsibility mandate, we spearhead strategic philanthropic initiatives in partnership with communities and industry partners, driving measurable social impact through collaborative action.

Future Outlook

At the dawn of a new energy revolution, SolaX reaffirms its mission to "make electricity smarter, more affordable, more convenient, greener, and more eco-friendly". We will continue to deepen our expertise in photovoltaic, energy storage, and smart energy fields, forging ahead courageously across the boundless horizon of clean energy.

About SolaX

Company Overview

SolaX Power Network Technology (Zhejiang) Co., Ltd. (Stock Code: 688717.SH), founded in 2012, is a global leader in photovoltaic (PV) energy storage systems and products, providing PV energy storage inverters, energy storage batteries, and string inverters to global customers. On January 3, 2024, SolaX was successfully listed on the Shanghai Stock Exchange STAR Market.

SolaX has consistently focused on technology R&D in the energy storage field and launched the SK series of energy storage inverters and related products in 2013, which were among the earliest domestic energy storage inverter products. The Company has established the Zhejiang Provincial Key Enterprise Research Institute for PV and Smart Energy, Zhejiang Provincial Enterprise Technology Center, and Zhejiang Provincial Postdoctoral Research Station, and operates four R&D centers in Hangzhou, Suzhou, Shenzhen, and Xi'an.

The company-led "Key Technologies and Industrialization Project of Grid-Friendly Intelligent PV-Storage System" was honored with the 2020 Zhejiang Provincial Science and Technology Progress Award (First-Class Award). "A Relay Engagement Control Method and Device for Grid-Tied Inverters" secured the 2023 First Zhejiang Intellectual Property Award (First Prize for Invention Patents), demonstrating its outstanding innovation. Furthermore, the "Residential PV Energy Storage System" was recognized as the 2023 National Manufacturing Single Champion Product, and "Key Technologies and Complete Equipment for High-Efficiency Power Supply in Distributed PV-Storage Integrated Systems" received the 2024 China Machinery Industry Science and Technology Progress Award (First Prize).

SolaX is accredited by the Ministry of Industry and Information Technology (MIIT) as a "National Manufacturing 'Single Champion' Enterprise (Enterprise Category)", "Smart PV Demonstration Enterprise", and "National Green Supply Chain Management Enterprise". The company has also earned provincial honors including Zhejiang Provincial Science and Technology Leader Enterprise, Zhejiang Provincial Future Factory, Zhejiang Provincial Key Industrial Internet Platform, Hangzhou Industrial Chain Leader Factory, and Hangzhou Municipal Government Quality Award. As a key participant in Zhejiang Provincial Key R&D Programs, SolaX has executed multiple "Pioneer Program" and "Leading Goose Initiative" technological innovation projects. Our product portfolio holds 1,100+ international certifications including IEC, UL and JIS standards, with market penetration across 110+ countries/regions Czech Republic, Germany, the United Kingdom, India, Italy, Pakistan.
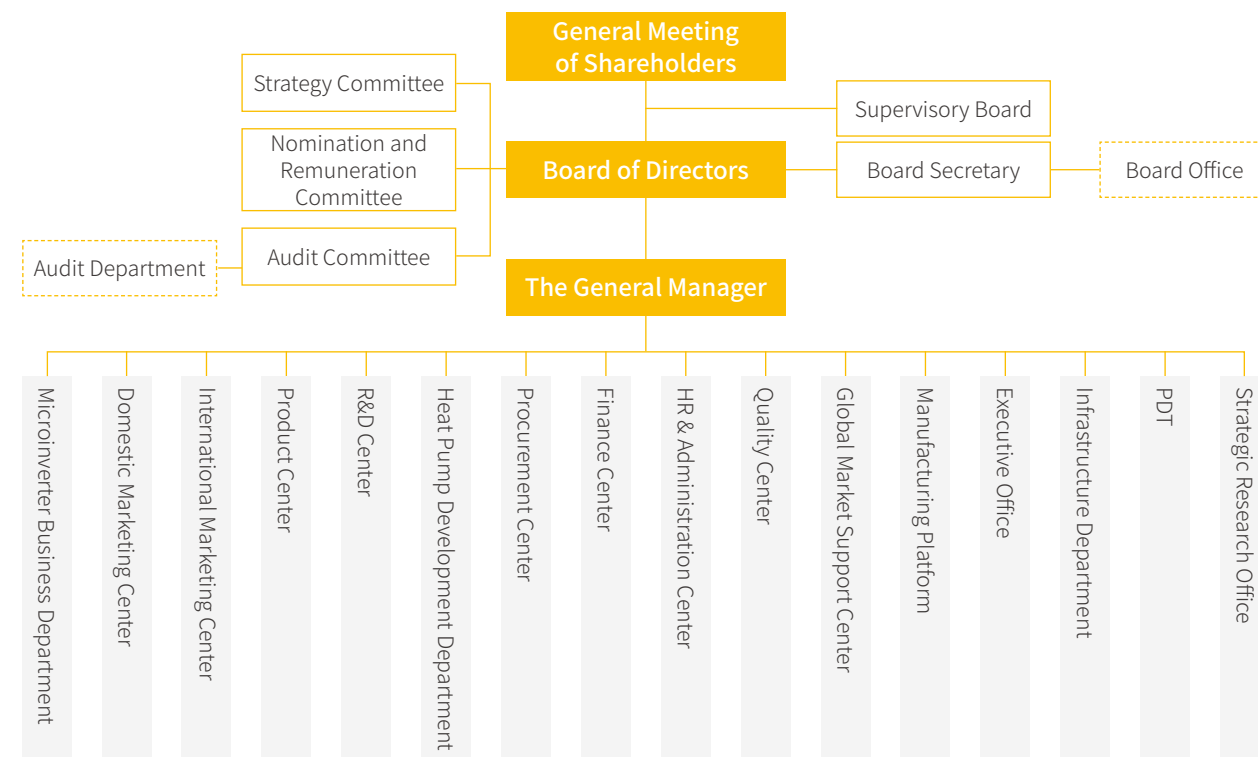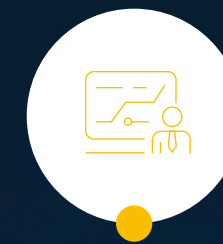
Organizational Structure of SolaX

Corporate Culture

Mission
Making electricity smarter, more affordable, more convenient, greener, and more eco-friendly

Vision
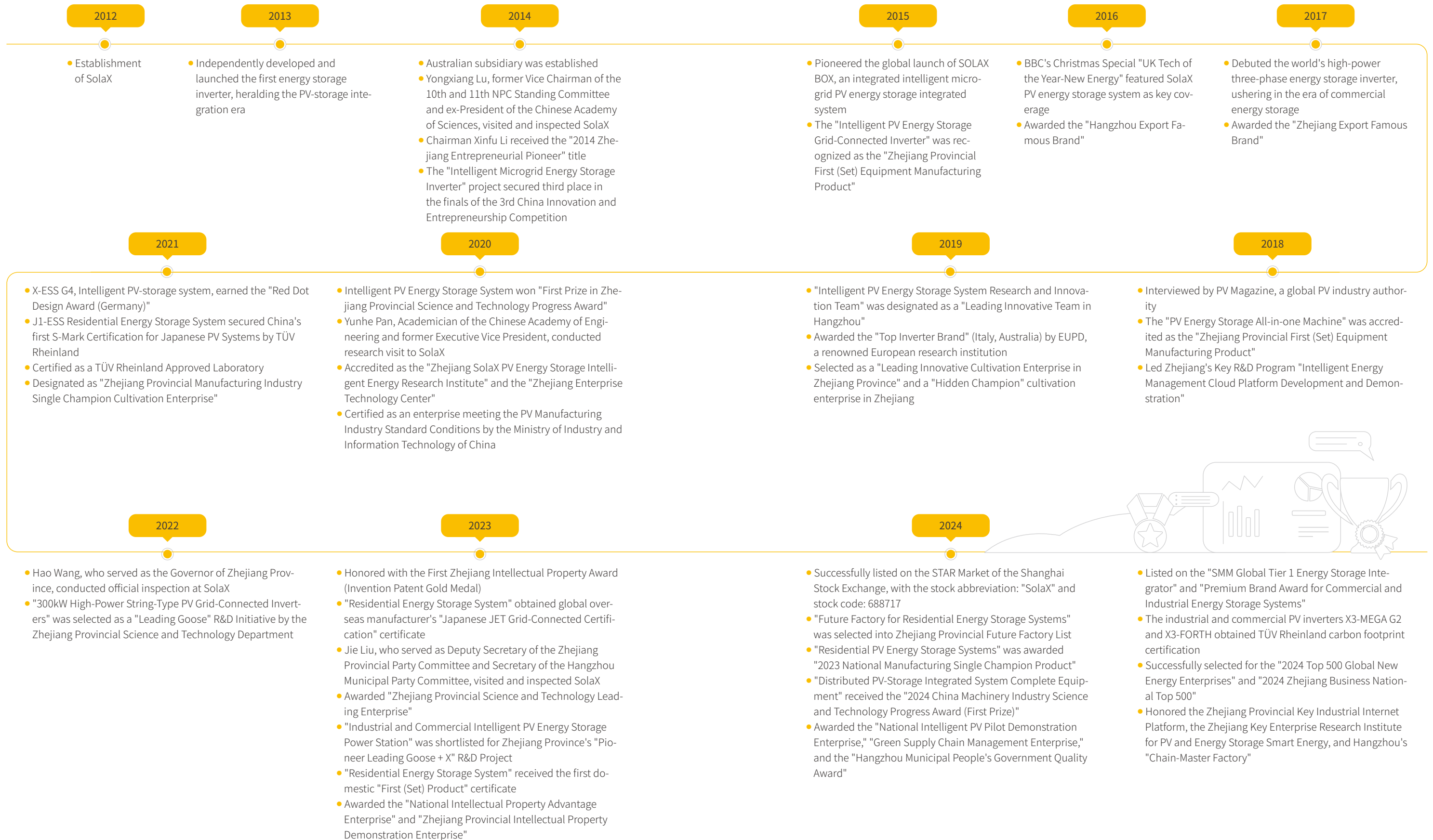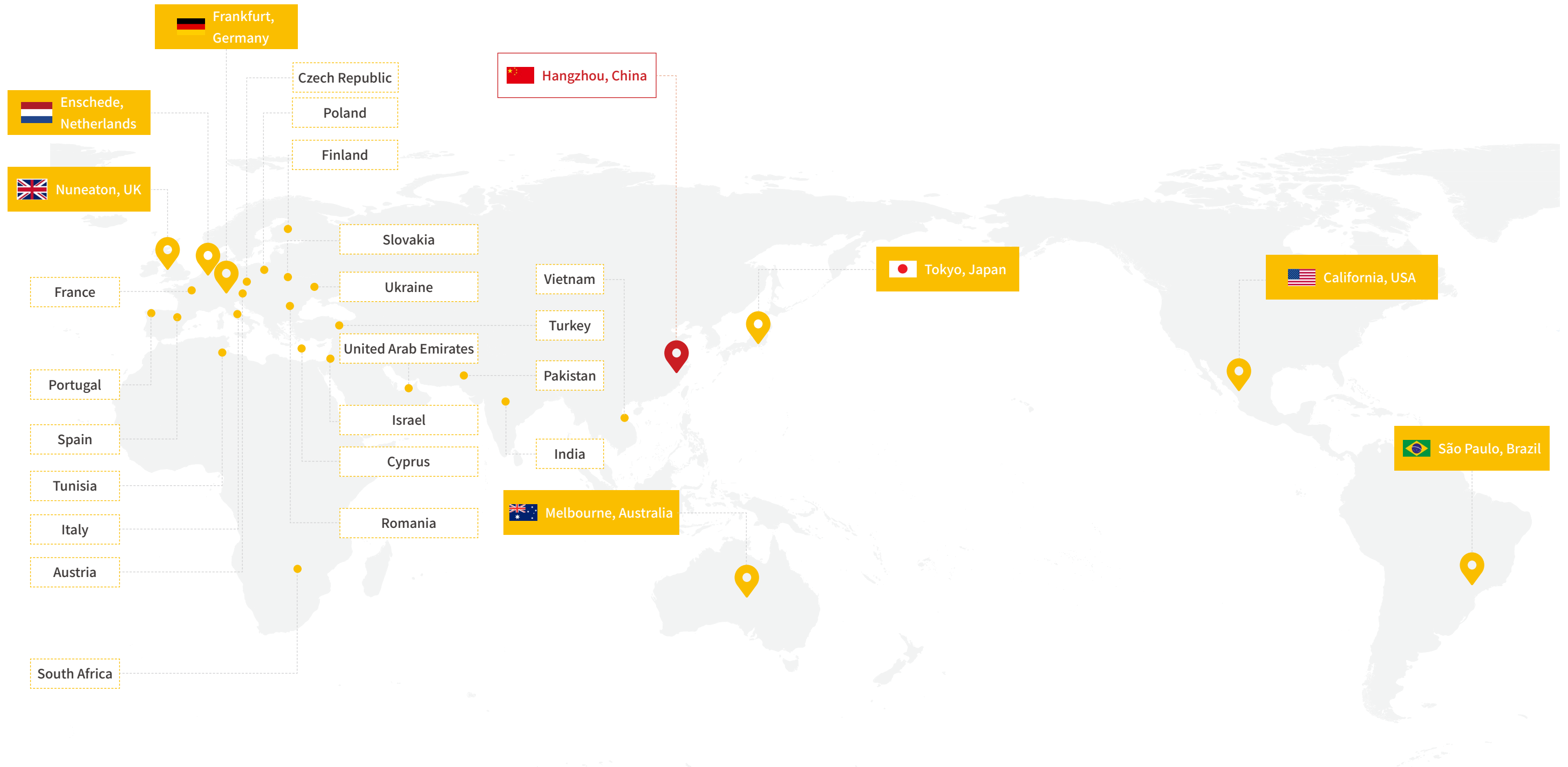To be the trusted global leader in smart energy solutions

Core Values
Innovation, Excellence, Ethics, Win-Win

History of SolaX

2012
- Establishment of SolaX

2013
- Independently developed and launched the first energy storage inverter, heralding the PV-storage integration era

2014
- Australian subsidiary was established
- Yongxiang Lu, former Vice Chairman of the 10th and 11th NPC Standing Committee and ex-President of the Chinese Academy of Sciences, visited and inspected SolaX
- Chairman Xinfu Li received the "2014 Zhejiang Entrepreneurial Pioneer" title
- The "Intelligent Microgrid Energy Storage Inverter" project secured third place in the finals of the 3rd China Innovation and Entrepreneurship Competition

2015
- Pioneered the global launch of SOLAX BOX, an integrated intelligent microgrid PV energy storage integrated system
- The "Intelligent PV Energy Storage Grid-Connected Inverter" was recognized as the "Zhejiang Provincial First (Set) Equipment Manufacturing Product"

2016
- BBC's Christmas Special "UK Tech of the Year-New Energy" featured SolaX PV energy storage system as key coverage
- Awarded the "Hangzhou Export Famous Brand"

2017
- Debuted the world's high-power three-phase energy storage inverter, ushering in the era of commercial energy storage
- Awarded the "Zhejiang Export Famous Brand"

2018
- Interviewed by PV Magazine, a global PV industry authority
- The "PV Energy Storage All-in-one Machine" was accredited as the "Zhejiang Provincial First (Set) Equipment Manufacturing Product"
- Led Zhejiang's Key R&D Program "Intelligent Energy Management Cloud Platform Development and Demonstration"

2019
- "Intelligent PV Energy Storage System Research and Innovation Team" was designated as a "Leading Innovative Team in Hangzhou"
- Awarded the "Top Inverter Brand" (Italy, Australia) by EUPD, a renowned European research institution
- Selected as a "Leading Innovative Cultivation Enterprise in Zhejiang Province" and a "Hidden Champion" cultivation enterprise in Zhejiang

2020
- Intelligent PV Energy Storage System won "First Prize in Zhejiang Provincial Science and Technology Progress Award"
- Yunhe Pan, Academician of the Chinese Academy of Engineering and former Executive Vice President, conducted research visit to SolaX
- Accredited as the "Zhejiang SolaX PV Energy Storage Intelligent Energy Research Institute" and the "Zhejiang Enterprise Technology Center"
- Certified as an enterprise meeting the PV Manufacturing Industry Standard Conditions by the Ministry of Industry and Information Technology of China

2021
- X-ESS G4, Intelligent PV-storage system, earned the "Red Dot Design Award (Germany)"
- J1-ESS Residential Energy Storage System secured China's first S-Mark Certification for Japanese PV Systems by TÜV Rheinland
- Certified as a TÜV Rheinland Approved Laboratory
- Designated as "Zhejiang Provincial Manufacturing Industry Single Champion Cultivation Enterprise"

2022
- Hao Wang, who served as the Governor of Zhejiang Province, conducted official inspection at SolaX
- "300kW High-Power String-Type PV Grid-Connected Inverters" was selected as a "Leading Goose" R&D Initiative by the Zhejiang Provincial Science and Technology Department

2023
- Honored with the First Zhejiang Intellectual Property Award (Invention Patent Gold Medal)
- "Residential Energy Storage System" obtained global overseas manufacturer's "Japanese JET Grid-Connected Certification" certificate
- Jie Liu, who served as Deputy Secretary of the Zhejiang Provincial Party Committee and Secretary of the Hangzhou Municipal Party Committee, visited and inspected SolaX
- Awarded "Zhejiang Provincial Science and Technology Leading Enterprise"
- "Industrial and Commercial Intelligent PV Energy Storage Power Station" was shortlisted for Zhejiang Province's "Pioneer Leading Goose + X" R&D Project
- "Residential Energy Storage System" received the first domestic "First (Set) Product" certificate
- Awarded the "National Intellectual Property Advantage Enterprise" and "Zhejiang Provincial Intellectual Property Demonstration Enterprise"

2024
- Successfully listed on the STAR Market of the Shanghai Stock Exchange, with the stock abbreviation: "SolaX" and stock code: 688717
- "Future Factory for Residential Energy Storage Systems" was selected into Zhejiang Provincial Future Factory List
- "Residential PV Energy Storage Systems" was awarded "2023 National Manufacturing Single Champion Product"
- "Distributed PV-Storage Integrated System Complete Equipment" received the "2024 China Machinery Industry Science and Technology Progress Award (First Prize)"
- Awarded the "National Intelligent PV Pilot Demonstration Enterprise," "Green Supply Chain Management Enterprise," and the "Hangzhou Municipal People's Government Quality Award"
- Listed on the "SMM Global Tier 1 Energy Storage Integrator" and "Premium Brand Award for Commercial and Industrial Energy Storage Systems"
- The industrial and commercial PV inverters X3-MEGA G2 and X3-FORTH obtained TÜV Rheinland carbon footprint certification
- Successfully selected for the "2024 Top 500 Global New Energy Enterprises" and "2024 Zhejiang Business National Top 500"
- Honored the Zhejiang Provincial Key Industrial Internet Platform, the Zhejiang Key Enterprise Research Institute for PV and Energy Storage Smart Energy, and Hangzhou's "Chain-Master Factory"

SOLAX
POWER

Business Presence

Frankfurt, Germany

Czech Republic

Poland

Finland

Enschede, Netherlands

Nuneaton, UK

Slovakia

France

Ukraine

Vietnam

Portugal

Turkey

Spain

United Arab Emirates

Pakistan

Tunisia

Israel

Italy

Cyprus

India

Austria

Romania

South Africa

Hangzhou, China

Tokyo, Japan

California, USA

São Paulo, Brazil

Melbourne, Australia

Solutions

Business Segment		Description
	Residential Energy Storage Solution	Efficient energy storage, green power supply Delivering Green Energy for Homes
	Commercial and Industrial Energy Storage Solution	Revolutionizing commercial and industrial energy storage Empowering enterprises for efficient operations
	Utility Energy Storage Solution	Smart power stations, enhancing efficiency Driving sustainable electricity
	Commercial and Industrial PV Solution	Innovative PV technology Providing clean power for enterprises Boosting enterprise competitiveness

Recap of 2024

Key Highlights in 2024

Economic Performance

Revenue
CNY **3,073** million

Net profit attributable to shareholders of the parent company
CNY **204** million

Net cash flow from operating activities
CNY **754** million

Basic earnings per share
CNY **1.27/** share

Environment Performance

Environmental protection investment
CNY **1.51** million

Clean energy usage
2,010,034 kWh

Coverage rate of environmental protection training
100%

Total greenhouse gas emissions (Scope 1, Scope 2, Scope 3)
797,325.02 tCO2e

Social Performance

R&D investment
CNY **481.1386** million

Total number of employees
3,006 Number

Total employee training hours
94,814 Hour(s)

Key Events in 2024

January 2024

SolaX was successfully listed on the Shanghai Stock Exchange STAR Market, with the stock abbreviation "SolaX" and under ticker symbol 688717.

January 2024

The Zhejiang Provincial Department of Economy and Information Technology officially announced the 2023 Zhejiang Provincial Future Factory List, and "SolaX Future Factory for Residential Energy Storage Systems" successfully made it onto the list.

March 2024

The General Office of the Hangzhou Municipal People's Government issued the *Notification on the Review Results of the 2023 Hangzhou Municipal People's Government Quality Award*, and SolaX stood out among numerous enterprises to win the Hangzhou Municipal People's Government Quality Award.

