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2023

Environmental,  
Social and  
Governance Report



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# About the Report

This is the second Environmental, Social and Governance (ESG) Report ("the Report") released by Ningbo Sunrise Elc Technology Co., Ltd. ("the Company") to stakeholders. The Company has issued one Environmental, Social and Governance (ESG) Report and three annual social responsibility reports prior to the release of the Report. In 2023, the Company released the Report to implement the concept of sustainable development and shoulder the social responsibility, aiming to give an objective and truthful presentation of the Company's ESG-related concepts, initiatives and achievements to shareholders and investors, customers, employees, government, regulatory organisations, suppliers, partners and communities.

## Reporting Period

The Report covers the information and data for the period from 1 January 2023 to 31 December 2023 (the "Reporting Period"), with certain information dating back to 2022 or earlier.

## Basis for Preparation

The Report is prepared in accordance with the ESG information disclosure requirements set out in the Guideline No. 1 for the Self-regulatory Rules of the Companies Listed on the Shenzhen Stock Exchange – Standardised Operation of the Companies Listed on the Main Board and the Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies issued by the Shenzhen Stock Exchange, and the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative ("the GRI Standards").

## Definitions

Abbreviation	Company name and relationship with Company
The Company, Ningbo Company	Ningbo Sunrise Elc Technology Co., Ltd.
Sunrise Technology, We	Ningbo Sunrise Elc Technology Co., Ltd. and its subsidiaries
Dongguan Company	Dongguan Sunrise Electronics Technology Co., Ltd., a subsidiary of the Company
Suzhou Company	Suzhou Zhongxinglian PRECISION Industry Co., Ltd., a subsidiary of the Company
Wuxi Company	Wuxi Rite Surface Treatment Co., Ltd., a subsidiary of the Company
Ningbo Zhongrui	Ningbo Zhongrui Precise Technology Co., Ltd., a subsidiary of the Company
Cixi Zhongjun	Cixi Zhongjun Electronics Co., Ltd., a subsidiary of the Company
Hong Kong Sunrise	Hong Kong Sunrise Enterprises Limited, a subsidiary of the Company
Sunrise (China)	Sunrise (China) Trading Co., Limited, a subsidiary of the Company

Abbreviation	Company name and relationship with Company
CPTS	CPT (Singapore) Co. Pte. Ltd, a subsidiary of the Company
Vietnam Company	SUNRISE TECHNOLOGY (VIET NAM) COMPANY LIMITED, a second-tier subsidiary of the Company
Indonesia Company	PT.SUNRISE TECHNOLOGY BATAM, a second-tier subsidiary of the Company

Unless otherwise specified, all monetary amounts quoted in the Report are presented in Renminbi ("RMB").

### Reporting Scope

The qualitative information in the Report is consistent with that in the annual report. While the key social performance indicators are consistent with the consolidation scope of the annual financial report, the key environmental performance indicators cover the Company and the subsidiaries consolidated in the financial statements that are engaged in manufacturing, namely Sunrise Technology, Dongguan Company, Suzhou Company, Wuxi Company, Ningbo Zhongrui, Cixi Zhongjun, Vietnam Company and Indonesia Company.

### Availability

The Report is released in two versions, the Simplified Chinese version and the English version. In the event of any discrepancy between the two versions, the Simplified Chinese version shall prevail. The Report is available on websites of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) and the Company ([www.zxec.com](http://www.zxec.com)).

### Contact

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# Message from the Chairman

In 2023, in the global economic growth slowdown, the impact of climate change intensified, market uncertainty increased and other multiple challenges, Sunrise Technology adheres to our beliefs, makes concrete efforts and moves forward. We make breakthroughs in the opportunities and challenges, deliver a satisfactory result of our business objectives, and gain the care, trust and recognition of external sectors. These achievements and honors inspire us to keep moving forward. Since the establishment of Sunrise Technology, we insist on practicing the concept of sustainable development, with the opportunity of releasing Sunrise Technology's 2023 Environmental, Social and Governance (ESG) Report, we hope to share with all related stakeholder friends concerned about the development of the company, about our beliefs, efforts and progress in corporate governance, product quality, social responsibility, employee care, energy saving and emission reduction, green development and other aspects.

**Improving governance, we continue to promote sustainable development with a more efficient governance system.** Sunrise Technology has always taken "Pursue the material and spiritual well-being of all staff and make contributions to the progress and development of mankind and society" as our corporate mission and integrated the concept of sustainable development into our development strategy and operation management. 2023, we established the Environmental, Social and Governance (ESG) Committee of the Board of Directors, which combines the company's governance and internal control system to manage and integrate strategy formulation, standardized governance, risk control, business integrity and social responsibility and other related matters more effectively.

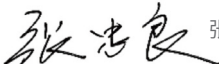
**Intellectual innovation, we are committed to higher quality products and services for our customers' delight.** Sunrise Technology always puts product quality in the first place, take "zero defect" as our goal of continuous effort, and constantly promote quality management and ability to improve and encourage all staff to participate in the proposal to improve. We always adhere to the innovative R&D and advanced manufacturing technology as the core, and promote the pace of intelligent manufacturing construction in our factories, the Cixi New Energy Auto Parts Industrial Base successfully topped out, a series of automated, intelligent, digital equipment and facilities are being laid out in full swing, at the same time, the Precision Connectors Component Intelligent Manufacturing Demonstration Workshop in our Suzhou factory has been selected as municipal and provincial intelligent manufacturing demonstration workshop. We focus on all-round satisfaction of customer needs and expectations, relying on customer-oriented joint R&D mode, grasping the opportunities of technological innovation and industrial development, and responding quickly to customer needs.

**Be strict with oneself and be kind to others, we uphold the "family culture" to build a model of happy enterprise.** Rooted in the traditional Sage culture and Inamori Kazuo management methodology, Sunrise Technology has built a digitally integrated Amoeba business management system and the culture of the Eight Modules for Building a Happy Enterprise, making every employee a protagonist in management, and wholeheartedly shaping the workplace atmosphere that makes every employee feel happy. We provide our employees with solid rights and interests, a safe and healthy working environment, a comprehensive employee career development and training system, a rich variety of humanistic activities and warm charitable and public welfare activities, so as to improve the well-being of every employee at home and abroad, to stimulate and enhance the power of aspiration, the power of potential, the power of faith, the power of will, and to strengthen their beliefs, to create a happy life, and to build a happy home together.

**Natural symbiosis, we explore a more solid path of green development.** As a pioneer in actively practicing environmental protection, we strictly prevent and control pollution. At the same time, we continuously invest and improve to reduce all kinds of negative impacts on the natural environment and climate caused by production and operation. By opening practices such as applying photovoltaics and energy storage, we are further exploring more advanced green energy solutions based on improved efficiency in the use of energy and resources. Sunrise Technology also attaches great importance to the overall improvement of the industry, both upstream and downstream. We pay attention to the whole life cycle of the product, promote the development and application of green products and material recycling, and propose a development approach based on the ESG to supplier partners who work hand in hand all along the way, aiming to build a high-quality supply chain together.

**Embrace the new journey bravely, gather an auspicious future.** As a commitment to become a leading provider of system solutions in the global precision manufacturing field, Sunrise Technology will stay true to the original heart, cherish a vision, unite our efforts, and constantly improve the spirit, and expand the operation, in the practice of environmental, social and governance (ESG) field to climb the peak, for customers, employees, shareholders, partners, and the community at large to create value for the realization of the sustainability goals to further contribute to the power of Sunrise.

Chairman of Ningbo Sunrise Elc Technology Co., Ltd.

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# About Sunrise Technology

## Company Profile

Founded on 27 December 2001 and listed on the SME Board of the Shenzhen Stock Exchange on 26 September 2018 (Stock Code: 002937), Sunrise Technology is an enterprise engaged in the manufacturing and the research and development (R&D) of precision parts. Sunrise Technology's products include electronic connectors, structural parts, plastic casings and insert molding parts, etc.,. We specialize in the fields of the electric equipment systems of new energy vehicles and intelligent terminals, and we provide customized system solutions for high-end customers in the industry.

### Classification of the Company's major products during the Reporting Period

#### Smart Devices

- Intelligent set-top box component series
- Intelligent network communication gateway component series
- Intelligent security and protection component series
- Intelligent electric meter component series

#### Automotive Electronics

- New energy vehicle electrical assembly system
- Battery insert molding component series
- Electrical control insert molding component series
- Other component series
- Traditional automotive electrical assembly system

#### Consumer Electronics

- Office automation (OA) equipment
- Traditional TV-Tuner (TV tuner components)
- Data server



### The main products of the Company in the field of new energy vehicle electrical assembly system



Battery insert molding series



Electrical control insert molding series



Hydrogen/other component series

### The main products of the Company in the field of smart devices



Intelligent set-top box and network communication gateway component series



Server, intelligent security and protection, intelligent electric meter and other components

During the Reporting Period, Sunrise Technology realized a revenue of **2.006 billion RMB**, an increase of **13.51%** up over the previous year.

Net profit for shareholders of listed companies is **267 million RMB**, an increase of **21.99%** up over the previous year.

# Corporate Vision

Sunrise Technology adheres to the business principle of "the value of an enterprise lies in the happiness of employees and the delights of customers", pursues the happiness of both material and spiritual aspects of all employees, and upholds the management policy of "centered on 'high quality and speed', committed to ingraining in industry and technological innovation; satisfying customers' expectations in all aspects; realizing a management system with high growth, high efficiency and high profitability; achieving the happiness of our employees and the delight of our customers". Moreover, we strive to build "intelligent manufacturing" factories where employees can work happily in "an atmosphere of family". We also continuously enhance our core competitiveness and strive to become a world's leading system-solution provider in precision manufacturing.

## Mission

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- Pursue the material and spiritual well-being of all staff and make contributions to the progress and development of mankind and society

## Vision

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- To be the world's leading system-solution provider in precision manufacturing

## Principle

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- The value of an enterprise lies in the happiness of employees and the delights of customers

## Management Policy

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- Center on "high quality and speed", committed to ingraining in industry and technological innovation
- Satisfy customers' expectations in all aspects
- Realize a management system with high growth, high efficiency and high profitability
- Achieve the happiness of our employees and the touching of our customers

## Core Values

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- Soul searching and benefiting others;
- When one encounter a problem, start by looking for the cause from oneself;
- Treat others with sincerity, respect, kindness and love;
- Love one's family, work, company and motherland.

