



2024

Environmental, Social and Corporate Governance Report

JIANGSU RCT POWER ENERGY TECHNOLOGY CO., LTD.

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ABOUT THIS REPORT

This report represents the inaugural annual Environmental, Social and Governance (ESG) report (hereinafter referred to as "this report") issued by Jiangsu RCT Power Energy Technology Co., Ltd. (hereinafter referred to as "RCT Power," "the Company," or "we"). It outlines our ESG management practices and our performance in fulfilling its environmental and social responsibilities in 2024.



Reporting Scope

This is an annual report covering the period from January 1 to December 31, 2024 (hereinafter referred to as "the reporting period"). To improve readability, some content or data may include information from previous or subsequent years.

Reporting Boundary

This report addresses the implementation of environmental, social and governance (ESG) issues, as well as the operational status of Jiangsu RCT Power Energy Technology Co., Ltd. and its subsidiary, Suzhou RCT Power Energy Technology Co., Ltd., during the reporting period.

Data and Information Source

The information and data disclosed in this report are sourced from official internal documents, statistical reports, and periodic reports from RCT Power and its subsidiaries. Unless otherwise specified, all financial information in this report is presented in RMB (Renminbi).

Reporting Standards Referenced

Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards").

Report Release

This report is published annually, subject to the specific release date in every calendar year.

Access to the Report and Feedback

This report is available for download in electronic format on the official website of Jiangsu RCT Power Energy Technology Co., Ltd. (<https://www.rct-power.com.cn/>). If you have any comments or suggestions regarding this report or the Company's performance in social responsibility, please feel free to contact us via email at: info@rct-power.com.cn.

ABOUT US

Company Overview

Since its establishment in July 2017, Jiangsu RCT Power Energy Technology Co., Ltd. has rapidly emerged as a global innovation leader in the energy storage systems sector. Headquartered in the Suzhou Industrial Park, the Company actively expands its global presence by establishing subsidiaries in Konstanz (Germany), California (the United States), and Melbourne (Australia). These subsidiaries include research and development (R&D) centers and marketing centers, along with a manufacturing base in Malaysia. Our service network spans 27 countries and regions worldwide, with a commitment to providing customers with the highest-quality energy storage system solutions and a full range of safe and efficient energy storage products, including residential energy storage systems (RESS), commercial energy storage systems (CESS), and grid energy storage systems (GESS).

As a leading global provider of residential energy storage battery module stacking solutions and one of the earliest brands in this sector, RCT Power has gained widespread recognition from users worldwide for its exceptional performance and stability in inverters and residential energy storage system products. In 2020, the Company's residential energy storage system was recognized as the best residential energy storage product in Europe by PV-Magazine, a reputable publication in the photovoltaic industry. The Energy Storage Inspection 2024, published by HTW-Berlin, revealed that RCT Power has successfully maintained the title of the "Highest Efficiency Class A" for five consecutive years since 2020. Notably, the 10kW energy storage system achieved first place for 4 years in a row, while the smaller 5kW system ranked first for the third time. In 2024, the Company was once again recognized by EUPD Research as "Top Brand PV" and "Top Brand Battery Storage," which reinforces its leading position in both technology and brand strength. These accolades not only highlight the Company's innovation capacity in energy storage technology but also underscore its strong brand influence in the global market.



Vision

To become a global leader in energy storage solutions



Mission

Deliver more reliable green energy, empower a more beautiful future



Values

Customer Success, Win-Win Cooperation, Integrity, Efficiency, Passion, Innovation

RCT Power provides the gamut of green energy solutions for residential, commercial and industrial, and grid applications. We are committed to supporting the use of clean, safe energy and contributing to global carbon neutrality.

10+GWh

Cumulative Shipments

20GWh

Planned capacity

20+

Countries and Regions

80+

Successful Projects

Development History

2017

- **Company Established:** In July 2017, Jiangsu RCT Power Energy Technology Co., Ltd. was officially established as the headquarters of RCT Power in Suzhou, China. The Company began building its R&D centers in Asia and global production bases and expanded its global market presence in energy storage solutions in collaboration with RCT Power subsidiaries in Germany, the United States, and Australia.

2018

- **Global Shipment Commencement:** Just one year after its founding, RCT Power officially began global shipments of its residential energy storage systems in June 2018. As its globalization strategy advanced, the Company successfully established a comprehensive overseas business network.

2019

- **First Overseas Project Delivery:** In September 2019, the Company successfully delivered its first large-scale grid energy storage project, the Duke Project, earning extensive recognition from global partners for its technical expertise, production capacity, and high-quality services.
- **Exchange in Germany:** In December 2019, the inverter team in China was officially established, marking a further advancement of RCT Power's independent R&D capabilities as the team expanded.

2020

- **Shipment Over 20,000 Units:** Despite market challenges, RCT Power's business orders continued to grow. In July 2020, the Company's cumulative shipments of residential energy storage battery modules exceeded 20,000 units.
- **Global Shipment Over 1GWh:** In November 2020, the Company's cumulative global shipments reached 1GWh, a significant milestone in the global energy storage market.
- **Recognition as High-Tech Enterprise:** In October 2020, the Company successfully passed the joint acceptance review by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and the Jiangsu Provincial Tax Service, State Taxation Administration, officially being approved as a national "High-Tech Enterprise."

2021

- **Winning the International Performance Testing:** In June 2021, the "STUDY ENERGY STORAGE INSPECTION 2021" report, published by HTW Berlin, named RCT Power the "Highest Efficiency Class A".
- **First Shipment of Liquid-Cooled Outdoor Energy Storage Systems:** In July 2021, the Company shipped its first batch of liquid-cooled outdoor energy storage systems, marking its proactive expansion into new product areas.
- **Core Values in Practice:** In 2021, the Company entered a phase of rapid growth and received high recognition and certification from major clients such as Wärtsilä, affirming its continuous commitment to the core values of "Customer Success, Win-Win Cooperation, Integrity, Efficiency, Passion, and Innovation."

2022

- **International Trade Top 30:** In March 2022, RCT Power stood out among over 3,000 companies in an evaluation of contributions to the industrial park's economy. As the only manufacturer of energy storage system solutions within a world-class high-tech industrial park, the Company was recognized as one of the "International Trade Top 30".
- **Headquarters Relocation:** In August 2022, the Company's factory in Bonded Zone was successfully completed, with its headquarters officially relocated, signifying its advancement to a new phase in its development journey.
- **Top Brand:** In December 2022, RCT Power was awarded "Top Brand Storage" and "Top Brand Inverter" by EuPD Research, a leading global market research organization.
- **Shipment Over 100,000 Units:** In December 2022, the Company's cumulative shipment of residential energy storage battery modules surpassed 100,000 units, marking an important milestone in the Company's ongoing upgrades to production capacity in this area and its leadership in the green energy transition.

2023

- **Factory in Xiangcheng, Suzhou Commenced Production:** In May 2023, the factory in Xiangcheng, Suzhou officially commenced operations, bringing RCT Power's total annual production capacity in China up to an estimated 20GWh, further expanding its business scale by riding on growing demands for energy storage.

2024

- **Factory in Malaysia Commenced Production:** In March 2024, the factory in Malaysia was completed and officially went into production, significantly enhancing the Company's capabilities and strengths in overseas delivery and providing substantial convenience for its global business.
- **Zero Carbon Factory Certification:** In April 2024, the Company's headquarters factory completed all procedures of green certification and was awarded Zero-Carbon Factory certification, becoming the first "Zero Carbon Factory" in Jiangsu's energy storage industry.
- **BNEF Tier 1 Energy Storage Manufacturer:** In October 2024, RCT Power joined BNEF Tier 1 Global List of Manufacturers by Bloomberg New Energy Finance (BNEF), a leading global market research organization.

Business Scope

Jiangsu RCT Power Energy Technology Co., Ltd. has successfully expanded its operations across multiple key areas, providing tailored solutions to empower various market segments. Our product offerings in energy storage system solutions cover four primary market segments as follows:

Commercial and Industrial Energy Storage System (CESS)

RCT Power's commercial and industrial energy storage system, the LABEL liquid-cooled series, provides businesses with safe, efficient, and reliable green energy solutions. This system seamlessly integrates with solar power generation systems and stores the clean energy generated by PV panels in high-performance batteries. Users can access this stored energy as needed, and maximize self-consumption of locally generated green energy, thus reducing electricity costs and enhancing energy efficiency. The system features robust backup power functionality, capable of switching within milliseconds, ensuring uninterrupted power supply during grid failures or power outages, and maintaining the steady operation of critical facilities. This provides reliable and strong power support for business production and operations and eliminates the risks and challenges resulting from power outages. Additionally, RCT Power's RPEMS intelligent management platform enables users to easily monitor and manage the energy storage system, track the real-time operational status, energy storage, and usage, and achieve precise energy dispatch and optimized management. This supports businesses in transitioning to zero-carbon operations and offers a green, efficient, and intelligent energy management experience.



233KWh+125KW-PCS

Small-scale power needs like charging stations, vacation resorts



932KWh+500KW-PCS

Medium-scale power needs like commercial complexes, office buildings

Advantages of CESS Solutions

- Safe and reliable lithium iron phosphate (LiFePO4) batteries
- Flexible and diverse system solutions
- Multiple operating modes available
- Flexible modular design for scalable expansion
- Backup power functionality
- System-level warranty and services
- Liquid cooling temperature control system
- All-in-one design for easy installation and maintenance

Examples of CESS Projects



Jiangsu/Suzhou-2.99MW/5.96MWh



Holland/Hollingen-500kW/1165kWh



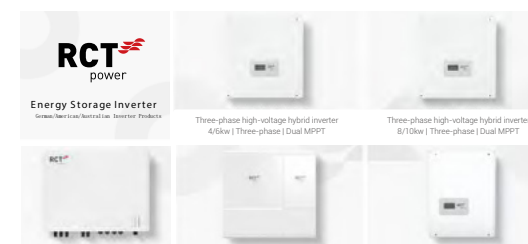
Jiangsu/Suzhou-2.99MW/5.96MWh



Jiangsu/Wuxi-600kW/1800kW project

Residential Energy Storage System (RESS)

RCT Power's RESS offers users an efficient and reliable green energy solution. This system integrates seamlessly with solar power generation systems, storing the clean energy generated by PV panels in high-performance batteries, allowing users to access green electricity at any time to maximize the self-consumption of locally generated green energy. Additionally, the system features robust backup power functionality, ensuring a 24-hour stable power supply for households even during grid interruptions, allowing users to enjoy a continuous, worry-free electricity experience at all times.



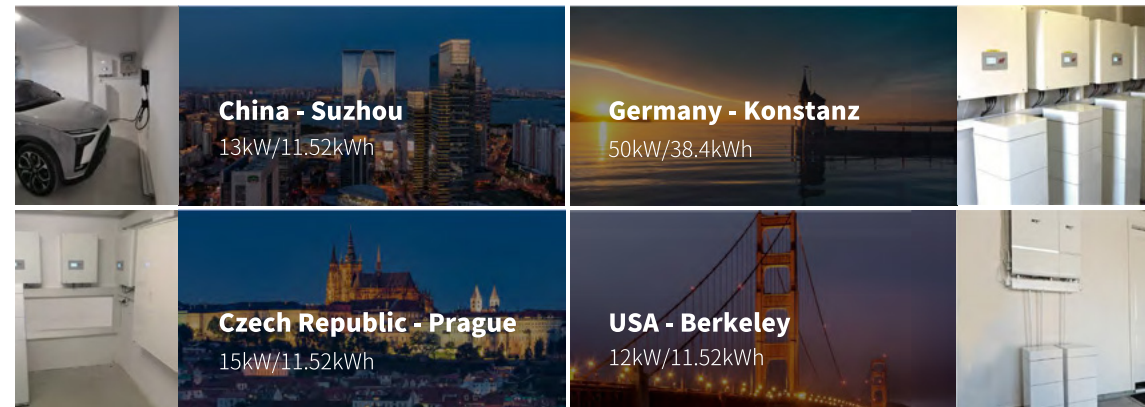
Single-phase high-voltage hybrid inverter 6kw | Single-phase | Three-way MPPT
Single-phase high-voltage hybrid inverter 8kw | Single-phase | Three-way MPPT
Three-phase high-voltage hybrid inverter 4/6kw | Three-phase | Dual MPPT
Three-phase high-voltage hybrid inverter 6/10kw | Three-phase | Dual MPPT
Three-phase high-voltage AC coupled inverter 4/6kw | Three-phase | Dual MPPT

Advantages of RESS Solutions

- Safe and reliable lithium iron phosphate (LiFePO4) batteries
- Flexible and diverse system solutions
- Multiple operating modes available
- Modular battery design for scalable capacity
- Backup power functionality
- System-level warranty and services
- Ultra-quiet design
- Easy installation and maintenance



Examples of RESS Projects



Grid/Generation-side Energy Storage

Following the OEM/ODM design philosophy, RCT Power offers one-stop services for DC-side design, production, and system integration, delivering efficient, high-quality, professional, and customizable system solutions that support clean electricity generation and drive global economic development.

Grid/Generation-side Energy Storage Solutions include

- Battery module design and integrated production
- BMS/EMS hardware and software design
- Container body design and integration
- Combiner box design and production
- Control cabinet design and production
- Comprehensive wiring design and production
- Thermal management system design and production
- Integrated fire protection system solutions

Integrated Photovoltaic Storage and Charging Solutions

RCT Power's commercial integrated photovoltaic storage and charging solutions combine photovoltaic power generation, energy storage, and charging functions. During the day, photovoltaic systems generate electricity, while excess solar power is absorbed by the energy storage system. The stored energy is prioritized for use by business loads, with any remaining energy used for electric vehicle (EV) charging. This maximizes the utilization of photovoltaic-generated green electricity, and better meets the growing demand for clean, green energy.