March 2024

SolaX entered into a strategic partnership with Borussia Dortmund, a renowned German football club.

October 2024

SolaX was honored with three distinguished recognitions: the Zhejiang Provincial Key Industrial Internet Platform, the Zhejiang Key Enterprise Research Institute for PV and Energy Storage Smart Energy, and Hangzhou's "Chain-Master Factory" designation.

October 2024

The project titled "Key Technologies and Complete Sets of Equipment for Efficient and High-Quality Power Supply in Distributed PV-Energy Storage Integrated Systems" stood out among 1,232 projects nationwide and was awarded the "First Prize for Scientific and Technological Progress" in the 2024 Mechanical Industry Science and Technology Awards.

September 2024

China Energy News and China Institute of Energy Economics Research released the "2024 Global Top 500 New Energy Enterprises" list, with Zhejiang SolaX Power Network Energy Technology Co., Ltd. (ticker: 688717) successfully being honored as one of the winners.

April 2024

The Ministry of Industry and Information Technology released the list of the eighth batch of manufacturing single champion enterprises. SolaX was honored as a "Manufacturing Single Champion Enterprise".

Annual Honors

National Manufacturing Single Champion Enterprise

Ministry of Industry and Information Technology

Green Supply Chain Management Enterprise

Ministry of Industry and Information Technology

Intelligent PV Demonstration Enterprise

Ministry of Industry and Information Technology

Customs AEO (Authorized Economic Operator) Advanced Certification

Hangzhou Customs

Hangzhou Top 100 Manufacturing Enterprises

Hangzhou Industrial Economy Federation

Hangzhou Top 100 Comprehensive Enterprises

Hangzhou Industrial Economy Federation

First Prize for Scientific and Technological Progress

China Machinery Industry Federation

Zhejiang Provincial Future Factory

Zhejiang Provincial Department of Economy and Information Technology

Zhejiang Provincial Key Industrial Internet Platform

Zhejiang Provincial Department of Economy and Information Technology

Premium Brand Award for Commercial and Industrial Energy Storage Systems

China Commercial & Industrial Energy Storage Conference Committee

2024 Zhejiang Business National Top 500

Zhejiang Business Magazine

PV & Storage Top Brand

EUPD Research

Zhejiang Provincial Key Enterprise Research Institute

Zhejiang Provincial Department of Economy and Information Technology

Hangzhou Municipal People's Government Quality Award

Hangzhou Municipal People's Government

Hangzhou Industrial Chain Leader

Hangzhou Bureau of Economy and Information Technology

Outstanding Energy Storage Application Award

SNEC Organizing Committee

Global Top 500 New Energy Enterprises in 2024

China Institute of Energy Economics Research

Global Tier 1 Energy Storage Supplier

Shanghai Metals Market (SMM)

Theme Spotlight

SolaX Green Digital Transformation-Future Factory

Establishing a unified information platform to eliminate data silos
- Centralized planning and deployment of application systems
- Unified data standards, establishing an enterprise data warehouse
- Standardized interface standards for efficient integration

Strengthen lean operations to achieve horizontal business closed-loop
- Finance-business integration
- Collaboration with customers/distributors
- Seamless R&D-manufacturing collaboration ensuring EBOM-to-MBOM consistency
- ...

Implementing Collaborative Management for Enhanced Corporate Governance
- Enterprise performance management with real-Time decision support
- Centralized treasury management
- Comprehensive budget control
- ...

Management Processization

Process Standardization

Standard Compliance

SolaX Digital Transformation

Collaborative Management

Unified Platform

Lean Management

Expand sales network
Century-old multinational enterprise
Industry leader enterprise

Inadequate business coverage
Siloed information systems
Finance-business disconnection

Hybrid manufacturing model
Extensive business partners

SolaX Digital Strategy

Digital Integration across the Full Life-cycle of Products

The Future Factory focuses on the full lifecycle of products, spanning R&D, process design, manufacturing, operations and maintenance, and service. SolaX achieves seamless data transmission and interoperability across all stages, enabling end-to-end integration. By implementing a comprehensive digital transformation strategy, SolaX has advanced its "Three Transformations" (intelligent, green and service-oriented), significantly shortening product R&D design cycles as well as procurement and production timelines. This has established flexible, efficient, cost-effective, and high-quality manufacturing operations. Additionally, the Company emphasizes enhancing five core capabilities, including product innovation, personalized design-to-manufacturing, supply chain management and control, production and manufacturing, and service excellence. These efforts have solidified a robust foundation for sustainable growth.

Rendering of the Under Construction R&D and Production Project

Digital Transformation of Factory Management

The future factory, built on the SolaX Industrial Internet Platform, leverages the latest generation of information technologies (big data, artificial intelligence, IoT, edge computing) and advanced manufacturing techniques including CAD, CAM and industrial robotics. By integrating digital factory planning and layout, product design platforms, digital twin simulation and optimization, and production informatization and other design and management systems (PLM, EMS, CRM, SRM, SAP, etc.), it combines automated production lines with intelligent logistics and warehousing equipment to create application scenarios including digital design, intelligent production, green manufacturing, high-end products, lean management, model-driven development, and networked operations. This enables integrated operations across the entire value chain. Meanwhile, the factory area achieves full 5G coverage and deploys security measures including firewalls and bastion hosts ensuring data integrity. Through the development of internal business system management platforms, the Company has not only enhanced operational efficiency but also strengthened flexibility and adaptability in internal and external collaboration.
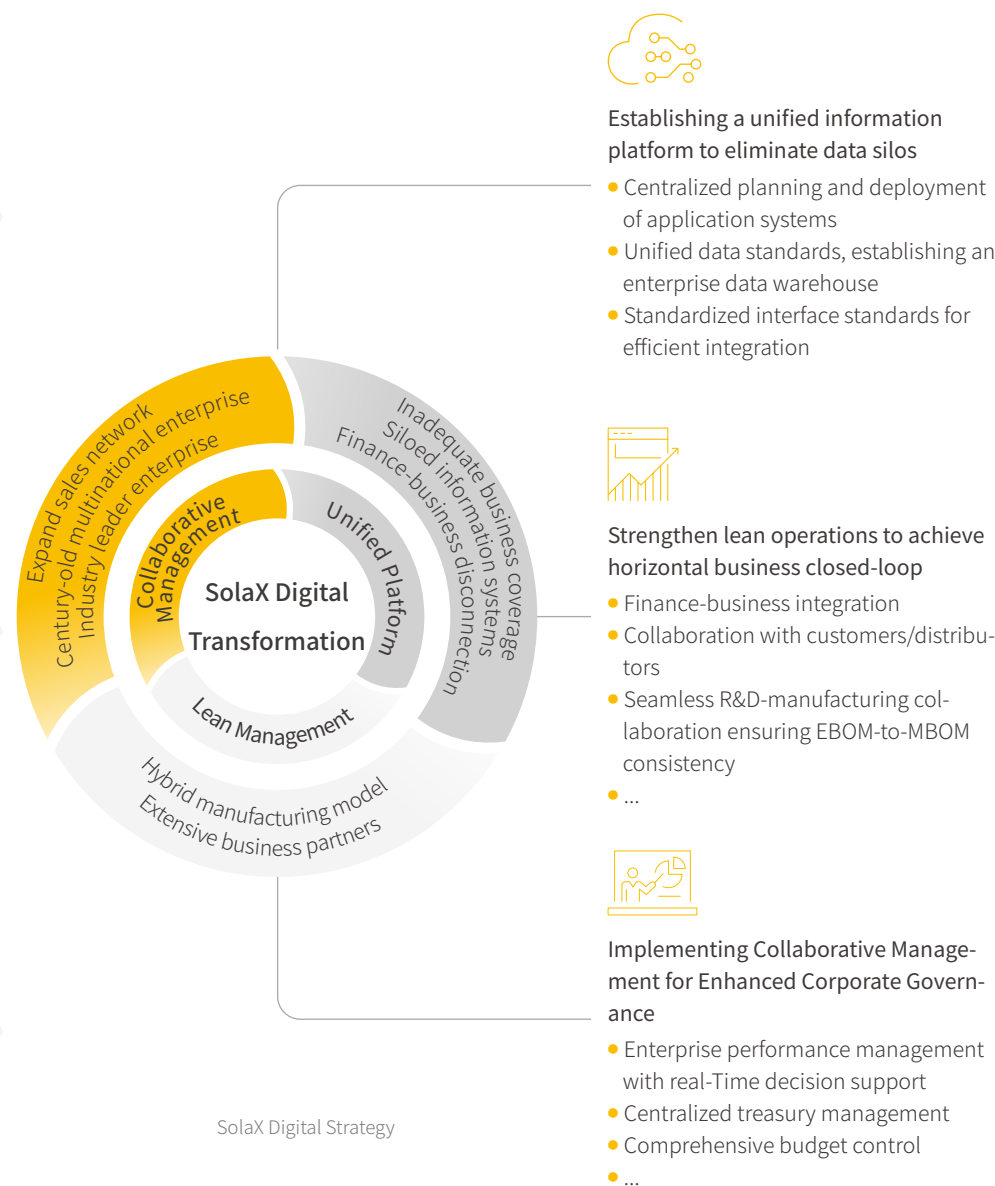
Intelligent Dark Factory Workshop

Intelligent Production Process

The future factory fully utilizes MES system, combined with computer modeling, virtual reality (VR), and data acquisition technologies, to achieve real-time monitoring and management of production process. Integrating WMS system and intelligent logistics equipment including AGVs, the factory enables end-to-end management of logistics operations, significantly enhancing logistics intelligence and optimizing supply chain efficiency while reducing overall logistics costs. With the implementation of integrated informatization systems, the entire production workflow, including planning formulation and execution, material consumption monitoring, quality control, and equipment management and maintenance, has been fully intelligent. This not only boosts operational efficiency but also ensures standardized procedures and compliance.

Intelligent Dark Factory Workshop

Green Manufacturing

The Future Factory employs an energy management system to achieve digital tracking of energy consumption, visual monitoring of energy usage status, real-time energy management, and quantitative evaluation of energy efficiency. Additionally, the factory leverages solar power generation to reduce reliance on non-renewable resources, achieving carbon reduction and establishing a sustainable manufacturing model.

Fully Intelligent Material Tower

Personalized Service Excellence

The Future Factory utilizes IoT, big data, and advanced sensor technologies to collect and analyze product parameters, status data, and process metrics. This enables the provision of value-added product services, data governance, data analysis, and remote upgrades and maintenance for customers, enhancing product safety, service quality, and management efficiency in areas including usage and customer support. By evolving product services from integration-focused to optimization-driven, the factory deepens customer demand analysis and transitions from pure product manufacturing to a "product + service" model.

Digital Inverter Production Workshop

Empowerment for Industry Advancement

The Future Factory employs BPM system tools to achieve end-to-end modular process definition and workflow node analysis, enabling business process modeling. Through the established SolaX Industrial Internet Platform, it externalizes and enables business/manufacturing process models, thereby commercializing digital capabilities. This end-to-end model-driven development strategy empowers the enterprise to define, execute, monitor, and govern all organizational processes, while replicating best practices across industrial domains, ultimately accelerating sector-wide technological evolution.

Intelligent Battery Inspection System

ESG Governance

Actively contributing to the UN SDGs

Contributing to the UN SDGs	Actions	Chapter Reference
3 GOOD HEALTH AND WELL-BEING	The occupational health examination and completion rate of occupational health training for employees are 100%.	People-Oriented, Collaborative Development
4 QUALITY EDUCATION	Focus on employee competency development.	People-Oriented, Collaborative Development
5 GENDER EQUALITY	Ensure gender-neutral compensation and foster workplace equity.	People-Oriented, Collaborative Development
6 CLEAN WATER AND SANITATION	Prioritize water conservation and promote water resource reuse.	Ecology First, Sustainable Development
7 AFFORDABLE AND CLEAN ENERGY	Adopt PV and other clean energy sources and reduce greenhouse gas emissions.	Ecology First, Sustainable Development
8 DECENT WORK AND ECONOMIC GROWTH	Establish a scientific career advancement path for employee development.	People-Oriented, Collaborative Development

SDG1 No Poverty
SDG2 Zero Hunger
SDG3 Good Health and Well-being
SDG4 Quality Education
SDG5 Gender Equality
SDG6 Clean Water and Sanitation
SDG7 Affordable and Clean Energy
SDG8 Decent Work and Economic Growth
SDG9 Industry, Innovation and Infrastructure
SDG10 Reduced Inequalities
SDG11 Sustainable Cities and Communities
SDG12 Responsible Consumption and Production
SDG13 Climate Action
SDG14 Life Below Water
SDG15 Life On Land
SDG16 Peace, Justice and Strong Institutions
SDG17 Partnerships for the Goals

Chapter Reference	Actions	Contributing to the UN SDGs
Achieving Customer Success and High-Quality Development	Consistently invest in scientific research and introduce top-tier domestic and international talents specializing in experimental and testing equipment.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
People-Oriented, Collaborative Development	Embrace workforce inclusion.	10 REDUCED INEQUALITIES
Giving Back to Society, Staying True to Our Mission	Actively engage in philanthropic and volunteer activities.	11 SUSTAINABLE CITIES AND COMMUNITIES
Ecology First, Sustainable Development	Ensure sustainable production models.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ecology First, Sustainable Development	Conduct carbon footprint audits and assessments, and formulate plans and actions for energy conservation and carbon reduction to effectively reduce greenhouse gas emissions.	13 CLIMATE ACTION
Governance Excellence, Compliance with Laws and Regulations	Operate in compliance and strengthen corporate governance mechanisms.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Achieving Customer Success and High-Quality Development	Forge academic-industrial partnerships with universities and research institutions to advance sustainable industry development.	17 PARTNERSHIPS FOR THE GOALS
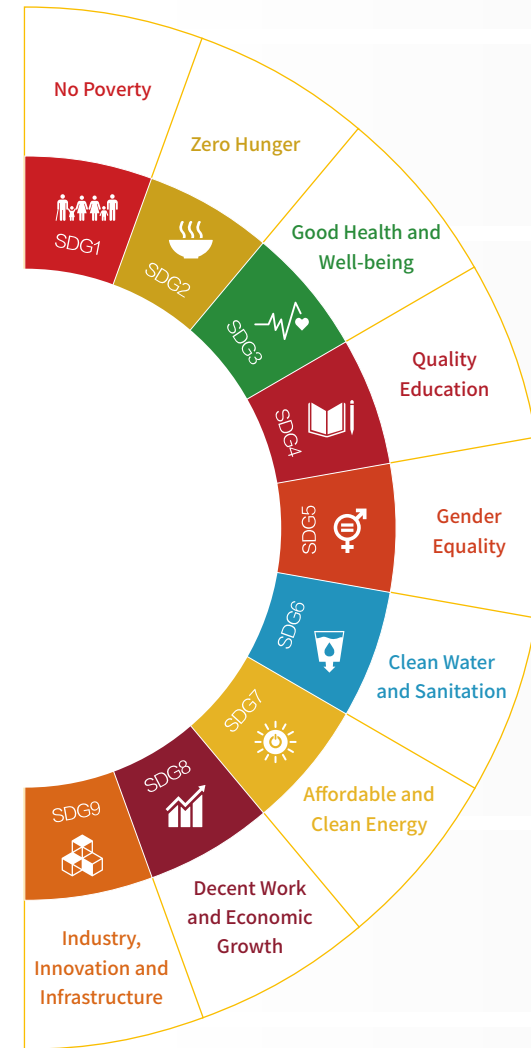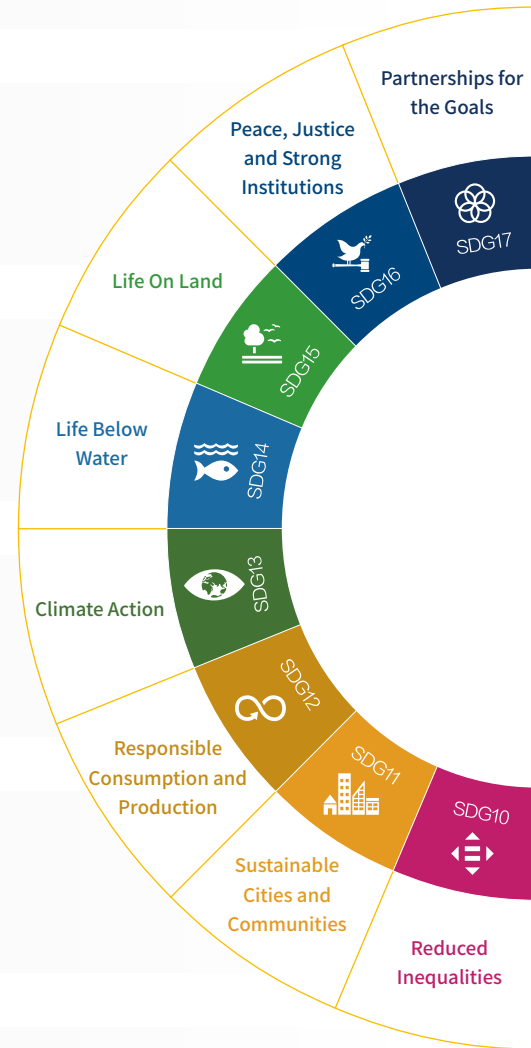
ESG Governance System

SolaX ESG Governance Structure
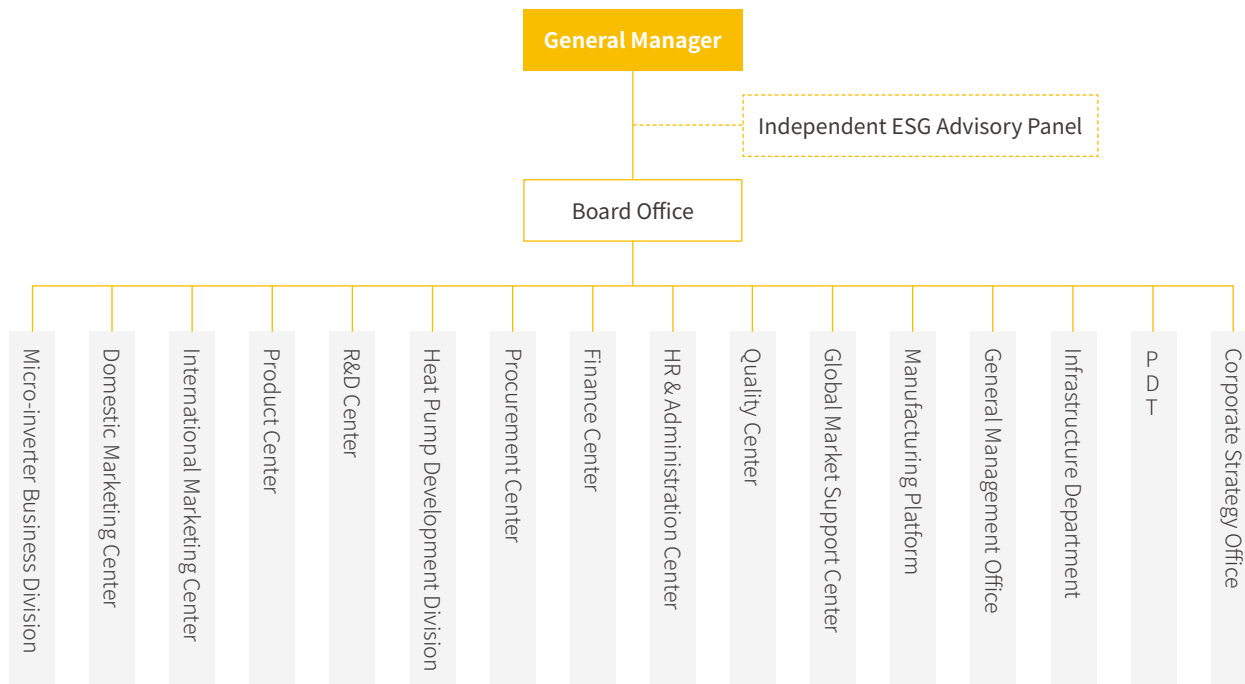
General Manager
- Oversee the Company's overarching ESG strategy and drive strategic alignment
- Evaluate ESG management processes and implementation efficacy
- Review target attainment

Board Office
- Organize, research and formulate the Company's ESG vision, strategy, framework, principles and policies, and drive implementation
- Monitor major ESG trends, risks and opportunities
- Assess ESG compliance of business models and organizational architectures
- Review ESG disclosure documentation
- Coordinate resources to resolve cross-functional collaboration issues in ESG work

Business Execution Level (Department Heads)

The operational execution level is comprised of the heads of multiple functional departments who jointly undertake the specific implementation work related to ESG policies and objectives. The responsibilities include
- Execute decisions from the Board Office by organizing and arranging departmental ESG execution
- Responsible for ESG information collection, compilation and documentation within their departments
- Provide feedback, report and summarize ESG issues and achievements, reporting progress to the Board Office with improvement proposals

Stakeholder Engagement

SolaX places great importance on holistic and timely engagement with all stakeholders. The Company has established an efficient, standardized communication framework to ensure continuous effectiveness. Through multi-channel, high-efficiency stakeholder engagement platforms, SolaX proactively identifies and addresses stakeholder expectations, thereby advancing ESG governance maturity and fulfilling multi-stakeholder obligations.