Corporate Concept



## Corporate Culture

Sunrise Technology is rooted in the ideological system of profound traditional sage culture and Inamori Kazuo management methodology, forming the core of the enterprise with Sunrise Technology's philosophy and family culture system, and building the Amoeba management system and eight modules for Building a Happy Enterprise. With philosophy as the nourishment of the heart and the deepening of business strength with practical learning, we have explored a novel and solid growth path, and cultivated a strong cohesion and fast action, laying a solid foundation for the long-term development of the enterprise.

## Amoeba Management

The essence of the Amoeba Accounting System is to divide the enterprise into several small units, establish a market-oriented accounting system for each division, cultivate talents with entrepreneurial awareness, and achieve enterprise-wide participation based on a shared philosophy. We continuously extend the Amoeba management philosophy from senior management to all employees. By reorganizing the organization, redistributing power, and sharing management concepts and information, we have established several excellent teams to share management responsibilities. At the same time, we have built a scientific value evaluation and performance management system, and independently developed a big data analysis platform to support the digital management of the system, so that the value of employee work and innovation can be effectively measured and recognized, and "let every employee become the protagonist of management" at the level of management and actual operating system, so as to realize the expansion of the company's operation and the improvement of the morale of all employees.

## Eight Modules for Building a Happy Enterprise

In December 2015, Sunrise Technology released the Philosophy Handbook, serving as the company's operation guideline. We have built an eight-module cultural core system of "Humanistic Concern, Teaching of the Sages, Green Environmental Protection, Health Promotion, Charitable Commonwealth, Volunteer Development, Humanities Record, Dedication". The company's management takes the lead in setting an example, judge issues with altruism and revolve everything around the happiness of employees, and sincerely cares for employees and their families. Through humanistic care, health promotion, and continuous teaching of the sages and volunteer culture, employees pursue altruism in their work, overcome difficulties, achieve high goals, and obtain inner happiness and satisfaction.

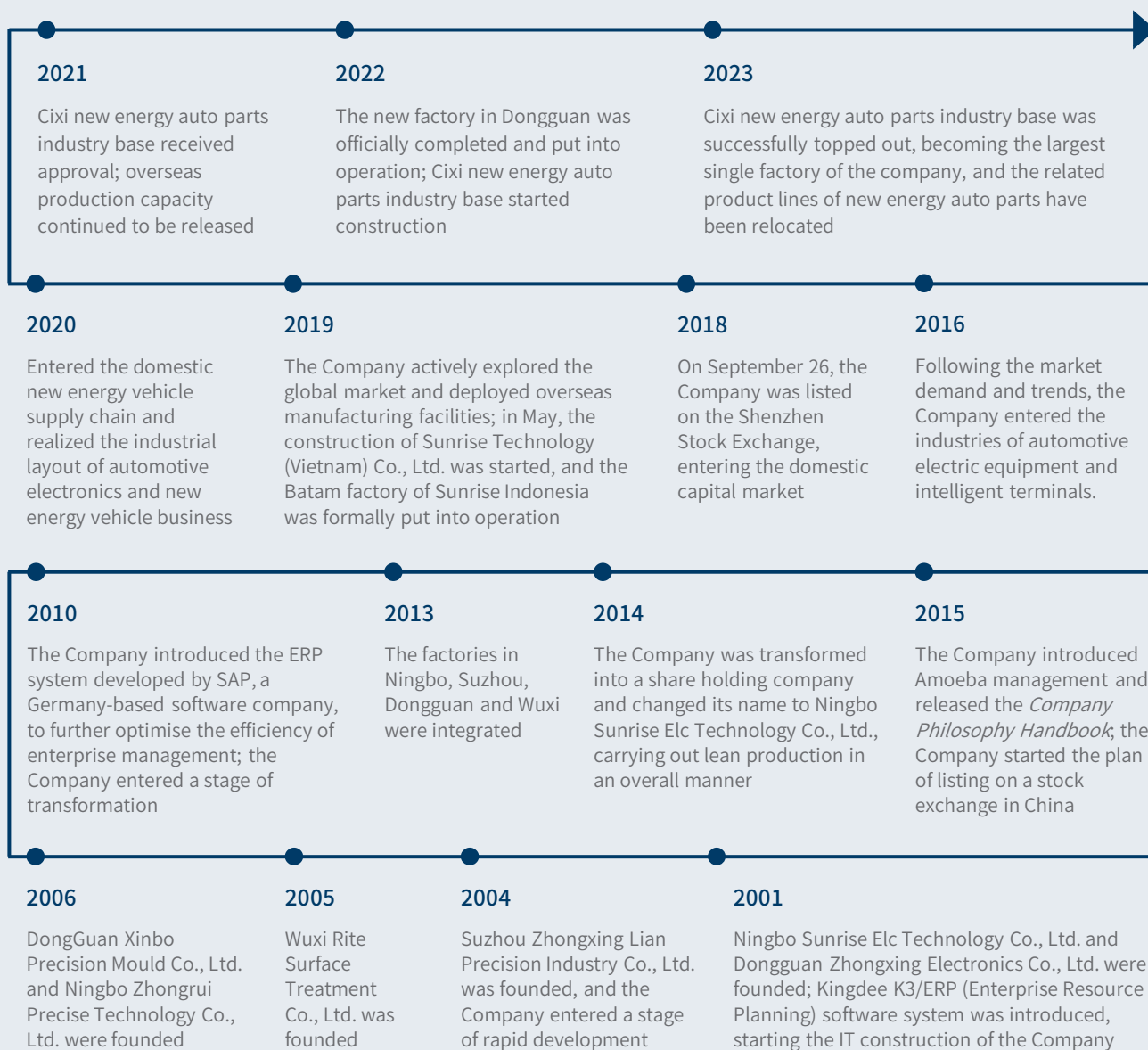


Sunrise Technology's eight modules for building a happy enterprise

## Our History

Sunrise Technology started from nothing as a TV Tuner producer and has achieved the largest global market share in this segment. As a result, we have established long-term trust and business development relationship with major international customers in the consumer electronics industry, such as Panasonic, SONY, Sharp, Samsung, ALPS, etc.

As the iteration of industry and the development of our customers' product line, Sunrise Technology's products have gradually extended from consumer electronics to the field of intelligent terminals, automotive electronics and new energy vehicles. With more than 20 years of experience in precision tooling and precision parts manufacturing, the Company has been providing customers with high-quality customized product services in different batches, values and delivery times with its solid tooling technology and one-stop precision manufacturing capability under the environment of constant iteration of downstream end products. While helping customers to create value and achieve cost reduction and efficiency, we continue to enhance the Company's overall competitiveness in the market.





## Honours and Recognitions

With the excellent R&D capability, advanced manufacturing technology, high-quality product control system and the relentless efforts of all employees, the Company have won a number of awards issued by governments and organizations in areas such as Jiangsu Province, Guangdong Province and Cixi City, as well as recognitions from customers.

During the Reporting Period, awards received by the Company are as follows:

Awards	Year	Issued by
<b>Issued by governmental authorities and social organisations</b>		
2022 annual report performance briefing of listed companies Best Practice	2023	China Association of Public Companies
2022 Cixi City "Top 10 Strength" and "Top 10 Digital Economy" enterprise	2023	Cixi Municipal People's Government
<b>Issued by the industry enterprises/organisations</b>		
Commendation from Panasonic Electromechanical Co., Ltd	2023	Panasonic Electromechanical Co., Ltd
Best Quality Support	2023	CommScope&Foxconn

Awards received by the Company's subsidiaries:

Awards	Year	Subsidiary	Issued by
2023 Municipal Demonstration Intelligent Workshop of Suzhou	2023	Suzhou Company	Suzhou Municipal Bureau of Industry and Information Technology
2023 Intelligent Manufacturing Demonstration Workshop of Jiangsu Province	2023	Suzhou Company	Department of Industry and Information Technology of Jiangsu Province Department of Finance of Jiangsu Province
2022 Specialized and Sophisticated SMEs of Guangdong Province	2023	Dongguan Company	Department of Industry and Information Technology of Guangdong Province



# Standardize Governance for Sustainable Development

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Sunrise Technology combines the company's business strategy with the concept of sustainable development and regards sound corporate governance and responsible operation practices as the cornerstone of sustainable development. During the Reporting Period, we established the Environmental, Social and Governance (ESG) Committee of the Board of Directors, a milestone step towards more efficient management of ESG-related matters. At the same time, we continue to improve the level of governance, deepen the internal control and risk management, optimize the communication channel with investors, to ensure that the company operates in compliance, to build a solid foundation for long-term development. While generating economic benefits, Sunrise Technology always keep in mind the corporate social responsibility, for shareholders, for the society, for the employees to create more value, hand in hand to create a prosperous, sound and sustainable future.