Core Advantages of Integrated Photovoltaic Storage and Charging Solutions

- Higher returns
- Flexible expansion
- Smart and comfortable operation



Examples of Grid/Generation-side Energy Storage Projects



Texas, USA – 100MWh Project



Illinois, USA – 300MWh Project



Torrens, Australia – 1.2 GWh Project

Honors and Awards

International Honors

- Global Tier 1 Global Energy Storage Manufacturer List
- Solar Prosumer Award_ Inverter
- Top Brand PV Germany 2024 in Inverters
- Top Brand PV Germany 2024 in Storage
- Winner of the SPI (System Performance Index) Award 2024

Recognized by

- BloombergNEF
- EUPD Research
- EUPD Research
- EUPD Research
- HTW Berlin



International Honors

- National “Little Giants” in specialized and sophisticated enterprises that produce new and unique products

Recognized by

- Ministry of Industry and Information Technology

International Honors

- Four-Star Cloudification Enterprise in Jiangsu Province
- Enterprise included in the Unicorn Incubation Program of Suzhou
- New Energy Enterprise included in the Unicorn Incubation Program of Suzhou
- Outstanding Economic Contribution
- Growth Breakthrough Award 2024

Recognized by

- Industry and Information Technology Department of Jiangsu Province
- Suzhou Municipal People's Government
- Suzhou Development and Reform Commission & Suzhou Science and Technology Bureau
- High End Manufacturing and International Trade Zone, Suzhou Industrial Park
- Suzhou Industrial Park Administrative Committee of China (Jiangsu) Pilot Free Trade Zone

Industry Awards

- Top 10 Brands in Residential Energy Storage of the Year
- Outstanding Brand in China's Energy Storage Industry 2024
- High-Quality Brand Award for Commercial Energy Storage Systems
- Award for Enterprise with Brand Influence in Commercial Energy Storage 2024
- Competitive Brand in China's Energy Storage Industry 2024
- Top 20 in Comprehensive Competitiveness for Commercial / Residential Energy Storage Systems in China
- 2024 Outstanding Innovative System Solutions in China's Energy Storage Industry
- Most Influential Enterprise in China's Energy Storage Industry 2024
- Top 20 in Technological Innovation in China's Energy Storage Systems
- Top 50 in Comprehensive Competitiveness of China's Innovative Energy Storage Industrial Chain
- Innovative Energy Storage Technology Award in the Energy Storage Industry
- Application Innovation Award in the Energy Storage Industry
- Outstanding Commercial Energy Storage Solutions in the Energy Storage Industry

Message from the General Manager



Dear Stakeholders,

The year 2024 was a remarkable year for RCT Power as it continued to forge ahead and achieved significant milestones. Against the backdrop of the accelerating global energy transition, we have remained committed to innovation-driven and green development, securing notable headway in the areas of Environmental, Social and Governance (ESG).

In terms of corporate governance, we continued to enhance our management system, deeply integrating sustainable development philosophy into our business strategy and daily operations. Through the establishment of an efficient "Governance-Management-Execution" framework, we have ensured the orderly implementation and advancement of ESG efforts. Additionally, we place a high priority on communication with our shareholders, investors, customers, and the wider community, actively addressing their concerns and working to create more value both for the Company and for society.

In fulfilling our social responsibilities, we remain steadfast in an equal emphasis on both quality and innovation, working closely with stakeholders across the industrial chain to foster mutual benefits and win-win cooperation. In 2024, RCT Power entered into profound and strategic partnerships with leading companies such as Wärtsilä and Schneider Electric to jointly explore the new development model of decarbonization for the energy storage sector. By establishing a factory in Malaysia, we also created job opportunities to increase local employment and promoted regional economic growth. Moreover, we continued to improve our employee incentive mechanism and training systems and enhance working conditions so as to safeguard employee well-being and provide extensive opportunities for talent development.

Regarding environmental protection and sustainable development, RCT Power has made significant achievements. In 2024, our headquarters factory was awarded the "Zero Carbon Factory" certification by TÜV Rheinland, marking our solid strides in green innovation, energy conservation, and carbon reduction. We have optimized our production processes and reduced carbon emissions across our supply chain to drive the transition of our products toward greener alternatives, thus contributing to global efforts in tackling climate change.

Looking ahead, RCT Power will continue to uphold the principles of sustainable development, embracing the mission entrusted by the current era with a broader vision and unwavering resolve. We will stay committed to addressing future challenges with a strategic focus, leading industry development through technological innovation, and accelerating the transition to a low-carbon society while advancing sustainable development. Moreover, we will work hard to align our progress with national development and global advancements. To this end, we look forward to collaborating with all stakeholders to build a greener and more prosperous future.

In conclusion, we would like to extend our sincere thanks to all stakeholders for your continued support and attention to RCT Power.

General Manager, Jiangsu RCT Power Energy Technology Co., Ltd.

Shi Facheng

April 2025

01

WAY OF GOVERNANCE: BUILDING THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT

- Compliance and Operations
- ESG Governance
- Business Ethics
- Information Security

The Company consistently views sustainability as core strategy, and establish a strong foundation for long-term business stability by improving governance structure, strengthening compliance and internal controls, promoting ESG governance, and upholding business ethics and information security. During the reporting period, the Company achieved significant advancements in governance and sustainability, including optimizing the structure of Board of Directors, improving the internal control system, establishing an ESG organizational structure, and bolstering information security protection, thereby providing strong support for its high-quality development.

12

special audits

7

types

of stakeholder communication

In response to SDGs



COMPLIANCE AND OPERATIONS

Governance Principles

Strictly adhering to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other relevant laws and regulations, RCT Power continuously enhances its internal corporate governance structure, strengthens its internal control systems, and clearly defines the responsibilities and authorities of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and senior management. By implementing the principles of independent decision-making, execution, and supervision, the Company has formulated an effective system of checks and balances to safeguard the legitimate rights and interests of investors.

The General Meeting

The General Meeting of Shareholders is the Company's highest governing body, exercising its powers in accordance with the law, including deciding on corporate policies, electing or refreshing directors and supervisors, and deliberating and approving major financial issues to provide clear guidance for the Company's development.

The Board of Directors

The Board of Directors, consisting of five directors, is responsible for convening General Meetings of Shareholders, executing resolutions, and formulating business plans. The Board also has several specialized committees to enhance decision-making processes.

The Board of Supervisors

The Board of Supervisors, composed of three members including an employee representative, supervises the performance of directors and senior management, monitors financial matters, and ensures compliance with regulations.

Senior Management, including the General Manager

Senior Management, including the General Manager, Deputy General Managers, Chief Financial Officer, and Board Secretary, is responsible for day-to-day operations, driving business growth, and achieving strong performance.

Board Independence and Diversity

RCT Power highly values the independence of its Board of Directors and establishes an independent director system as a cornerstone of the corporate governance framework. The Board of Directors comprises five directors, including two independent directors, who play a pivotal role in major decision-making processes, reviewing related-party transactions, and overseeing corporate governance, safeguarding the legitimate rights and interests of the Company and its shareholders. The Company ensures that independent directors have the necessary information and support to perform their duties independently and objectively.

The nomination process for members of the Board of Directors focuses on diversity, covering the ultimate controlling shareholder, internal employees, and external independent directors, which enhances decision-making comprehensiveness and objectivity. Additionally, the year-end performance evaluations of senior management include Environmental, Social and Governance (ESG) factors to promote sustainable development.

RCT Power will continue to optimize its independent director system, enhance corporate governance standards, and drive long-term sustainable growth.

Compliance and Internal Control

To ensure robust governance, RCT Power has established an internal control and risk management system in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Audit Law of the People's Republic of China, Guidelines No.1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies - Standardized Operations, the Regulations on Internal Audit from the National Audit Office, and Articles of Association of Jiangsu RCT Power Energy Technology Co., Ltd. This framework provides a solid foundation for the Company's operations in compliance and empowers its high-quality development.

The Company attaches great importance to building its compliance and internal control systems, conducting audits based on operational processes to ensure the legality, compliance, and transparency of its operational activities. The audit covers all business processes related to financial reporting and information disclosure within the Company's operations, primarily including:

General Audits

These encompass compliance with national financial regulations, corporate governance, the effectiveness of internal control systems, execution of General Meeting of Shareholders and Board of Directors resolutions, the legitimacy and authenticity of financial revenues and expenditures, security of funds and assets, legality and effectiveness of financing, and fixed asset investments.

Special Audits

These focus on fraud investigation and key business processes, including sales, procurement, inventory management, asset management, fund management, and human resources.

Under the national laws and regulations, financial accounting standards, and internal management regulations, the Company's internal audit department conducts independent and objective supervision and evaluation on the establishment and implementation of the internal control systems, the accuracy and completeness of financial information, and other key areas across internal departments, subsidiaries, and significant investee companies.

During the reporting period, the Company conducted planned audits and reviews across 20 categories, performed routine internal process audits on approximately six major categories each month, and conducted multiple audits on individual key projects. This year, a total of 12 special audits were carried out to refine process execution and optimize workflows. The internal control audits identified 51 issues, of which 45 have been resolved. The internal control completion rate is 88%, with six issues still under follow-up and resolution.

Through these comprehensive management measures, the Company proactively identifies potential risks, seizes opportunities, and protects itself from adverse impacts, supporting long-term stable growth and sustainable development.



ESG Governance

ESG Governance Framework

The Company places great emphasis on ESG management and, to continuously enhance its ESG performance and management capabilities, has systematically established an ESG organizational structure and management system during the reporting period. This structure is centered around the Board of Directors, with the ESG Working Group as the primary executing body, supported by designated liaisons from key departments. This framework ensures the effective implementation of ESG works, with clear supervision, management, coordination, and execution processes at every stage.

Decision-Making Level: Board of Directors

The Board of Directors serves as the highest decision-making body for the Company's ESG efforts, fully responsible for strategic planning and overall coordination of ESG works. The Board's key responsibilities include:

- Integrating ESG principles into the Company's broader strategic goals, ensuring that ESG objectives are aligned with the Company's overall development strategy;
- Overseeing the implementation of ESG practices and facilitating the effective dissemination of ESG principles both internally and externally;
- Deliberating and approving ESG-related major issues and policies, providing strategic guidance to advance the Company's long-term sustainable development.

Management Level: ESG Working Group

The Company has established the ESG Working Group, which is composed of the General Manager and heads of relevant departments, responsible for coordinating and executing ESG management tasks. The Group's primary responsibilities include:

- Leading discussions, evaluations, and reviews of major issues in ESG works, including but not limited to goal setting, information disclosure, and external reporting;
- Supervising environmental and social issues within the Company, establishing priorities, identifying risks, and effectively managing them;

- Regularly monitoring and reviewing the Company's progress in environmental and social performance and providing clear guidance on the direction and pathway for its sustainable development;
- Directing each department in implementing ESG management requirements to ensure the smooth and effective execution of ESG efforts.

Execution Level: ESG Execution Team

The ESG Execution Team is made up of representatives from various business units and functional departments, responsible for the day-to-day implementation of the Company's ESG policies and related tasks. The Team's main responsibilities include:

- Enforcing the Company's ESG policies and ensuring effective implementation of ESG management requirements in daily operations;
- Managing the collection, reporting, and archiving of all quantitative and qualitative ESG-related data within the Company, providing essential data support for ESG management activities;
- Assisting the ESG Working Group in the execution of its daily tasks and ensuring the effective functioning of the ESG management cycle.

Stakeholder Engagement

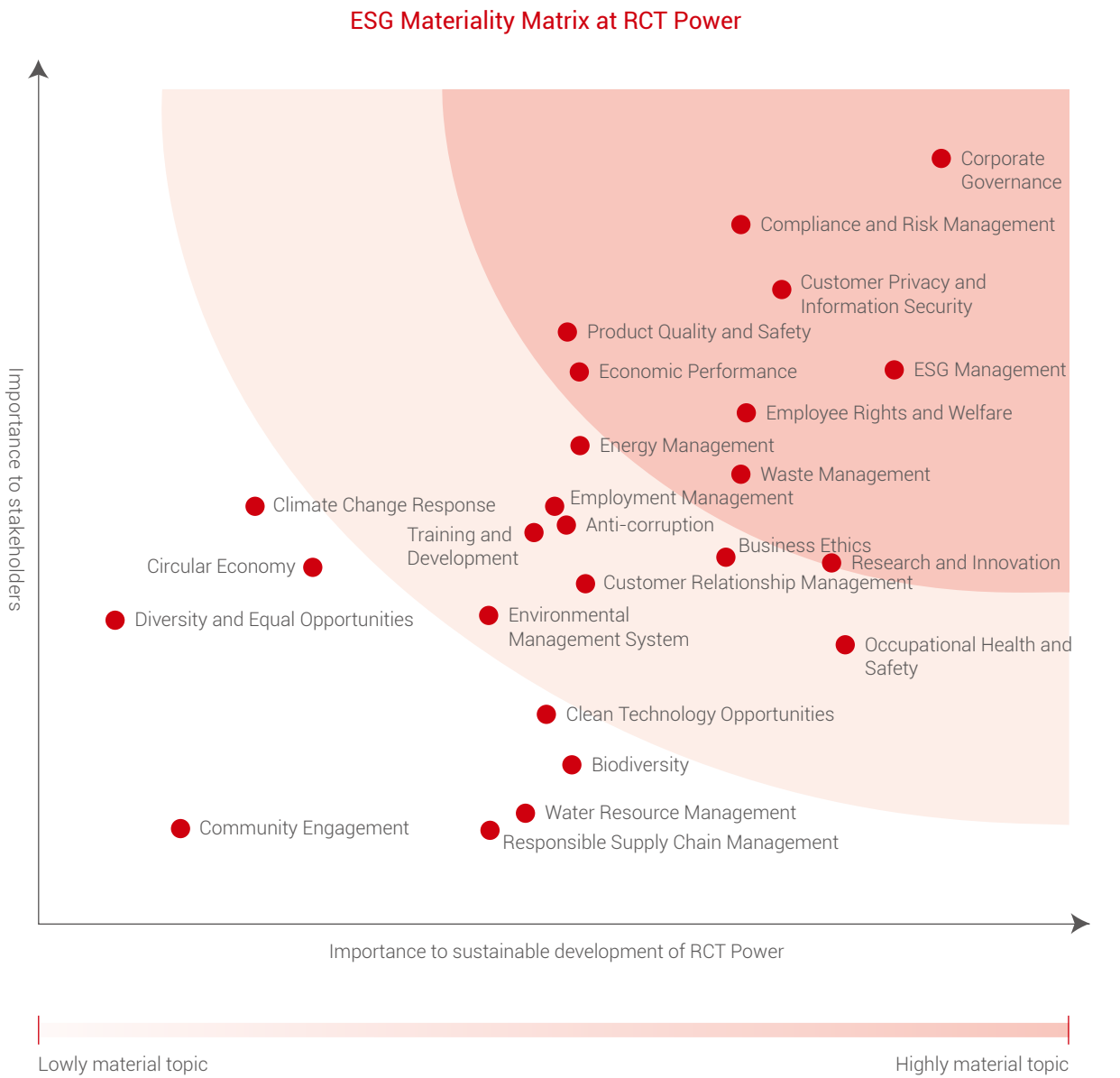
The Company's stakeholders concerning Environmental, Social and Governance issues include government and regulatory authorities, shareholders, customers, employees, suppliers, and other business partners, as well as communities, the public, media, and industry associations. The Company is keenly aware that hearing and understanding the needs and expectations of these stakeholders is essential to its long-term development. Therefore, we actively establish and maintain a wide range of communication channels to foster meaningful and effective dialogue with stakeholders and enhance their understanding of the Company's development strategies and operational policies. Additionally, the Company provides stakeholders with opportunities to offer suggestions and feedback, ensuring timely and effective responses to their concerns, thus strengthening cooperation with stakeholders and promoting the Company's steady growth and progress.