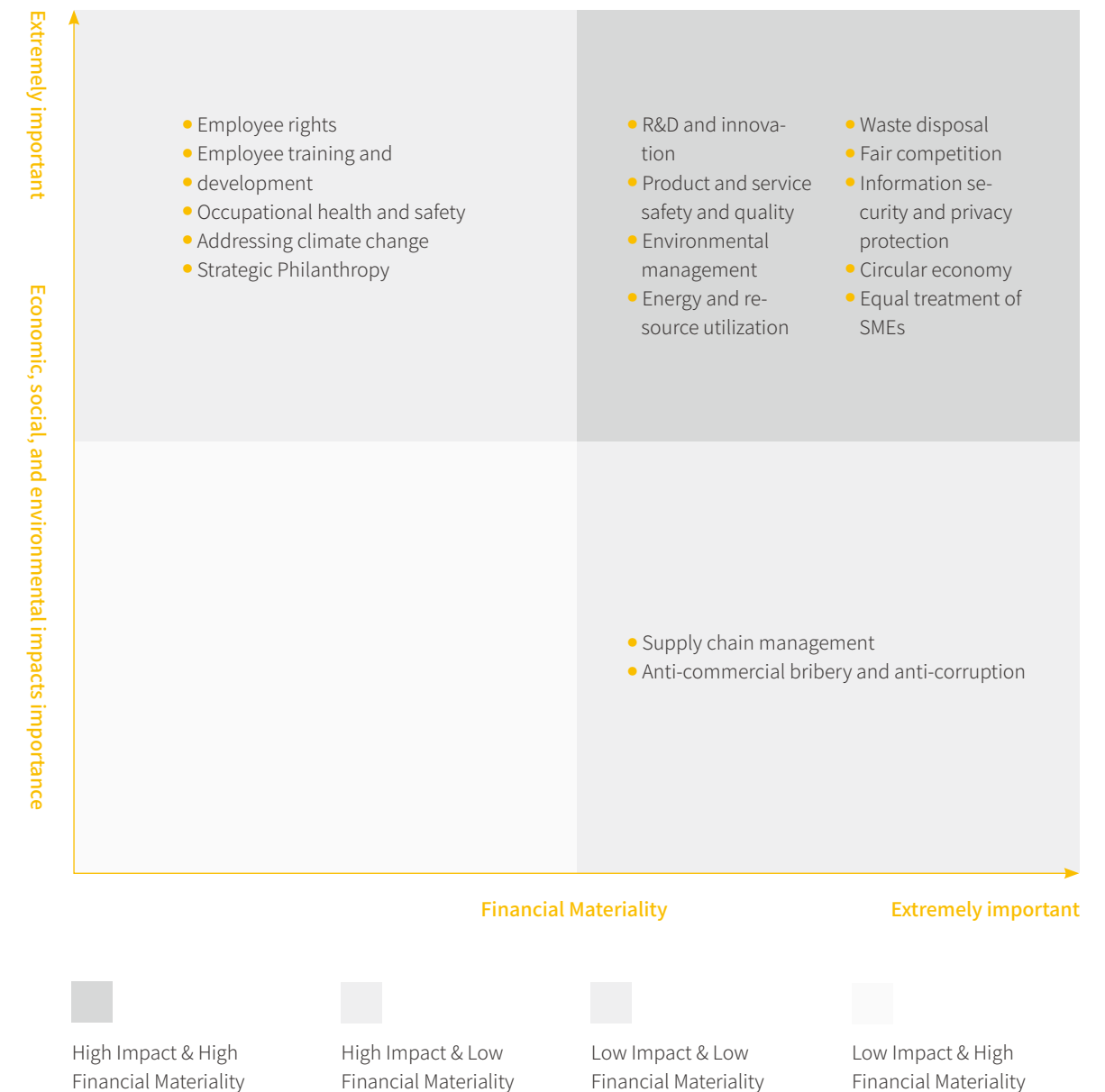| Stakeholders	Expectations and Requirements	Actions
Shareholders/Investors	• Anti-corruption and business ethics • Product quality and safety • Addressing climate change • Compliance and sustainable operations • Risk management	• Conduct the General Meeting of Shareholders • Host visits from investors • Distribute dividends payments • Regularly disclose information
Government and Regulators	• Social welfare • Anti-corruption and business ethics • Waste management	• Offer job opportunities • Implement social welfare initiatives • Ensure regulatory compliance
Suppliers and Partners	• Supply chain management • Sustainable procurement • Intellectual property protection	• Adopt transparent procurement practices • Establish strategic partnerships • Develop a green supply chain • Fulfill contractual agreements • Intellectual property protection
Customers	• Product quality and safety • Customer satisfaction • R&D and innovation • Information security and privacy protection	• Enhance product quality control measures • Deliver premium service • Facilitate customer visits and training activities • Guarantee on-time product delivery • Reinforce privacy protection
Employees	• Employee rights and benefits • Employee well-being • Employee training and development • Employee health and safety • Diversity and inclusion	• Optimize compensation systems • Ensure a safe and healthy working environment • Enhance employee training • Offer a just and equitable promotion path • Implement employee care initiatives
Society and Public	• Philanthropic Commitments	• Undertake charitable activities

Management of Material Topics

SolaX has established a comprehensive assessment system based on domestic and international disclosure standards, including the *Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange- Sustainability Report (For Trial Implementation), GRI 3: Material Topics*, and *IFRS S1 General Requirements for Sustainability-related Financial Information Disclosures*. By applying dual materiality analysis encompassing impact materiality and financial materiality, the Company ensures complete, verified, and stakeholder-focused disclosures, thereby enhancing the assurance-ready transparency of sustainability reports.

Topics Assessment Process	Assessment Methodology
Step 1 Understanding Company Background	• Based on global mega-trends and trends in China's industrial development • Analysis of sector-specific dynamics • Analysis of the Company's business model • Identify key stakeholders and assessing the impacts, risks, and opportunities relevant to the Company
Step 2 Initial Screening of Topics	• Reference global standards and frameworks including the Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (SDGs), MSCI, and material topics from domestic and international industry peers to build a sustainability topic database
Step 3 Assessment of Materiality Topics	• Impact Materiality Assessment Evaluate the potential or actual positive or negative impacts of each topic on the environment, society, and economy through stakeholder surveys and expert panels • Financial Materiality Assessment Analyze risks and opportunities associated with topics by assessing their financial impacts, dependencies, and materiality through quantitative analysis, surveys, and expert opinions
Step 4 Identify Material Topics	• Compile a list of issues based on their materiality of impact and financial materiality, ensure transparent, balanced, and comprehensive disclosure in sustainability reporting

Assessment Results of Material Topics

SolaX conducts identification and assessment of materiality topics through methods including stakeholder questionnaires and expert reviews, analyzing from the two dimensions of "impact materiality" and "financial materiality" to form a materiality topic matrix.

Y-axis: Economic, social, and environmental impacts importance (Extremely important →)

X-axis: Financial Materiality (→ Extremely important)

Top-left quadrant:
- Employee rights
- Employee training and development
- Occupational health and safety
- Addressing climate change
- Strategic Philanthropy

Top-right quadrant:
- R&D and innovation
- Product and service safety and quality
- Environmental management
- Energy and resource utilization
- Waste disposal
- Fair competition
- Information security and privacy protection
- Circular economy
- Equal treatment of SMEs

Bottom-right quadrant:
- Supply chain management
- Anti-commercial bribery and anti-corruption

Legend:
- High Impact & High Financial Materiality
- High Impact & Low Financial Materiality
- Low Impact & Low Financial Materiality
- Low Impact & High Financial Materiality

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

C1

Governance Excellence, Compliance with Laws and Regulations

SolaX has established a well-defined governance framework, continuously enhancing compliance systems, upholding business ethics, and maintaining operational resilience to safeguard shareholder rights and maximize stakeholder value creation.

Board Structure and Governance

SolaX strictly complies with laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the SSE STAR Market Listing Rules, as well as relevant normative documents. SolaX has established a governance framework comprising the General Meeting of Shareholders, Board of Directors, and Supervisory Board. This structure ensures scientifically standardized, accountability-driven, checks-and-balances, and high-performance governance, progressively elevating transparency and efficacy.

```
            General Meeting of Shareholders
                              |
                              +------ Supervisory Board
                              |
                    Board of Directors
                              |
      +---------------------+---------------------+
Strategy Committee   Nomination and Remu-    Audit Committee
                     neration Committee
```
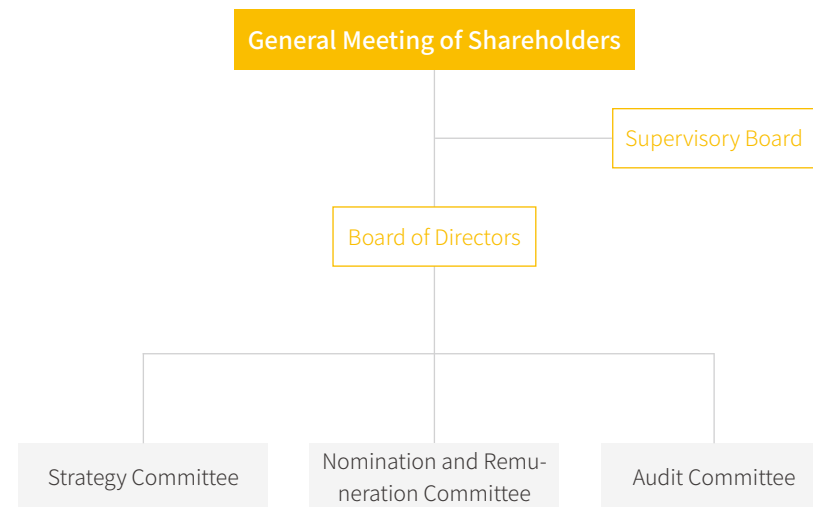
General Meeting of Shareholders

As the supreme governance body, the General Meeting of Shareholders formulates business policies and investment plans in accordance with *Articles of Association and the Rules of Procedure for General Meeting of Shareholders*.

During the reporting period

SolaX convened **2** shareholders' meetings including **1** extraordinary general meeting Reviewed and approved

35 proposals
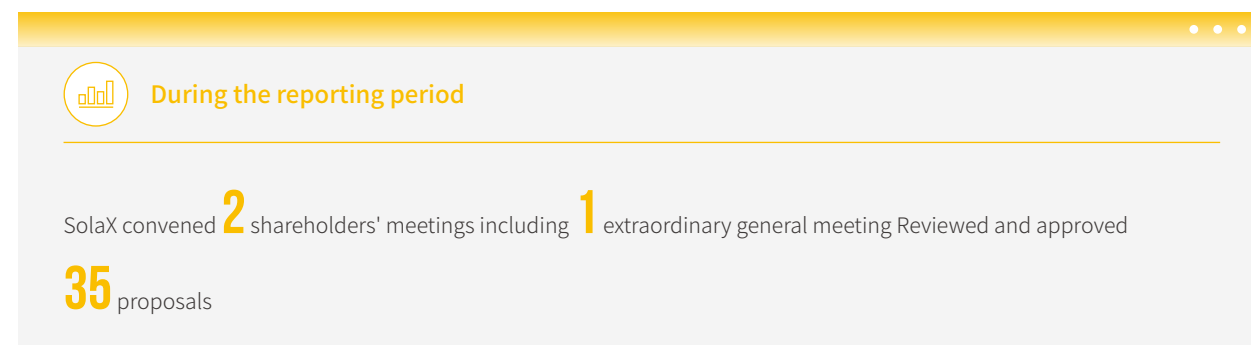
Board of Directors

The Board of Directors operates in compliance with the *Articles of Association* and the *Rules of Procedure for the Board of Directors*. Its primary responsibilities include convening the General Meeting of Shareholders, executing resolutions passed by the General Meeting of Shareholders, overseeing corporate disclosure matters. The Board of Directors has established specialized committees, including the Strategy Committee, the Nomination and Remuneration Committee, and the Audit Committee. Each of these specialized committees has formulated their own rules of procedure, with clear rights and responsibilities, and operates independently and effectively.

The Board of Directors has established specialized committees.

Audit Committee
Review and approve the authenticity of the Company's financial reports, supervise the independence and professional competence of external audit institutions, guide and oversee the establishment of the internal control system, and assess the effectiveness of internal controls

Nomination and Remuneration Committee
Establish selection criteria and procedures for directors and senior management, conduct the screening and assessment of candidates and their qualifications for the positions, as well as formulate, review, and revise relevant assessment standards, remuneration policies, and plans

Strategy Committee
Research long-term development strategies and major investment decisions, analyze future development directions and significant investment projects, and provide scientific and professional decision-making recommendations to the Board of Directors

Board Diversity and Independence

SolaX strategically evaluates factors including industry experience, background, and gender when composing the Board of Directors to ensure an optimal and diversified board structure. Board members serve three-year terms and are elected or replaced by the General Meeting of Shareholders, with eligibility for re-election upon term expiration. During the reporting period, SolaX completed the election process for independent directors whose terms had expired, appointing successors with extensive experience in law and corporate governance. The Board of Directors consists of 9 members, including 3 independent directors and 1 female director. The current Board members possess professional expertise in various fields, including finance, law and management, as well as extensive industry experience.

During the reporting period

SolaX convened
9 Board of Directors meetings

Board attendance rate
100%

Reviewed and approved
68 proposals
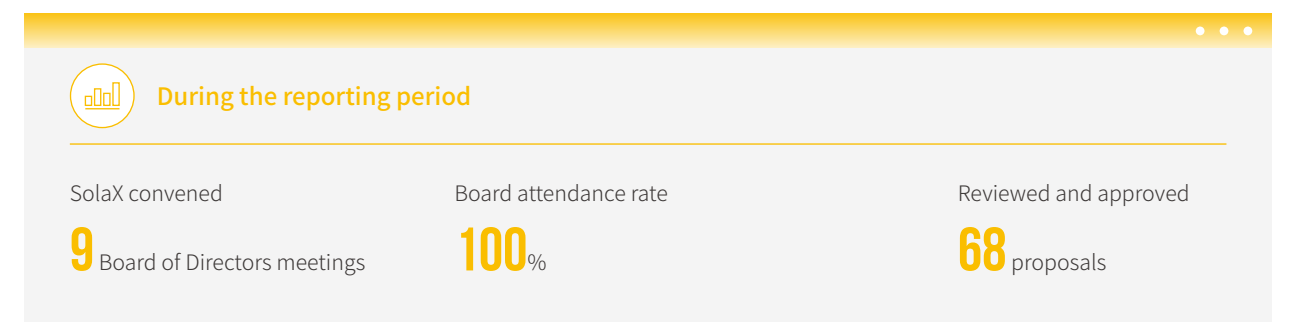
Supervisory Board

The Supervisory Board strictly adheres to relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for the Supervisory Board*. It independently fulfills its oversight duties to safeguard shareholder interests by effectively monitoring major corporate matters, related-party transactions, financial status, and the performance of directors and executives, and by issuing supervisory opinions. The current Supervisory Board consists of 3 members, including 1 employee representative.

During the reporting period

SolaX convened
8 Supervisory Board meetings

Approved
21 proposals
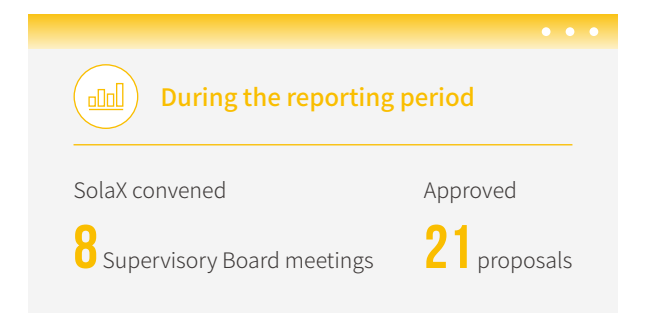
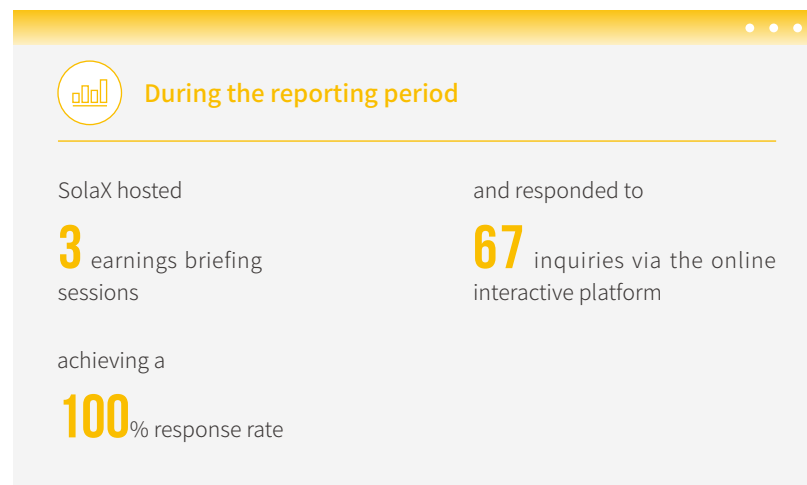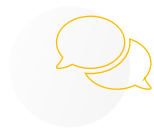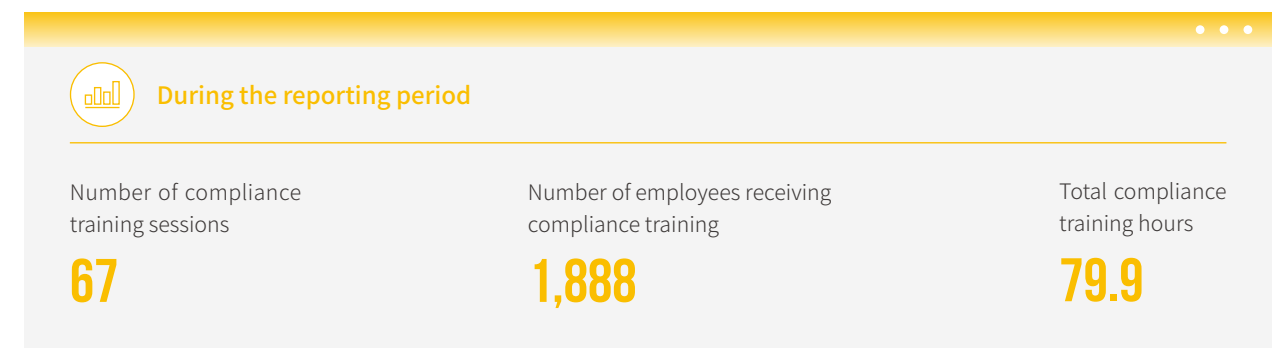# Investor Relations Management and Information Disclosure

SolaX consistently upholds a high sense of responsibility toward its investors, prioritizing the protection of investor rights as a cornerstone of corporate governance. Through comprehensive information disclosure mechanisms, SolaX ensures the authenticity, accuracy, completeness, and timeliness of information, fulfilling its commitment to transparent operations.

Investor Relations Management

SolaX has formulated the *Investor Relations Management Guidelines* to enhance investor relations and actively facilitate communication and interaction with investors. We actively build channels for investor engagement and encourage investors to provide valuable feedback, further improving and refining management and operational standards.

Investor Communication Channels

SolaX proactively releases the latest updates on its official website and WeChat official account, while actively engaging with investors through diversified channels including the SSE E-Interaction online platform, investor hotline, investor email, on-site research visits, and earnings briefings, earnestly addressing investor inquiries.

During the reporting period

SolaX hosted

3 earnings briefing sessions

and responded to

67 inquiries via the online interactive platform

achieving a

100% response rate

Information Disclosure

SolaX strictly adheres to the *Measures for the Administration of Information Disclosure of Listed Companies*, diligently fulfilling its information disclosure obligations as a cornerstone of maintaining robust corporate governance. Upholding the principles of truthfulness, accuracy, completeness, timeliness, and fairness, SolaX continuously enhances the quality of information disclosure, ensuring that investors and other stakeholders have timely access to accurate and comprehensive information.

During the reporting period

SolaX

103 regular and ad-hoc announcements
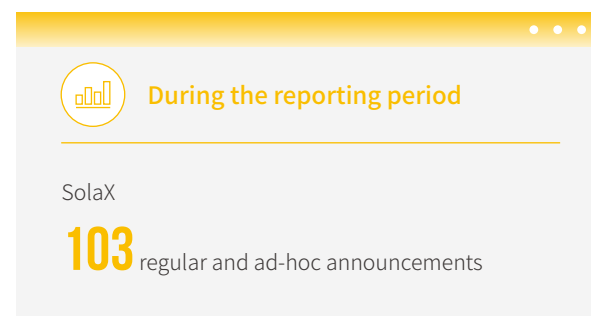
Compliance and Risk Management

SolaX is committed to continuously enhancing the internal control and risk management efforts, aiming to enhance efficiency and effectiveness. Guided by risk management frameworks, we comprehensively review business processes, strengthen the internal control framework, focus on key control activities, continuously optimize operational management mechanisms, and drive high-quality development, thereby creating sustainable value for shareholders, employees, customers, and society.

Compliance Management

SolaX strictly adheres to laws and regulations including the *Accounting Law of the People's Republic of China* and the *Audit Law of the People's Republic of China*. In alignment with national standards including the *Basic Standards for Enterprise Internal Control*, the *Application Guidelines for Enterprise Internal Control*, and the *Audit Guidelines for Enterprise Internal Control*, we have developed the *Internal Control Management Manual*, and established a scientific and systematic methodology and framework for internal control.