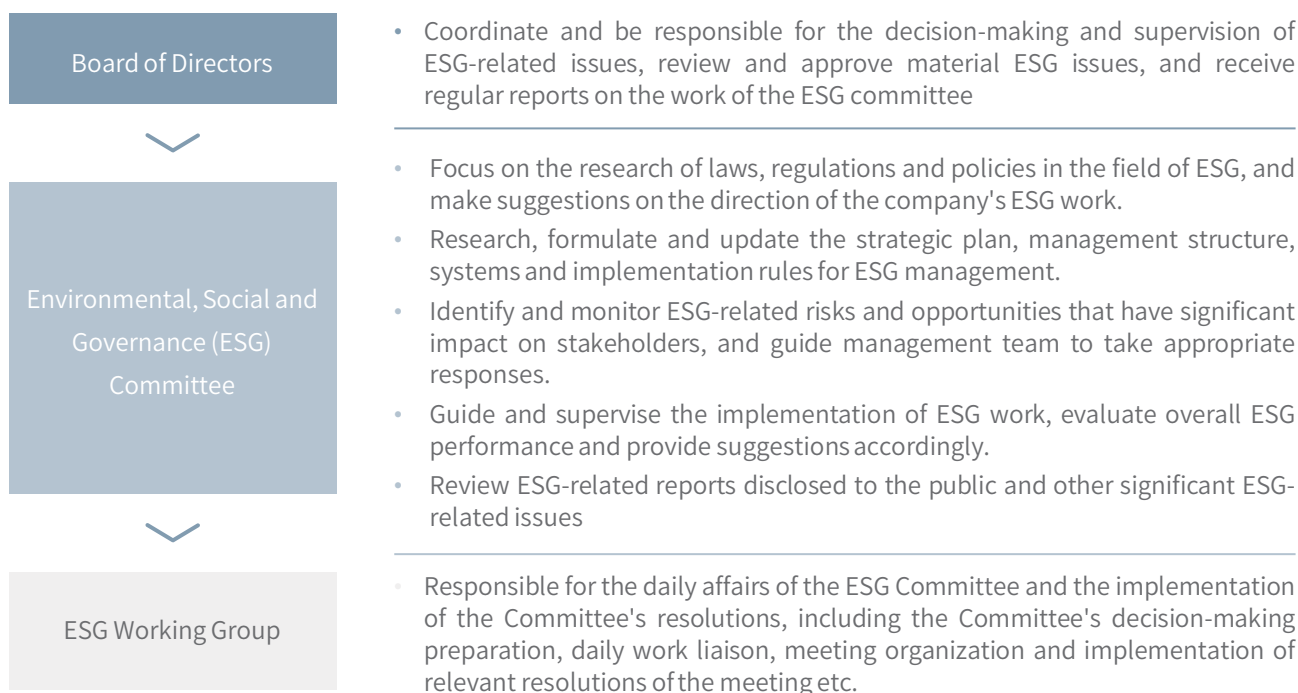
# 1.1 ESG Management

Sunrise Technology always regards "While pursuing the material and spiritual well-being of all employees, we should also contribute to the progress and development of human and society" as corporate mission. We continuously improve the ESG management system, actively communicate with all stakeholders, identify important issues, and jointly create longer-term economic, social and environmental values.

## ESG Governance Structure

To further improve the company's ESG-related management system, we established the Environmental, Social and Governance (ESG) Committee of the Board of Directors ("the ESG Committee") in November 2023. The ESG Committee is a specialized committee under the Board of Directors, with an ESG working group, which jointly form a three-level governance structure of "decision-management-execution".

In accordance with the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and other laws and regulations in the regions where we locate, *the Articles of Association of Ningbo Sunrise Elc Technology Co., Ltd.* and other internal systems and other relevant provisions, the company has formulated the *Environmental, Social and Governance (ESG) Committee Working Rules*, clarifying the composition of members, division of responsibilities, etc., so that environmental protection, social responsibility, standardized governance and other issues can be managed more efficiently and implemented more effectively. This also enables the company to continuously improve the company's ESG governance and promote higher quality development on economic, environmental, social and other related issues.



Sunrise Technology's ESG governance structure and key responsibilities at each level

During the Reporting Period, Sunrise Technology **did not have any** ESG-related legal litigation cases related to the environment, employment, and infringement.



## Communication with Stakeholders

We value communication and interaction with all stakeholders. The major stakeholders of Sunrise Technology include shareholders and investors, employees, clients, suppliers and partners, government and regulatory agencies and communities. In the form of a combination of online and offline, regular formal communication and daily communication and through the various channels to understand the demands and expectations for Sunrise Technology and to develop our ESG management strategies based on stakeholder communication and to take positive actions.

Stakeholders	Issues of concern	Communication methods
Shareholders and investors	<ul style="list-style-type: none"> <li>Corporate Governance and Risk Management</li> <li>Investor Protection</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality Management</li> <li>Technology and Innovation</li> </ul>
		<ul style="list-style-type: none"> <li>General meeting</li> <li>Periodic information disclosure</li> <li>Investor hotline and email</li> <li>Shenzhen Stock Exchange Platform</li> <li>On-site investigation</li> <li>Conference calls</li> <li>Performance briefing</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee Rights and Interests Protection</li> <li>Customer Rights Protection</li> <li>Customer Service and Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Information Security and Protection of Commercial Secrets</li> <li>Technology and Innovation</li> </ul>
		<ul style="list-style-type: none"> <li>Online communication</li> <li>Staff seminars</li> <li>General manager mailbox</li> <li>Lunch talks/employee gatherings (Konpa)</li> <li>Employee satisfaction survey</li> <li>Employee activities</li> <li>Employee training</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Compliance</li> <li>Product Quality Management</li> <li>Customer Rights Protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer Service and Satisfaction</li> <li>Technology and Innovation</li> </ul>
		<ul style="list-style-type: none"> <li>Customer reception and complaint</li> <li>Customer visit</li> <li>Mail and telephone communication</li> <li>After-sales service</li> <li>Client satisfaction survey</li> </ul>
Suppliers and partners	<ul style="list-style-type: none"> <li>Compliance</li> <li>Product Quality Management</li> <li>Customer Rights Protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer Service and Satisfaction</li> <li>Technology and Innovation</li> </ul>
		<ul style="list-style-type: none"> <li>Annual supplier conference</li> <li>Supplier talks</li> <li>On-site communication and inspections</li> <li>Questionnaire Surveys</li> </ul>
Government and regulatory agencies	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Product Quality Management</li> <li>Technology and Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual Property Protection</li> <li>Emission of Greenhouse Gases</li> </ul>
		<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Supervision and inspection</li> <li>Daily communication and reporting</li> <li>Visitor reception</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Business Ethics</li> <li>Employee Rights and Interests Protection</li> <li>Product Quality Management</li> </ul>	<ul style="list-style-type: none"> <li>Technology and Innovation</li> <li>Intellectual Property Protection</li> </ul>
		<ul style="list-style-type: none"> <li>Charitable donations</li> <li>Charitable projects</li> <li>Volunteer activities</li> </ul>



# Materiality Assessment

## Step 1: Identify material ESG issues

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According to the industry and business characteristics of Sunrise Technology, the GRI standards, the *Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies*, and the *Guideline No. 1 for the Self-regulatory Rules of the Companies Listed on the Shenzhen Stock Exchange – Standardised Operation of the Companies Listed on the Main Board*, we have identified 29 ESG issues from 4 aspects (governance, economic, social and environmental).



## Step 2: Analyze and rank the materiality of issues

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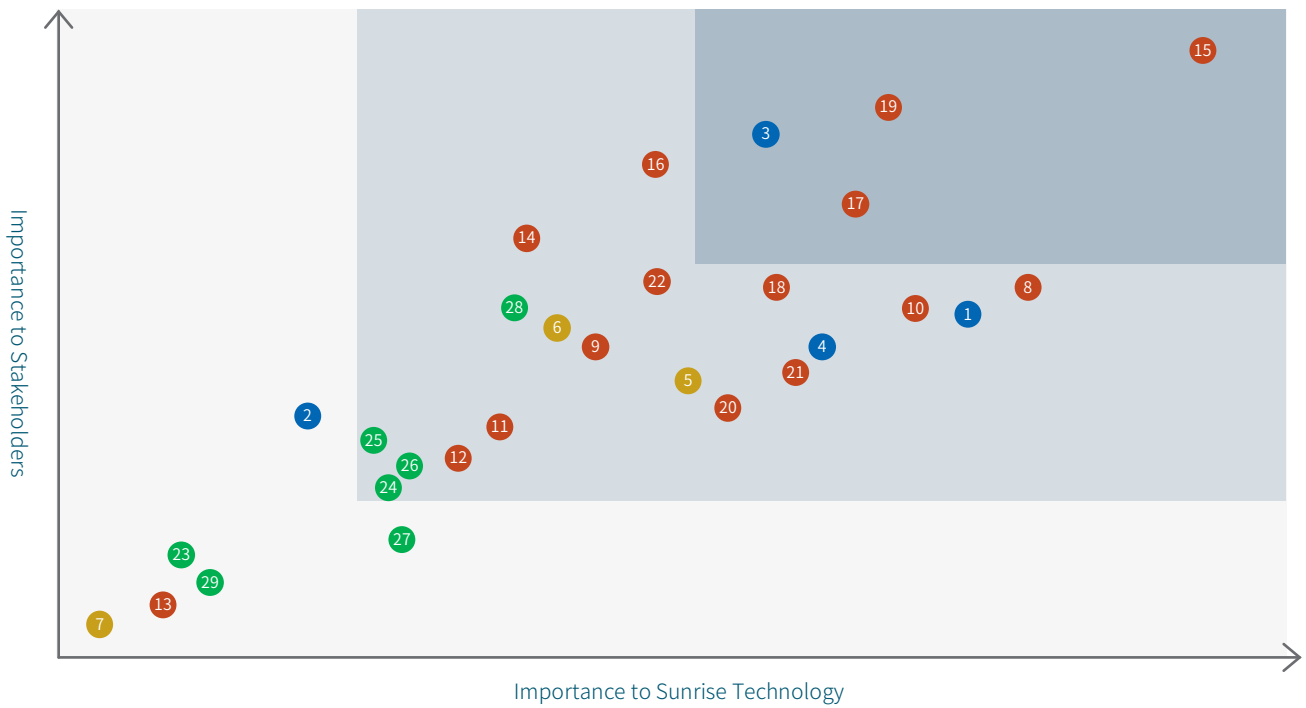
We assess the material ESG issues through surveys of internal and external stakeholders and internal interviews according to the "importance to Sunrise Technology" and "importance to stakeholders". Then based on the actual survey results, a materiality assessment matrix is drawn to determine the importance ranking of ESG issues of Sunrise Technology. Internal stakeholders who participated in interviews included directors, senior executives, and business unit executives, while external stakeholders included shareholders and investors, customers, partners and suppliers, communities, government and regulators, and non-governmental organizations. Based on information driven from ways such as the results of the survey and internal interviews, we identified 4 issues of high importance and 19 issues of medium importance.



## Step 3: Verify assessment results

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Management of Sunrise Technology and ESG principals review and double-check the assessment result to ensure its accuracy and adequacy, and the final result is shown in the figure below.