Stakeholders	Issues of Concern	Methods of Communication
 Government and Regulatory Authorities	Corporate governance Compliance and risk management Economic performance Environmental management systems Waste management Energy management	Information disclosure Official correspondence Official interviews and research Policy consultation and execution Law enforcement inspections Regulatory information platforms
 Shareholders	Corporate governance ESG management Economic performance Business ethics Anti-corruption Research and innovation Water resource management	General Meeting of Shareholders Information disclosure Visits, exchanges, and on-site research Conference calls Roadshows Official website and social media
 Customers	Product quality and safety Compliance and risk management Employment management Customer privacy and information security Customer relationship management (CRM) Research and innovation Clean technology opportunities	Enhanced product quality management Technical exchanges and cooperation R&D and patent investments Product exhibitions and press conferences Customer complaints and feedback Customer satisfaction surveys
 Employees	Employment management Employee rights and welfare Training and development Diversity and equal opportunities Occupational health and safety	OA system, emails, bulletin boards Irregular meetings and annual company events Education and training, career development platforms Employee care activities, complaint and feedback boxes, email Satisfaction surveys
 Suppliers and Other Business Partners	Responsible supply chain management Business ethics Anti-corruption Clean technology opportunities	Supplier meetings Supplier training Supplier audits Emails Business exchanges and cooperation, thematic seminars
 Communities and the Public	Community engagement Environmental management systems Economic performance	Public welfare activities Community interaction Official website and social media
 Media or Industry Associations	Climate change response Circular economy Energy management Biodiversity	Emails Press conferences Industry forums and exhibitions

Materiality Assessment

Identification of Material Issues: Identification of material topics referenced international initiatives and standards, industry and customer requirements, best practices from peer companies, and RCT Power's strategic objectives. Through this process, we successfully identified 25 issues that are of significant relevance to the Company. To further understand stakeholders' perspectives and expectations on these issues, we invited both internal and external stakeholders to participate in a survey.

Analysis of Material Issues: The Company conducted an online survey, distributing questionnaires to relevant stakeholders and collecting 219 valid responses. By categorizing and quantitatively analyzing the responses and incorporating feedback from the Company's management, the Company identified a series of ESG topics that matter most to stakeholders.



Materiality of Issues

No.	Issues	No.	Issues
1	Corporate Governance	14	Anti-corruption
2	Compliance and Risk Management	15	Customer Relationship Management
3	Customer Privacy and Information Security	16	Training and Development
4	Product Quality and Safety	17	Environmental Management System
5	ESG Management	18	Clean Technology Opportunities
6	Employee Rights and Welfare	19	Climate Change Response
7	Economic Performance	20	Circular Economy
8	Waste Management	21	Biodiversity
9	Research and Innovation	22	Water Resource Management
10	Energy Management	23	Responsible Supply Chain Management
11	Business Ethics	24	Diversity and Equal Opportunities
12	Employment Management	25	Community Engagement
13	Occupational Health and Safety		

Note: In the table, issues No.1 to No.9 are considered significantly material, issues No.10 to No.17 are moderately material, and issues No.18 to No.25 are relevant issues.

Response to the United Nations Sustainable Development Goals

We are committed to actively contributing to the United Nations Sustainable Development Goals (UNSDGs) by thoroughly assessing, reviewing, and aligning our operational activities with these global objectives, and we also work with all stakeholders to advance the achievement of these goals together.



- We focus on sustainable economic growth while adhering to local labor standards, actively creating employment opportunities;
- We collaborate with all stakeholders to jointly advance industry progress through communication across the industrial and supply chain.



- We are dedicated to maintaining a healthy and supportive work environment and prioritizing the health and well-being of our employees;
- We ensure the legal rights and interests of female employees, uphold equal employment principles, and eliminate gender discrimination;
- We respect diversity, encourage inclusivity, and ensure that no employee is discriminated against or hindered in their career development based on gender, age, ethnicity, or religion.



- We continue to drive technological innovation, and focus on the design and development of environmentally friendly products to build a low-carbon society;
- We have established a comprehensive environmental management system to improve resource and energy efficiency and reduce pollution emissions;
- We actively carry out response and management measures to address climate change, improve climate resilience, and refine our management and goal-setting processes, including the completion of our zero carbon factory.

BUSINESS ETHICS

The Company is committed to maintaining high standards of business ethics and ensures that all business activities are conducted in accordance with the principles of integrity, transparency, fair competition, and sustainable development. The Company has developed Business Ethics Management Measures and Disciplinary Control Measures to regulate employee behavior, prevent unethical or illegal business practices, and protect the Company's interests and reputation while providing employees with clear codes of conduct and procedures for handling violations.

Anti-Bribery and Anti-Corruption

The Company enforces strict anti-bribery and anti-corruption policies and prohibits the offering or acceptance of any form of bribery in its business operations. All employees, suppliers, and partners are required to comply with applicable laws and regulations and refrain from any actions that may result in conflicts of interest or improper influence. The Company maintains zero tolerance for violations of its anti-bribery policy. Any breaches will be treated with the utmost seriousness and the Company reserves the right to report such violations to relevant authorities.

Conflict of Interest Management

The Company requires employees to avoid situations that could lead to potential conflicts of interest with the Company's objectives. Employees are prohibited from accepting external employment or engaging in activities that may interfere with the Company's interests. Furthermore, employees must not misuse Company resources for personal or third-party gain, nor accept or offer gifts or hospitality beyond what is considered standard business practice. The Company encourages employees to proactively report potential conflicts of interest and will take appropriate measures to address and resolve them.

Whistleblowing and Supervision Mechanism

The Company has established a robust whistleblowing and supervision mechanism to encourage employees, suppliers, customers, and other stakeholders to report any violations of business ethics. The Company treats all whistleblower information with strict confidentiality and offers protection to those who report, safeguarding them against any form of retaliation. The Company guarantees that reports of unethical behavior are thoroughly investigated, and corrective actions will be taken based on the findings of the investigation.

Whistleblowing and Complaint Reporting Channels

- **Email** : info@rct-power.com.cn
- **Complaint Hotline**: +86-512-66830096-8509
- **Internal Reporting Channels**: Beisen System, Inner Voice mailbox

Information Security

The Company always bears in mind the critical importance of information security in safeguarding its assets, maintaining customer trust, and supporting sustainable development. In compliance with relevant laws and regulations, we have established several key policies, including the Cybersecurity Management Regulations, IT Management Policy and Cybersecurity Management Policy, to clearly define the roles, responsibilities, and technical requirements for information security management. Additionally, the Company has adopted advanced information security technologies, such as firewalls, encryption software, and security audit tools, to ensure the secure operation of its networks and data. During the reporting period, no incidents of user privacy data breaches were reported.

In terms of technical measures, the Company applies stringent management to core network facilities and sets clear requirements for network devices and access:

- Network devices must be clearly labeled, and a detailed inventory list of all devices should be maintained.
- When internal computers connect to the network, fixed IP addresses must be assigned by the IT department, and employees are prohibited from altering network settings.
- External devices connecting to the Company's internal network must be verified by the IT department to ensure the security of the network environment.

Regarding data protection, the Company uses encryption software to securely encrypt sensitive documents, ensuring that data is only accessible on the Company's authorized terminals to prevent data leakage. Meanwhile, the Company has also established a comprehensive data backup system, which includes online hot backups, offline cold tape backups, and NAS backups. This ensures that data is securely stored across multiple locations, minimizing the risk of data loss. Additionally, the Company has implemented a security defense system that continuously monitors network traffic, enabling the early detection and blocking of potential security threats and thus preventing security incidents.

Furthermore, the Company has developed an emergency response mechanism to ensure a swift and effective response to any information security incidents. Should such an incident occur, employees are required to immediately report it to the IT department. The IT department will then initiate the emergency response process based on the severity of the incident and take appropriate and effective actions to contain and resolve the situation.

Throughout the reporting period, the Company has implemented a variety of effective measures to further strengthen its information security management capabilities, including:

- Upgrading the access control system and refining access permissions;
- Increasing investment in the CCTV monitoring system to ensure full coverage of the factory area and enable video playback functionality;
- Implementing the SANGFOR VPN for refined management to safeguard customer information security, and strictly managing overseas customer access, thus effectively protecting customer privacy and ensuring the security of the Company's information.



02

TRAJECTORY OF RESPONSIBILITY: EMPOWERING SOCIAL VALUE CO-CREATION

- Responsible Operations
- Occupational Health and Safety
- Compliant Employment
- Talent Attraction and Development
- Sustainable Supply Chain
- Social Responsibility and Contribution

The Company is committed to empowering social value co-creation with strong social responsibility and exceptional actions. During the reporting period, the Company comprehensively advanced its high-quality development by enhancing the product quality control system, optimizing technological innovation mechanisms, improving customer service capabilities, and strengthening supply chain management. Concurrently, the Company actively fulfilled social responsibilities by participating in the formulation of industry standards, promoting collaborative innovation within the industry, and addressing social challenges, to embrace corporate social responsibility.

342^{RMB}
million

workplace safety cost

39.29 hours

average training hour

2637

participants in safety
training and drills

100%

sites covered by employee
health and safety risk assessment

In response to SDGs



RESPONSIBLE OPERATIONS

Product Quality

The Company upholds the quality policy centered on “quality focused, technology-first, continuous improvement, customer satisfaction, and establishing benchmarks for new energy.” The Company considers product quality as the core competitive advantage for business development, strictly adheres to national laws and regulations as well as industry standards, and is dedicated to providing customers with high-quality, safe, and reliable products. We have developed a comprehensive quality management system to monitor product quality, encompassing every stage from raw material procurement to production and final product delivery, thereby ensuring compliance with quality standards.

Raw material procurement management

Raw materials provided by suppliers are rigorously inspected in accordance with the Incoming Inspection and Control Procedure to ensure they meet requirements for quality. For non-conforming materials, strict identification, isolation, and handling procedures are implemented as outlined in the Non-Conforming Product Control Procedure, and suppliers are required to take corrective actions. Additionally, an 8D report (SCAR) is initiated for problem tracking and improvement.

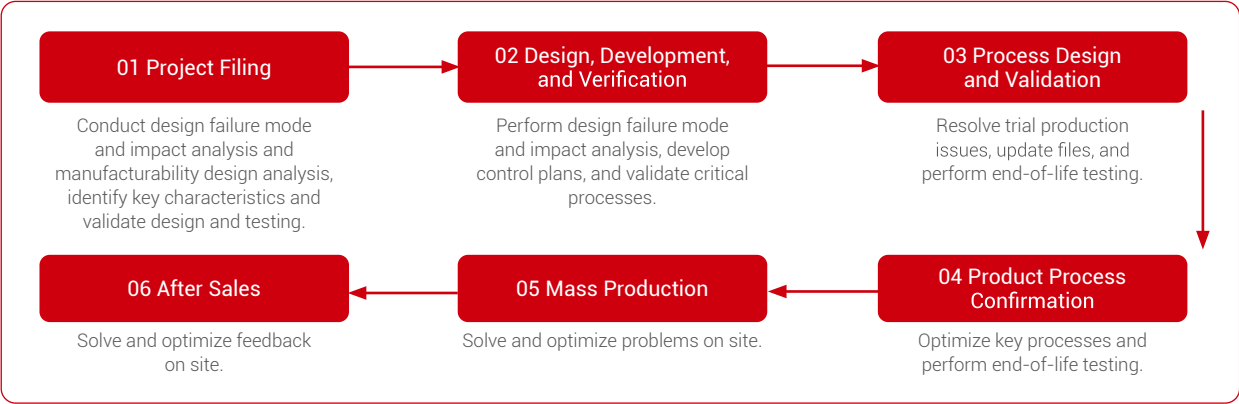
Process management

The Company complies with the Process and Finished Product Inspection and Control Procedure and conducts stringent quality monitoring throughout all production processes. Various methods, such as first article inspections, patrol inspections, and sampling inspections, are employed to promptly identify and address quality issues during production. For non-conforming products, we implement classified management and take appropriate actions based on the severity of the problems, including rework, scrapping, or special procurement. We also track and verify processing results to ensure effective resolution of issues. Furthermore, we conduct an in-depth analysis of quality problems in accordance with the Corrective Action Control Procedure and develop and implement corrective measures to prevent recurrence.

Product delivery management

In line with the Finished Product Inspection Standards, a comprehensive inspection of finished products is conducted to ensure compliance with quality requirements regarding appearance, size, function, and other criteria. For non-conforming products returned by customers, we strictly adhere to the Non-Conforming Product Control Procedure for re-evaluation and handling, analyze the root causes, and implement improvement measures to enhance customer satisfaction.

Throughout the product development process, we utilize a lifecycle management model that encompasses every critical stage from project initiation to after-sales service, ensuring that all aspects of the product, from concept to market, meet high-quality standards.



The Company has prepared the Product Design and Development Control Procedure and the Engineering Change Control Procedure to ensure that product change management, from design and development to production, adheres to regulatory requirements. Through rigorous design reviews, sample testing, and trial production processes, we continuously optimize product design, enhance reliability, and strengthen market competitiveness. For engineering changes, we ensure that information is accurately and promptly communicated to relevant departments. Through stringent review and verification processes, we guarantee the compliance and effectiveness of product modifications.

Production Quality Training

In 2024, the Company implemented a series of training activities focused on production quality control, aimed at enhancing employees' understanding and execution of production processes, quality standards, and safety regulations. The training content primarily includes:

Q/AD Process Explanation

Comprehensive training on the operating procedures and quality requirements for each process to ensure employees are well-versed in standard operating procedures.

Departmental Safety Training

Initiatives designed to strengthen employees' safety awareness and prevent production accidents.

Job Transfer Training

Specialized skills training for employees who have transitioned to new positions to facilitate their quick adaptation.

The training approaches combined both in-person (including training rooms in Bonded Zone and conference rooms) and online platforms to meet diverse needs flexibly. Throughout the year, over 70 training sessions were conducted, involving team leaders, job transfers, and temporary workers, significantly enhancing employees' production quality control capabilities and providing robust support for production operations.



During the reporting period, the Company significantly enhanced its after-sales quality control through ongoing improvements, including the automated eFAT testing system and a comprehensive materials comparison system. As a result, the proportion of customer complaints related to after-sales quality costs was only 0.25%, considerably lower than the industry average of 3%. This achievement highlighted the Company's exceptional performance in after-sales quality control. Across various business sectors, the Company has also demonstrated robust quality control capabilities: the target customer complaint rate for the grid and commercial energy storage sectors was less than 7%, while the actual rate achieved was 4.64%. For the residential energy storage sector, the target customer complaint rate was less than 300 defects per million (dppm), yet the Company attained 47 dppm, significantly outperforming the target. Looking ahead, the Company will continue to optimize processes based on existing successes, with the aim of further reducing customer complaint rates, enhancing customer satisfaction, and improving product quality competitiveness.