SolaX prioritizes internal control and risk management. In 2024, we formulated and issued the *Internal Control Management Manual* to enhance the alignment of the internal control framework with operational needs. The Board Office organizes various departments to continuously revise and optimize the Internal Control Management Manual based on newly enacted domestic and international regulations, evaluation outcomes from internal and external audits, and emerging internal control challenges. This ensures timely identification and remediation of control deficiencies, steadily improving the effectiveness and efficiency of the internal control framework.

The Audit Department executes the annual internal audit plan in accordance with the relevant requirements of the *Internal Control Management Manual*. It conducts in-depth communication with relevant departments regarding the internal control deficiencies identified during audits, develops effective rectification plans, and establishes a continuous improvement cycle of promoting management through rectification. Meanwhile, it regularly inspects and supervises the implementation of rectification measures and ensures the effectiveness of rectification through follow-up tracking audits, continuously elevating internal control management standards.

Compliance Culture Development

SolaX fosters a robust compliance culture by conducting compliance-related training programs, embedding compliance principles into employees' mindset, and strengthening their sense of responsibility and ethical awareness. Training content covers legal awareness, anti-corruption and integrity, as well as information security and confidentiality awareness, enhancing employees' understanding and implementation of compliance requirements. This ensures that operations align with legal regulations and internal policies, mitigates risks effectively, and safeguards sustainable and stable development.

During the reporting period

Number of compliance training sessions

67

Number of employees receiving compliance training

1,888

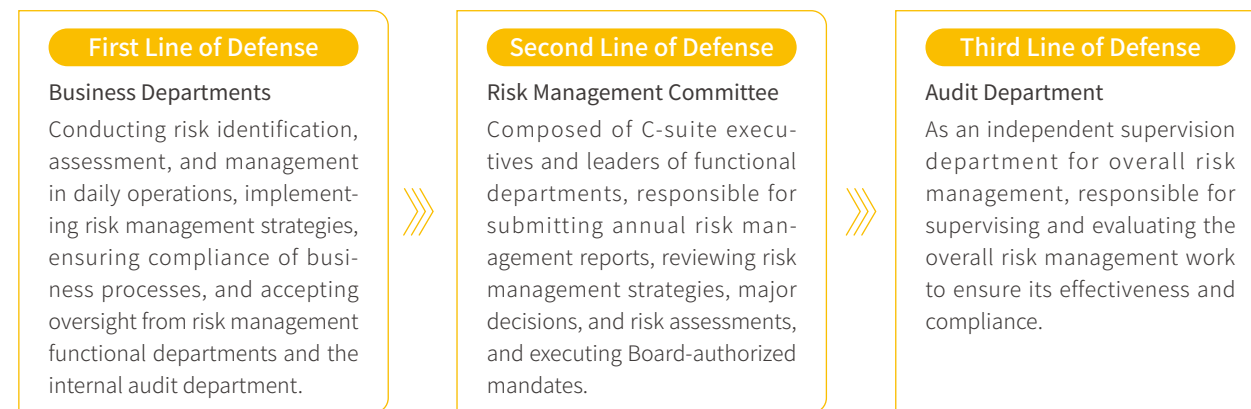Total compliance training hours

79.9

Risk Management

SolaX continuously advances its risk management efforts and has formulated the *Risk Management System* to identify and analyze enterprise risks. The Audit Department conducts supervision and evaluation on the risk management work and its effectiveness with relevant departments and business units at least once a year.

Three Lines of Defense

SolaX has established a "Three Lines of Defense" risk management mechanism to ensure the efficient operation of risk management.

First Line of Defense	Second Line of Defense	Third Line of Defense
Business Departments Conducting risk identification, assessment, and management in daily operations, implementing risk management strategies, ensuring compliance of business processes, and accepting oversight from risk management functional departments and the internal audit department.	**Risk Management Committee** Composed of C-suite executives and leaders of functional departments, responsible for submitting annual risk management reports, reviewing risk management strategies, major decisions, and risk assessments, and executing Board-authorized mandates.	**Audit Department** As an independent supervision department for overall risk management, responsible for supervising and evaluating the overall risk management work to ensure its effectiveness and compliance.

Risk Management Process

SolaX conducts risk management from dimensions including risk information collection, risk identification, risk analysis, risk response, and risk reporting and disclosure.

Risk Information Collection	• Real-time and accurate information collection to support a basis for risk assessment • Cover major risks including strategic, financial, market, operational, and legal compliance risks
Risk Identification	• Accurately identify all major risks facing the enterprise • Determine critical business activities from both quantitative and qualitative perspectives
Risk Analysis	• Establish clear scoring criteria for risk analysis and prioritize identified risks based on scores • Determine material risks by aligning with the risk appetite and risk tolerance
Risk Response	• Consider risk nature and balance risks against benefits, applying comprehensive strategies including risk avoidance, reduction, sharing, and acceptance • Continuously collect information related to risk changes, conduct risk identification and risk analysis in conjunction with different stages of development and business expansion, and promptly adjust risk response strategies and measures
Risk Reporting and Disclosure	• At the end of each year, departments prepare risk assessment reports, which are audited, summarized, and compiled into an annual risk assessment report by the Audit Department • The Board Secretary Office discloses major risks to the public in a timely manner in accordance with legal and regulatory requirements

Business Ethics

Business Ethics Management System

SolaX strictly complies with laws and regulations including the *Securities Law of the People's Republic of China*, the *Basic Norms for Enterprise Internal Control*, the *Company Law of the People's Republic of China*, and the *Audit Law of the People's Republic of China*. The Company has formulated the Anti-Fraud and Whistleblowing System, signed the Personal Integrity and Self-Discipline Commitment with employees, and the Sunshine Agreement with suppliers, continuously improving the anti-corruption management system and assigning anti-corruption responsibilities to various departments.

The anti-fraud management structure consists of four levels: the Board of Directors, the Audit Committee, the Internal Audit Department, and the Management, ensuring effective integration of anti-fraud work from strategy to execution and forming a top-down supervision and implementation system.

Board of Directors — Oversee the cultivation of an anti-fraud culture and authorize the Audit Committee to guide anti-fraud initiatives

Audit Committee — Guide and supervise the Internal Audit Department in carrying out anti-fraud work to ensure effective implementation

Audit Department — Formulate policies, receive whistleblowing reports, investigate fraud incidents, and collaborate with external agencies to handle severe violations of discipline

Management — Establish internal control mechanisms, implement anti-fraud measures, and conduct self-assessments

During the reporting period, a total of 2 typical cases of employees violating the Anti-Fraud and Whistleblowing System were investigated and handled, and 2 employees were lawfully terminated from their employment contracts due to severe violations of the Company's integrity policies. The handling rate of whistleblowing reports reached 100%.

During the reporting period

Employee signing rate of the *Personal Integrity and Self-Discipline Commitment*

100%

Supplier signing rate of the *Sunshine Agreement*

100%

Business Ethics Training

To foster a clean and upright corporate atmosphere, SolaX has adopted a strategy of comprehensive coverage and multiple measures to solidly promote the construction of an integrity culture. Through conducting anti-corruption and integrity education and promoting a culture of integrity and self-discipline, the Company guides employees to establish correct professional ethics concepts and enhance their awareness of integrity.

Conducted Business Ethics Training

📊 **During the reporting period**

Proportion of employees covered by anti-corruption training

100%

Average anti-corruption training hours per employee

0.5 hours

Whistleblowing Channels and Whistleblower Protection

The Internal Audit Department is responsible for establishing robust reporting channels for fraudulent activities and fraud cases, including email addresses and hotline numbers. SolaX accepts complaints or reports from employees, partners (customers, suppliers, etc.), and members of the public regarding suspected violations of regulations, illegal activities, or criminal offenses. All reports and post-investigation fraud case materials will be promptly filed and archived to ensure the transparency and effectiveness of the reporting channels.

SolaX strictly safeguards the confidentiality of whistleblowers' information, including their identities and the specifics of their reports. It does not disclose whistleblowers' names, departments, contact information, etc. Any acts of retaliation against whistleblowers are strictly prohibited. For whistleblowing handling staff who violate confidentiality regulations or improperly perform their duties, as well as for acts of retaliation against whistleblowers or their families, serious disciplinary actions will be taken based on the circumstances and consequences, and those constituting crimes will be referred to judicial authorities. Whistleblowers whose reports are verified as true, leading to the appropriate punishment of law and discipline violators and the recovery or reduction of losses for the Company, will be commended or rewarded.

Primary Whistleblowing Channels

Hotline	Email	Address
19857045735	lijing1@solaxpower.com	SolaX Power Network Technology (Zhejiang) Co., Ltd., No. 278, Shizhu Road, Chengnan Sub-district, Tonglu County, Hangzhou, Zhejiang, China

Anti-Monopoly and Fair Competition

In order to uphold business ethics standards, SolaX strictly adheres to laws and regulations including the *Civil Code of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Monopoly Law of the People's Republic of China*. We have formulated and implemented the Anti-Unfair Competition Management System, explicitly prohibiting acts including commercial bribery, infringement of trade secrets, false advertising, slandering business reputation, and unfair low-price competition. This ensures a fair competitive environment, safeguards the legitimate rights and interests of SolaX, employees, and partners, and promotes the construction of a sustainable governance system.

SolaX strengthens risk management related to antitrust and fair competition by identifying major antitrust risks it faces based on its own scale, industry characteristics, market conditions, antitrust legal norms, and law enforcement environment. Risk management is carried out through dimensions including risk identification, risk analysis, risk alerts, regular training, external compliance inspections, and information technology construction.

To ensure the implementation of the system, SolaX has established an independent supervision group and whistleblowing channels (legal@solaxpower.com), encouraging employees, suppliers, and partners to report violations, either real-name or anonymously. Strict investigation procedures are followed to ensure fair handling. Meanwhile, SolaX extends compliance requirements to supply chain management by signing Anti-Commercial Bribery Commitments with suppliers and partners, conducting regular compliance reviews, and taking legal measures including contract termination against violators to jointly maintain a fair competitive environment in the industry.

SolaX emphasizes enhancing the moral awareness of all employees, strengthening their ability to identify unfair competition behaviors and compliance awareness through specialized training, new employee orientation education, and analysis of typical cases.

Information Security and Privacy Protection

SolaX attaches great importance to information security and privacy protection. In compliance with regulations including the Data Security *Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, SolaX has formulated relevant frameworks including the *Information Security Risk Management System*, the *Information Security Business Continuity Management Specification*, and the *Privacy Protection Management Specification* to safeguard rapid business development.

Information Security

To strengthen information security management, enhance the protection level of information assets, and ensure the effectiveness of business continuity and risk management, SolaX has established an Information Security Committee composed of key personnel from various departments in accordance with the ISO/IEC 27001 international standard. This committee focuses on promoting interdepartmental collaboration and integrating professional knowledge to further improve information security levels, ensure operational resilience while maintaining customer trust.

During the reporting period

SolaX reported zero major security attacks or data breaches.

ISO/IEC 27001:2022 Information Security Management System Certification

Team Leader
- Formulate and approve information security policies compliant with ISO 27001 standards
- Approve cybersecurity incident response plans
- Allocate resources related to information security
- Govern the operation and maintenance of the Information Security Management System

Deputy Leader
- Manage the committee's daily operations and organize regular meetings
- Coordinate cross-functional collaboration in implementing security policies
- Promote continuous improvement of the Information Security Management System

Team Members
- Execute committee decisions and implement security control measures
- Develop and review of security policies
- Conduct regular security risk assessments and control effectiveness checks
- Organize security awareness training to enhance employee compliance

Cybersecurity

SolaX adopts a strategy of "safety first, prevention-oriented" to ensure data security through network segmentation of production, office, and R&D networks,and establishment of secure data centers. We build a trusted network environment via multi-layered controls including access management, encryption, audits, incident response, and staff training. Advanced security measures including RBAC, firewalls, load balancing, and real-time monitoring enhance network availability and security, ensuring the business continuity and data security of the industrial Internet cloud platform and data centers.

"Red vs. Blue Confrontation" in 2024

To enhance cybersecurity protection capabilities, SolaX invited the QAX attack team to conduct a cybersecurity assessment. The exercise covered IT assets, server assets, etc., simulating real attack behaviors through endpoint vulnerability scans and internal network lateral penetration, excluding destructive attacks including DDoS, to comprehensively evaluate system vulnerabilities. This initiative proactively identified potential security risks and provided a practical basis for formulating targeted security measures.

Privacy Protection

To protect personal data of employees, clients, and visitors, SolaX has embedded privacy compliance into its compliance management framework. In case of suspected breaches, departments must immediately activate incident response.

Implement monitoring mechanisms to promptly detect leaks

Activate rapid response procedures to immediately halt the source of leakage

Notify affected parties and report to regulatory authorities as required by law

Investigate the incident, assess compliance, and develop data recovery and remediation plans

Evaluate subsequent risks, implement measures to mitigate damage, and improve management protocols

Privacy protection process

During the reporting period

SolaX maintained zero penalties from regulators for violations of information security and privacy protection laws and regulations.

02

Ecology First, Sustainable Development

SolaX consistently adheres to green development principles, fostering harmonious coexistence between humanity and nature. We profoundly recognize that "Lucid waters and lush mountains are invaluable assets", embedding this philosophy across all operational aspects. We prioritize environmental management by integrating environmental KPIs into executive evaluations, while accelerating transformation through energy conservation, emission reduction, and regular environmental risk audits. Employee eco-awareness programs ensure sustainability is ingrained in every SolaX employee.

Addressing Climate Change

Governance

SolaX proactively advances the carbon peaking and carbon neutrality initiatives. In alignment with the *Carbon Peaking and Carbon Neutrality Implementation Plan*, SolaX has scientifically optimized strategic layouts, promoted green and intelligent transformation, rationally adjusted energy consumption structures, and explored advanced energy conservation and carbon reduction practices through multiple channels.

SolaX strengthens greenhouse gas management by conducting carbon footprint verification work to sort out and calculate its own carbon emissions. Based on its strategic positioning, development plans, and actual circumstances, we formulate practical carbon reduction measures, laying a solid foundation to support China's carbon peaking goal. We have established an energy conservation and carbon reduction working group led by the General Manager, involving multiple key departments including the Finance Center, Procurement Center, Manufacturing Center, R&D Center, and Quality Center. Through cross-departmental collaboration, it drives the Company's efforts in energy conservation, emission reduction, and carbon emission reduction.

Strategy

Climate Risk and Opportunity

Impact, Risk, and Opportunity Management

SolaX has established a climate-related risk and opportunity management process to accurately identify the challenges and impacts posed by climate change on business operations, along with developing corresponding response strategies.

• Systematically identify and compile a list of climate risks/opportunities per TCFD framework, covering physical risks, transition risks, and opportunities.to guide strategy formulation and risk management.	• For the identified risks and opportunities, conduct assessments from the perspectives of occurrence probability, scope and magnitude of impact, and quantify the specific impacts of these risks on business.	• Based on the nature of the risks and their degree of impact on the operations, adopt targeted measures to ensure stable business development.
Risk Identification	**Risk Assessment**	**Risk Response**

Risk Type		Risk Description	Probability of Occurrence	Impact Severity		Impact Timeframe	Affected Value Chain Segment	Priority Ranking	Potential Financial Impact	Mitigation Measures
Physical Risk	Acute Risk	The R&D center and manufacturing production based in Zhejiang Province are exposed to extreme weather conditions, including high temperatures, heavy rain, and snowstorms, which may have an impact on the equipment and employee safety, leading to operational disruptions or equipment damage.	Low	High		Short-medium term	Operations	Medium	Decrease in operating revenue	Regularly inspect the operational condition of equipment, with intensified monitoring and maintenance of overheating and overloaded machinery in high-temperature environments. Perform regular checks on drainage systems, clear debris prior to heavy rainfall, and minimize outdoor operations during extreme weather to ensure employee safety. Establish a risk early-warning mechanism to obtain extreme weather alerts, develop emergency response plans, and clarify responsibility assignments.
	Chronic Risk	Rising sea levels and water resource shortages caused by climate change may adversely affect the Company's manufacturing base in Zhejiang.	Medium	Medium		Medium-long term	Operations	Medium	Decrease in operating revenue	Monitor climate change trends and formulate emergency response plans to enhance the ability to cope with extreme weather conditions and natural disasters.
Transition Risk	Policy and Legal Risk	As global carbon emission controls intensify, increasingly stringent policies and regulations could raise compliance costs for the Company.	High	High		Medium-long term	Operations	Medium	Increase in operating costs and decrease in operating revenue	Stay updated on revisions to laws and regulations to ensure full compliance of production processes, product design, and emission standards with the latest requirements.
	Market Risk	The demand for low-carbon and green energy technologies may lead to market fluctuation, posing the risk of unstable market demand and affecting business development and profitability.	Medium	High		Short-medium term	Downstream	Medium	Decrease in operating revenue	Strengthen brand building and promotion to elevate visibility and influence in low-carbon and green energy technologies.

Empowering Low-Carbon Industry Development

Leveraging the core product capabilities and technological expertise, SolaX accelerates renewable energy R&D to deliver innovative low-carbon solutions. By actively collaborating with partners across the industrial value chain, we provide efficient clean energy services.

Industrial and Commercial PV

Industrial and Commercial Energy Storage

Industrial Parks Energy Storage

Agricultural Photovoltaic Power Station

浙江·杭州

Carbon Verification and Product Full Lifecycle Assessment

SolaX Obtained ISO 14064 Carbon Verification

Some Products Have Undergone Life Cycle Assessment (LCA)

Some Products Have Successfully Completed International EPD Registration

Indicators and Targets

SolaX actively responds to national carbon reduction initiatives, aligning with China's low-carbon transition. We have established science-based greenhouse gas emissions, along with defined reduction targets.

During the reporting period

The total greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	Scope 1 greenhouse gas emissions	Scope 2 greenhouse gas emissions	Scope 3 greenhouse gas emissions
797,325.02 tCO2e	**808.51** tCO2e	**10,593.79** tCO2e	**785,922.72** tCO2e

Environmental Management

Environmental Management System

SolaX strictly complies with laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Water Pollution Prevention and Control Law of the People's Republic of China*. We have formulated the *Environmental Protection Management System* and updated relevant management systems including the *Environmental Protection Responsibility Management System* in 2024. We proactively identify environmental impacts associated with production and operational activities and actively promote the establishment and improvement of an environmental management system based on ISO 14001. As of the end of the reporting period, SolaX has obtained ISO 14001 Environmental Management System certification, SA 8000 Management System certification, and Cleaner Production certification. During the reporting period, SolaX invested CNY 1,510,000 in environmental protection, with zero major incidents.

ISO 14001 Environmental Management System Certification

SA 8000 Management System Certification

SolaX attaches great importance to environmental management and has established a comprehensive environmental governance structure with clearly-defined management plans. Guided by the environmental work policy of "energy conservation, consumption reduction, pollution prevention, and emphasis on environmental protection, safety first, combining prevention with fire-fighting, and eliminating hidden dangers", SolaX continuously optimizes environmental management system and enhances environmental management capabilities and accountability performance.

SolaX has implemented a three-tier governance structure, led by the Environmental Protection Committee and managed at different levels by the Manufacturing Platform, Production Quality, HR & Administration Center, Procurement Center, Finance Center, Executive Office, Audit Department, Infrastructure Department, and various execution departments. The EHS Department assists in daily operations to ensure the implementation of environmental management initiatives. To ensure governance effectiveness, SolaX incorporates the achievement of environmental management performance targets into performance evaluation framework. If major environmental issues are identified during audits or significant environmental incidents occur, SolaX will impose performance accountability measures and financial penalties on the responsible managers and departments based on the severity of the incident.
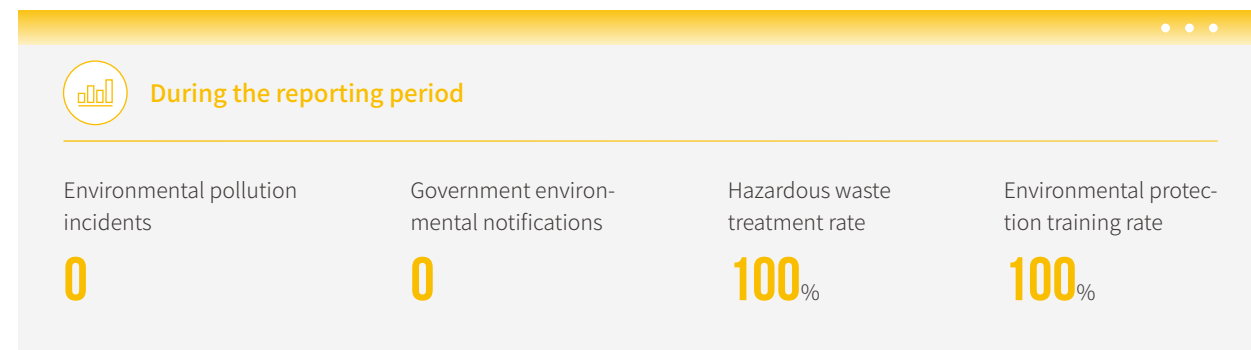
Environmental Risk Management

SolaX has formulated the *Control Procedure for Identification and Evaluation of Environmental Factors*, which standardizes the identification and evaluation processes for environmental risks, ensuring comprehensive and accurate identification and evaluation of environmental factors in the activities, products, and services. It explicitly states that new construction and expansion projects must undergo environmental analysis, risk assessment, and environmental impact assessment, and obtain approval for the environmental impact assessment report.