Aspect	No.	Issue
<b>Governance</b> ●	1	Corporate Governance and Risk Management
	2	Investor Protection
	3	Compliance
	4	Anti-corruption
<b>Economics</b> ●	5	Economic Performance
	6	Business Ethics
	7	Financial impacts of climate change
<b>Society</b> ●	8	Employee Rights and Interests Protection
	9	Talent Attraction and Retention
	10	Occupational Health and Safety
	11	Staff Training and Development
	12	Diversity, Equity, and Inclusion
	13	Community Contribution and Charity
	14	Sustainable Supply Chain
	15	Product Quality Management

Aspect	No.	Issue
<b>Society</b> ●	16	Customer Rights Protection
	17	Customer Service and Satisfaction
	18	Information Security and Protection of Commercial Secrets
	19	Technology and Innovation
	20	Digital Enablement
	21	Lean Management
	22	Intellectual Property Protection
	23	Emission of Greenhouse Gases
<b>Environment</b> ●	24	Material Management
	25	Green Products
	26	Energy Management
	27	Water Resource Management
	28	Management of pollutant emissions
	29	Biodiversity

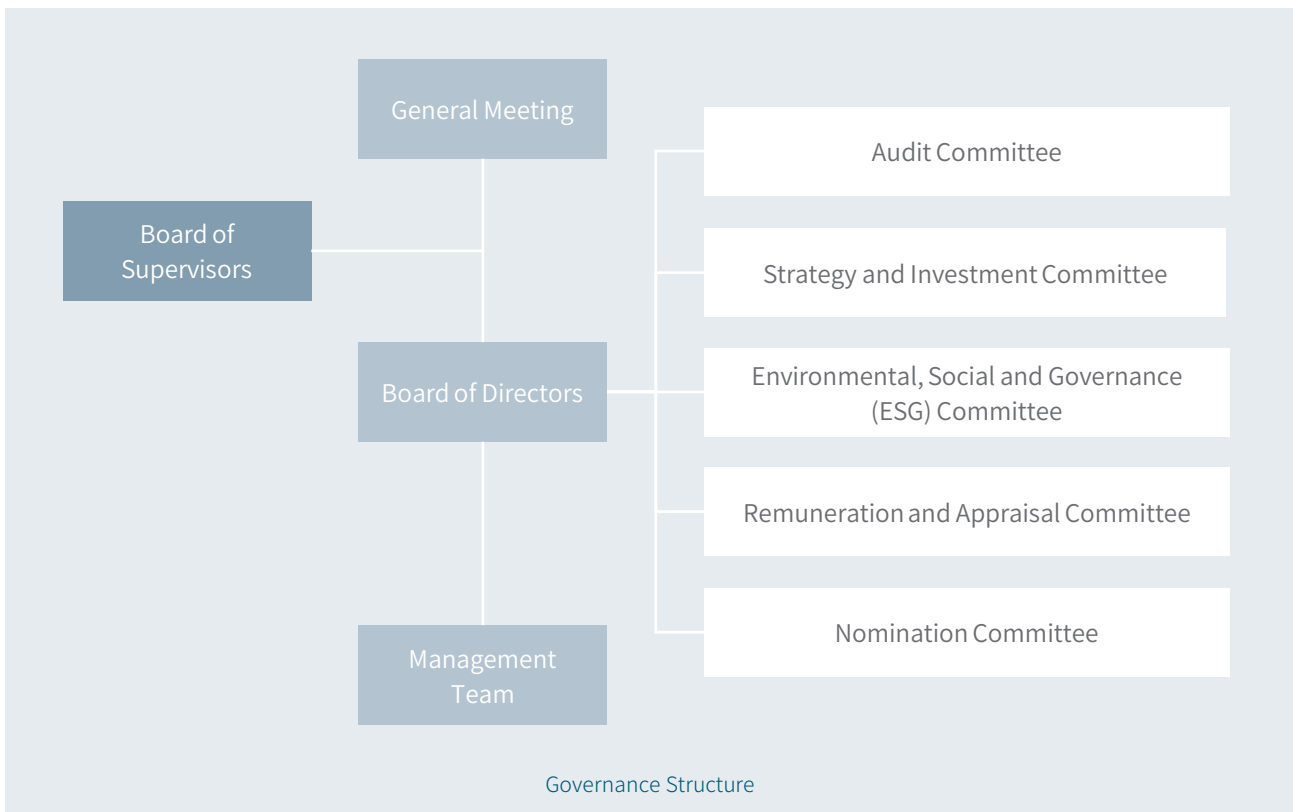


# 1.2 Corporate Governance

Sunrise Technology strictly adheres to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and other laws, regulations, normative documents. The Company makes relentless efforts to improve the corporate governance structure, establishes and improves the internal control policies, strengthens the management of information disclosure, and manages the relations with investors, successively formulating the Articles of Association, the Rules of Procedure of General Meeting of Shareholders, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors and other policies to ensure the Company's stable operation.

## Governance Structure

The Company has established a decision-making system comprised of the General Meeting, the Board of Directors, the Board of Supervisors and the Management Team. The General Meeting, the Board of Directors and the Board of Supervisors are the Company's highest governance body, executive body and supervision body, respectively. The three bodies and the Management Team jointly constitute a well-defined, coordinated, and balanced operational mechanism. Audit Committee, Strategy and Investment Committee, Remuneration and Appraisal Committee, Environmental, Social and Governance (ESG) Committee and Nomination Committee are established under the Board of Directors. These committees perform their duties to supervise the Company's affairs for efficient, scientific and standardised operation.





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- **General Meeting**

The Company strictly implements the *Articles of Association* and the *Rules of Procedure of the General Meeting of Shareholders* to ensure the lawful and effective convening of the shareholders' meeting. The Company treats all shareholders equally and vigorously protects their rights and interests.

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- **Board of Directors**

The Company strictly follows the selection procedures outlined in the laws, regulations, and the Company's Articles of Association in electing its Board of Directors. Our Board consists of 11 directors, of which 7 are non-independent directors, and 4 are independent directors. There are 3 female directors on our Board, accounting for 27.3% of the total. We review and select candidates for the Board based on the Company's business model and development plan, as well as candidates' industry experience and qualifications, cultural and educational background, and their potential contribution to the Board. The Company has engaged independent directors who are professors in accounting, human resource management, technology research, and senior experts in the automobile industry to provide independent opinions and serve as important decision-making references while fulfilling their supervisory and balancing roles to effectively safeguard the interests of the Company and all shareholders.

During the Reporting Period, the company held 13 board meetings, deliberated 47 proposals, and resolved to pass the *2022 Environmental, Social and Governance (ESG) Report*, *Environmental, Social and Governance (ESG) Committee Working Rules of the Ningbo Sunrise Elc Technology Co., Ltd. and other proposals*, *The Independent Director Work System of Ningbo Sunrise Elc Technology Co., Ltd. and Nomination Committee Work Rules of Ningbo Sunrise Elc Technology Co., Ltd.* and other systems have also been revised during the period.

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- **Board of Supervisors**

The Company selects and appoints supervisors strictly adhering to the laws and regulations and the selection and appointment procedures set out in the *Company's Articles of Association*. The Board of Supervisors consists of 3 supervisors, including 1 employee representative and 2 non-employee representatives. According to the requirements of the *Supervisory Board Meeting Rules* and other regulations, the supervisory board effectively supervises significant matters of the Company, related-party transactions, financial conditions, and the legality and compliance of the Company's directors and senior management, and expresses opinions on them.

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- **The Management Team**

The Company's executive management team is appointed by the board of directors and, under its leadership, formulates and implements various specific work plans and promptly obtains operational and financial information to assess the execution of the plans and make appropriate revisions.

## Protection of Investors' Rights and Interests

The Company attaches great importance to protecting investors' rights and interests. We strictly adhere to relevant laws and regulations, such as *Management Measures for the Disclosure of Information of Listed Companies*, and implements internal regulations, such as the *Rules for Information Disclosure*, to faithfully fulfil its information disclosure obligations and ensure that investors have timely and full access to information on the Company's operations and business development, thus maximizing investor protection.

The company has established a multi-channel and all-round communication platform to improve the efficiency of maintaining interaction with investors and provide investors with high-quality services. The Company has a Board Secretary under the Board of Directors and a Securities and Legal Affairs Office responsible for coordinating the communication and

exchange of information with investors. We communicate with investors through our official website, investor hotline, email and Shenzhen Stock Exchange Platform (irm.cninfo.com.cn) to address their concerns. In addition, we arrange site visits, conference calls, and performance presentations to help investors gain an in-depth understanding of the Company's operation and development and to carefully listen to their opinions and suggestions.

We focus on delivering long-term and sustainable earnings and returns to investors, and are committed to continuously improving our profitability through sound management and scientific operations. During the Reporting Period, consolidating company's performance and cash flow, to actively implement the Shenzhen Stock Exchange's "Double Enhancement of Quality and Returns" special action and to better reward our shareholders.

From 2018 to the end of the Reporting Period

the Company has cumulatively distributed dividends of RMB **286.7787** million

The dividend yield of the Company has remained at a **relatively high level** compared to comparable companies in the industry

The Company distributed a cash dividend of RMB **29.777020** million (including tax). Meanwhile

In 2023, the Company planned to distribute a cash dividend of RMB 3.00 (including tax) per 10 shares to all shareholders (subject to the approval of the annual general meeting of the Company and the specific implementation plan).



# 1.3 Risk Management

## Internal Control System

Based on internal control regulatory requirements, Sunrise Technology has established internal policies such as the Management Measures for the Operation of the Internal Control System and the Rules for Risk Management, clarifying the responsibilities of the Board of Directors, the Board of Supervisors and the Management, and continuously improving the internal control and risk management system to ensure the Company's high-quality and steady development. The Company has established an independent Internal Audit Department that carries out audits independently, inspects and oversees the authenticity and completeness of the financial information of the Company and its subsidiaries, the establishment and implementation of the internal control system, etc. The Internal Audit Department is responsible for the Audit Committee of the Company's Board of Directors.



Division of duties by the internal control system

The Company has also established a system for effective risk assessment. Based on the set control objectives, General Manager regularly convenes meetings with department heads and general managers of subsidiary companies to identify and assess risks. Based on the assessment results, appropriate measures are promptly taken to ensure that risks are under control. Meanwhile, the Company has established an emergency response mechanism and formulated emergency plans, clearly specifying the procedures and deadlines for the monitoring, reporting and handling of various types of major emergencies.