Capacity Assurance

The Company boasts comprehensive supply chain systems and superior manufacturing capabilities. Leveraging multi-scenario and systematic solutions, the Company has established an efficient and competitive supply chain network. In China, the Company operates three major production bases in Nanopolis Park, Bonded Zone, and Caohu in Suzhou. Internationally, the Company has outsourced BMK factories in Germany and additional facilities in Malaysia. This robust global production framework ensures stable product delivery, with an annual production capacity of up to 20 GWh in 2024, thereby providing reliable capacity assurance for global customers.



Quality Certification

The Company has obtained ISO 9001:2015 quality management system certification and multiple product certifications.



ISO 9001: 2015 Certificate

Product Line	Product	Certification
Commercial and Industrial Energy Storage Systems (CESS)	L200 IEC	IEC 62619 IEC 63056 EN 62477 IEC 60730 EN 61000 UN 38.3 EN 62477 EN 62109 EN 62933 NRS 097 N 4110 N 4105 EN 50549
	L200 UL	UL 1973 UL 9540A UL 60730-1 UN 38.3 UL 9540 NFPA 69 NEMA 3R UL 1741CRD
	L1000 IEC	IEC 62619 IEC 63056 EN 62477 IEC 60730 EN 61000 UN 38.3 EN 62477 EN 62040
	L1000 UL	UL 1973 UL 60730-1 UN 38.3 UL 9540
Residential Energy Storage Systems (RESS)	US8.0&US8.0 PRO	IEEE 1547 UL 1741 UL 1998 IEEE 2030.5 HECO 14 Rule 21 & UL 1741SB
	6kW AU/EU	IEC/EN 62109-1/-2 AS4777.2 CEI 0-21:2022 RD 647:2020 UNE217001:2020 UNE217002:2020 NTS 631:2021 EN 50549
	Power Switch Box-SP	IEC/EN 61439-1&-2 IEC/EN 61439-1 IEC/EN 61000-1&-3
	25Ah (1.92kWh)	UL1973 UL60730 UL9540A IEC62619 IEC63056 IEC62477 IEC62040 UN 38.3
	32Ah (2.5kWh)	UL1973 UL60730 UL9540A IEC62619 IEC63056 IEC62477 IEC62040 IEC61000-6-1&-6-3 IEC60529 UN 38.3
	US8.0&US8.0 PRO + 25Ah	UL 9540
	US8.0&US8.0 PRO + 32Ah	UL 9540
Grid Energy Storage Systems (GESS)	Grid Energy Storage System	EN 62477-1, IEC 62933-5-2, EN IEC 61000-6-2, EN IEC 61000-6-4, UN38.3, UL9540, UL 1973, IEC 62619, NFPA69, UL9540A

Technological Innovation

driving force for enhancing product quality. We consistently escalate our internal investment in research and development (R&D), actively attract and nurture high-quality talent, and establish close collaborative relationships with universities and industries. The Company places significant emphasis on technological innovation and considers it a pivotal priority-leading enterprises to jointly advance technological progress and innovation within our professional domains.

The Company boasts a robust internal R&D team comprised of 117 experienced technicians possessing excellent innovation capabilities, which ensures that our research remains at the forefront of the international community. Team members have deeply engaged in fields such as power electronics, electrical engineering, machinery, and manufacturing. With a profound understanding of energy storage technology, they have successfully developed numerous leading products for commercial, residential, and grid applications. The Company received the High-Tech Enterprise Award as early as 2020 and earned the designation of National "Little Giants" in specialized and sophisticated enterprises that produce new and unique products in 2024. Currently, we have accumulated 253 authorized patents, positioning ourselves among the leaders in the domestic commercial energy storage sector while also holding a prominent position in the European residential energy storage market.

We are dedicated to constructing a digital innovation ecosystem that integrates technology, business, and management to accelerate the development and application of cutting-edge technologies. By developing the "AI + energy storage" system and implementing advanced applications such as digital twins and human-computer interaction, we have not only significantly improved operational efficiency but also enhanced the service experience for our customers. Moreover, the Company adheres strictly to a manufacturability design strategy and actively employs innovative technological processes to ensure continuous optimization of product quality and production efficiency.



Innovation Incentives

The Company actively promotes and encourages employees to engage in innovative practices, and provides rewards and recognition for their achievements through Internal Reward Policy. This policy encompasses various areas, including domestic invention patents, software copyrights, utility model patents, and design patents, with the aim of stimulating employees' innovative potential and contributing to the Company's development.

Upon the granting of patent authorization for innovative achievements, relevant teams and individuals receive corresponding bonuses. Additionally, the Company organizes the Technology Star selection event at the end of each year to acknowledge teams or individuals who have demonstrated exceptional performance in technological innovation. Winners are awarded honors such as bonuses and medals. Moreover, innovation activities contribute significant points to the KPI assessment system, allowing high-performing teams or individuals to receive additional rewards.

The Company has also established a technology equity incentive and comprehensive evaluation system, effectively fostering talent development and retention and providing a solid foundation for long-term growth. By continuously refining the technology maturity assessment and innovation value accounting systems, the Company is committed to achieving technological empowerment and ensuring that innovation activities consistently yield substantial benefits and competitive advantages.

Furthermore, the Company is dedicated to accelerating technological innovation through multi-party collaboration. In the realm of research and development, the Company conducts joint research on intelligent shore power battery management systems (BMS) with Wuhan University of Technology, facilitating the intelligent upgrade of battery management technology. Additionally, the Company has partnered with TÜV to establish a Witness Test Data Program Lab for energy storage to enhance the testing capabilities of energy storage products, ensure compliance with international standards, and further solidify technological leadership in the industry.

Patents and Intellectual Property

The Company has achieved substantial success in intellectual property management. During the reporting period, the Company applied for over 70 patents that encompass key technical fields such as simulation methods, structural design, system design, testing methods, and control algorithms. Significant progress has been made in two essential areas:

Simulation Methods

We have optimized existing simulation modeling techniques, greatly enhancing both the accuracy and efficiency of simulations.

System Design

Our focus has been on improving and optimizing system protection, producing a more secure system compared to traditional designs.

To effectively avoid potential conflicts with existing patents and ensure the legality and uniqueness of our intellectual property, we primarily engage third-party professional institutions to conduct patent infringement assessments. In the future, the Company will continue to strengthen intellectual property protection and management by formulating and implementing patent management measures and plagiarism standards, thereby establishing a solid institutional defense. Additionally, we conduct regular training on intellectual property laws and regulations to enhance employees' awareness and protection capabilities, fostering an environment where all employees value intellectual property.



Cooperation and Exchange Program Between RCT Power and Wuhan University of Technology

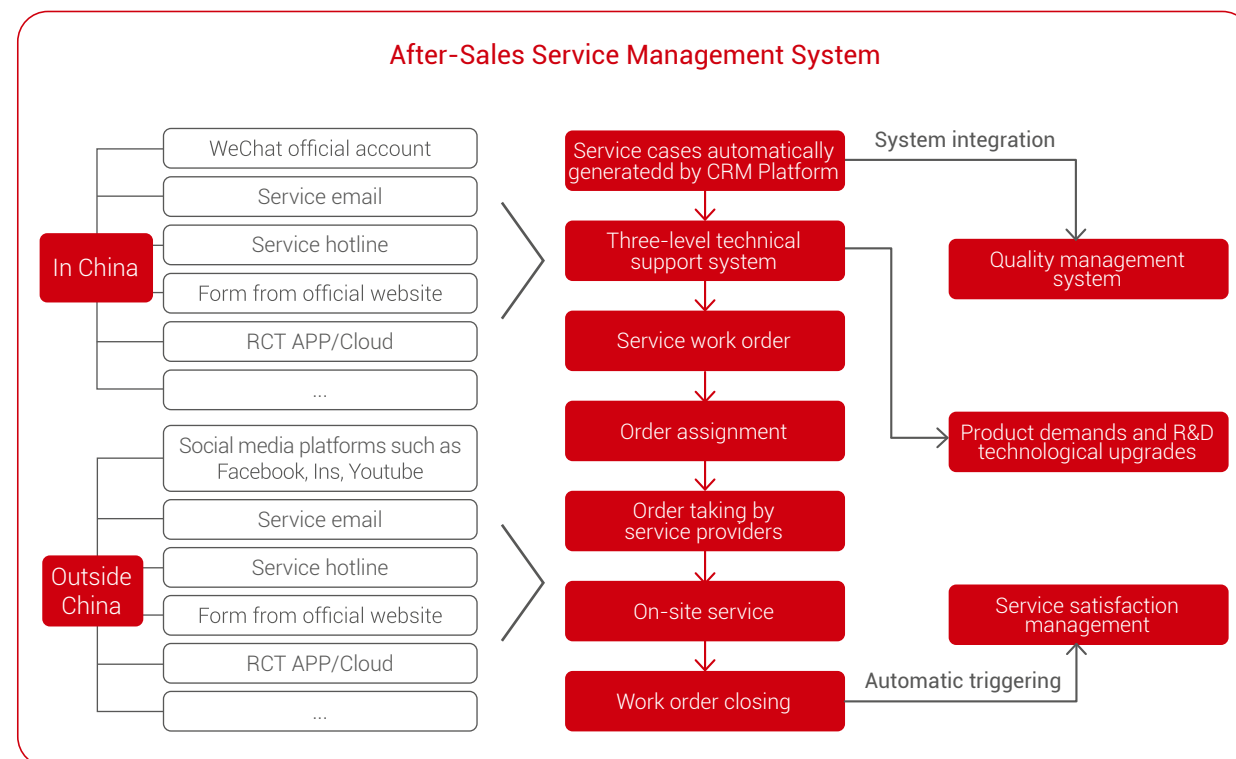


High Quality Service

The Company places significant emphasis on cultivating long-term partnerships with customers and prioritizes the establishment of stable communication methods. To facilitate effective engagement, the Company has developed pertinent systems, including the Service Satisfaction Survey and Management Process and the After-Sales Spare Parts Management Process, which ensure smooth communication channels.

After-Sales Service System and Management System

The Company has developed an after-sales service system that encompasses the entire product lifecycle, which addresses various aspects such as quality assurance services, technical support, spare parts management, and training and certification. In 2024, the Company introduced an after-sales service management system based on Huawei's ITR process, enabling whole-process management from service requests to dispatch and subsequent satisfaction surveys. This system generates service orders through the unified access of both hotlines and email channels to ensure a prompt response to customer needs. The Company has deployed a team of skilled technical personnel in China to oversee technical support, spare parts management, and training and certification. Plans are also underway to develop a network of overseas third-party service providers to further enhance service capabilities.



Response to Customer

The Company has established a customer after-sales service response process that integrates both online and offline methods. By continuously optimizing this process, the Company ensures that any alarm or shutdown issues encountered by customers during equipment operation are resolved as quickly as possible. This approach is particularly effective for overseas projects, where the Company combines remote support with on-site service to enhance the timeliness and effectiveness of problem resolution.



Online Solution Process

The Company rapidly responds to customer needs through digital platforms to improve problem-solving efficiency.



Offline Service Process

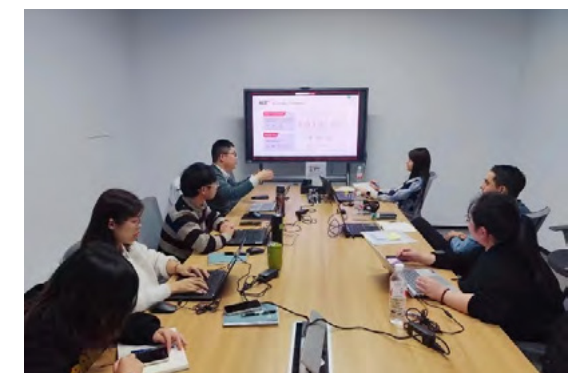
The Company ensures that on-site issues are addressed promptly.

Customer Training and Empowerment

In the realm of customer training, the Company is dedicated to offering extensive support and resources to enhance customers' understanding of product features and improve usage efficiency. During the reporting period, several professional training activities were conducted for EPC customers and service personnel of subsidiaries in Germany. This training focused on key areas such as platform maintenance and course development, employing a blend of theoretical and practical approaches aimed at enabling customers to maintain and manage their systems independently.



Customer Empowerment Training



Through sustained efforts and interdepartmental collaboration, the Company has achieved noteworthy results in customer complaint management. Over the past 36 months, the cumulative rolling customer complaint rate has been 6%, while the rate for the past 12 months has decreased further to 2.5%. These figures underscore the Company's proficiency in managing customer feedback effectively.

Responsible Marketing

In marketing practices, the Company strictly adheres to compliance with relevant laws and regulations in the place where we operate. This commitment includes but is not limited to, compliance with the Advertising Law of the People's Republic of China, the E-commerce Law of the People's Republic of China, the Consumer Rights and Interests Protection Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China. Furthermore, the Company actively references industry guidance, such as the Guiding Opinions on Accelerating the Development of New Energy Storage, to combat false advertising during the promotion process. By accurately and truthfully conveying product information, the Company protects consumers' rights to know and choose while striving to establish and maintain a sound market order that fosters the healthy and sustainable development of the industry.

OCCUPATIONAL HEALTH AND SAFETY

Institutional Guarantee

The Company consistently adheres to relevant national and local laws and regulations, including the Workplace Safety Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China, to ensure that production and business activities are legal and compliant. To further this commitment, the Company has established an Environmental, Health, and Safety (EHS) committee that holds quarterly meetings specifically to discuss EHS-related issues, ensuring the effective implementation of various management measures. During the reporting period, the Company comprehensively updated occupational health and safety management system documents, which now include 7 second-level procedures, 52 third-level specifications, and 79 fourth-level forms, enhancing the overall management system.

Key procedures and measures:

- Occupational Health Examination: The Company regularly organizes full-cycle occupational health examinations for employees. These examinations encompass pre-employment, job transfer, on-the-job, and post-employment assessments to timely monitor and ensure employee health status.
- Monitoring and Evaluation of Occupational Hazards: The Company conducts routine monitoring and evaluation of occupational hazards in the workplace to guarantee that the working environment complies with national occupational health standards.
- Occupational Health Training: The Company provides annual occupational health training to employees exposed to health hazards to enhance their awareness and protection capabilities.
- The "Three Simultaneities" System: During project construction, the Company strictly implements the "Three Simultaneities" system for occupational health, which mandates that occupational disease prevention facilities are designed, constructed, commissioned, and utilized concurrently with the main project.

7
second-level
procedures

52
third-level
specifications

79
fourth-level
forms

Emergency Plan

The Company has developed the Emergency Plan for Workplace Safety Accidents and, in accordance with the plan's content and regulatory requirements, formulates an emergency drill plan at the beginning of each year. The Company organizes and conducts drills based on this plan, which addresses various emergencies, such as fires and natural disasters, to ensure a rapid response and minimize losses in emergency situations.