Environmental Indicators and Targets

SolaX establishes environmental management targets annually based on business development and operational conditions.

During the reporting period, SolaX established targets specifically for environmental pollution incidents, compliance in waste discharge and hazardous waste emissions, and environmental protection training, aiming to drive targeted improvements in environmental governance capabilities.

During the reporting period

Environmental pollution incidents	Government environmental notifications	Hazardous waste treatment rate	Environmental protection training rate
0	**0**	**100**%	**100**%

Environmental Emergency Management

SolaX prioritizes the prevention and response to sudden environmental incidents, continuously improving its risk prevention and environmental emergency response systems. In response to specific scenarios including chemical spills, hazardous waste leaks, fire and explosion accidents, and natural disasters, we have developed the Emergency Response Plan for Production Safety Accidents. We also have established an emergency rescue team, equipped with relatively complete emergency facilities and stocked with necessary emergency supplies, formulating training and drill plans and conducting training and emergency drills according to these plans. We emphasize the cultivation of employees' awareness of environmental risk prevention and control. In 2024, we conducted environmental protection training to strengthen the environmental awareness and management capabilities of all employees.

During the reporting period

SolaX conducted a total of **6** environmental training sessions

achieving a **100**% environmental protection training ratesessions

Environmental Training Sessions

Energy Management and Circular Economy

Energy Management

SolaX strictly complies with laws, regulations, and relevant provisions including the *Law of the People's Republic of China on Conserving Energy*, prioritizing energy efficiency. We implement a comprehensive energy-saving management strategy that encompasses various aspects, including management-based energy conservation, energy conservation through technological upgrades, and energy-saving assessments. In operations, we focus on enhancing the efficiency of key energy sources including electricity and enforce this through the formulation and implementation of relevant management regulations.

Energy Conservation and Consumption Reduction Actions
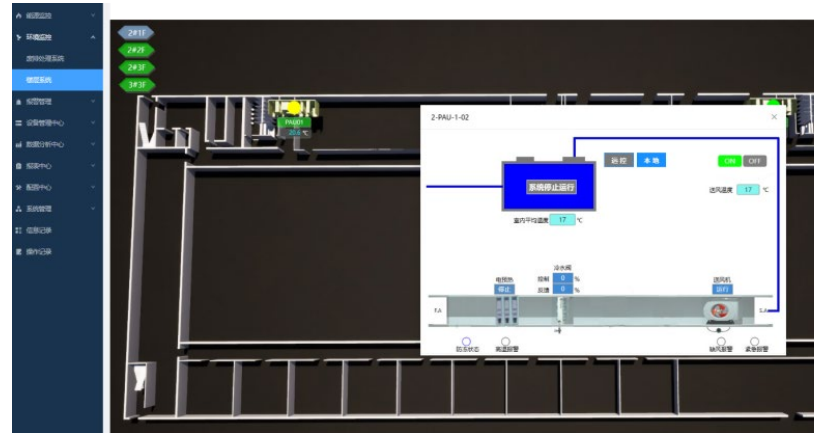
Energy Management System

SolaX has implemented a comprehensive, digital-centric energy management platform, establishing an energy consumption data application and service framework to support the industrial park in reducing carbon emissions and moving towards a zero-carbon future through digital means. The system accurately monitors energy consumption distribution across various production processes, identifies abnormal energy consumption, and provides real-time alerts. This supports rapid problem localization and the implementation of corrective measures, effectively preventing energy waste. The system integrates data monitoring for renewable energy equipment including solar panel generators, ensuring their efficient operation and maximizing the utilization of clean energy, thereby reducing reliance on external power grids and lowering carbon emissions. Furthermore, the system accurately calculates the total greenhouse gas emissions from the factory and the corresponding carbon emission reductions, facilitating the evaluation of internal energy conservation and emission reduction strategies.

Comprehensive Energy Management System

Energy Optimization of Fresh Air System

By deploying an advanced monitoring system, SolaX has achieved real-time monitoring of MAU (Make-Up Air Unit)/ PAU (Pre-Conditioned Air Unit) air handling cabinets. This system provides instant displays of equipment operating parameters, status, and alarm information, while also supporting remote start/stop control and parameter adjustment functions. The fresh air system automatically adjusts operating frequency based on the preset indoor temperature and humidity, ensuring indoor air quality while maximizing energy conservation.

Fresh Air Monitoring and Management System

Clean Energy Utilization

SolaX actively integrates clean energy and makes full use of limited spaces including the rooftops and parking sheds of factory premises to install PV power generation facilities. A 2MW grid-connected PV power station has been installed on the rooftop of the Tonglu factory, which is connected to the municipal power grid via a grid-connection cabinet. It supplies real-time power to the factory, with surplus electricity fed back into the grid, effectively reducing reliance on externally purchased electricity and promoting energy conservation and emission reduction. Meanwhile, SolaX is actively deploying the construction of smart charging piles to provide convenient and eco-friendly charging services for NEVs, empowering the development of green transportation through practical actions.

During the reporting period

Purchased electricity

19,538,527.63 kWh
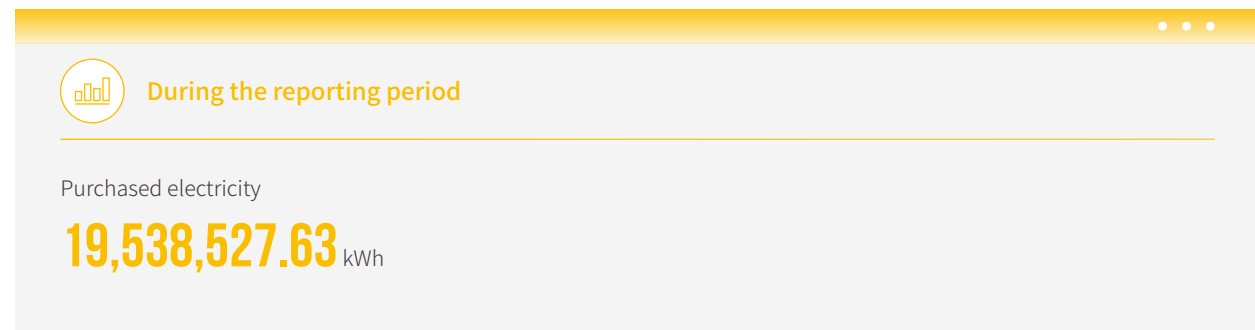
Rooftop PV and PV Charging Carport

Water Resource Management

SolaX strictly adheres to laws and regulations including the *Water Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, continuously practicing the concept of green development, managing and comprehensively utilizing water resources, persisting in water conservation, and conducting extensive public awareness campaigns on water-saving initiatives.

In production and operations, water is sourced from municipal water purchases and recycled water. In response to the national call to establish a water-conserving society, SolaX places high importance on the secondary utilization of water resources. Based on actual production and operational conditions, SolaX has intensified the use of chiller water recycling to achieve efficient utilization, conservation, and protection of water resources.

During the reporting period

The total water consumption

66,134 tons
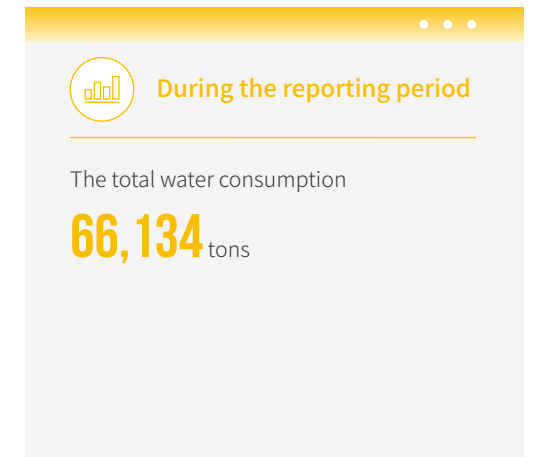
Packaging Materials Management

SolaX implements the strategy of green and sustainable development, placing great emphasis on environmental protection and innovative reforms in raw material packaging. We advocate and practice the concept of green packaging, actively exploring innovative packaging designs. On the procurement side, we implement a "specialized personnel management" mechanism, assigning exclusive contact persons for different categories to achieve precise alignment throughout the entire packaging procurement process. While ensuring the safe storage and transportation of goods, we exercise control over the entire process from packaging design planning to the selection of packaging materials, optimizing and reducing their usage. We actively seek opportunities for lightweight, customized, and recyclable packaging materials, striving to minimize the environmental impact of packaging materials.

Part of the Company's Packaging Materials have Obtained Relevant Certifications

Secondary Recycling and Reuse of Logo-Free Cardboard Boxes

SolaX actively conducts systematic recycling of logo-free cardboard boxes generated in production lines and warehouse logistics. Through rigorous screening, cleaning, and repairing processes, we ensure the structural integrity and aesthetic cleanliness of the boxes. The processed boxes are reused for internal material circulation or finished product shipments, reducing the need for new cardboard box purchases. This not only achieves cost reduction and efficiency enhancement but also decreases environmental pollution.

Examples of the Recycled Cardboard Boxes

Emission and Waste Management

Waste Management

SolaX strictly adheres to laws and regulations including 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 Water Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and has formulated the *Environmental Protection Management System* that clearly defines disposal methods for wastewater, waste gas, factory boundary noise, and solid waste generated during production and operation processes. This ensures the efficient operation of environmental protection facilities, compliance with emission standards for wastewater, waste gas, and factory boundary noise, as well as the lawful disposal of solid waste. For hazardous waste, the Company maintains a dedicated ledger with clear regulations covering generation, storage, transportation, and disposal to ensure proper handling.

Environmental monitoring is conducted annually by external agencies under the "Three Wastes" Monitoring Plan, organized by the EHS department's environmental protection specialists. If any monitoring results exceed regulatory limits, relevant departments are promptly notified in accordance with management procedures. During the reporting period, the pollutant emission concentrations remained below the national allowed discharge standards.

Specific Measures for "Three Wastes" Treatment

Wastewater

Discharge type: Wastewater from employees' offices and daily activities.
Treatment method: Toilet wastewater is treated in septic tanks and combined with other domestic sewage for discharge into the sewage pipe network. The effluent is further treated at wastewater treatment plants before final discharge. The test results comply with the Grade III standards specified in Table 4 of the *Integrated Wastewater Discharge Standard* (GB8978-1996).

Waste Gas

Discharge type: Soldering fumes.
Treatment method: The waste gases pass through a pipeline filter to remove particulate matter before being released into the atmosphere via an exhaust fan. During the reporting period, SolaX upgraded the exhaust system, increasing the fan capacity from 30,000 m³/h to 50,000 m³/h, an increase of 67%, and significantly reducing the spread of fumes within the workshop.

General Solid Waste

Discharge type: Domestic waste.
Treatment method: Waste packaging materials and non-conforming products are recycled and disposed of by the materials department.

Hazardous Waste

Discharge type: Waste coatings.
Treatment method: Waste glue buckets, classified as hazardous solid waste, must be transferred to qualified units for disposal.

Noise

Discharge type: Noise from production equipment.
Treatment method: Select low-noise equipment with vibration damping and sound insulation measures during installation, strengthening the routine maintenance and inspection of equipment to ensure normal operation. Install double-layer soundproof windows in workshops, remain closed during production and are strictly prohibited from being opened. Work schedules should be reasonably arranged to ensure that noise emissions comply with the Class 3 standards specified in the *Emission Standard for Industrial Enterprises' Boundary Environmental Noise* (GB12348-2008).

Green Operations

SolaX emphasizes environmental protection in production and operational processes and advocates green, low-carbon office practices. We guide and encourage all employees to develop good habits of energy conservation and consumption reduction, promote sustainable office methods, establish a green office environment and build an environmentally friendly enterprise. We have established the *Office Behavior Management Code* and make full use of bulletin boards, videos, and various media, as well as themed activities including "World Environment Day" and "Energy Conservation Promotion Week", to increase publicity efforts and drive all employees to adopt green and low-carbon lifestyle habits. Employees are encouraged to actively engage in green initiatives including green commuting, the clean plate campaign, waste sorting and virtual meetings.

Low-Carbon Work and Lifestyle

In daily operations, particularly in managing employee electricity and water consumption, SolaX strictly adheres to energy and water conservation principles, optimizing resource usage and minimizing waste. Furthermore, we organize diverse environmental education initiatives and engage in green public welfare activities, striving to thoroughly integrate environmental protection concepts into all internal processes and actively promote green office practices and a low-carbon lifestyle.
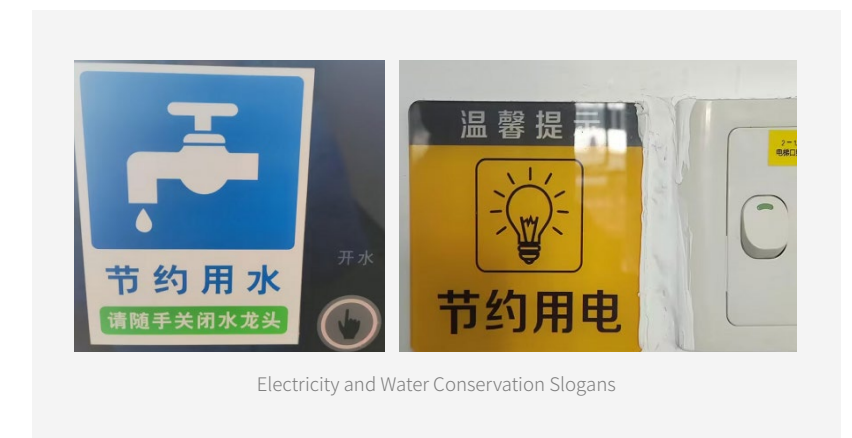
Electricity and Water Conservation Slogans

Green Action for the Future – SolaX Leads the Way

As an industry pioneer in green energy solutions, SolaX adheres to the concept of green development and actively fulfills its social responsibilities. On October 24, 2024, we organized environmental protection volunteers to conduct a public welfare garbage cleanup activity by Future Lake, advocating for environmental protection through practical actions. This event not only focused on cleaning up garbage but also aimed to spread environmental awareness and provide practical environmental protection tips, including reducing the use of disposable plastic products, correctly sorting waste, conserving water and electricity, and encouraging green commuting. The goal was to inspire everyone's sense of responsibility and action towards protecting the environment, collectively contributing to the well-being of our planet.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

03

Achieving Customer Success and High-Quality Development

SolaX has successfully established an industrial ecosystem that promotes mutual benefits for all stakeholders through in-depth collaboration with global strategic partners. We place particular emphasis on quality control, product R&D, and supply chain management, forming a symbiotic value network across the entire industrial chain.

Quality Management

SolaX regards product quality as its lifeline, adhering to the core quality philosophy of "Expertise Drives Excellence, Professional Manufacturing Ensures Trust" and the operational principle of "Conscientious, Rigorous, Quick and Accurate, and Seamless in Co-ordination", establishing a quality management system that is highly aligned with business needs.

Quality Management System

SolaX strictly complies with the ISO 9001:2015 International Standard and effectively integrates standards including ISO 27001:2022 Information Security Management System and ISO 22301:2012 Business Continuity Management System, effectively combining PDCA with risk-based thinking to continuously strengthen its quality management foundation.

To ensure the suitability and effectiveness of the quality management system, SolaX has established a comprehensive product quality management framework, including Level 1 Quality Manual, Level 2 procedural documents including the *Product Inspection Management Procedure* and *Non-Conforming Product Control Procedure*, Level 3 institutional processes like the *Quality Improvement System* and *Process Quality Management Regulations*, as well as quality SOP documents including the *Incoming Material Inspection Specification*. Aligned with management system requirements and organizational characteristics, SolaX has implemented a multi-level dynamic document update mechanism to ensure continuous compliance with business development needs and effectively drive sustained product quality improvement.

Full Lifecycle Product Quality Management

To ensure that products meet the highest safety standards, SolaX has established a robust measurement system leveraging its own measurement laboratory and state-of-the-art quality testing equipment to guarantee all measurement methods are precisely executed according to their intended purposes. Meanwhile, we actively conduct internal quality training to ensure efficient and accurate assessment of product quality and safety performance. Furthermore, in response to the core challenges related to safety and reliability currently faced in the manufacturing process, we have conducted a comprehensive review of the quality management system. From dimensions including process systems, promotion of quality culture, control of measuring instruments, and closed-loop management of quality project rectifications, we carefully consider the key elements of each link and set objectives to drive refined and systematic management across the entire process and all elements.
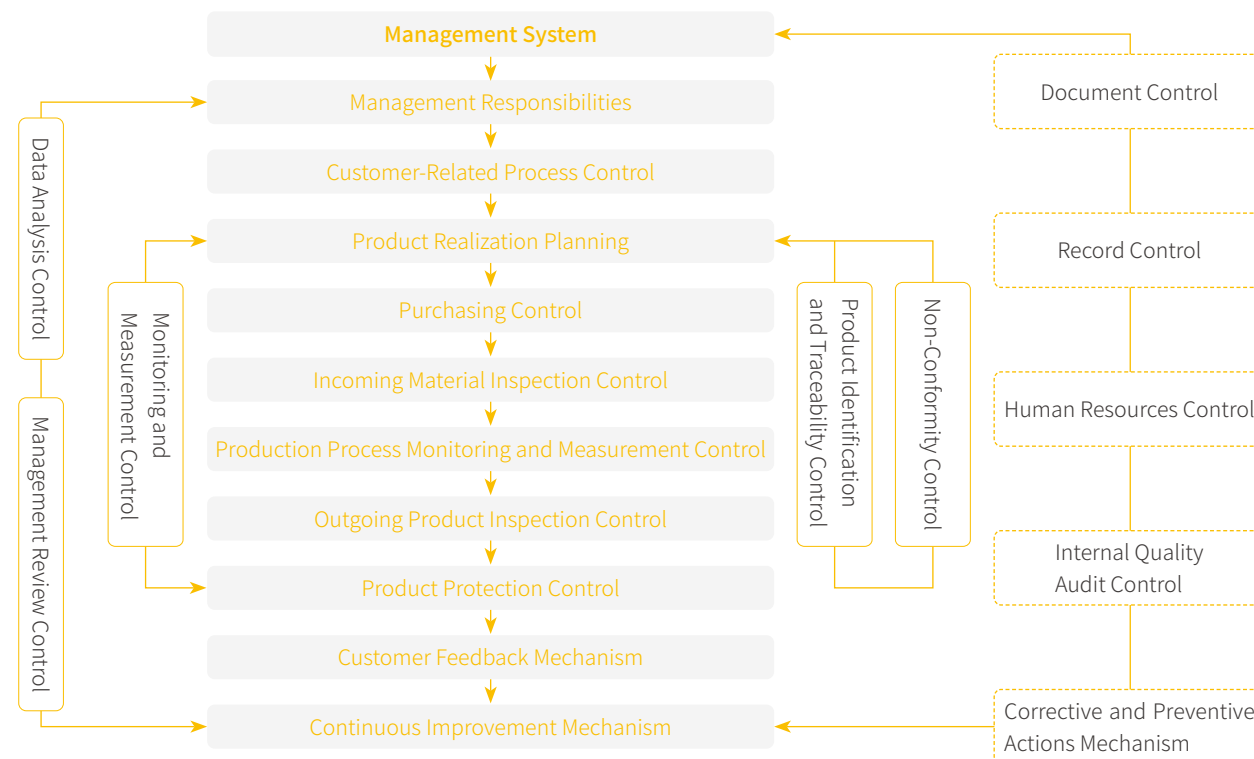
Quality Management System Flowchart

Quality Management Process

1 Identify processes, determine required inputs and expected outputs, define process sequence and interactions, identify and provide resources needed for each process

2 Establish criteria, methods, measurements, and relevant performance indicators required for process implementation to ensure effective operation and control

3 Define responsibilities and authorities of personnel involved in process execution

4 Identify risks posed by unintended outputs or process failures to products and customer satisfaction, along with corresponding measures

5 Monitor and analyze processes, conduct regular management system reviews, and modify processes as necessary to ensure they consistently deliver expected outcomes

6 Implement improvement measures to achieve continual process enhancement and meet required results

电热恒温鼓风干燥箱 / 高低温冲击试验箱 / 针焰试验机 / 紫外加速耐候试验箱 UV

Quality Inspection Equipment

During the reporting period

Newly developed and updated quality-related institutional documents

approximately **140**

Underwent audits from

32 different customers and certification bodies

achieving a

100%

pass rate and a

100% closure rate for audit issues rectified on schedule

Conducted

4 internal audits to continuously evaluate business process compliance

SolaX has established the Product Recall Management Protocol and assembled a product recall team consisting of representatives from the Marketing Center, Product Center, Quality Center, R&D Center, Finance Center, Manufacturing Platform, and the General Manager's Office. By implementing rigorous recall procedures, SolaX guarantees that products identified with quality risks, implicated in material-related incidents, or subject to complaints from regulatory bodies or customers can be promptly and effectively managed. This proactive approach effectively minimizes the potential harm to consumers' safety and property stemming from product defects, thereby safeguarding the Company's hard-earned reputation.