We focus on five high-risk areas: internal control of subsidiary companies, related party transactions, external guarantees, major external investment and information disclosure. Furthermore, we have developed and implemented strict control procedures and measures regarding responsibility allocation control, authorisation approval control, accounting system control, property protection control, budget control, operational analysis control, and performance evaluation control to ensure that the internal control system runs effectively. In addition, we formulate the Internal Control Checklist and regularly conduct internal control evaluations of subsidiary companies, covering a wide range of areas, including asset management, business ethics, procurement operations and safety, to ensure the effectiveness of internal control and the operation compliance of subsidiaries. During the Reporting Period, we conducted a total of 4 internal audits and disclosed *the Internal Control Self-assessment Report* in a timely manner to ensure the implementation of the Company's risk management system.

## 1.4 Business Ethics and Integrity

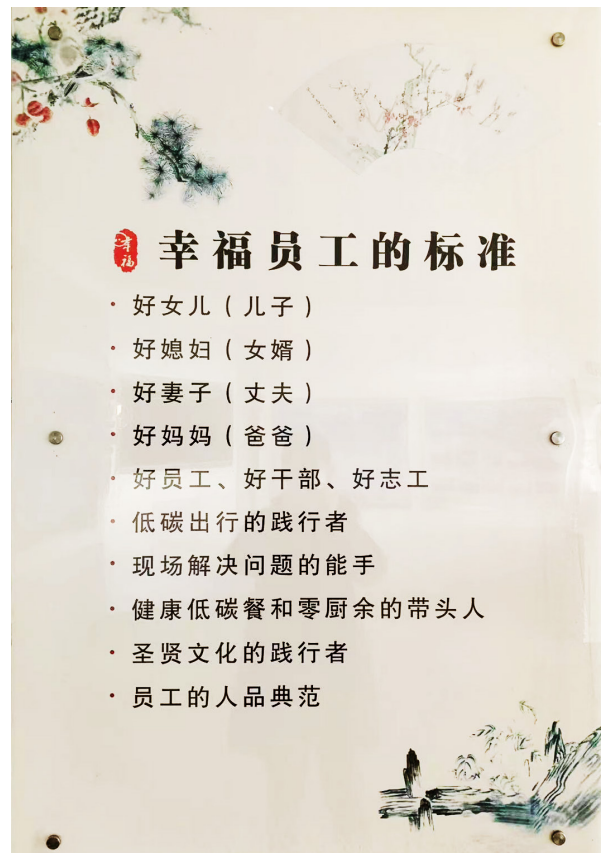
Business ethics is a critical pillar of the Company's steady development. Firmly adhering to the concept of "integrity, rooted in an attitude of selflessness", Sunrise Technology conduct all business activities with high integrity standards. We are committed to creating a clean and honest business environment by strengthening the management systems, improving communication mechanisms with all stakeholders, and fostering an integrity culture.

We attach great importance to anti-commercial bribery work and have formulated regulations such as the Management Measures for Employee Integrity and the Management of Outgoing Audits, which clearly prohibit any form of corruption and bribery. During the Reporting Period, we revised the Expense Reimbursement Management System, with more specific requirements and stricter management measures in terms of reimbursement process, amount limit, fund management and risk prevention. Sunrise Technology requires all employees engaged in the business with external parties, including the employees of sales, supply chain, technology, quality and other departments, to sign the Duty Integrity Agreement. Meanwhile, we also require suppliers to sign the Business Partnership Integrity Agreement to prevent corruption and bribery from the source. We regularly conduct duty integrity training for key departments such as Supply Chain Department and Marketing Department each year to further deepen employees' awareness of integrity and self-discipline and enhance their business ethics to maintain business ethics during procurement practices. During the Reporting Period, no commercial bribery and improper transactions were spotted through the self-inspection and internal inspection of the critical projects, positions and personnel.

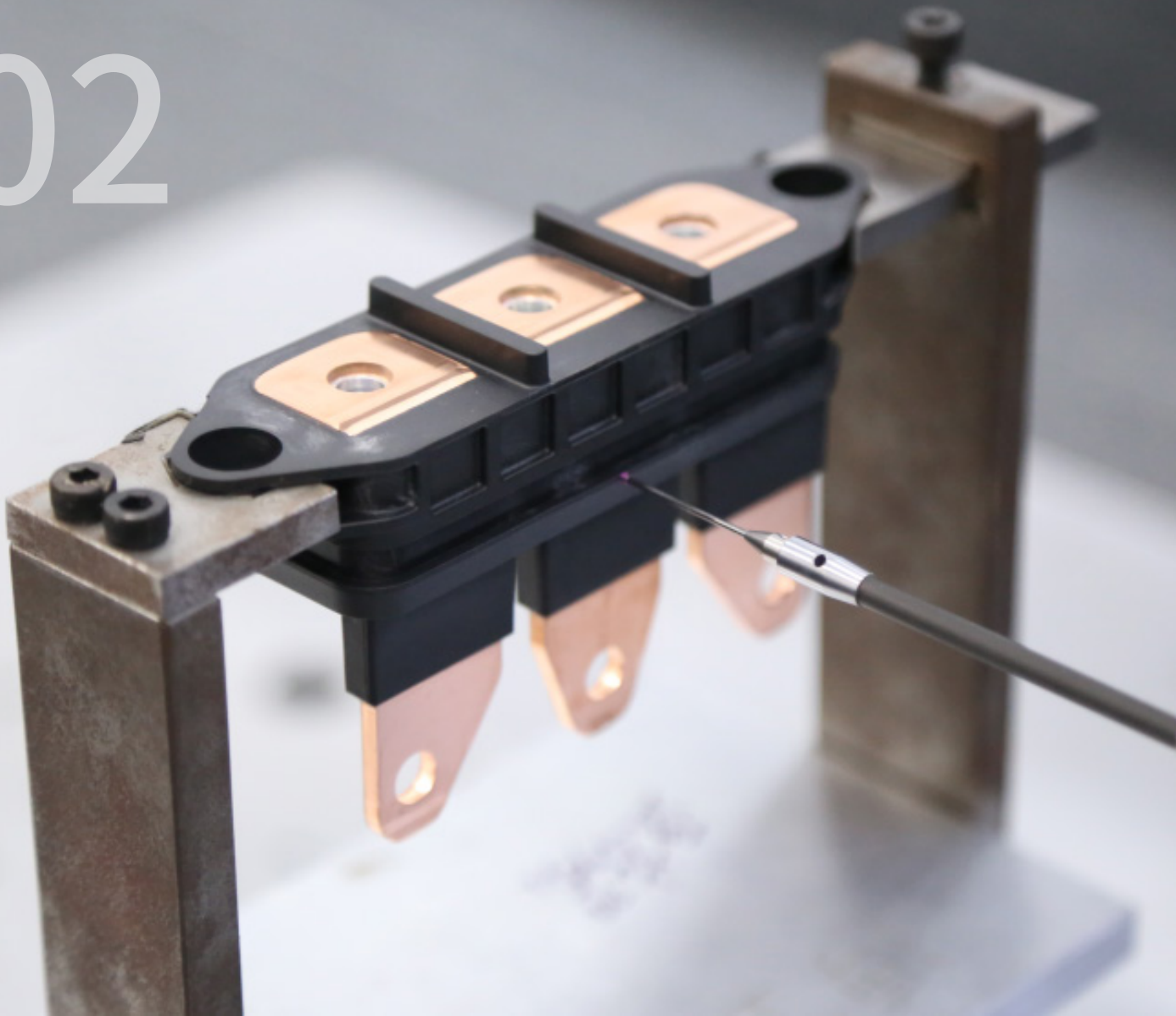
To timely detect and correct business ethics violations, Sunrise Technology adheres to the principle of both prevention and control and has formulated and implemented the Fraud Incident Handling Process and other internal documents to standardize the reporting, investigation, handling, reporting, and remediation procedures for fraud cases, and implemented confidentiality and whistleblower mechanisms. Once a reported case is received, the recipient will process it and strictly keep the whistleblowers' information confidential. The Audit Department is responsible for collecting evidence, verifying the detail of the reported case

and preparing fraud investigation reports under the supervision of the principal in charge of audit and the Board of Directors. To keep the whistleblowing channel running properly and detect and correct fraudulent activities in a timely manner, we have opened up a transparent and clean reporting channel through mailboxes, emails, and other forms and encouraged employees, suppliers, and other business partners to participate in the process of promoting integrity. During the Reporting Period, Sunrise Technology was not involved in any litigation related to corruption and fraud.

During the Reporting Period, Sunrise Technology **was not involved in any** litigation related to corruption and fraud.



# 02



## Intelligent Manufacturing Quality Products for Customer's Delight

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Sunrise Technology strives for customers' delight with high quality products and services. We insist on implementing the concept of "quality first", continue to build a "zero-defect" quality management system, and drive the whole company to participate in the improvement. Relying on the synchronous R&D model with customers, we have established a multi-location collaborative R&D system and strengthened our R&D design, and innovation capabilities. The Company continues to promote digital and intelligent technology to upgrade the manufacturing system. Meanwhile, we fully protect the rights and interests of our customers and build a responsive customer service mechanism. Together with customers, we create diverse values.

## 2.1 Quality-First and Lean Production

The company always puts product quality in the first place. By improving the management system, regularly reviewing and identifying the improvement points and carrying out targeted training, establishing a proposal for improvement with the participation of all the staff of the company, and carrying out special quality improvement activities in the quality activity month every year, we continuously deepen the comprehensive quality management, improve the quality organization capacities, and achieve quality and efficiency.

### Quality Management System

Sunrise Technology strictly abides by the relevant laws and regulations of the countries and regions where it is located, such as the *Product Quality Law of the People's Republic of China* and establishes and deepens the quality management system. The product manufacturing bases of the company and its subsidiaries have obtained ISO 9001 quality management system certification, and factories involved in the auto parts product line have also obtained IATF 16949 automotive industry quality management system certification.