Risk Identification

To enhance the identification and management of risks associated with workplace safety, the Company has established the Control Procedure for Hazard Identification and Evaluation and the Workplace Safety Accident Reporting and Handling Specification. These procedures have identified a total of 247 hazards and established targeted control measures to mitigate both the likelihood and impact of risk occurrences.

Furthermore, the Company has created the Workplace Safety Hazard Investigation Specification, which guides a range of safety inspection activities, including daily, special, comprehensive, seasonal, and holiday inspections. This systematic approach ensures the timely detection and resolution of potential safety hazards and guarantees the safety and stability of the production environment.

The Company has successfully obtained ISO 45001:2018 certification for occupational health and safety management systems.



ISO 45001:2018 occupational health and safety management system

The workplace safety cost in 2024 was RMB3.42 million. During the reporting period, the factory in Xiangcheng successfully achieved Class 3 enterprise approval for workplace safety standardization, while the factory in Nanopolis Park received recognition as an Excellent Enterprise in Workplace Safety Management. In the future, the Company will continue to enhance on-site safety management and will actively pursue certification as a Class 2 enterprise in workplace safety standardization to further improve safety standards, ensure employee health and safety, and promote sustainable development. The Company actively conducts effective management and implements relevant measures to successfully meet annual goals and provide a solid foundation for sustainable development.

Indicators	Unit	2024
Coverage of venues conducting employee health and safety risk assessments	%	100
Working days lost due to work-related injury	Hour	56

Excellent Enterprise in Workplace Safety Management

In November 2024, the factory in Nanopolis Park was awarded the Excellent Enterprise in Workplace Safety Management for the fourth quarter of 2024 by Nanopolis Suzhou Technology Development Co., Ltd.



Safe Operations

The Company actively promotes occupational health and safety management and systematically implements key activities such as routine management, daily inspections, annual training, and safety drills according to the plan every year to ensure the safety and stability of production and operation. During the reporting period, a total of 26 safety drills were organized throughout the year, covering fire evacuation, fire accident response, natural disaster prevention, and mechanical injury prevention. Through practical exercises, employees' emergency response and collaborative combat capabilities were enhanced. During the reporting period, the Company successfully achieved annual goals through active management and effective measures, laying a solid foundation for sustainable development.

Indicators	Unit	2024
Third-level education and training for new employees	%	100
Number of participants in safety training and drill activities	Employee	2637
Special equipment testing	%	100
Hazard investigation	%	100
Loss of work incident rate	Case per 200000 working hours	0.4
Number of deaths, serious injuries, and environmental pollution incidents	Case	0

Fire Evacuation Drill

In August 2024, the factory in Xiangcheng successfully conducted a fire evacuation drill in which all 106 employees completed the evacuation within 55 seconds, achieving a 100% success rate. The drill covered the entire factory staff evacuation, assembly, roll call, debriefing, and observation of the fire brigade's demonstration.



Evacuating personnel when the alarm bell rings



Counting noses at the meeting points



Summarizing the situation by Commander in Chief



Orderly waiting



Fire brigade responding to the call



Extinguishing the fire



Rescuing trapped Personnel



Giving summary of this drill



Demonstrating water spraying by firefighters

Special Drill

During the reporting period, both the factory in Xiangcheng and the warehouse in Bonded Zone conducted specialized drills addressing battery abnormalities during FAT testing and battery transportation by forklift. The drills included instructions on the drill process and equipment operation, as well as confirmation and reporting, on-site emergency response, and a summary of the drill. All drill activities met established safety standards.



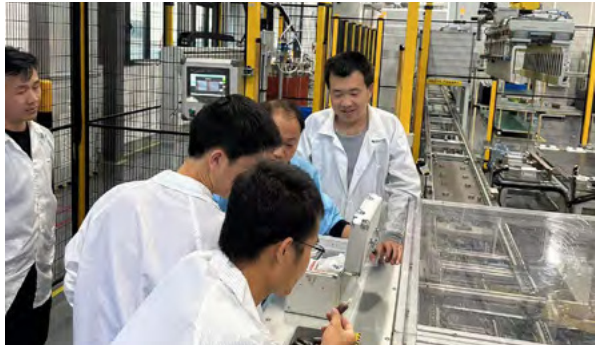
Special drill for battery abnormality during FAT testing at factory in Xiangcheng



Special drill for abnormal battery transportation by forklift at the warehouse in Bonded Zone

Drill on On-site Emergency Disposal

During the reporting period, the factory in Xiangcheng conducted on-site disposal drills for mechanical injuries in the module production area and for abnormal pressure vessels in the air compressor room. Through established procedures such as reporting, first aid, and emergency response, employees' ability to handle emergencies was further enhanced.



On site treatment of mechanical injuries in the module production area of the factory in Xiangcheng



On site handling of abnormal pressure vessels in the air compressor room of the factory in Xiangcheng

Safety Training

The Company conducts multiple safety training activities annually. During the reporting period, a total of 87 specialized training sessions were carried out in accordance with the annual plan, as well as government, customer, and other third-party requirements, with 1,846 employees participating. The training encompassed essential areas such as workplace safety laws and regulations, chemical handling, operating procedures, and occupational health protection, ensuring that employees acquire the necessary safety knowledge and skills. To further reinforce safety awareness, the Company conducts weekly five-minute safety lectures before each shift and holds quarterly safety-themed workshops. Through these ongoing efforts, the Company aims to establish a solid foundation for workplace safety.



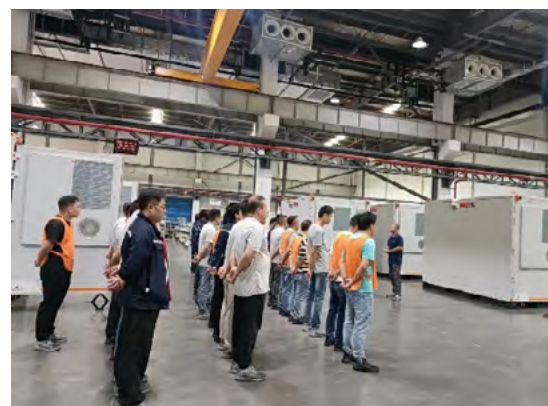
87
specialized training
sessions



5 min/week
company conducts weekly
safety lectures



Internal Safety Promotion



"Six Requirements" Project

During the reporting period, the Company responded proactively to the "Six Requirements" project in Suzhou by implementing various initiatives through all employee participation, material equipment, and operational manuals. By creating visualized areas such as team promotion zones and emergency signage, along with regularly conducting morning safety meetings for teams and quarterly safety lectures, the Company significantly enhanced safety management practices and emerged as a model of successful government-enterprise collaboration to promote safe production.



Work Conference on the Special Governance of Lithium Battery Manufacturer

In July 2024, the Company actively participated in the Work Conference on the Special Governance of Lithium Battery Manufacturers, organized by the Emergency Management Bureau of Xiangcheng District, Suzhou. The Company diligently studied the safety management requirements for lithium batteries, exchanged best practices with other enterprises, and clarified its own responsibilities.



COMPLIANT EMPLOYMENT

Management System

The Company adheres strictly to the Labor Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China. The Company establishes and continuously improves labor rules and regulations, and ensures that workers enjoy their labor rights and fulfill their labor obligations. The Company has developed an Employee Handbook which clarifies employment policies regarding human rights protection, salary and benefits, anti-discrimination, prohibition of child labor, and prevention of forced labor to safeguard the legitimate rights and interests of employees.



Prevention of Child Labor

The Company strictly complies with national laws and regulations prohibiting child labor and ensures that minors under the age of 16 are not employed. During the recruitment process, measures such as verifying the applicant's appearance against their ID card photographs are implemented to prevent the hiring of child labor.



Anti-Discrimination

The Company firmly enforces anti-discrimination policies to ensure that all employees are treated equitably during recruitment and throughout their employment.



Anti-Harassment

The Company strictly prohibits any form of harassment, including inappropriate posture, language, and behavior. The Company is committed to creating a safe, respectful, and professional working environment.



Prevention of Forced Labor

The Company expressly prohibits and does not support any form of forced labor, ensuring that employees engage in work voluntarily.

Equality and Diversity

The Company is committed to building a diverse and inclusive work environment that honors and values the differences among employees. We recognize that individuals with varying backgrounds, experiences, and perspectives contribute to innovation and provide competitive advantages for the Company. The Company pledges that every employee is treated equitably in recruitment, promotion, and daily operations, irrespective of race, gender, religious beliefs, sexual orientation, or disability status. We actively promote open communication and mutual respect, ensuring that every individual can offer their talents within a comfortable and respectful atmosphere.

Holiday and Leave

Regarding employee welfare, the Company rigorously adheres to national laws and regulations and guarantees employees' rights to various types of leave. Employees are entitled to statutory holidays, paid annual leave, marriage leave, maternity leave, nursing leave, breastfeeding leave, childcare leave, only child's parent care leave, bereavement leave, and other forms of leave. Additionally, sick leave, unpaid personal leave, and other leave types are managed appropriately in accordance with relevant regulations to allow employees sufficient time to rest and care for their families, thereby supporting their physical and mental health and promoting work-life balance.

Employee Communication

The Company ensures effective communication channels through multiple avenues, including bulletin boards, company meetings, internal websites and platforms, and Inner Voice mailboxes. Clear communication systems and procedures have been established to encourage employees to initially address issues with their immediate supervisors. If an issue remains unresolved, employees can escalate it through established procedures and ultimately involve the general manager for mediation if necessary.

Moreover, the Company places a high value on employee suggestions and feedback. Annually, irregularly scheduled employee representative conferences, platforms for dialogue with senior management, and anonymous surveys are conducted to actively gather insights from employees regarding the work environment, work schedules, management systems, and other relevant areas. Informed by the survey results, the management mechanisms are optimized to enhance employee satisfaction. The latest survey findings this year indicated that overall employee satisfaction is high, with 87% of respondents expressing great satisfaction.



Inner Voice mailbox



Staffing Meeting

As of the end of the reporting period, the Company had a workforce of 399 employees. The distribution of employees by gender, age, rank, and regional location is detailed below.

Indicators	Segmented Indicators	Unit	2024
Workforce by gender	Male employees	Employee	288
	Female employees	Employee	111
Workforce by age group	Employees aged over 50	Employee	2
	Employees aged 30-50	Employee	295
	Employees aged under 30	Employee	102
Workforce by rank	Managerial employees	Employee	24
	Non-managerial employees	Employee	375
Workforce by regional location	Employees in Chinese Mainland	Employee	396
	Employees in Hong Kong, Macau, and Taiwan	Employee	2
	Employees in other countries and regions	Employee	1

Employee Care

The Company strictly adheres to national laws and regulations and fully safeguards the legitimate rights and interests of employees regarding holidays, working hours, and other related matters. Concurrently, the Company prioritizes the needs of employees and is committed to fostering a healthy, comfortable, and enjoyable working and living environment. During the reporting period, the Company meticulously planned and successfully executed 16 themed activities, including holiday celebrations and birthday parties, aimed at enhancing employees' sense of belonging and corporate cultural identity. All activities have successfully concluded and received positive feedback.

Additionally, the Company has taken various welfare and support measures, such as distributing holiday gift packages and organizing interactive games. These initiatives further demonstrate commitment to employee well-being, help fulfill social responsibilities, instill a sense of warmth and care, and contribute to enhancing employees' happiness and loyalty.



"Moving Forward with Green Awareness, Building Dreams on Voyages" - Annual Conference Ceremony

In January 2024, the Company successfully conducted its annual conference under the theme of "Moving Forward with Green Awareness, Building Dreams on Voyages". Employees from both domestic and international branches participated in the event, which recognized outstanding employees, showcased their talents, and featured a global celebration with a lucky draw, collectively anticipating the Company's future development.



Lantern Festival

During the Lantern Festival, the Company organized a celebration that allowed employees to enjoy delicious Yuanxiao (sweet glutinous rice balls). This event fostered communication among employees, strengthened their friendships, and encouraged a shared vision for the Company's future. The activity not only enriched employees' cultural experiences but also enhanced team cohesion.



Themed activity "Meeting RCT" during the Mid-Autumn Festival

In the Mid-Autumn Festival of 2024, the Company hosted a themed activity titled "Meeting RCT," aimed at celebrating the traditional festival while promoting cultural heritage. Organized by the Human Resources and Administration Department, these activities combined tradition with innovation, creating unforgettable holiday experiences for employees. This cloud-based celebration allowed feelings of love and longing to flourish on the night of the Mid-Autumn Festival, making companionship in RCT a cherished memory for employees.



Employee Birthday Party

During the reporting period, the Company meticulously planned and hosted quarterly employee birthday parties. Activities included speeches from leadership, birthday cake cutting, distribution of small gifts, and interactive games, all designed to enhance employees' sense of belonging and strengthen team cohesion.



Compensation and Benefits

The Company recognizes the critical role of a positive and harmonious workplace atmosphere in fostering sustainable development. To this end, the Company has established a transparent compensation system designed to provide employees with fair and competitive remuneration. This system outlines that employee salaries include a base salary, job subsidies, bonuses, social insurance, and a housing provident fund.

- For employees working overtime, the Company lawfully compensates them.
- The Company provides free meals and offers dinner subsidies to those who work beyond regular hours.
- The Company covers social insurance and funds housing provisions for employees.
- The Company facilitates health check-ups and organizes annual travel and outbound activities.



Through these measures, the company aims to enhance employee satisfaction, strengthen their sense of belonging, and promote their long-term development.

Indicators	Segmented Indicators	Unit	2024
Employees entitled to parental leave by gender	Male	Person	24
	Female	Person	10
Employees taking parental leave by gender	Male	Person	24
	Female	Person	10
Employees resuming work during the reporting period after parental leave, by gender	Male	Person	22
	Female	Person	8
Employees resuming work after parental leave and remain on duty for the subsequent 12 months, by gender	Male	Person	20
	Female	Person	6
Work resumption rate of employees taking parental leave by gender Work resumption rate=100% * (total number of employees who actually resume work after parental leave ends/total number of employees who are supposed to resume work after parental leave ends)	Male	%	92
	Female	%	80
Retention rate of employees taking parental leave by gender Retention rate=100% * (total number of employees who are still on duty 12 months after resuming work from parental leave/total number of employees who resumed work after parental leave in the previous reporting period)	Male	%	91
	Female	%	75

TALENT ATTRACTION AND DEVELOPMENT

The Company actively builds a diverse talent pool by attracting individuals with varied backgrounds and skills through campus and social recruitment. We uphold open and fair recruitment and promotion policies, ensuring equal pay for equal work among all employees regardless of gender while providing women with equal employment rights under appropriate conditions. Moreover, the Company pledges to eliminate discrimination based on ethnicity, race, gender, age, religious beliefs, or disabilities throughout the processes of employee recruitment, compensation, training, and promotion. This commitment ensures that every employee has the opportunity to thrive in an equitable environment.