Quality Culture Development

SolaX always places customer requirements at the core of quality management and promotes continuous product improvement through systematic quality culture building and full-staff engagement. We have built a multi-dimensional training system, providing specialized training for employees at all levels on quality management system standards, measurement and inspection technical specifications, and non-conforming product control processes, transforming quality management system requirements into actionable guidelines. Monthly quality mobilization meetings are held regularly to summarize experiences and lessons learned, continuously strengthen quality management efforts, set clear goals and action plans for product quality improvement and continuous enhancement, ensure constant product quality upgrades, and present honors including Quality Points Awards, Excellent Team Awards, and Lean Improvement Awards to encourage employees to take initiative, and contribute to consolidating product quality.

Metrology Training to Strengthen Professional Competence

From November 18 to 21, 2024, to enhance the professional capabilities of the metrology management personnel and solidify the foundation of metrology control, SolaX organized specialized training for metrology management leads from various departments. The content covered metrology regulations, comprehensive knowledge, and multiple practical areas (length, physical and chemical analysis, mechanics, thermal engineering, electrical engineering, and data processing). Through systematic learning, the participants' job performance capabilities were comprehensively improved, providing a guarantee for the standardized conduct of subsequent work.

Quality Mobilization Meetings

R&D and Innovation

Governance

SolaX emphasizes the construction of independent innovation capabilities and has established four major R&D centers in Hangzhou, Shenzhen, Xi'an, and Suzhou. We continuously improve the R&D organizational structure, management mechanisms, and processes, formulating systems including the *Product Design and Development Control Procedure* and the *Intellectual Property Reward Management Measures*. Innovation is implemented throughout the entire process including product R&D, engineering design, smart manufacturing, and digital management, enabling continuous upgrading of existing product lines and maintaining iteration of new products. SolaX has been recognized as a National Manufacturing Single Champion Enterprise, National High-Tech Enterprise, and Zhejiang Province Technology Leader Enterprise.

Strategy

SolaX consistently focuses on the construction of R&D innovation capabilities and systematically implements technology innovation-driven strategies across the full lifecycle from product definition, process design, digital-driven to service support. Through continuous investment in the four major R&D centers in Hangzhou, Suzhou, Shenzhen, and Xi'an, we continuously upgrade product lines and digital management capabilities, ensuring the implementation of green intelligent manufacturing concepts during the design and R&D stage, thereby creating a value chain for sustainable innovation and development.

Impact, Risk and Opportunity Management

SolaX adheres to the core principles of green development and technological innovation, enhancing sustainable development capabilities through multi-dimensional R&D system construction. We have established a three-tier R&D system featuring collaboration among the Central Research Institute, Platform Department, and Product Lines. The Central Research Institute focuses on cutting-edge technology research, high-value intellectual property layout, and core technology breakthroughs. The Platform Department and Product Lines operate dual-track R&D teams, where platform R&D teams are responsible for common and challenging technology development, while business R&D teams concentrate on customized development for business scenarios.

During the reporting period, SolaX updated systems including the *Product Design and Development Control Procedure*, introduced the ISO 56005 international innovation management system standard, and implemented a full lifecycle continuous innovation mechanism. For process design, we built a modular R&D platform based on the integrated product development system, simultaneously incorporating manufacturing quality control standards, and established a six-stage R&D quality control system covering requirements verification, prototype testing, and mass production conversion. For key R&D projects, we use a technology breakdown matrix to translate strategic objectives into executable technology nodes, and incorporate node achievement rates into the R&D team performance evaluation system to ensure precise implementation of technology roadmaps. Meanwhile, through a three-dimensional incentive mechanism comprising the "Outstanding Contribution Award + Diligent Worker Award + Intellectual Property Special Incentive", we specifically reward technological breakthroughs, patent achievement conversions, and long-term contributing teams, resulting in a 41.96% YoY increase in invention patent authorizations and significantly stimulating the innovation vitality of R&D talent.
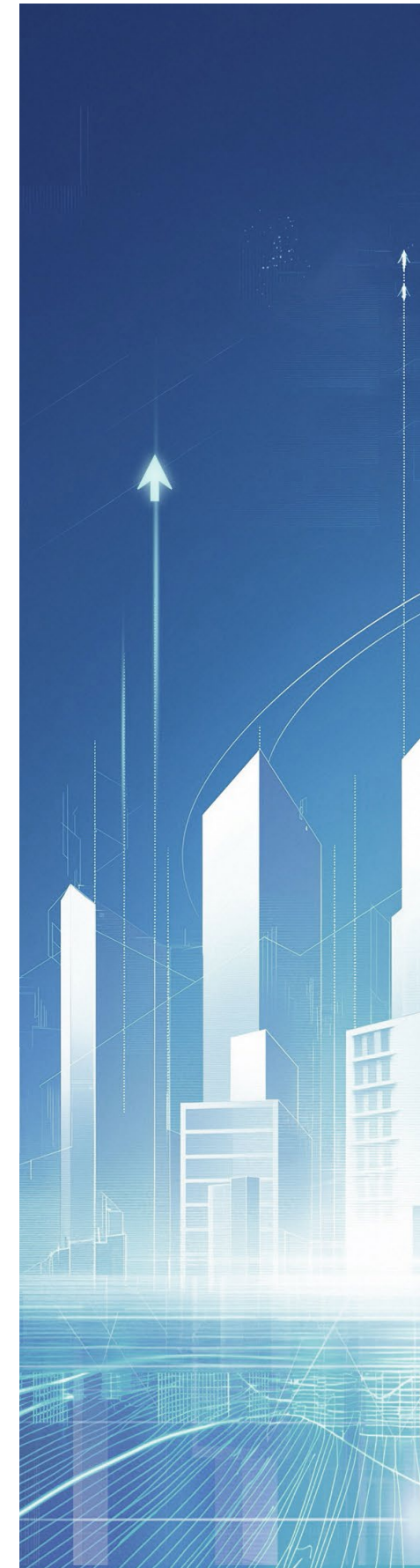
Intelligent R&D Process

SolaX has constructed a digital process system based on 3D CAD/CAE, achieving a precise closed-loop for product structure optimization and performance verification through the collaborative application of tool chains including Solid Works mechanical simulation, Ansys Maxwell electromagnetic field analysis, and FloTherm fluid simulation. To strengthen the intelligent R&D full-lifecycle management, we have built a PLM system, which has achieved data interconnection with the MES (Manufacturing Execution System), and integrated the standard library, component library, and simulation knowledge base to facilitate the rapid call of modular design. Relying on the IPD (Integrated Product Development) process and the CMMI (Capability Maturity Model Integration), we have established a structured R&D system, promoted the standardization of materials and design, and realized the visual management and control of the R&D process of the entire product line.

In terms of intelligent R&D, SolaX has not only obtained the authoritative certification of the Germany's TÜV Rheinland Laboratory, but also led/participated in the formulation of 7 national standards, 3 industry standards, and 30 group standards (including 1 published industry standard and 24 published group standards).Through the deep integration of digital tools and the standardization system, SolaX continuously delivers highly reliable product solutions, providing a practical model for technological upgrading in the industry.

Research on the Control Strategy for Single-Stage Bidirectional Micro-inverter

The control strategy for single-stage bidirectional micro-inverters jointly developed by SolaX and Harbin Institute of Technology, focuses on the high-efficiency interaction requirements of distributed energy systems and breaks through three major technical bottlenecks. The research results have been verified by PLECS simulation, forming a complete solution from theoretical modeling to engineering implementation. This project can effectively reduce energy conversion losses and support a high proportion of PV integration, achieving another technological upgrade in household energy storage scenario. Additionally, the modular design allows adaptation to various residential, commercial and industrial scenarios, thereby reducing the deployment costs of energy storage systems.
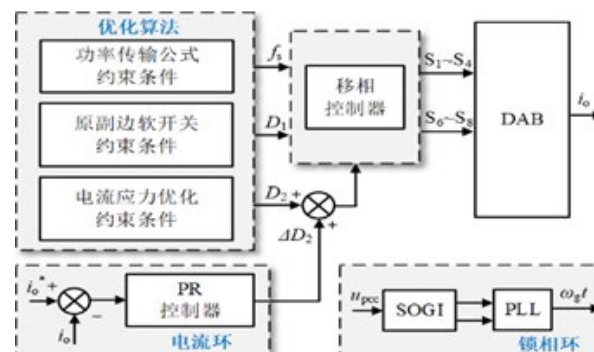
Launched Intelligent Hybrid Air-Liquid Cooling Integrated Commercial and Industrial Energy Storage Cabinet

SolaX has launched the All-in-One intelligent energy storage cabinet, which is targeted at the scenarios of SMEs and industrial parks. Through the effectiveness optimization of the smart grid interaction capability and the five-level safety protection system, SolaX has achieved the modular and intelligent advancements in the energy storage system. Compared with traditional solutions, this device effectively reduces energy losses, supports the construction of microgrids in remote areas, and enables seamless switching of backup power supplies, ensuring continuous power supply in key places including hospitals and data centers.

The Demonstration Project of Jieze Caka Salt Lake in Ngari, Tibet

The world's highest-altitude (5,000 m) PV project has been implemented at Jieze Chaka Salt Lake in Ngari, Tibet. This project has adopted the intelligent string inverter with advanced design by SolaX and applied the modular architecture and intelligent networking technology, successfully addressing complex challenges including -40℃ extreme cold, heavy snowstorms, weak power grids, and high maintenance difficulties. It ensures power generation efficiency and grid stability in extreme environments, alleviates the power supply shortage in the Ngari region, and sets a new benchmark for ultra-high-altitude PV projects.

中国·西藏　海拔4600M
120MW　C3-GRD-320K-HV

Industry Collaboration

SolaX actively conducts communication and exchanges with local governments, upstream and downstream enterprises, industry organizations and institutions, etc. Adhering to the principle of mutual benefit and win-win results, we continuously expand cooperation areas. Through the complementary advantages and resource sharing among enterprises, we create more value and achievements together with our partners and achieve coordinated development. We participated in exhibitions including the 2024 International Solar Energy Exhibition in the United States, the Solar Pakistan Exhibition in Pakistan, and the SNEC ES+2024 (9th Session) International Energy Storage Exhibition in Shanghai, and also carried out roadshows in locations including Brazil.

2024 North American Solar Energy Technology Exhibition-Driving Clean Energy Transition through Global Layout and Technological Innovation

Aiming at the 87GW renewable energy market opportunity in the Americas, SolaX launched the A1-ESS G2 PV and energy storage system targeting the pain points of residential energy management. This system integrates an intelligent inverter, energy storage batteries and an automatic switching device, realizing the coordinated management of multiple loads, remote electrical appliance control and millisecond-level power supply switching in extreme weather, ensuring the safety and stability of residential electricity consumption. By driving technological innovation, SolaX promotes the popularization of clean energy and supports the United Nations' climate goals.

SNEC ES+ Energy Storage Exhibition-Reigning as a Top Brand for Six Consecutive Years

At the 2024 SNEC exhibition, SolaX bolstered brand influence through new product displays and interactive experiences. Relying on its global layout (covering Europe, Asia, Africa and Latin America) and localization strategies (including customized solutions for Vietnam and Southeast Asia), SolaX launched the A1-ESS G2 system integrating a PV inverter, energy storage batteries and a millisecond-level switching device, improving the installation efficiency with its modular design. We have been recognized by EUPD Research for six consecutive years. In 2024, SolaX won 11 "Top PV/Energy Storage Brand" awards globally, including awards in key markets such as Vietnam and Southeast Asia. Furthermore, the Company was awarded the "Energy Storage Applications Excellence Award" issued by the organizer and obtained the first batch of 27001 certification certificates in the domestic energy storage industry.

亮相SNEC ES+国际储能展

中国 · 上海 | 9月25-27日

Indicators and Targets

During the reporting period

Number of R&D personnel

In 2024, the number of R&D personnel was

1,098

representing a YoY increase of

36.91%

R&D personnel accounted for

36.53% of the total workforce

There were

11 PhD holders

with a YoY increase of

120%

and

344 postgraduates

with a YoY increase of

72.86%

R&D investment

CNY **481.1386** million

accounting for

15.66% of revenue

Intellectual Property Protection

SolaX attaches great importance to intellectual property management and strictly abides by national laws and regulations including the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. Taking into account the actual situation, we have formulated systems including the *Intellectual Property Reward Management System* to clarify the ownership and transformation mechanisms of innovative achievements. We have established institutions including the Intellectual Property Department, the Patent Review Team, and the Intellectual Property Review Committee to conduct overall management of the patent affairs, follow up and supervise the implementation progress of various patent tasks. In addition, we actively carry out intellectual property empowerment training, and the content covers patent search, patent exploration, and the response to intellectual property in the operation of the enterprise brand, etc.

During the reporting period

As of the end of the reporting period in 2024

SolaX has obtained

80 software copyrights

and

244 patent authorizations

among which

58 were authorized invention patents

accounting for

23.77 %

Training on Intellectual Property Risks and Responses for Products Going Overseas

In November 2024, SolaX carried out a special training session on the prevention and control of intellectual property risks for global products. Invited experts conducted in-depth analysis focusing on trends in PV energy storage patent litigation, the interpretation of infringement cases of enterprises going overseas, and the methodology of risk identification. They proposed solutions to the increasingly severe intellectual property risks faced by Chinese PV enterprises as they accelerate their expansion overseas. The employees participating in the training suggested that special training should be continued and that awareness of intellectual property rights among all staff should be strengthened.

Training on Intellectual Property Risks and Responses for Products Going Overseas

Training on Intellectual Property Risks and Countermeasures in Corporate Brand Operations Training on Patent Exploration and Layout
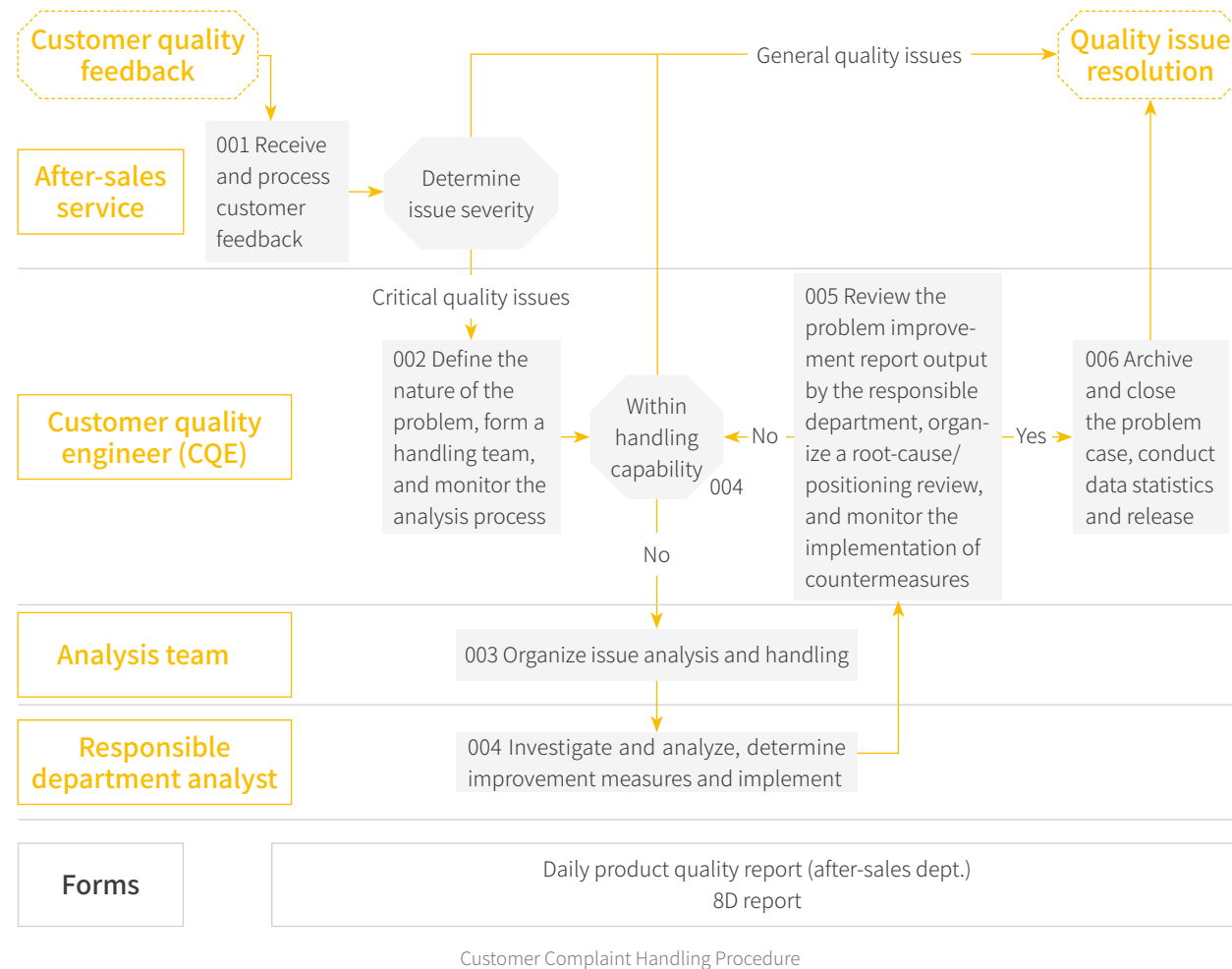
Customer Rights and Benefits

SolaX has established a full-lifecycle customer value service system, continuously improving the standardized service process of "pre-sales solution customization – in-sales performance tracking – after-sales maintenance and response" and the quality assurance mechanism. In response to the problems identified in regular customer satisfaction surveys, we conduct multi-dimensional statistical analysis of customer needs, promptly address customer feedback, and optimize the customer service experience.

SolaX has set up a customer service management framework. Relying on the *Customer Complaint Handling Procedure*, we have established a "2485" time-effectiveness control mechanism, including responding to customer demands within 24 hours, the Customer Quality Engineer (CQE) completes on-site diagnosis and implements temporary countermeasures within 48 hours, locking down the root cause and formulating measures within 5 working days, and verifying the effectiveness of the measures within the following 5 days.

To quickly respond to customer complaints or suggestions, SolaX has established a "four-level linkage response mechanism" based on after-sales service teams, customer quality engineers and analysis groups. Through a collaborative mechanism involving departments including R&D, production, process engineering, quality control, and supply chain, we implement accountability tracing. During complaint handling, we categorize complaints into general issues and critical issues for differentiated processing based on the nature of the issues (seven categories including materials and certification). When providing feedback, we present an 8D report (structured improvement report) to the customer, confirm the implementation of improvement measures, and monitor full implementation to measures to complete the closed loop.

Customer quality feedback

After-sales service — 001 Receive and process customer feedback → Determine issue severity — General quality issues → **Quality issue resolution**

Critical quality issues

Customer quality engineer (CQE) — 002 Define the nature of the problem, form a handling team, and monitor the analysis process → Within handling capability 004 — No → 005 Review the problem improvement report output by the responsible department, organize a root-cause/positioning review, and monitor the implementation of countermeasures — Yes → 006 Archive and close the problem case, conduct data statistics and release

No

Analysis team — 003 Organize issue analysis and handling

Responsible department analyst — 004 Investigate and analyze, determine improvement measures and implement

Forms — Daily product quality report (after-sales dept.) / 8D report

Customer Complaint Handling Procedure

In the after-sales stage, SolaX strictly implements the *After-sales Problem (ITR) Management Measures*, and is equipped with a professional after-sales service team and a digital system, continuously providing premium service experiences for global customers. During the reporting period, SolaX established a quality assurance service inquiry platform, added a problem feedback channel on the cloud platform, and introduced a four-level management system to optimize the feedback mechanism of the after-sales system, achieving a digital upgrade of services and promoting the digital transformation of after-sales process.

Quality Assurance Service Inquiry Platform

During the reporting period, SolaX provided a quality assurance inquiry function on its official website. Customers can enter the equipment SN to inquire about the quality assurance period. In addition, after the customer's product data is uploaded to the cloud platform, the cloud platform will automatically trigger the quality assurance rules of this product in the CRM system and provide customers with warranty start/end dates, achieving service transparency and further optimizing customer "experience."

Quality Assurance Service Inquiry Platform
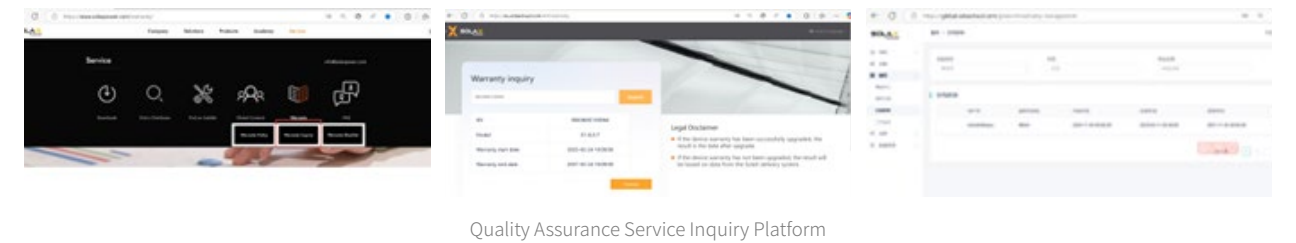
Upgrade of Full-Process Management for After-sales Service

SolaX continuously improved full-process after-sales management and optimized the order escalation mechanism. Customer feedback is first handled by L1 Customer Service Center. For unresolved issues, orders are escalated through a four-level system (including ZENDESK, CRM, and Zentao systems）. After internal resolution, L1 replies to customers. Upon acceptance, issues are closed in ZENDESK. This upgrade achieved digital closed-loop management and significantly improved after-sales efficiency.