#### ISO 9001 quality management system certification



Ningbo Company



Dongguan Company



Suzhou Company



Vietnam Company



Indonesian Company

#### IATF 16949 automotive industry quality management system certification



Ningbo Company



Dongguan Company



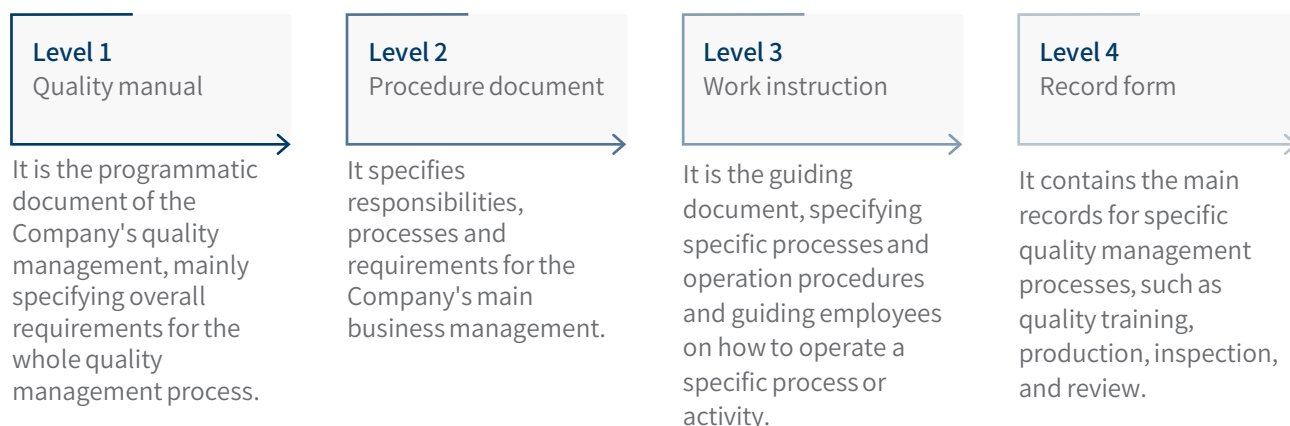
Suzhou Company



Wuxi Company



Sunrise Technology implements a quality management system coordinated by the Company's headquarter and implemented by its subsidiaries. We have set a 4-level system of quality management documents, i.e., quality manual, procedure document, work instruction, and record form. On such basis, the subsidiaries appropriately adjust their quality management systems according to the laws and regulations in the regions where they locate and their actual product situations, so as to ensure that the principles of the quality management system of the headquarter and each subsidiary are consistent, yet in line with the unique management requirements of each subsidiary. It is thus ensured that Sunrise Technology's quality management system is appropriate, adequate and effective, and that customers can be provided with consistently high-quality products and services.



4-level system of quality management documents

We continue to promote and improve quality management and organizational capabilities. During the Reporting Period, the company completed the annual review of the effectiveness of the implementation of quality manual, procedure documents and work instructions. The responsible person convenes a review team to assess and review the adaptability of the document. For the need to revise or add, new documents will be completed by the deadline for the revision. New documents will be evaluated and countersigned by department supervisors and managers above that level, and then the approved documents will be circulated to a limit range and learned by relevant departments.

Our quality management covers the entire process of product design and development, material procurement, product manufacturing and after-sales service.

Phase	Quality control
Product design and development	Confirm product quality requirements as well as applicable laws and regulations, industry codes, etc., define quality assurance measures, conduct development sample inspections and testing activities to ensure all quality requirements are met prior to mass production.
Material procurement	Conduct reviews and evaluations of supplier quality assurance systems and sites, carry out incoming inspection and testing of purchased products, and if necessary, commission third-party laboratories to conduct evaluations to ensure the quality of purchased products.
Product manufacturing	To carry out comprehensive quality management of the manufacturing process in accordance with established manufacturing process quality control requirements, including verification of job preparation, first part inspection, regular inspection, final part inspection, final inspection, shipping inspection and necessary functional verification to ensure that products meet quality requirements.
After-sales service	Develop a comprehensive customer feedback management mechanism, respond to customer demands for quality in a timely manner, communicate effectively with relevant departments to ensure rapid respond to and improvement of quality feedback, prevent re-occurrence and continuously improve customer satisfaction.





## Quality Improvement and Incentive Proposal

To continuously enhance the sense of ownership of all employees on product quality improvement and actively participate and propose solutions and methods that contribute to product quality improvement, Sunrise Technology has formulated the *Instructions for Improvement Proposal Management*, and continue to collect improvement proposals by setting up monthly, quarterly, and annual awards to encourage employees to contribute excellent innovation and improvement ideas. At the same time, we set up monthly quality allowances, annual special awards for outstanding individuals and annual departmental quality awards for front-line employees, and reward individuals and departments with outstanding performance. Meanwhile, in terms of salary adjustment and promotion, we give priority to employees who have excellent quality performance, further encouraging employees to improve their quality awareness and performance.

## Quality Improvement Training and Activities

In order to further improve the implementation and operation of the quality management system, we carry out specialized training for key positions, including identification and improvement needs, customized training plans, and conduct of training.

To continuously improve the quality awareness and skills of grassroots employees, Sunrise Technology regards June as the Quality Activity Month, jointly with the "100-Day Quality Campaign". In 2023, we conducted enhancement activities such as self-inspection and reporting, development of countermeasure enhancement plans, improvement point update management, quality awareness promotion, and on-site basic skills training, and used points and rewards to further increase participation.



Customers participate in the company's Quality Activity Month promotion



Suzhou Company's Quality Activity Month Kick-off Meeting



## 2.2 Digital and Intelligent Manufacturing

Intelligent Manufacturing is the main direction of the reform and strategy of manufacturing industry, and it is also the driving force for enterprises to maintain long-term competitiveness and pursue industry leadership. Centered on Amoeba Management and Intelligent Manufacturing, Sunrise Technology accelerates the automation, digitalization and intelligent upgrading of the company, to improve production and manufacturing capabilities and efficiency. We have accelerated the construction of a digital ecosystem and deepened the application of information technology in production and operation. At the same time, with "Advanced Manufacturing Technology" as the core, we comprehensively promote the upgrading of manufacturing, mold, automation and processing technology, and promote the implementation of intelligent manufacturing.

### Intelligent Factory

In 2023, Sunrise Technology focused on the construction of the Cixi new energy auto parts industry base, and we accelerated the promotion of fully intelligent auto parts manufacturing plants in various locations. Also, we strive to build safer, more efficient, and cleaner factory workshops through the application of intelligent logistics system, automatic feeding center and other equipment.

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#### Case: Intelligent Factory Practice - Intelligent logistics system in the Cixi new energy auto parts industry base

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We introduced an intelligent logistics system in our Cixi new energy auto parts industry base, and through the coordinated operation and intelligent control of various intelligent equipment such as reciprocating vertical conveyor, continuous vertical conveyor, AGVs (Automatic Guided Vehicles), and automatic packaging equipment, we cover unmanned and automatic operations in multiple transportation links such as warehousing, handling, unpacking and sealing, and delivery. After upgrading the operation mode, the storage space, transportation manpower, and turnover time have been greatly saved, and the production and manufacturing efficiency has been significantly improved.

**80%** reduction in work-in-progress in the workshop

Estimated days of inventory turnover shortened by **3** days

Saved **16** personnel for logistics handling per day



Intelligent logistics system



### Case: Intelligent Factory Practice - Automatic feeding center in the Cixi new energy auto parts industry base

We apply a centralized feeding system in the molding workshop so that the main raw materials of the product are uniformly batched, dehumidified and dried, and classified and transported, as to realize the distribution of raw materials to each machine with "one material is transported in one tube, one machine receives the materials in one tube". Through the integrated and systematic planning, organization and implementation mode, the equipment use and manpower workload are effectively saved.

Reducing the number of drying machines and power consumption by **50%**

Saving the manpower for material delivery by **3 personnel per day**



Automatic feeding center

### Case: Suzhou Company's Intelligent Workshop

The Suzhou Company has been vigorously constructing intelligent workshops since 2021. The core processes of the Automotive Precision Connector Components Intelligent Manufacturing Workshop are used in plastic injection molding machines, multi-axis servo manipulators and other intelligent equipment. The workshop realizes real-time feedback of production information, monitoring of production status, and effectively improves the quality and efficiency of production and management through the carrying, development and integration of information management software. Also, it has been awarded as the 2023 Suzhou Municipal Demonstration Intelligent Workshop and the 2023 Jiangsu Intelligent Manufacturing Demonstration Workshop.

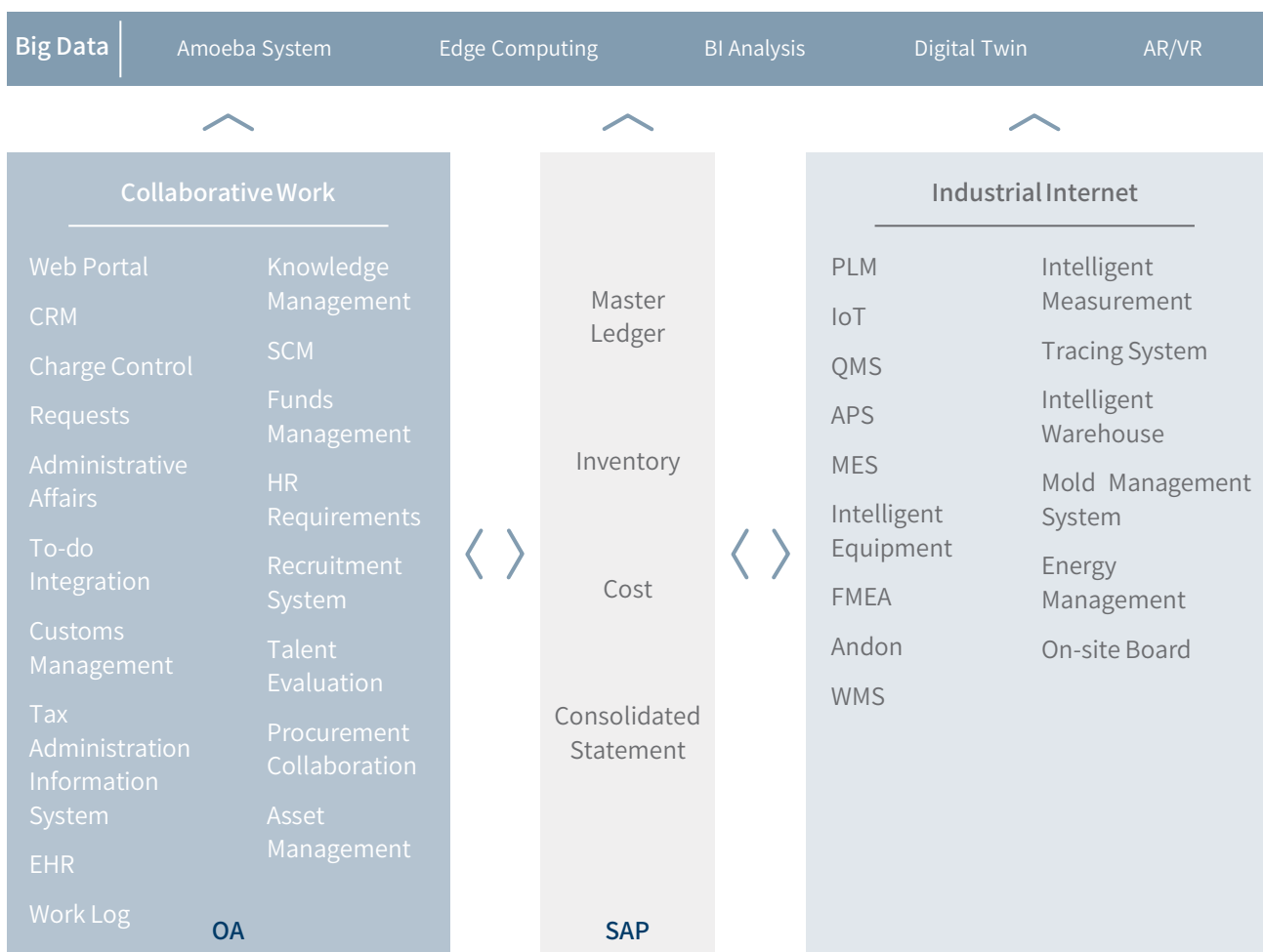
The networking rate of workshop equipment reaches **100%**