Career Growth and Performance System

In the realm of employee career growth, the Company has established systems and requirements to encourage employees to grow alongside the Company. The Company prefers to promote outstanding employees to higher positions or assign additional responsibilities to them. Key factors considered in promotions include employees' work attitudes, abilities, performance, conduct, and educational background. Exceptional employees may be selected for short-term or long-term assignments or studies in overseas subsidiaries to enhance their career growth and broaden their international perspectives.

To facilitate professional advancement, the Company has implemented management and professional pathways and platforms that provide tailored development opportunities based on employees' skills, personalities, and preferences. The Company also offers supportive incentives, such as promotions, salary increases, and equity incentives.

For performance management, the Company has developed the Performance Appraisal Management Rule to enhance overall operational efficiency through a scientific appraisal mechanism. This framework clarifies employee rights and responsibilities, guides work direction, improves performance, and serves as a basis for salary adjustments, job changes, and training. This rule applies to all employees, excluding those who are undergoing a probationary period.

The Company's performance appraisal index system comprises four components: key performance indicators (KPI), key competency indicators (KCI), skill proficiency indicators (SPI), and reward and punishment indicators (RPI), each assigned different weights. The performance appraisal indicators adhere to the SMART criteria, ensuring they are specific, measurable, achievable, realistic, and time-bound.

Performance appraisals are categorized into departmental performance assessments and employee performance assessments. The Company pays special attention to unique circumstances, such as clarifying performance bonus quotas and scoring standards for frontline employees, which encompass attendance, quality, output, safety, standardized execution, compliance, fair suggestions, and enthusiasm. Detailed performance scoring rules are established for various positions, including frontline production operators, frontline quality control employees in both incoming (IQC) and outgoing (PQC) roles and frontline employees in the warehouse.



Departmental performance assessments

Departmental performance assessments are conducted monthly, quarterly, semi-annually, and annually based on statistical frequencies.



Employee performance assessments

Employee performance assessments occur monthly for frontline employees and semi-annually or annually for office personnel.

Throughout the assessment process, the Company emphasizes fairness and objectivity, with results disclosed only to relevant personnel. The Company provides performance interviews and training opportunities to help employees develop personal development plans. Additionally, employees have the right to appeal assessment results, which will be reviewed by the Performance Appraisal Management Committee, ensuring a timely response. During the reporting period, all employees accepted performance assessments.

The Company is committed to fostering a fair, just, and transparent performance management environment that motivates employees to continually enhance their performance and promotes mutual development between individuals and the organization.

Indicators	Segmented Indicators	Unit	2024
Departing employees who voluntarily leave	Departing employees	Employee	76
Proportion of departing employees	Proportion of departing employees	%	16
Departing employees by gender	Male departing employees	Employee	53
	Female departing employees	Employee	23
Proportion of departing employees by gender	Proportion of male departing employees	%	11
	Proportion of female departing employees	%	5
Departing employees by age group	Departing employees aged over 50	Employee	0
	Departing employees aged 30-50	Employee	54
	Departing employees aged under 30	Employee	22
Proportion of departing employees by age group	Proportion of departing employees aged over 50	%	0
	Proportion of departing employees aged 30-50	%	11
	Proportion of departing employees aged under 30	%	5
Departing employees by rank	Departing managerial employees	Employee	5
	Departing non-managerial employees	Employee	71
Proportion of departing employees by rank	Proportion of departing managerial employees	%	1
	Proportion of departing non-managerial employees	%	15



Employee Training

The Company places significant emphasis on employee training and development, and demonstrates a commitment to providing development opportunities that help employees adapt to their roles and foster personal growth through continuous education and training. Training programs include new employee training, on-the-job training, and visitor training. The development and implementation of training programs adhere strictly to the Training Control Procedure, ensuring the orderly execution of training activities.

Indicators	Segmented Indicators	Unit	2024
Overall training	Participants in the training	Employee	372
	Percentage of employees participating in training	%	93

- **New Employee Training:** Comprehensive onboarding training is provided to new employees to facilitate their understanding of corporate culture, familiarize them with work processes, and support their integration into the team.
- **On-the-Job Training:** Regular professional skills and personal development training sessions are offered to employees, addressing various areas such as onboarding, R&D, quality assurance, and general skills to meet evolving job requirements and technological advancements. Additionally, the Company remains attentive to the workplace environment and employee needs. During the reporting period, multiple specialized training sessions were conducted on topics such as women's health and anti-discrimination initiatives.
- **Visitor Training:** Customized training sessions are provided to employees based on specific job or project requirements to enhance their professional skills and service levels.

First Aid Training for Employees

In July 2024, first aid training was conducted in the training room of the factory in Bonded Zone to enhance employees' first aid skills for unexpected situations. The training covered trauma bandaging, cardiopulmonary resuscitation (CPR), and the use of automated external defibrillators (AEDs). The Administrative Department organized the event and invited a team of lecturers from the Municipal Red Cross Society, attended by 24 employees. The training outcomes were significant, with an average theoretical assessment score exceeding 95 points, an increase in the knowledge awareness rate from 30% to 90%, and a 100% pass rate in practical assessments. Trainees demonstrated proficiency in performing first aid operations. Furthermore, over 70% of the participants applied their learned skills to manage minor accidents in real life, receiving commendations and effectively promoting the dissemination of first aid knowledge.





PCS Training

In May 2024, the Company conducted PCS training in the training room of the factory in Bonded Zone, which covered modular machines, large machine applications, and operations & applications (O&A), with a total of 106 participants. This training yielded substantial results by deepening employees' understanding of PCS system functions and applications, enhancing operational skills, and establishing a foundation for effective collaboration between departments. The training reflects the Company's commitment to the professional growth of employees and contributes to improved overall operational efficiency and business development.



Overall training

14617 Hour

Total training hour

39.29 Hour

Average training hour
per employee

Employee training
hour by gender

10698 Hour

Total training hour for
male employees

3919 Hour

Total training hour for
female employees

Average employee
training hour by gender

39.92 Hour

Average training hour for
male employees

37.68 Hour

Average training hour for
female employees

Employee training
hour by rank

119.62 Hour

Total training hour for managerial
employees

1211.78 Hour

Total training hour for non-managerial
employees

Average employee
training hour by rank

4.98 Hour

Average training hour for
managerial employees

3.5 Hour

Average training hour for
non-managerial employees

SUSTAINABLE SUPPLY CHAIN

In the realm of supply chain management, the Company is dedicated to ensuring the efficiency, transparency, and sustainability of the supply chain through systematic processes and stringent management measures. To standardize the supplier selection, development, assessment, and procurement processes, the Company has established relevant systems and procedures, including the Procurement Control Procedure, Control Procedure for Nonconforming Products, and Supplier Development and Management Procedure. These measures ensure that the sourced products and services adhere to quality, environmental, and social standards.

189 Supplier

Suppliers
(from the Chinese Mainland)

0 Supplier

Suppliers (from Hong Kong,
Macau, and Taiwan)

27 Supplier

Suppliers
(from overseas)

5 Supplier

New suppliers (screened using
environmental criteria)

0 Supplier

Suppliers with
partnerships terminated

Purchasing Control

The Company has developed comprehensive procurement control procedures to ensure that the issuance and management of purchase orders align with organizational needs while monitoring suppliers' on-time delivery and raw material inventory. The Procurement Department issues purchase orders based on production requirements and procurement plans and verifies the accuracy of order details prior to dispatch to ensure that orders, invoices, and receipts are consistent. Furthermore, the department routinely checks outstanding orders with suppliers to maintain updated delivery dates, assess whether production requirements are being fulfilled, and promptly address potential material shortage risks.



Supplier Management

The Company categorizes suppliers into three classes based on the impact of materials on product quality: Class I (critical materials), Class II (materials with mild impacts), and Class III (auxiliary materials). On-site audits are conducted for Class I and Class II suppliers to assess their production capacity and quality control systems.

Additionally, a supplier management system has been established to ensure the sustainability, compliance, and accountability of the supply chain through rigorous assessment and audit processes. A comprehensive assessment of key areas, such as supplier quality systems, personnel management, contract review, new project development, document management, quality control, product inspection, inventory management, and environmental management is conducted using the Supplier Quality Management System Audit Form. The audit results are classified into three categories: pass (85-100%), conditional pass (70-85%), and fail (0-69%).

Every quarter, the Company utilizes the Supplier Performance Assessment Form to assess suppliers based on quality, cost, delivery, and engineering R&D support. The assessment is categorized into four levels: A (excellent), B (qualified), C (to be improved), and D (unqualified). For issues identified during audits and performance assessments, suppliers are required to respond within two weeks and provide improvement measures along with supporting documentation, while the Company regularly tracks the progress of these improvements.

Level	Score	Rating	Measures
A	100-90	Excellent	Highly recommended. Increase the quantity of procurement
B	89-70	Qualified	Recommended. Maintain the quantity of procurement
C	69-60	To be Improved	Rectification required within time limits Limit the quantity of procurement
D	<60	Unqualified	Disqualified

Responsible Purchasing

The Company upholds the principles of sustainable procurement and actively promotes transparency in its procurement practices. All suppliers are required to sign relevant agreements and commitments, including the Commitment to Social Responsibility and Environmental Health and Safety, the Certificate of Non-Applicability of Hazardous Substances, and the Integrity and Discipline Commitment. Furthermore, the Company ensures the legality and compliance of procurement activities, eliminates corruption and improper tunneling, and endeavors to continuously improve operations. The Company closely collaborates with suppliers to establish long-term, stable relationships that contribute to industry development.

- Commitment to Social Responsibility and Environmental Health and Safety: Suppliers must promise to strictly adhere to the requirements of SA8000, ISO 14001, and ISO 45001 management systems during their commercial activities, along with compliance with all applicable national, local, regional, and international laws and regulations.
 - Certificate of Non-Use of Hazardous Substances: Suppliers must ensure that all products, components, raw materials, and materials provided adhere to the latest versions of EU and national restricted substance directives and regulations (such as RoHS, halogen-free standards, REACH, etc.), do not contain conflict minerals, and comply with the Company's Green Material Management Procedure and relevant declaration documents.

indicators	Unit	2024
Suppliers who completed annual audits (periodic audits)	Supplier	21
New suppliers (screened using environmental criteria)	Supplier	5

SOCIAL RESPONSIBILITY AND CONTRIBUTION

The Company actively participates in industry activities, promotes technical exchanges and cooperation, and helps formulate industry standards, which demonstrates positive contributions in promoting industrial collaborative innovation and promoting high-quality development of the industry.

ESIE 2024

At the 12th Energy Storage International Conference and Expo (ESIE 2024) in April 2024, the Company showcased its comprehensive energy storage system solutions, particularly the LABEL liquid cooled commercial energy storage product L200, which attracted widespread attention. During the exhibition, RCT Power CESS 200 (i.e. Commercial Energy Storage System L200) obtained the South African certification certificate and the Greek grid connection certification certificate, proving the safety and high performance of its products.



SNEC PV+ 17th (2024) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition

In June 2024, the Company participated in the 17th SNEC PV International Photovoltaic Power Generation and Smart Energy Conference & Exhibition, where the Company launched the next-generation LABEL Liquid-Cooled Commercial Energy Storage System L1000. This product boasts a capacity of 932 kWh and offers an integrated solution characterized by efficient operation, streamlined maintenance, and intelligent charging capabilities. The product received the Energy Storage Industry Application Innovation Award, further solidifying the Company's significant position in the global energy storage sector.



All Energy Australia 2024

In October 2024, CRT Power showcased a comprehensive range of energy storage products at the All Energy Australia 2024 held in Melbourne, Australia. The Company injects new momentum into the Australian market through cutting-edge technology and innovative products, strengthens international collaboration, promotes a global strategic framework, and continuously unlocks the vast potential of clean energy.



Source: https://mp.weixin.qq.com/s/3NItPSyCuhzeDzHO_LUUiA

The Smarter E Europe 2024

In June 2024, CRT Power attended the exhibition in Munich, Germany, to engage in on-site discussions with energy partners and explore the application prospects of the energy storage industry, thereby supporting the high-quality development of the green energy sector.



Source: <https://mp.weixin.qq.com/s/4OFgSXRT5VT9M8fIAxcl6w>

In terms of industry standard setting, the Company has actively contributed to the development of Technical Specification for User-Side Microgrids in the Electronic Information Industry with the help of exceptional professional capabilities. Additionally, the Company has played a significant role in drafting the national standard for the energy storage industry in Malaysia. Through these forward-thinking and professional practices, the Company has not only established a solid foundation for enhancing technological strength but has also provided substantial impetus for the standardization and sustainability of the industry as a whole. Concurrently, the Company actively participates in industry associations and alliances, collaborates with upstream and downstream partners, and consolidates various efforts to advance the industry to a higher level of development, with a commitment to fostering a more collaborative, efficient, and innovative industry ecosystem.

Association and Alliance

China Energy Storage Alliance (CNESA)	Member
Jiangsu Energy Storage Association	Member
Enterprise Informatization Association of Jiangsu	Member
Suzhou Photovoltaic Industry Association	Council Member
Electrical Energy Storage Alliance (EESA)	Member

Prosper with the Society

We actively practice the core socialist values and demonstrate our corporate social responsibility by taking a global perspective and focusing on areas with energy scarcity with substantial actions. Simultaneously, we engage in social welfare activities and meticulously organize and implement various public welfare initiatives. By collaborating with all sectors, we build a harmonious, stable, friendly, and mutually supportive social environment together.

Paradyskloof Engen Project in South African

During the reporting period, the Company provided advanced energy storage solutions to address the ongoing power challenges in the South African region, which experienced daily outages lasting between two to four hours. This initiative effectively mitigated the issues of an unstable local power supply and assisted customers in managing the sixth phase of load shedding, where electricity may be unavailable for up to eight hours within a 24-hour cycle. As a result, the quality of life for local residents significantly improved, and the production efficiency of local enterprises also increased. Customers highly praised the Company's product quality, after-sales service, and the professionalism of the project team.



Public Cycling Event Around Taihu Lake

In May 2024, the Company organized a public cycling event around Taihu Lake in Suzhou to fulfill its corporate social responsibility and promote concepts of environmental protection. The event attracted 25 management members and successfully increased public awareness and engagement in environmental protection while enhancing the Company's social image and reputation.



03

EXCELLENCE OF ECOLOGY: SPEARHEADING THE LOW-CARBON GREEN TRANSITION

- Environmental and Resource Management
- Waste Management
- Biodiversity Protection
- Climate Change Response
- Clean Technology and Opportunities

Guided by the mission to spearhead the low-carbon and green transformation, the Company fully practices the principles of sustainability and strives to create a green, intelligent, and efficient operational model. During the reporting period, the Company actively advanced energy transformation and the circular economy, optimized waste management, and addressed climate change through a continuously improving environmental management system. Not only did the Company achieve a green and low-carbon transformation within its operations, but it also facilitated the widespread application of clean energy technologies through technological innovation and strategic partnerships, thus contributing to global sustainable development.