Upgrade of Full-Process Management for After-sales Service

Problem Feedback Window of the Cloud Platform
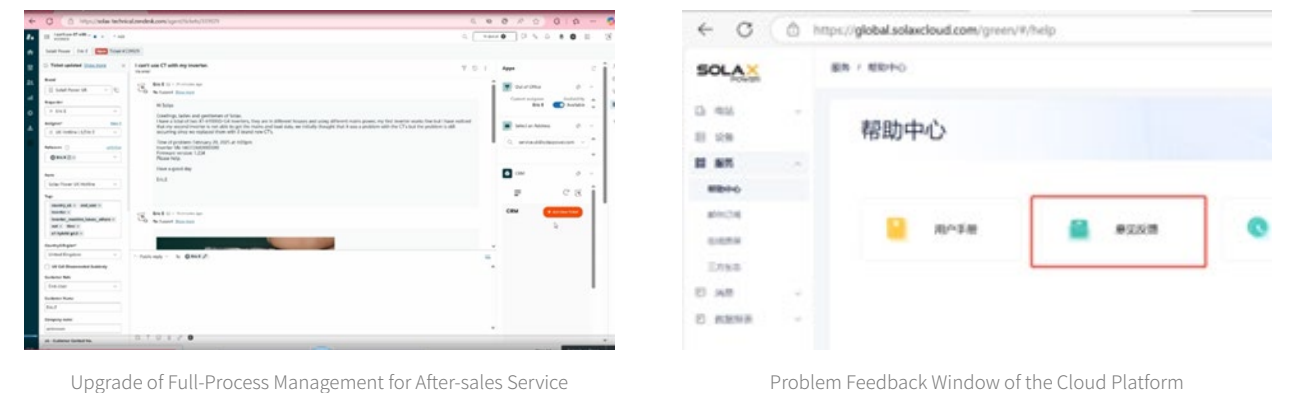
SolaX has formulated the *Customer Satisfaction Evaluation Control Procedure*. The Marketing Department conducts surveys, feeds results to responsible departments, and tracks progress. Key survey items are set based on mutual concerns, and satisfaction is measured via *Customer Satisfaction Questionnaires* requiring >80% response rate. Post-survey, the Sales Department is responsible for conducting a follow-up visit with the customer to understand the corresponding improvement measures and replying to the Marketing Department. Finally, the Marketing Department issues corresponding measures to each department according to the ideas exchanged with the customers for relevant optimization and improvement.

**During the reporting period**

Customer satisfaction rate was

95.4%

Supply Chain Management

SolaX strives to establish a strategic collaborative supplier management system among various departments, develops an SRM digital platform to achieve the digitization of the procurement process, innovatively implements a green supplier management solution, conducts technical standard alignment, quality management collaboration, and green transformation support, promoting core suppliers to join in the co-construction of the green supply chain, and building a green supply chain ecosystem.
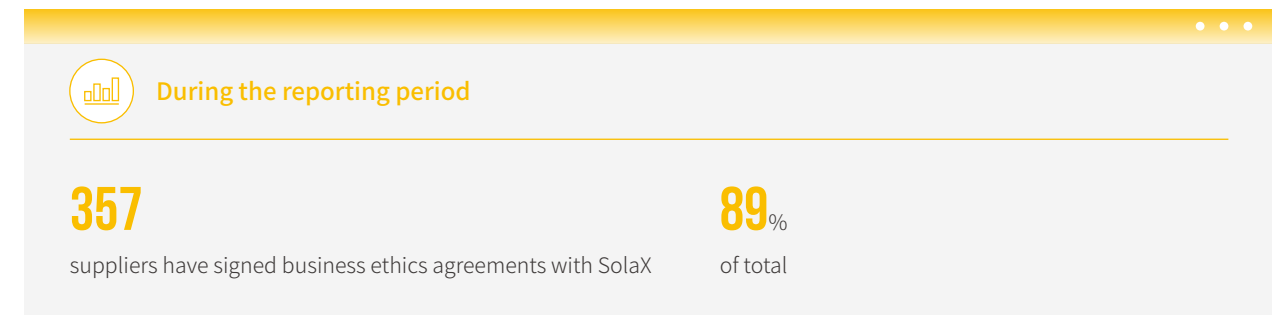
Supply Chain Management System

SolaX has formulated management systems and regulations including the *New Supplier Development Management System*, and utilized the digital SRM supply chain collaboration platform for supplier management. This platform integrates supplier admission evaluation model, the hierarchical evaluation system, and the file management module, covering core scenarios including procurement demand matching, procurement sourcing, contract performance tracking, and closed-loop management of supplier performance.

SRM Supply Chain Collaboration Platform
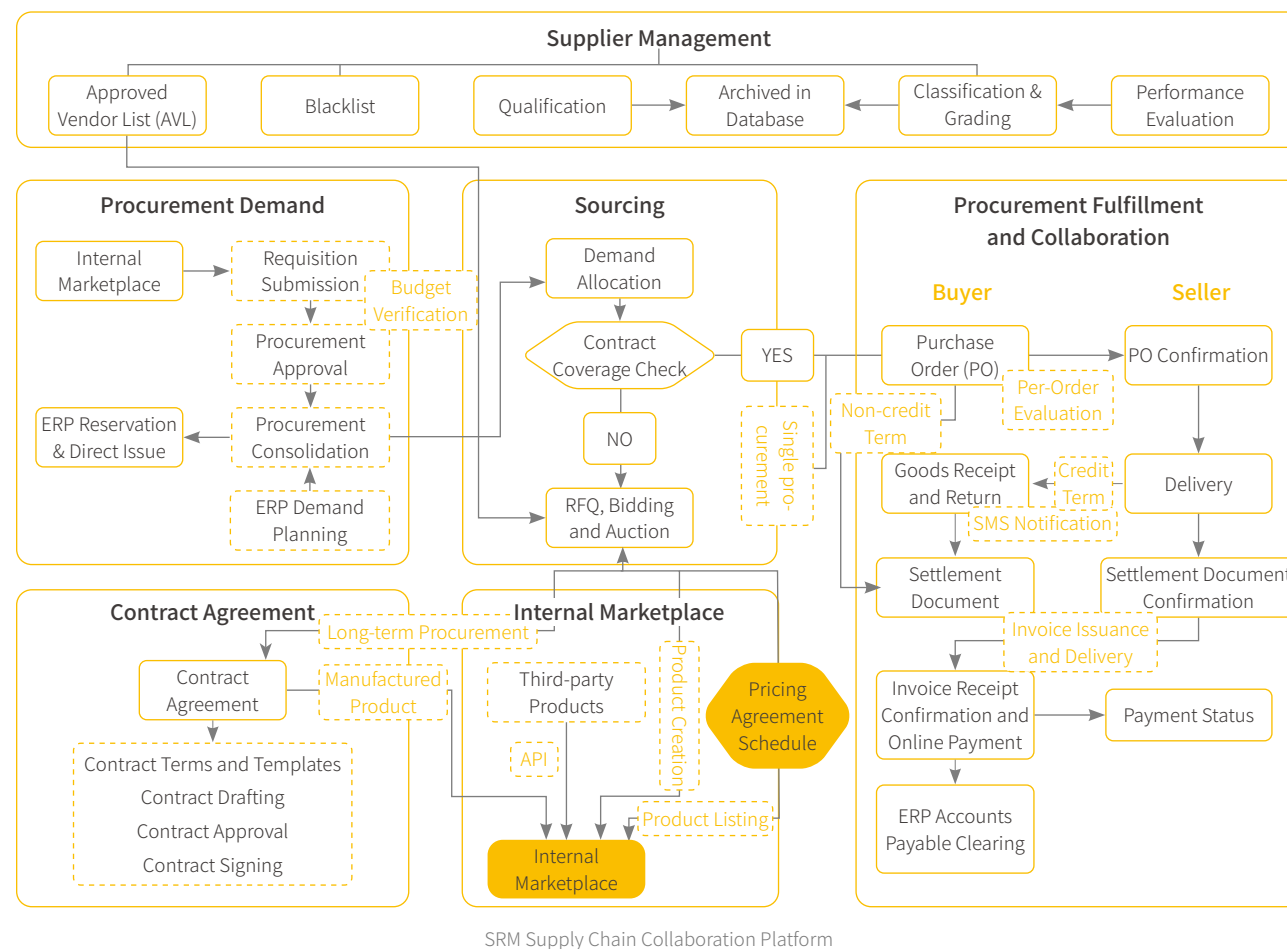
Relying on forms including the *New Supplier Development Application Form*, SolaX has established a supplier access mechanism with cross-departmental joint evaluation, and conducts evaluations from multiple dimensions including technical R&D capabilities, on-time delivery rate, responsiveness, and management systems. We encourage suppliers to obtain third-party certifications including ISO9001, ISO14001, and ISO45001, and promote the development of supplier management systems. Additionally, to ensure that the management systems of the cooperating suppliers can continuously meet the requirements, we conduct an annual on-site inspection and evaluation of suppliers.

SolaX conducts specialized supplier management training for both internal and external parties, systematically enhancing the procurement team's management effectiveness through knowledge training and case simulations.

During the reporting period

357
suppliers have signed business ethics agreements with SolaX

89%
of total

Green Supply Chain

In order to build a sustainable supply chain and respond to the call of "green manufacturing", SolaX has established a three-level green supply chain governance structure composed of managers, the Green Supply Chain Leading Group, and the Green Supply Chain Management Working Group. By introducing the technical concept of green supply chain management, we systematically organizes domestic and international green supply chain laws, regulations, and standards, completes compliance transformations, and actively conducts self-evaluations and training in accordance with green supply chain evaluation criteria, continuously improving the green manufacturing supply chain management system.

Green Supply Chain Management Structure

SolaX strictly adheres to the *Green Procurement Guidelines*, and collaborates with a network of stakeholders including suppliers and manufacturers, and integrates the concepts of green manufacturing, product life-cycle management, and extended producer responsibility into the enterprise supply chain system. We actively promote the sunshine supplier plan, sign the *Supplier Quality Assurance Agreement*, the *Confidentiality Agreement*, and the *Sunshine Agreement* with suppliers, and sign the *Notice of Environmental and Occupational Health and Safety for Relevant Parties* with core suppliers, comprehensively ensuring that suppliers abide by high-standard environmental protection, employee rights and benefits, and social responsibilities during the production and service processes.

Meanwhile, SolaX has formulated the *Green Supply Chain Management Plan*, established medium-to-long-term goals for matters including green procurement, green production, green circulation, system integration, and green training system, and actively implemented green supply chain guarantee measures to support the achievement of overall planning goals.

During the reporting period

Overall Green Supply Chain Goals and Indicators

Goal 1: **0**% high-risk suppliers, with low-risk suppliers exceeding **88**%

Goal 2: Establish a complete green supply chain information platform

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

C4

People-Oriented, Collaborative Development

SolaX regards talent as the core driver of corporate development, consistently upholding the "people-oriented" value philosophy. We construct multi-dimensional career development platforms, establish comprehensive promotion channels spanning all positions, and formulate an innovation-driven incentive system. By means of initiatives such as patent-based incentive programs, we actively stimulate employees' enthusiasm and creativity. Additionally, we are dedicated to fostering an open, inclusive, and equal-opportunity work environment.
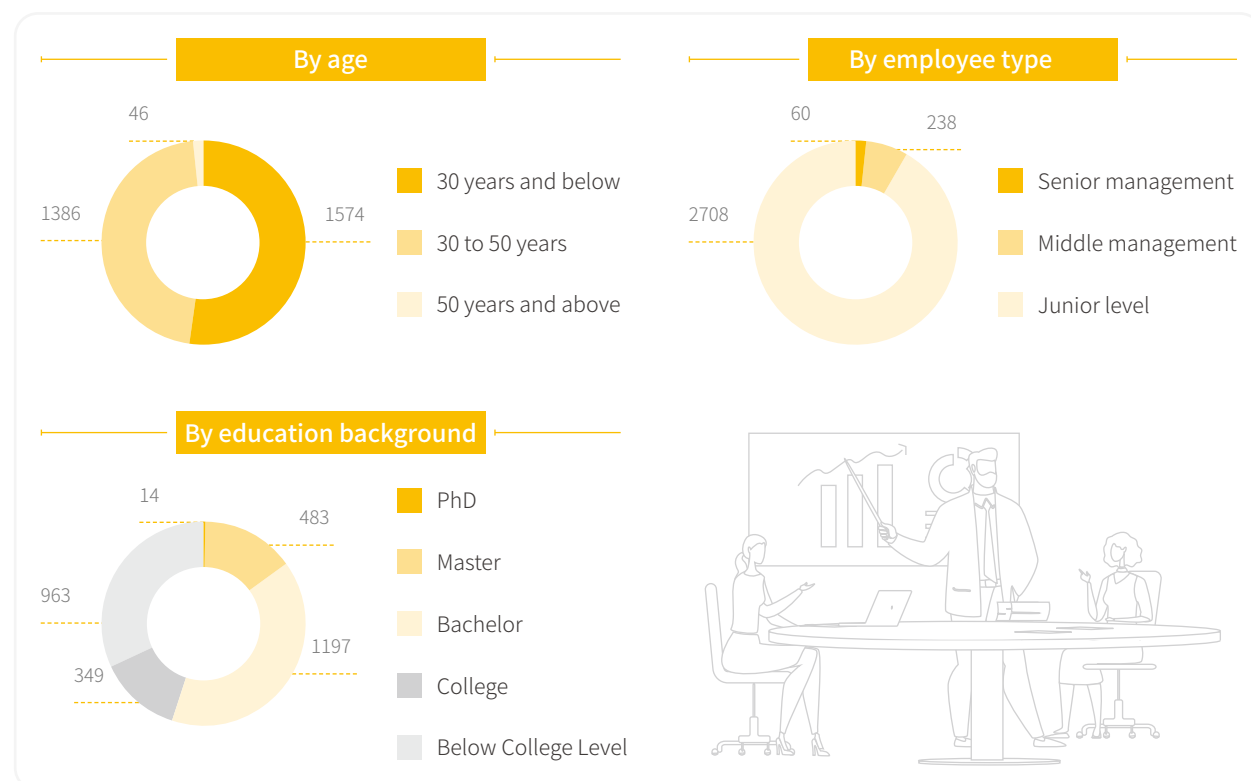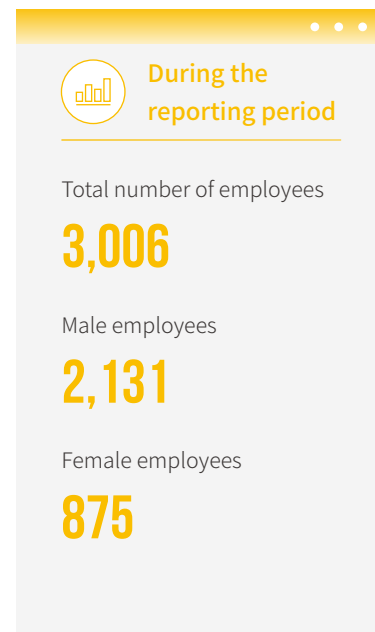
Employee Rights

SolaX adheres to a people-oriented approach, respects and safeguards all lawful rights and benefits of employees, fosters a diverse, equal and inclusive workplace atmosphere, listens to employee voices, and strives to build harmonious and stable labor relationships.

Equal Employment

SolaX strictly complies with laws and regulations including the *Labor Contract Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, the *Work Injury Insurance Regulations*, the *Prohibition of Child Labor Regulations*, and the *Law of the People's Republic of China on the Protection of Minors*. Upholding the principles of legal employment and equal opportunity, we firmly prohibit any form of employment discrimination, forced labor, child labor, workplace harassment, and other improper behaviors. We respect all employees' rights to freedom of association and collective bargaining, thus effectively safeguarding employees' legitimate rights and interests.

SolaX enforces strict recruitment and screening procedures. During the hiring process, we standardize the behavior of interviewers and strictly prohibit any discriminatory practices grounded in gender, ethnicity, educational background, age, religion, belief, or other factors, providing employees with fair and equal career opportunities.

SolaX is committed to creating extensive employment opportunities for talents with diverse educational attainments and professional specializations. By leveraging multiple channels such as its official website, WeChat official account, online recruitment platforms, actively participating in university career fairs and talent exchange events, and engaging in in-depth cooperation with professional headhunting agencies, the company consistently enriches and expands its talent pool.

During the reporting period

Total number of employees
3,006

Male employees
2,131

Female employees
875

By age
- 30 years and below
- 30 to 50 years
- 50 years and above

46 / 1574 / 1386

By employee type
- Senior management
- Middle management
- Junior level

60 / 238 / 2708

By education background
- PhD
- Master
- Bachelor
- College
- Below College Level

14 / 483 / 1197 / 349 / 963

Democratic Communication

SolaX values and listens to every employee's opinions, establishing multiple communication and feedback channels. Through emails, suggestion boxes, and other methods, we promptly address employees' concerns. In 2024, we conducted 39 employee forums, with key issues focusing on basic living needs and compensation/benefits. All raised issues were escalated to relevant departments (Administration, Training, Payroll, and HR), and improvement solutions were implemented accordingly.

SolaX Battery Pack Employees Forums

Employee Satisfaction Survey

SolaX conducts irregular employee satisfaction surveys, building effective channels for employees to express their demands. During the reporting period, the overall employee satisfaction survey result was **94.69**%

Compensation and Benefits

SolaX insists on the principle of equal pay for equal work for all genders, continuously optimizes and improves the compensation incentive mechanism, and builds a standardized compensation management system based on personal value, position value, and contribution value, providing employees with industry-competitive compensation packages. We pay the five social insurances and housing provident fund for employees fully and on time, and provide holiday subsidies, including Spring Festival supermarket cards/gift boxes, opening red envelopes, departmental team-building funds, high-temperature subsidies, transportation subsidies, meal subsidies, paid annual leave, etc.

SolaX proactively carries out employee stock ownership plans. By means of employee stock ownership platforms and direct shareholding, employees are empowered to acquire company shares, seamlessly integrating their interests with the long-term development trajectory of the enterprise. As a result, employees transform into "shareholders" of SolaX. This not only significantly boosts their work enthusiasm and encourages greater investment in innovation but also enables them to partake in the Company's growth dividends.

SolaX maintains dynamic performance management through the *Performance Management System*. During appraisals, SolaX conducts feedback interviews , carefully listens to employees' statements, and analyzes issues point-by-point to reach consensus. If employees believe they have been treated unfairly or are dissatisfied with results, they may appeal directly to the HR department during the appraisal period or within 7 working days post-results announcement. The HR department will investigate appeals and provide a formal response within 15 working days if validated.

During the reporting period

Employee social insurance coverage rate
100%

Distribution of Summer Care Packages

In August 2024, the SolaX Labor Union launched the "Cooling Protection" campaign, distributing 600 sets of intelligent heatstroke prevention packages and 650 cases of customized mineral water to employees working in high-temperature environments.
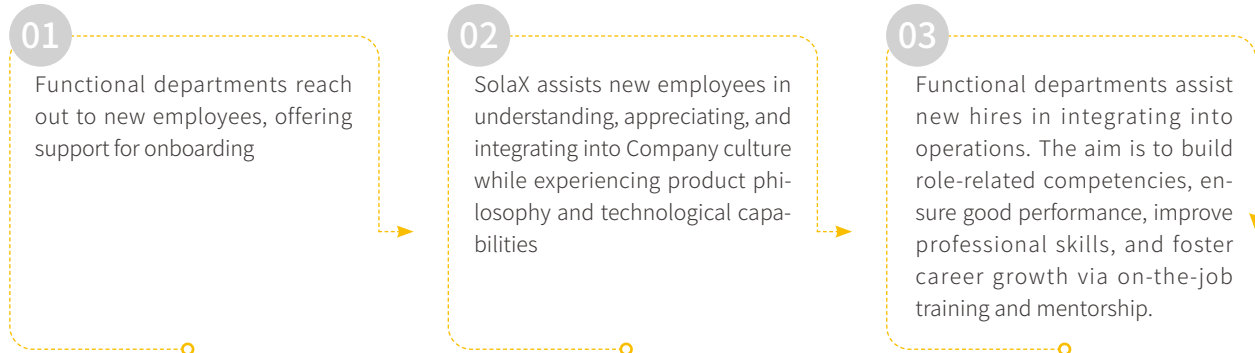
Employee Training and Development

Employee Training

SolaX adheres to the talent development principle of "primarily internal cultivation, supplemented by external recruitment", and has formulated the Employee Training Management Measures, with the HR and Administration Center centrally organizing the training management. At the management talent level, SolaX has established a leadership development system, which is designed to foster the growth of both existing and potential mid-to-senior management staff and to standardize the development of talent pipelines across various functional departments.Regarding new employee training, a three-phase program has been implemented. This program is tailored to help new employees acclimatize to the company culture. We have put in place an internal trainer management system, which effectively propels the development of the internal training culture.