Intelligent Workshop

## Digital Integrated System

The construction of digital integrated system is an important measure for Sunrise Technology to promote lean production and intelligent manufacturing. Guided by "lean production, focusing on quality, delivery and efficiency", we deem building digital factories and improving service capabilities as the core of development, relying on the three platforms: integrated automation of production monitoring, integration of R&D, manufacturing and service capabilities, and end-to-end supply chain planning, and establish the *Sunrise Technology Informatization Development Blueprint (2021-2025)*. Through planning, we systematically promote the implementation, and gradually improve the digital level of various operational processes and equipment.



Information Security	Internal Control System	IT Asset Monitoring	Firewall Antivirus Software	Mail Account Management	Storage Cloud Operating System	Database Data Backup	Situational Awareness
	Server Room Management	Wi-Fi Link Backup	Internet Access	Server Cloud Switch Cloud	Document Encryption	Disaster Preparedness Recovery	Design Software



## Module Functions of Informatization Development Blueprint

### Big Data

Sunrise Technology has built a big data system, starting from Amoeba business analysis, to realize the automatic generation and visualization of daily reports, provide guidance for continuous improvement, and promote the formation of a closed-loop system of statistics, analysis and improvement.

### Collaborative Work

By establishing a collaborative working platform, we integrated the Office Automation (OA) system and the System Applications and Products (SAP) to facilitate paperless daily work such as information transmission, process approval, document circulation, and financial management, as to improve work efficiency and teamwork capability.

### Industrial Internet

We combine digital tools such as Manufacturing Execution System (MES), Internet of Things (IoT), Warehouse Management System (WMS), and Advanced Planning and Scheduling (APS) with our own production process and technological characteristics to establish an industrial Internet platform covering the whole business process. Through the on-site data collection terminal, combining with China Unicom's 5G technology, this platform can realize functions such as rapid data acquisition and electronic drawing distribution, fully meet the management requirement of the whole business chain of procurement, production, sales and R&D.

### Information Security

Through the six dimensions of hardware security, data security, system security, network security, computer room security and software security, we carry out all-round protection and guarantee for the management system, drawing data, hardware and software equipment.

## Case: Self-developed intelligent measurement system

In 2023, the self-developed edge technology platform software of the company has been released. The platform has made a breakthrough in data processing technology, which realized the functions of offline data collection, reconnection after network disconnection, and retransmission after network disconnection. During the Reporting Period, this technology has been applied to all factories of the company. The current mainstream equipment of domestic factories has been networked, and 100% of the new equipment has been networked, which ensures the timeliness and security of data transmission.





## Automated Production

Sunrise Technology continues to improve its automation technology, production efficiency and quality, to consolidate its competitive position in the market. Sunrise Technology established the Automation Development Department in 2001, focusing on automation upgrading and original exploration and innovation of various product lines, gradually realising the automation of inspection, mounting and many other aspects, and promoting the deep integration of systems and production lines. During the Reporting Period, we deepened the networking of equipment in major workshops and enhanced the value of automation technology, and strengthened the replication capability of automated production in the production workshop of new energy vehicle components to further promote the construction of the Cixi new energy auto parts industry base.

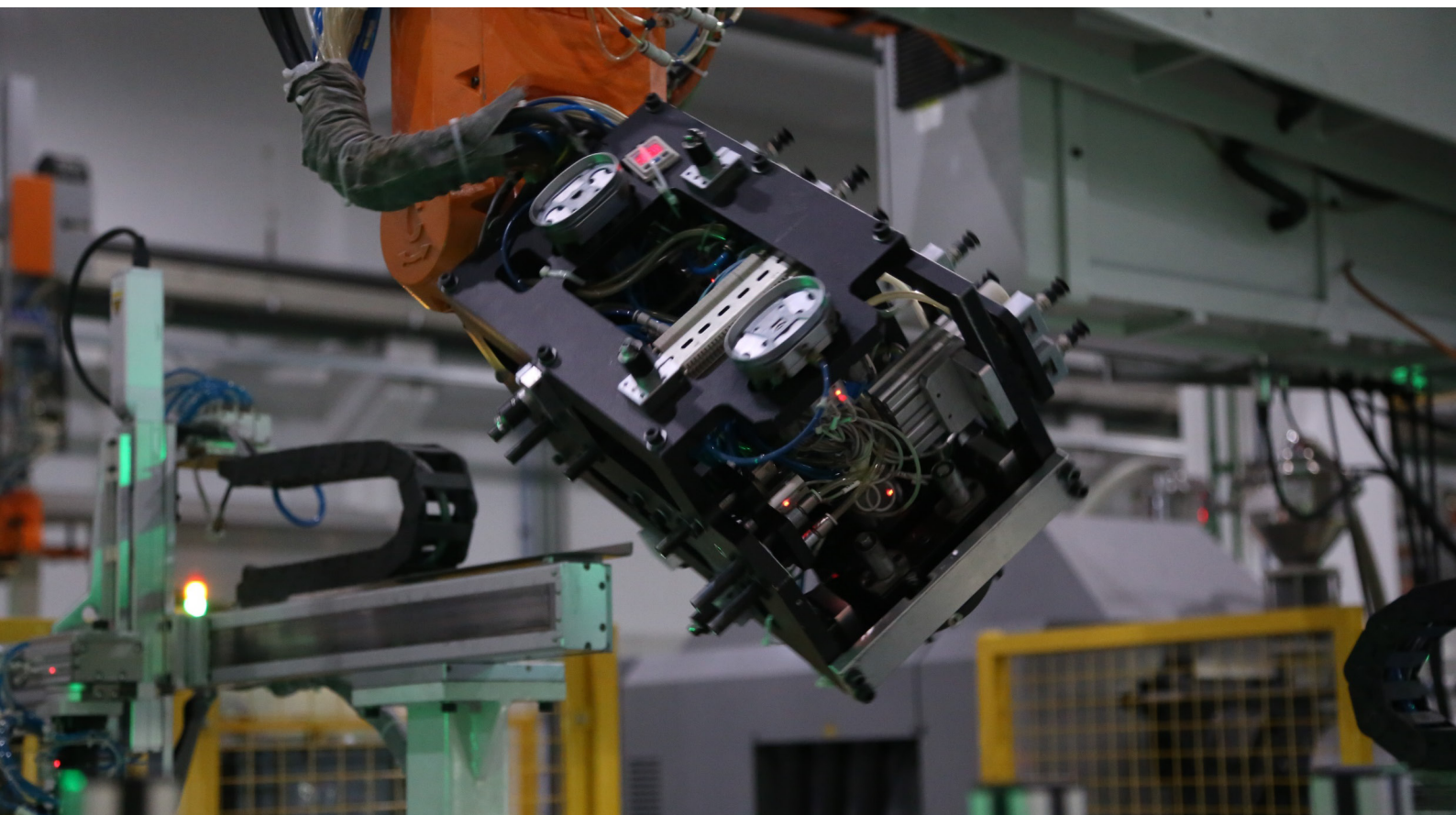
### Highlights of Automated Production Lines

#### Automatic insert injection molding

In the specific product project, we innovatively transformed the production process of insert injection molds such as magnetic cores, nuts, and dotted straight pins into automated production, and increased the production efficiency to more than 3 times while reducing labour input. Through the conversion of production capacity, it can save 32 people/day.

#### Automatic electrode processing

We have introduced an automatic electrode processing production line in Cixi New Energy Auto Parts Industrial Base, laid a robot running track and arranged related equipment on both sides, so that the whole process can achieve automatic measurement, processing and running, which can save 8 people/day according to estimation.