218.91 tons
reduced carbon dioxide equivalent

" Zero Carbon Factory "

the first factory of this kind in energy
storage industry in Jiangsu Province

In response to SDGs



ENVIRONMENTAL AND RESOURCE MANAGEMENT

Energy Transition and Circular Economy

The Company firmly supports the national green strategic transformation, and actively participates in energy transition and circular economy development. The Company has successfully obtained ISO 50001 energy management system certification, covering energy management activities related to the production of outdoor cabinet energy storage systems, and during the reporting period, successfully passed supervisory audits.

Simultaneously, the Company has implemented digital power information management in the factory in Bonded Zone, with all relevant data efficiently collected and analyzed through the independently developed ROS platform (RCT Power Operation System). This platform's functions encompass electricity statistics, real-time power, photovoltaic power generation, and total factory power consumption among other key information, providing robust data support for the Company's energy management. Through these efforts, the Company is steadily advancing toward achieving green, intelligent, and efficient energy management goals, demonstrating the firm commitment and clear direction on the path of sustainable development.



ISO 50001 Management System

Environmental Management System

The Company considers environmental management a cornerstone for corporate sustainability. The Company rigorously adheres to applicable regulations including the Environmental Protection Law of the People's Republic of China and the Emission standard for industrial enterprises noise at boundary (GB12348-2008). Through comprehensive, science-based management systems, the Company strives to minimize environmental footprint while actively fulfilling corporate social responsibility and fostering positive synergy between environmental stewardship and business growth. The Company has established a dedicated Environmental Health and Safety (EHS) department to oversee and implement environmental policies and procedures, while an Environmental Management Committee led by senior executives regularly reviews environmental policies and objectives to maintain alignment with corporate strategy.

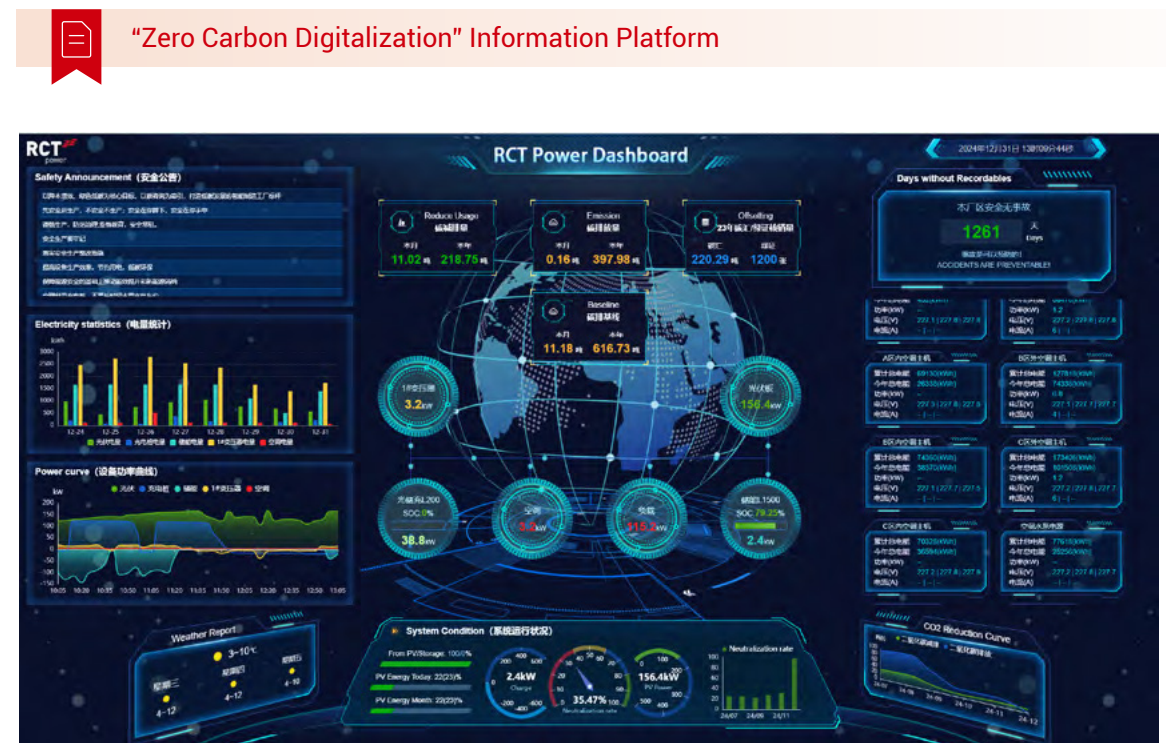
The Company proactively enforces environmental policies addressing critical areas including energy efficiency, emissions reduction, pollution prevention, and resource optimization. Regular environmental risk assessments inform the Company's mitigation strategies. The proprietary digital monitoring platform enables real-time tracking of energy and resource consumption along with other key environmental metrics. Furthermore, the Company conducts ongoing environmental training programs to enhance employee awareness and operating competence in environmental matters.

To address potential environmental incidents, the Company has developed the Environmental Emergency Response Plan. The Company conducts annual drills based on this plan and regulatory requirements to strengthen environmental emergency response capabilities.

The Company has passed ISO 14001 environmental management system certification. The Company reported no significant environmental compliance violations during the reporting period.



Environmental Management System ISO 14001: 2015 Certification



The Company continues to promote photovoltaic storage projects, facilitating the widespread use of renewable energy to support green energy transition and sustainability strategies. During daily operations, these projects can quickly respond to grid dispatch instructions, providing peak cut and frequency regulation services to ensure the safe and stable operation of the power system. In December 2024, RCT Power received subsidies exceeding RMB30,000 for distributed photovoltaic and energy storage projects in Suzhou Industrial Park, achieving a win-win outcome of economic and environmental benefits.



500.28kWp Photovoltaic Power Generation System Project – the Factory in Bonded Zone

This project was built with a total investment of RMB2.25 million. Since its grid connection in May 2023 until December 31, 2024, it has generated a cumulative 744,482 kWh of electricity, of which 631,614 kWh were consumed by the factory.

During the reporting period, the system generated a total of 458,398 kWh, with 382,202 kWh consumed internally, accounting for 83% of the total power generation. The proportion of photovoltaic power generation in the factory's energy consumption increased from 17% in 2023 to 28%, significantly optimizing the energy structure.



500kW/1500kWh and 100kW/200kWh Energy Storage System Projects – the Factory in Bonded Zone



The factory in Bonded Zone has completed the construction of 500kW/1500kWh and 100kW/200kWh energy storage systems. The 100kW/200kWh energy storage system serves as an engineering test unit. The 500kW/1500kWh energy storage system was completed and connected to the grid in July 2023.

During the reporting period, the system accumulated a charging capacity of 259,877.8 kWh and a discharging capacity of 231,290 kWh, accounting for approximately 15% of the factory's energy consumption, with a charge-discharge efficiency of 89%. Compared to 2023, the proportion of energy used by this system to the factory's overall energy usage increased from 5% to 15%, significantly optimizing the energy structure and further improving energy utilization efficiency.

Indicators	Unit	2024
Electricity consumption	kWh	2285347.1
Diesel consumption	Ton	250.34
Gasoline consumption	Ton	3.30
Comprehensive energy consumption	kWh	2667549.1
Energy intensity	kWh/RMB thousand (operating revenue)	25.14

Resource Management

The Company strictly adheres to laws and regulations regarding water resource utilization, including the Water Law of the People's Republic of China, Jiangsu Province Water Resource Management Regulations, and Jiangsu Province Taihu Lake Water Pollution Prevention Regulations, ensuring that all Company water usage activities are legal and compliant. The Company primarily uses industrial water and currently does not face risks of water source shortage. To effectively manage water resources, the Company regularly monitors and tracks water consumption.

Indicators	Unit	2024
Water consumption	Ton	25984
Water consumption intensity	Ton/RMB thousand (operating revenue)	0.24

Circular Economy

The Company closely follows the national advocacy for the circular economy, committed to promoting the implementation of innovative projects. In the field of circular economy development, the Company has achieved notable results, realizing the dual objectives of environmental protection and economic benefits.

Lightweight and High-Density Design

We employ modular structure design to reduce redundant components, which improves system energy density by approximately 20% and reduces material usage by about 15% for the same capacity. Meanwhile, the application of lightweight materials such as aluminum profiles and plastic materials ensures structural strength, reduces weight and lowers energy consumption during transportation.

Efficient Thermal Management Technology

We develop an intelligent liquid cooling temperature control system that reduces energy consumption by approximately 10% compared to traditional solutions, and optimize battery cell arrangement design to reduce the use of heat dissipation materials (such as thermal conductive adhesive).

Environmentally Friendly Material Substitution

Cabinet casings of batteries are made from recyclable polycarbonate composite materials in replacement of traditional spray-painted metal to reduce heavy metal pollution risks and energy consumption during production. Internal wiring harnesses are made from halogen-free flame-retardant materials to lower toxic substance emissions.

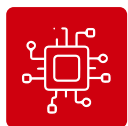
WASTE MANAGEMENT

The Company strictly follows relevant laws and regulations including the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Water Quality Standards for Sewage Discharged into Urban Sewers, and Integrated Wastewater Discharge Standards to ensure proper waste treatment and disposal. To standardize waste management, the Company has established internal Solid Waste Management Specifications.



Hazardous Waste

The Company strictly manages the generation, collection, storage, transportation, and disposal of hazardous waste, and tracks the entire process through the Solid Waste Management Information System of Jiangsu Province, including annual management plan declarations, waste generation declarations, storage declarations, monthly declarations, and disposal declarations for each instance, to comply with regulatory requirements. During the reporting period, we changed the coolant packaging method from 25L small barrels to 1-ton large barrels, reducing the number of waste barrels by approximately 140,000 units and directly decreasing empty waste barrel production by about 9.18 tons.



Electronic Waste

Special management measures are implemented for electronic waste, with disposal applications processed through the internal ROS system to ensure reasonable and safe disposal. Electronic waste such as decommissioned batteries is recycled through government online auctions once sufficient inventory is accumulated.



General Waste

We standardize the treatment of general waste such as garbage collected during the administrative process. We emphasize the management of recyclable waste by incorporating it into the refined management system. Recyclable waste is meticulously categorized into six major types including waste packaging materials, waste cardboard, and waste metals, with dedicated recycling channels and processing procedures arranged for each category to ensure these recyclable resources are fully recovered and reused, achieving resource recycling with regular collection and resource-oriented processing. Additionally, for waste generated during office operations, we actively conduct daily advocacy. We promote environmental protection concepts to employees through various methods, advocate for paperless offices, and encourage employees to minimize the use of paper documents; when printing is necessary, double-sided black-and-white printing is prioritized to save paper and ink. Meanwhile, we promote online approval processes to reduce paper document circulation, decrease office waste generation at the source, create a green and environmentally friendly office environment, and contribute to sustainable development.

At the same time, the Company annually engages qualified third-party testing institutions to inspect waste, with all test results complying with relevant regulations. During the reporting period, no illegal waste discharge incidents occurred.

Indicators	Unit	2024
Hazardous waste generated	Ton	8.5
Hazardous waste disposed	Ton	8.5
General solid waste disposed	Ton	4286
General solid waste disposal intensity	Ton/RMB thousand (operating revenue)	4.0

BIODIVERSITY PROTECTION

The Company values biodiversity protection and regards it as an essential component of corporate sustainability. The Company complies with relevant laws and regulations including the Environmental Protection Law of the People's Republic of China, Soil Pollution Prevention and Control Law of the People's Republic of China, and Water Pollution Prevention and Control Law of the People's Republic of China, while maintaining long-term attention to national policies such as the Opinion on Further Strengthening Biodiversity Protection and Technical Guidelines for Environmental Impact Assessment - Ecological Impact. During daily operations and construction processes, the Company monitors external environmental impact factors and takes practical actions to reduce the effects of operational activities on ecosystems. In both project planning and implementation phases, the Company conducts rigorous environmental impact assessments based on the Environmental Impact Report Form for Construction project evaluation and approval and ensures that all infrastructure projects adopt effective measures to minimize negative impacts on the local environment.



RESPONSES TO CLIMATE CHANGE

In the face of escalating global climate challenges, the Company profoundly understands the urgency of climate action and actively supports both global climate initiatives and China's "dual carbon" goals (carbon peak and carbon neutrality). The Company is dedicated to driving green, low-carbon transformation throughout operations and across the entire value chain, and embedding sustainability principles into corporate strategy and daily operations.

The Company steadfastly upholds the development philosophy that "mountains of gold and mountains of green can coexist," and firmly believes in the harmonious development of the economy and environment. Through an established green, low-carbon production framework, the Company has implemented innovative measures across production processes, energy management, and resource utilization to holistically advance sustainable development. The Company continuously refines manufacturing techniques to enhance energy efficiency and minimize waste emissions; The Company progressively transitions to renewable energy sources to replace conventional ones; and the Company actively engages upstream and downstream partners in collaborative green initiatives to cultivate a sustainable industry ecosystem.

To ensure green transformation is both scientifically rigorous and effective, the Company conducts systematic greenhouse gas accounting and product carbon footprint assessments in accordance with international standards including ISO 14064 (Greenhouse Gas Accounting System) and ISO 14067 (Product Carbon Footprint Standard). Beyond measuring operational emissions, the Company evaluates the complete life-cycle carbon footprint of products—spanning raw material sourcing, manufacturing, product use, and end-of-life disposal. This comprehensive approach enables the Company to precisely identify emission hotspots, establish evidence-based reduction targets, and develop strategic action plans that are fully integrated into standard management practices.

Additionally, the Company regularly publishes greenhouse gas emission reports and carbon footprint accounting results, actively accepting public oversight. Through these efforts, the Company is committed to building a green, low-carbon transformation of its own operations, establishing industry benchmarks, and contributing to global climate change response.

The Company has established Zero Carbon Factory Construction Management System, published a top management's commitment to zero carbon factory, and set ambitious targets of "achieving carbon peak by 2030 and full value chain carbon neutrality by 2055." The Company plans a year-on-year greenhouse gas emission intensity reduction of 4%, targeting a cumulative 28% reduction by 2030. Additionally, the Company plans to complete the new facility in Xiangcheng in 2025 and to have both this facility and the factory in Malaysia achieving Type I 3-star zero carbon factory certification by 2026. Looking forward, the Company will continue to attain Type I 5-star zero-carbon factory certification standards by 2030 through innovative energy-efficient technologies, sustained emission reduction initiatives, and enhanced green supply chain requirements.