New Employee Three-Phase Training

01
Functional departments reach out to new employees, offering support for onboarding

02
SolaX assists new employees in understanding, appreciating, and integrating into Company culture while experiencing product philosophy and technological capabilities

03
Functional departments assist new hires in integrating into operations. The aim is to build role-related competencies, ensure good performance, improve professional skills, and foster career growth via on-the-job training and mentorship.

During the reporting period

Total employee training hours
94,814

Training participants
39,787

Senior management training hours
72

Middle management training hours
800

Junior staff training hours
93,942

SolaX Graduate Training Camp

From July 8-13, 2024, SolaX conducted a six-day camp to help graduates understand company culture, organizational structure and workflows. Trainees gained professional skills, strengthened collaboration, and accelerated their transition from academia to profession.

SolaX Graduate Training Camp

Tour for SolaX Middle-to-Senior Management at Alibaba

In June 2024, SolaX organized a two-day study and training program for its middle managers. The training aimed to learn advanced management concepts and models from leading enterprises, enhance the leadership and team management capabilities of middle managers, and inject new vitality into future development. During the training, the participants visited Alibaba and conducted systematic studies on their corporate culture and management philosophy.

Tour for Middle-to-Senior Management at Alibaba

SolaX "Rock-Solid Plan" Team Leader Training Camp

SolaX held the third session of Team Leader Training Camp from September 25-27, 2024. This training integrated future practical applications and focused on multiple modules including "Team Building", "Management Enhancement" and "Lean Thinking". Participants were encouraged to learn, reflect, comprehend, and summarize, using theoretical knowledge to guide practical exploration, continuously discovering and mastering work patterns, and improving their personal qualities and professional competencies.

SolaX "Rock-Solid Plan" Team Leader Training Camp

Employee Development

SolaX regards talent as the key driver of corporate growth. By improving career advancement channels and optimizing training systems, we provide employees with diversified development platforms to achieve mutual growth and progress.

Talent Development Management System

Performance Evaluation System	Implement performance incentives and conduct phased performance evaluation based on corporate development status, departmental responsibilities, and job roles
Multi-Dimensional Promotion Channels	Provide career pathways in management and professional tracks, promoting diversified development through vertical advancement and horizontal mobility
Internal Talent Mobility Mechanism	Set up an internal competitive recruitment process. Eligible employees are recommended to hiring departments for mutual selection, aligning with career development goals

Employee Care

SolaX places great importance on humanistic care, continuously addressing employee needs, improving living conditions, and enriching cultural life to enhance employees' sense of fulfillment, belonging, and happiness. During the reporting period, SolaX organized numerous cultural activities for employees. For example, the "March 8 Goddess Day Event" tailored for female employees included a cake buffet, various handicraft activities, and a lucky draw. Additionally, a Chinese Valentine's Day networking event was held for single employees, featuring a "Sweet Party" at the Sun Mountain Camp in the countryside.

SolaX maintains a dynamic assistance ledger, conducting annual visits to financially distressed families and tailoring aid plans according to factors like medical treatment progress and children's educational requirements. For employees afflicted with occupational diseases or work-related injuries, we allocate rehabilitation treatment funds and guide them in accessing medical assistance. Additionally, we assist their family members in securing re-employment, aiming to essentially enhance their economic conditions.

SolaX Employee Birthday Celebration

SolaX hosts monthly collective birthday celebrations, providing cakes, desserts, and exclusive SolaX-themed gifts. Employees share joy while experiencing SolaX's care.

SolaX Employee Birthday Celebration

Cultural Activities

SolaX Mid-Autumn Festival Garden Party

On the eve of the Mid-Autumn Festival, SolaX created an immersive Mid-Autumn Festival garden experience for all employees. Using the moonlight as a backdrop and lanterns as decorations, the garden party featured various activities including garden check-ins, pot throwing, Bo Bing, ring toss, and archery. All employees actively participated in these activities, enjoying moon cakes and admiring the beautiful moon while experiencing the romance of this traditional festival together.

SolaX Mid-Autumn Festival Garden Party

Occupational Health and Safety

Governance

SolaX strictly complies with laws and regulations including the *Work Safety Law of the People's Republic of China* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*. We have formulated management systems including the *Occupational Health Management System* and *Occupational Disease Prevention and Control Regulations*, implementing targeted management measures focused on occupational health and safety as well as workplace compliance to safeguard employees' physical and mental well-being.

SolaX has implemented a comprehensive occupational health and safety management structure, adopting a three-tier governance framework consisting of the EHS Committee, the EHS Committee Management Office, and various functional departments. The EHS Committee serves as the decision-making level, overseeing safety management and making decisions on major safety issues. The EHS Committee Management Office acts as the management level, responsible for the operational control of the occupational health and safety management system, hazard identification, and emergency response work. The functional departments serve as the execution level, assisting in the internal management of production safety and conducting regular safety hazard inspections.

Strategy

SolaX consistently adheres to the philosophy of "safety first, prevention-focused, hazard elimination", establishing a scientific and rigorous safety management system to create a safe and reliable working environment for employees. By implementing a sound safety responsibility mechanism and continuously optimizing work safety processes, we ensure protocol compliance. Safety awareness training is integrated into corporate culture to proactively mitigate risks.

Impact, Risk, and Opportunity Management

SolaX has obtained ISO 45001 Occupational Health and Safety Management System certification, establishing management processes for hazard identification, risk investigation, hazard monitoring, employee communication, and emergency response. These measures comprehensively prevent and control occupational health and safety risks, ensuring a safe and compliant working environment.

ISO 45001 Occupational Health and Safety Management System Certification

To foster a healthy and conducive workplace and safeguard employees' physical well-being, SolaX has formulated the *"Three Simultaneities" Occupational Health Management System for Construction Projects*, and carried out the work of "Three Simultaneities in Occupational Health" to identify occupational disease hazard factors in the workplace. Through regular monitoring, the occupational disease hazard factors primarily include noise, inorganic dust, X-rays, and inorganic compounds.

For identified hazards, SolaX implements the *Occupational Protective Equipment Management System*, providing employees with personal labor protection equipment that meets the requirements of their job assignments. We have also established the *Maintenance and Inspection System for Occupational Disease Prevention Facilities*, installing occupational health protection equipment and facilities including ventilation and purification systems and shields. Specialized personnel are regularly assigned to conduct spot checks and maintenance of these protection facilities to ensure occupational health and safety during employees' work processes. Additionally, we have formulated the *Management System for Occupational Health Surveillance and Records of Workers*, providing pre-employment, on-the-job, and post-employment physical examinations for employees exposed to occupational disease hazard factors, and establishing occupational health surveillance records for employees as well as occupational health surveillance management records.

For workplaces with job positions involving severe occupational disease hazards, SolaX has set up warning signs in prominent locations, clearly indicating the types, consequences, prevention, and emergency treatment measures of occupational disease hazards. For job positions where highly toxic substances are present or produced, we have placed highly toxic substance notification cards in noticeable areas, specifying the names, physicochemical properties, health hazards, protective measures, and emergency handling of these substances.
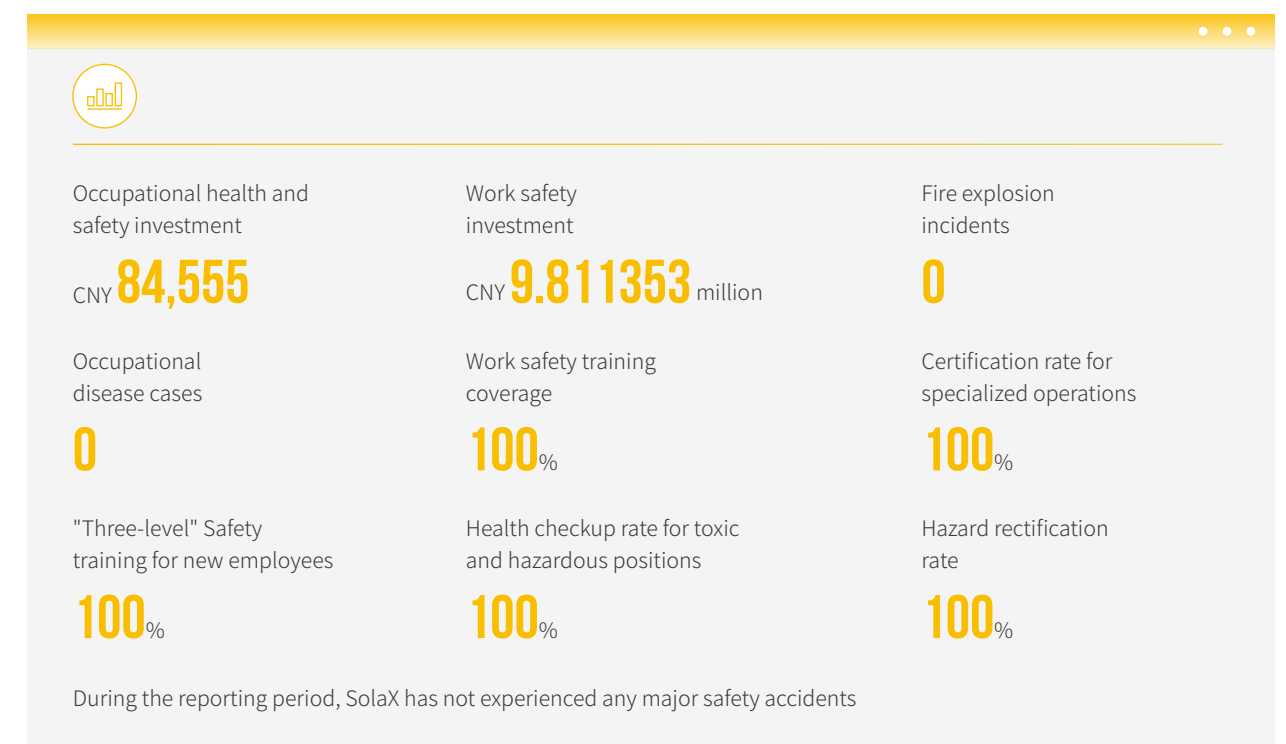
SolaX has established emergency response mechanisms, assigned dedicated personnel to manage emergency supplies, and conducted regular testing to ensure the health and safety of workers. For major occupational hazard sites, corresponding emergency plans have been formulated, and regular emergency drills are carried out to enhance employees' emergency response capabilities in case of occupational disease accidents. SolaX provides occupational health awareness education to employees through weekly safety meetings and regular specialized training, covering various modules including safety regulations, "construction safety", and "accident cases".

Emergency Drill Plan for Electric Shock Accidents

To validate the practicality and operational viability of the emergency plan and to further delineate the responsibilities and tasks of different departments and personnel, SolaX carried out an electric shock accident emergency drill at 14:20 on July 12, 2024, in the NPI workshop of Building D within the factory area. The drill revolved around the "Emergency Plan for Electric Shock Safety Accidents" and concentrated on three pivotal aspects. Firstly, it involved mobilizing personnel from diverse positions and various equipment to implement the drill procedures in strict accordance with the plan. Secondly, it entailed formulating strategies to seamlessly integrate the rescue plan with the daily emergency response protocols. Thirdly, it required generating comprehensive drill reports and records for standardized archiving purposes. Through this drill, the effectiveness of the emergency plan was corroborated, employees' safety awareness was heightened, and the emergency response capabilities of relevant personnel were significantly enhanced.

Indicators and Targets

Occupational health and safety investment	Work safety investment	Fire explosion incidents
CNY **84,555**	CNY **9.811353** million	**0**
Occupational disease cases	Work safety training coverage	Certification rate for specialized operations
0	**100**%	**100**%
"Three-level" Safety training for new employees	Health checkup rate for toxic and hazardous positions	Hazard rectification rate
100%	**100**%	**100**%

During the reporting period, SolaX has not experienced any major safety accidents

11 SUSTAINABLE CITIES
AND COMMUNITIES

05

**Giving Back to
Society, Staying
True to Our Mission**

5.1   Community Welfare

Community Welfare

SolaX remains committed to its founding mission by actively engaging in public welfare activities. Through collaborations with diverse stakeholders, we jointly spread goodwill and contribute to building a harmonious community.

SolaX Public Welfare Elderly Care Day

In active response to the national strategies of "common prosperity" and "elderly care for all", and to fulfill corporate social responsibility while promoting harmonious community development, SolaX initiated the Silver Care philanthropy program by mobilizing employee volunteers to engage with residents at Tonglu Senior Care Center. This corporate social responsibility endeavor demonstrated our commitment to sustainable community development through material donations, emotional comfort, and cultural interactions. SolaX systematically integrates CSR into our strategic framework and has actively addressed the needs of the elderly population, deepened community partnerships, and advanced social sustainable development through innovative practices, contributing corporate strength to building an age-friendly society.
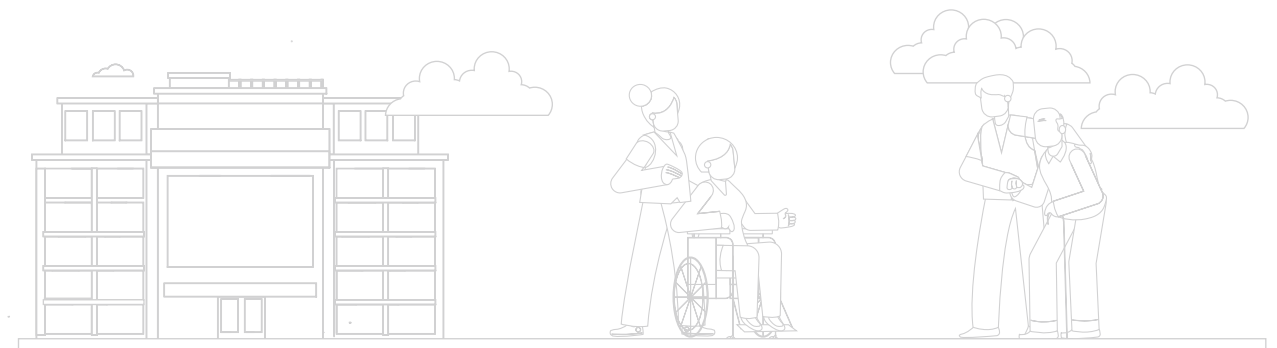
Appendix

ESG Data Performance Table

Environment Performance

		Unit	2024
Energy	Environmental protection investment	CNY million	1.51
	Gasoline	L	47,951.09
	Diesel	L	5,624
	Purchased electricity	kWh	19,538,527.63
Greenhouse Gas	Scope 1 GHG emissions	tCO$_2$e	808.51
	Scope 2 GHG emissions	tCO$_2$e	10,593.79
	Scope 3 GHG emissions	tCO$_2$e	785,922.72
Waste Gas	Particulates emissions	Ton(s)	0.003
Waste Water	Total wastewater	m^3	66,134
	Chemical oxygen demand (COD)	mg/L	96.00
	Suspended solids	mg/L	20.00
	Ammonia nitrogen	mg/L	24.30
Solid Waste	Total solid waste	Ton(s)	1,671.3
	Total general solid waste	Ton(s)	1,584
	Total hazardous waste	Ton(s)	87.3
	Total hazardous waste recycled	Ton(s)	87.3
	Total general waste recycled	Ton(s)	1,584
Water Resources	Total water intake	m^3	66,134
	Total water usage	m^3	66,134

Social Performance

		Unit	2024
R&D	R&D investment	CNY million	481.1386
	R&D investment intensity	%	15.66%
Safety	Work-related injury incidents	Case(s)	0
	Work-related injuries	Person(s)	0
	Occupational health examination coverage	%	100%
	Occupational disease cases	Person(s)	0
Supply Chain	Total suppliers	Number	403
	Suppliers in Mainland China	Number	395
	Suppliers in HK, Macau, Taiwan & Overseas	Number	8
Customer	Customer satisfaction survey results	%	95.4%
Employee	Total employees	Person(s)	3006
	Male employees	Person(s)	2,131
	Female employees	Person(s)	875
	51 years and above	Person(s)	46
	30 to 50 years	Person(s)	1,386
	30 years and below	Person(s)	1,574
	PhD	Person(s)	14
	Master	Person(s)	483
	Bachelor	Person(s)	1197
	College	Person(s)	349
	Below college level	Person(s)	963
	Total employees in junior management	Person(s)	2,708
	Total employees in middle management	Person(s)	238
	Female employees in middle management	Person(s)	44
	Total employees in senior management	Person(s)	60
	Female employees in senior management	Person(s)	4
	Total employees trained	Person(s)	39,787
	Total employee training hours	Hour(s)	94,814
	Average training hours per employee	Hour(s)	33
	Junior staff training hours	Hour(s)	93,942
	Middle management training hours	Hour(s)	800
	Senior management training hours	Hour(s)	72
	Social insurance coverage rate	%	100%
Public Welfare	Number of volunteers	Person(s)	50

Index

GRI Content Index

Statement of use	SolaX has reported the information cited in this GRI Content Index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards		Disclosure	Chapter Reference
GRI 2: General Disclosures 2021	2-1	Organizational details	About SolaX
	2-2	Entities included in the organization's sustainability reporting	Reporting Compilation Description
	2-3	Reporting period, frequency and contact point	Reporting Compilation Description
	2-4	Restatements of information	Data Performance Table
	2-6	Activities, value chain and other business relationships	About SolaX
	2-7	Employees	Data Performance Table
	2-9	Governance structure and composition	Board Structure and Governance
	2-10	Nomination and selection of the highest governance body	Board Structure and Governance
	2-14	Role of the highest governance body in sustainability reporting	ESG Governance
	2-22	Statement on sustainable development strategy	Message from the Chairman
	2-27	Compliance with laws and regulations	Refer to the respective chapter of the report
	2-28	Membership associations	Industry Collaboration and Advancement
	2-29	Approach to stakeholder engagement	Management of Material Topics
	2-30	Collective bargaining agreements	Employee Rights and Benefits
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Management of Material Topics
	3-2	List of material topics	Management of Material Topics
	3-3	Management of material topics	Management of Material Topics
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Data Performance Table
	201-3	Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community Welfare

GRI Standards		Disclosure	Chapter Reference
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics
GRI 301: Materials 2016	301-3	Reclaimed products and their packaging materials	Resource Management
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management and Circular Economy
	302-3	Energy intensity	Energy Management and Circular Economy
	302-4	Reduction of energy consumption	Energy Management and Circular Economy
	302-5	Reductions in energy requirements of products and services	Energy Management and Circular Economy
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Energy Management and Circular Economy
	303-2	Management of water discharge-related impacts	Energy Management and Circular Economy
	303-4	Water discharge	Energy Management and Circular Economy
	303-5	Water consumption	Energy Management and Circular Economy
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Data Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions	Data Performance Table
	305-5	Reduction of GHG emissions	Data Performance Table
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Emission and Waste Management
	306-2	Management of significant waste-related impacts	Emission and Waste Management
	306-3	Waste generated	Emission and Waste Management
	306-4	Waste diverted from disposal	Emission and Waste Management
	306-5	Waste directed to disposal	Emission and Waste Management
Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Rights and Benefits
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits
	401-3	Parental leave	Employee Rights and Benefits

GRI Standards		Disclosure	Chapter Reference
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Employee Rights and Benefits
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Training and Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Employee Rights and Benefits
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Welfare
	413-2	Operations with significant actual and potential negative impacts on local communities	Community Welfare
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection

Self-Regulatory Guideline No. 14 for Companies Listed on Shanghai Stock Exchange– Sustainability Report (Trial) (April 2024) Cross-Reference Index Table

Addressing climate change	Addressing Climate Change
Pollutant discharge	Emission and Waste Management
Waste disposal	Emission and Waste Management
Ecosystem and biodiversity protection	Not Applicable
Environmental compliance management	Environmental Management
Energy utilization	Energy Management and Circular Economy
Water resources utilization	Energy Management and Circular Economy
Circular economy	Energy Management and Circular Economy
Rural revitalization	Community Welfare
Social contributions	Community Welfare
Innovation	R&D and Innovation
Ethics of science and technology	Not Applicable
Supply chain security	Supply Chain Management
Equal treatment of SMEs	Supply Chain Management
Product and service safety and quality	Quality Management
Data security and customer privacy	Information Security and Privacy Protection
Employees	Employee Rights Employee Training and Development
Due diligence	Dual Materiality Analysis
Stakeholder engagement	Dual Materiality Analysis
Anti-commercial bribery and anti-corruption	Business Ethics
Fair competition	Business Ethics

Feedback and Suggestions

This report is the first Environmental, Social and Governance (ESG) report publicly released by SolaX. In order to continuously improve our ESG management and enhance our capabilities and performance in fulfilling ESG responsibilities, we sincerely welcome your opinions and suggestions. We kindly request your assistance in answering the relevant questions proposed in the feedback form and choosing one of the following methods to provide your feedback to us.

1.What's your overall comment on this report?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Bad

2. Does the report comprehensively and accurately reflect the Company's significant impacts on corporate governance, society, and environment?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Bad

3. How do you rate the report's responsiveness and disclosure quality in addressing stakeholder concerns?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Bad

4. How clear, accurate, and comprehensive are the information, indicators, and data disclosed in this report?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Bad

5. How do you assess the readability of this report, including its logical flow, content design, language, and formatting?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Bad

Open-ended questions

What is the most satisfying aspect of this report for you?

_____

Please provide your suggestions for our future ESG reports.

_____