The Company pledges that while maintaining core commitments to workplace safety, employee wellbeing, product excellence, and environmental stewardship, the Company will implement low-carbon materials, processes, technologies, and equipment alongside scientifically advanced management systems to progressively reduce greenhouse gas emissions in pursuit of zero carbon targets.

During the reporting period, the facility in headquarters earned zero carbon factory certification, becoming the first "Zero Carbon Factory" in Jiangsu Province's energy storage sector.



Jiangsu's First "Zero Carbon Factory" in the Energy Storage Industry

The Company demonstrates a strong emphasis on green and low-carbon development by implementing comprehensive energy-saving and emission reduction measures. The Company establishes smart micro-grid systems integrating photovoltaic generation, energy storage, charging, and monitoring capabilities while deploying distributed photovoltaic storage power stations throughout industrial parks to maximize renewable energy utilization. During the reporting period, the facility directly in headquarters reduced greenhouse gas emissions through internal photovoltaic power generation and consumption, while participating actively in carbon sink projects to achieve 100% offset of greenhouse gas emissions. The facility successfully offset 220.29 t CO2 e throughout the year and received Type I four-star "Zero Carbon Factory" certification in March 2024, marking a significant milestone in the sustainable manufacturing journey.



As a responsible enterprise, the Company actively practices green, low-carbon development concepts. At its current development stage, RCT Power integrates "energy conservation, pollution reduction, and carbon reduction" throughout all production and operation processes, and strictly controls its own energy consumption and greenhouse gas emissions. The Company continuously promotes and constructs distributed photovoltaic storage power stations and other comprehensive new energy utilization projects. Meanwhile, through ongoing practice, the Company thoroughly summarizes advanced experiences in the construction of "zero carbon factory" and proactively extends these practices to all factories. Centered around the vision of "to become a global leader in energy storage solutions," the Company injects "green momentum" into the rapid development of the energy storage industry.

Indicators	Unit	2024
Total greenhouse gas emissions	t CO ₂ e	2564.49
Direct greenhouse gas emissions (Scope 1)	t CO ₂ e	1260.74
Indirect greenhouse gas emissions (Scope 2)	t CO ₂ e	1303.75
Greenhouse gas emission reduction	t CO ₂ e	218.91
Greenhouse gas emission intensity	t CO ₂ e/ RMB thousand (operating revenue)	0.024



Product Carbon Footprint
Verification Certificate

CLEAN TECHNOLOGY AND OPPORTUNITIES

The Company closely follows the pace of the global energy transition, and actively seizes opportunities brought by clean technology. The Company is committed to promoting the development and application of clean energy technologies. In the field of energy storage technology, the Company has made significant progress, providing innovative technologies and solutions for building a clean, low-carbon energy system.

Currently, the Company has established cooperative relationships with multiple industry leaders to jointly promote the development and application of energy storage services. These collaborations have enhanced the Company's technological capabilities and accelerated the market-oriented process of clean energy solutions.

Strategic Cooperation

Strategic Cooperation with Schneider Electric

During the reporting period, we reached a strategic collaboration agreement with Schneider Electric, a global expert in digital transformation in energy management and automation. This cooperation aims to jointly promote innovation and development of energy storage systems and inject new momentum into the high-quality development of new power systems.



RCT Power's Strategic Partnership with Renewable Energy Solutions (RES)

At the end of 2024, RCT Power joined forces with industry leader Renewable Energy Solutions (RES) to officially launch a strategic partnership. Both parties will integrate their resource advantages and create brand synergy to jointly promote high-quality development in the global renewable energy sector.

Collaborative Project – 600kW/1800kWh Energy Storage Station Project in Wuxi Innovation Demonstration Park

We collaborated with Schneider Electric to successfully implement the 600kW/1800kWh energy storage station project in Wuxi Innovation Demonstration Park. The project aims to balance renewable energy generation, energy storage, and power demand from loads, and to significantly enhance the factory's renewable energy penetration rate and economic benefits. The project began on-site construction in December 2022 and achieved grid connection conditions in February 2023.

Adhering to our corporate mission of "Reliable Quality, Customer Success," we commit to providing 15-year full life-cycle operation and maintenance services, including 24/7 consultation services, regular on-site inspections, and 10-year paid battery replacement services to ensure the long-term stable operation and efficiency of the station.



Collaborative Project – Wuhan Schneider 500kW/932kWh Project

The industrial energy storage project located in Wuhan, Hubei Province employs advanced energy storage technology, equipped with the LABEL series energy storage product L1000, with a project scale reaching 500kW/932kWh. Operating through the EMC model, this project achieves flexible energy regulation, and effectively helps enterprises manage production electricity consumption, with expected annual electricity cost savings of approximately RMB200,000. This energy storage + industrial smart manufacturing solution not only promotes improved energy efficiency but also supports the enterprise's long-term sustainable development, providing an effective example of energy management and cost savings for similar industrial enterprises.



In-depth Strategic Cooperation Between RCT Power and Wärtsilä



In October 2024, RCT Power and Wärtsilä held the "Powering Decarbonisation with Advanced Energy Storage Solutions" cooperation celebration and the ceremony of the 6000th Quantum at RCT Power's headquarters in Jiangsu, to celebrate the outstanding achievements of both parties in the field of grid energy storage over the past five years. Looking back, over five years of partnership, RCT Power and Wärtsilä have collaborated sincerely to continuously explore new decarbonization development models in the grid energy storage sector. The Company is committed to providing Wärtsilä with efficient, intelligent energy storage solutions, and helping Wärtsilä achieve its goal of leading global energy transition and sustainability.

Key Projects



2.99MW/5.96MWh Energy Storage Project in SIG Xinglong Street, Suzhou

SIG Combibloc's Suzhou factory is equipped with four L1500 liquid-cooled energy storage products made by RCT Power, with a total capacity of 2.99MW/5.96MWh. Through intelligent energy storage solutions, the project enhances energy efficiency, ensures stable factory operation, and achieves a win-win outcome for economic benefits and environmental protection.



Farm Project in the Netherlands

This project, implemented through an EMC model, deployed five LABEL series L200 energy storage products at a modernized farm in the Netherlands. With a total capacity of 500kW/1165kWh, the project innovatively applies integrated photovoltaic storage systems, providing the farm with an efficient and stable energy solution.



100kW/233kWh Energy Storage Station in Athens, Greece

This project is equipped with one LABEL series L200 energy storage product with a capacity of 100kW/233kWh. Under the EMC model, through intelligent energy management, it achieves dual improvements in production efficiency and quality while reducing energy consumption and carbon emissions, injecting new momentum into the tech firm's green development.



100kW/233kWh Energy Storage Station Project in Croatia

This project, implemented through a self-purchase model, deployed one LABEL series L200 energy storage product with a capacity of 100kW/233kWh, providing a green and efficient new energy management pathway for wood processing factories.



Looking to the future, the Company will continue to cultivate its presence in the clean energy sector, continuously optimize technological innovation strategy and expand global business footprint to bring positive green energy transformation to the industry and customers. The Company is committed to injecting new momentum into the global energy sector through technological innovation and collaboration, and working together toward a more sustainable and cleaner future.



APPENDIX

ESG Data Performance Table

Indicator	Unit	2024
Economic KPIs		
Total assets	RMB hundred million	12.46
Operating revenue	RMB hundred million	10.61
Net profit	RMB hundred million	0.64
R&D investment	RMB hundred million	0.51
Environmental KPIs		
Power consumption	kWh	2285347.1
Energy intensity	kWh/RMB thousand (operating revenue)	25.14
Water consumption intensity	Ton/RMB thousand (operating revenue)	0.24
Greenhouse gas emission reduction	tCO2e	218.91
Total greenhouse gas emissions	tCO2e	2564.49
Greenhouse gas emission intensity	tCO2e/RMB thousand (operating revenue)	0.024
Social KPIs		
Total workforce	Employee	399
Number of R&D personnel	Employee	117
Proportion of R&D personnel	%	29
Percentage of employees participating in training	%	93
Average employee training hour	Hour	39.29
Number of safety violations with significant impact	Violation	0
Number of work-related fatalities among employees	Case	0
Working days lost due to work-related injury	Hour	56
Accumulated patent applications	Patent	253
Accumulated authorized patents	Patent	132

GRI Content Index

Statement of use	Jiangsu RCT Power Energy Technology Co., Ltd.has reported the information cited in this GRI content index for the period January 1 to December 31, 2024 with reference to the GRI Standards.
Applicable GRI Sector Standard	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Overview
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-5 External assurance	Independent Assurance Statement
	2-6 Activities, value chain and other business relationships	About RCT Power
		Responsible Operations
		Sustainable Supply Chain
	2-7 Employees	Compliant Employment
	2-9 Governance structure and composition	Compliance and Operations
	2-10 Nomination and selection of the highest governance body	Compliance and Operations
	2-12 Role of the highest governance body in overseeing the management of impacts	Compliance and Operations
	Disclosure 2-13 Delegation of responsibility for managing impacts	Compliance and Operations
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance
	2-16 Communication of critical concerns	Compliance and Operations
		ESG Governance
	2-22 Statement on sustainable development strategy	Message from the General Manager
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics
	2-27 Compliance with laws and regulations	Refer to each chapter for details
	2-28 Membership associations	Social Responsibility and Contribution
	2-29 Approach to stakeholder engagement	Stakeholder Engagement

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement
	3-2 List of material topics	Materiality Assessment
	3-3 Management of material topics	Refer to each chapter for details
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Stakeholder Engagement
	201-4 Financial assistance received from government	Materiality Assessment
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 207: Tax 2019	207-1 Approach to tax	Compliance and Operations
	207-2 Tax governance, control, and risk management	Compliance and Operations
	207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Energy Transition and Circular Economy
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Transition and Circular Economy
	302-3 Energy intensity	Energy Transition and Circular Economy
	302-4 Reduction of energy consumption	Energy Transition and Circular Economy
	302-5 Reductions in energy requirements of products and services	Energy Transition and Circular Economy
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Energy Transition and Circular Economy
	303-3 Water withdrawal	Energy Transition and Circular Economy
	303-4 Water discharge	Energy Transition and Circular Economy
	303-5 Water consumption	Energy Transition and Circular Economy
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Protection

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change Response
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change Response
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change Response
	Disclosure 305-4 GHG emissions intensity	Climate Change Response
	305-5 Reduction of GHG emissions	Climate Change Response
GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated Disclosure	Waste Management
	306-4 Waste diverted from disposal	Waste Management
	306-5 Waste directed to disposal	Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Compliant Employment
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compliant Employment
	401-3 Parental leave	Compliant Employment
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
	403-5 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 Standard	Disclosure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Compliant Employment
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Attraction and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Compliant Employment
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Attraction and Development
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Compliant Employment
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Compliant Employment
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Compliant Employment
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility and Contribution
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Responsible Operations
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible Operations
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	High Quality Service
	417-2 Incidents of non-compliance concerning product and service information and labeling	High Quality Service
	417-3 Incidents of non-compliance concerning marketing communications	High Quality Service
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security

ASSURANCE STATEMENT

Independent Assurance Statement



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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Jiangsu RCT Power Technology Co., Ltd. (hereinafter "RCT Power" or "the Company") to conduct an independent third-party assurance of 2024 Environmental, Social and Governance Report of RCT Power (hereinafter, the "ESG Report"). The report disclosed sustainability information for the fiscal year 2024 (January 1, 2024 to December 31, 2024) of RCT Power.

Responsibilities

RCT Power is not only responsible for the preparation of ESG report and the collection and submission of sustainability information in accordance with applicable reporting standards, but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of the report of RCT Power. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on ESG reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in ESG report of RCT Power in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of RCT Power and stakeholders concerned with the company's sustainability information and performance to provide an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- GRI Sustainability Reporting Standards (GRI Standards)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.

1



- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2024 ESG Report of RCT Power and its contents are in adherence to the AA1000AP AccountAbility Principles.
- RCT Power has implemented processes to collect and aggregate performance information and data related to materiality issues within the reporting boundary.
- The ESG-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on RCT Power based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

The key stakeholders identified by RCT Power included governments and regulators, shareholders, customers, employees, suppliers and other industry partners, communities and the public, as well as media and industry associations. Evidence showed that in 2024, the company conducted an online questionnaire survey of internal and external stakeholders, covering ESG issues (such as compliance and risk management, employee rights and benefits, occupational health and safety, etc.).

Materiality

RCT Power has implemented a materiality issue assessment. The company evaluated and prioritised the importance of ESG issues from two dimensions: importance to external stakeholders and importance to corporate sustainable development, with reference to international initiatives and standards, industry and relevant customer requirements, industry and related customer requirements, industry and industry best practices, and corporate development strategies. The materiality issue matrix chart showed the key issues of the year (e.g. corporate governance, compliance and risk management, customer privacy and information security, employee rights and benefits, ESG management, etc.).

Responsiveness

The communication channels between RCT Power and its stakeholders mainly included investor hotlines, customer service and satisfaction surveys, employee training, whistleblowing and monitoring mechanisms, supplier reviews and training, and public welfare projects.



The report disclosed data on key performance indicators (e.g., greenhouse gas emissions (including Scope 1 and Scope 2 emissions), employee employment and benefits, occupational health and safety, suppliers, etc.), as well as the setting and achievement of safety operation indicator targets.

Impact

RCT Power focused on operational and business risks in the areas of environment, occupational health and safety, and information security. We recommend that RCT Power carry out analysis, assessment, monitoring and management of sustainability-related impacts, risks and opportunities.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, April 16, 2025



Feedback from Readers

Dear Readers,

Thank you for taking the time to read this report. In our ongoing efforts to enhance the Company's sustainability management, we sincerely welcome your valuable feedback and suggestions. Please assist us in enriching the content of this page by providing your responses through one of the following methods:

Phone: +86-512-66830096

Email: info@rct-power.com.cn

Address: No. 18 Ruipu Road, Suzhou Industrial Park, Trade Zone Suzhou Area, China (Jiangsu) Pilot Free Trade Zone

What do you think of this report on the whole?

☐ Excellent ☐ Good ☐ Fair

What do you think of the clarity, accuracy, and completeness of information and data disclosure?

☐ High ☐ Moderate ☐ Low

Do you think this report fully reflects the Company's significant impact in economic, social, and environmental aspects?

☐ Strongly Agree ☐ Agree ☐ Disagree

What do you think of the Company's performance in safeguarding stakeholder interests?

☐ Excellent ☐ Fair ☐ Poor

Please provide your opinions and suggestions regarding the Company's sustainability management:

If you are willing, please provide your contact information.

Name:	Profession:	Work Unit:
Postal Code:	E-mail:	Phone Number:
Address:		

We will fully consider your opinions and suggestions and assure you that your information will be safeguarded appropriately.



 2024 Environmental, Social and Governance (ESG) Report



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Website



RCT Power WeChat
Public Account