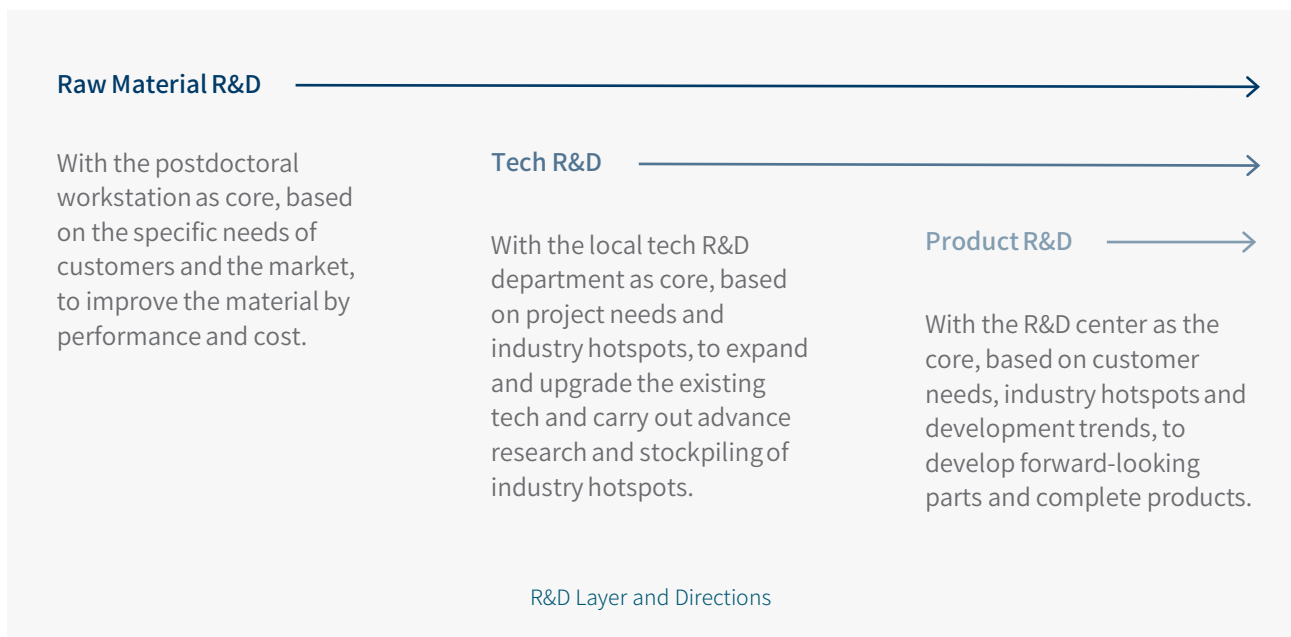
## 2.3 Continuous Investment in R&D Innovation

Technology research and development is the moat of Sunrise Technology's continuous innovation and efficient operation. We highly value technology innovation, adhere to the policy of "high-quality focused, customer-oriented, synchronous R&D, and create a collaborative new R&D development system across multiple locations", and continue to invest and layout of improving R&D capabilities in the field of new energy vehicles. At the same time, we take customer demand and future market trends as the guide, strengthen the collaboration between industry, academia, and research R&D, and promote the introduction of scientific research talents and cooperation, during the Reporting Period, Sunrise Technology has enabled the R&D projects of post-doctoral workstation. We attach great importance to the construction and improvement of intellectual property system, and make continuous efforts to maintain and create a good environment for R&D and innovation.

### R&D Management

Sunrise Technology formulates internal management documents such as *Product Realization Planning Management Procedures*, *Project Management Procedures* and *Engineering Change Management Procedures*, and develops complete systems and performance evaluation standards for the R&D process, product realization development, project team division of labour and project output verification, etc..

We adhere to the customer-oriented joint development model. Led by the Ningbo Company, we integrate resources of subsidiaries in Dongguan and Suzhou, set up a R&D center in Shanghai, and set up R&D teams in each region. Relying on the informational system, we can carry out relay-type multi-location collaborative new product development, so as to ensure close and in-depth service to customers, respond to R&D needs in a timely and flexible manner, and achieve synchronous development with customers.





### Case: Official operation of the postdoctoral workstation

Since the establishment of the Postdoctoral Workstation of Zhejiang Province (the Postdoctoral Workstation) in 2022, the Company has launched the official operation of the Postdoctoral Workstation in September 2023 after full preparation. Relying on its own advantages in scientific and technological research, talent training and the combination of production, education and research, etc., the Postdoctoral Workstation focuses on the improvement and process development of raw materials such as copper alloys and plastic materials. We introduced on-the-job doctors, deepens close R&D cooperation with universities and scientific research institutes, and enhances the company's comprehensive competitiveness and R&D and innovation capabilities in related industries.



Postdoctoral workstation thesis proposal presentation



The postdoctoral workstation has completed the filing of the topic and entered the formal operation

By the end of the Reporting Period, Sunrise Technology had a total of **286** R&D personnel and had **20** invention patents and **106** utility model patents.

During the Reporting Period, Sunrise Technology invested RMB **73.26** million in R&D.

Sunrise Technology's R&D goals and achievements in 2023 are as follows:

Goal Type	Goal	Completion Status
One-time sample pass rate	100%	100%
Sample on-time delivery rate	100%	100%
Rate of new item inspection	100%	100%





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## Case: R&D achievements during the reporting period

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### New energy vehicle parts project

To meet the industry's demand for new energy vehicle parts to develop towards a direction of high quantity, multi-process, and multi-functional module integration, we have integrated mechanical design, electronic design, electric drive and control design, and software intelligent control development technologies to develop highly integrated product equipped with the latest LIN communication protocol, automatic addressing, intelligent control, and diagnostic functions. Simultaneously, we adhere to the highest industry standards and independently established a verification standard based on the product's application conditions, ensuring that our products can meet the testing requirements of various vehicle manufacturers. Furthermore, we employed rational layout designs to reduce product dimensions and lower product weight, significantly decreasing spatial constraints. This product has achieved critical technological breakthroughs in the field of intelligence, addressing the challenge of universal substitution for our customers.

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## Intellectual property management

We strictly observe the laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management Standards*. We have formulated the *Intellectual Property Protection and Control Procedure* to strengthen the intellectual property protection of Sunrise Technology. To encourage employees to develop and innovate and promote the formation of patents and independent intellectual property rights of technological achievements, Sunrise Technology have built a sound mechanism to increase involvement of employees in R&D innovation, and have formulated the *Instructions for Patent Management* to specify the patent declaration, patent documents management, and awards for patented inventions. We offer the special awards for those who have their patent applications accepted and approved, as well as product development award and technology breakthrough award for departments and individuals with outstanding performance at the end of a year. In addition, we organize training on patent knowledge on an annual basis to provide employees with guidance on patent knowledge, patent application, etc.





## 2.4 Collaboration for Developing Green Products

Since our inception, the Company has adhered to the concept of sustainable development in terms of product quality and environmental responsibility. We strictly restrict the hazardous substances used in the products, to ensure that our products meet the Hazardous Substances Free (HSF) requirements in the EU *Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment* (RoHS) and the *Regulation Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH). We also cooperate with customers and suppliers in exploring green products R&D, and endeavor to reduce product environmental footprint by enhancing product design, processes and packaging materials.

In 2009, we received the Global Green Partner (GP) certification from Sony Corporation of Japan, and passed the audit of Sony's technical standard *SS-00259* every three years to ensure that the products delivered by the company continue to meet Sony's strict environmental management requirements. In addition, we actively establish and implement relevant management systems in accordance with the requirements such as QCO8001 Environmental Substance Management System and the RBA7.0 Responsible Business Alliance Code of Conduct, so as to comprehensively promote the company's quality management and green product related work.

### Hazardous Substance Management

To restrict the use of hazardous substances, Sunrise Technology has formulated the documents such as *the HSF Management Standards* and the *HSF Design and Development Management Procedure*, to strictly manage the hazardous substances throughout the product design and production. Meanwhile, we require suppliers to sign the *HSF Commitment* and to provide RoHS and REACH-compliant documentation when introducing new materials. When new materials enter the factory, we conduct environmental substance tests for both the materials and the samples, and they can only be put into use after passing the tests.

#### Pre-design evaluation phase

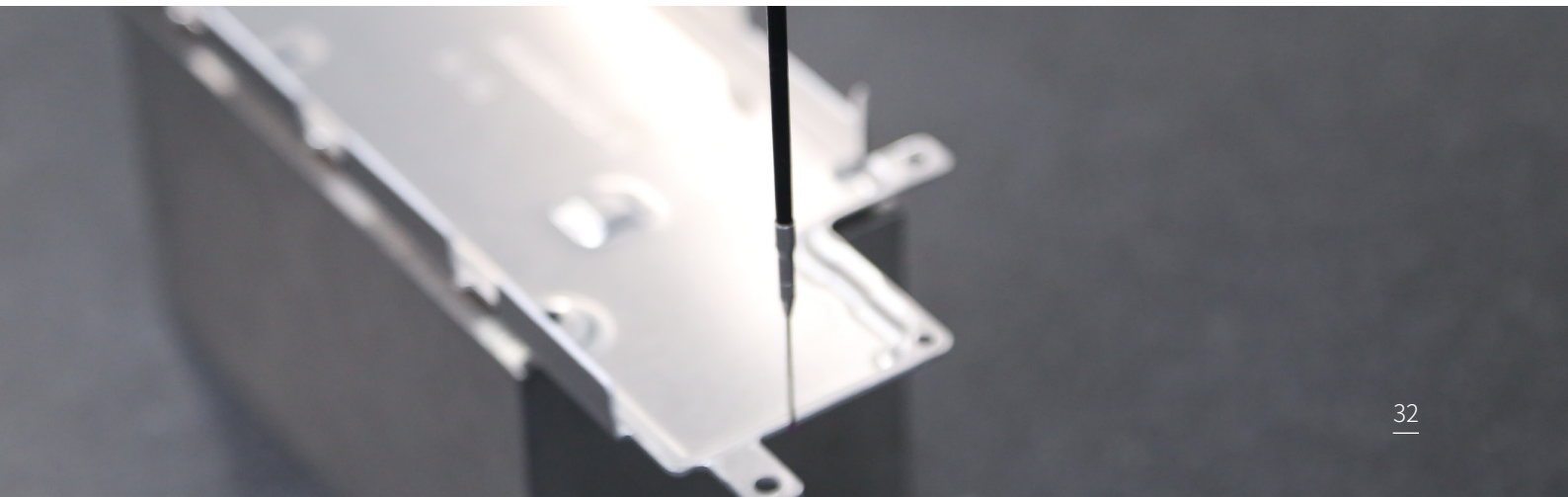
- Impact assessment of environmental substances and ISO 14001 environmental requirements is required for project products.

#### Design and development phase

- R&D drawings and new material procurement documents should specify environmental substances and HSF management requirements.

#### Production stage

- RoHS and REACH-compliant test reports for environmental substances should be provided to the product customers.



## Green Design and Packaging

During the product design and development, we strive to optimize materials and processes, reduce resource consumption, and work with our customers to create green products. We purchase the materials with the required codes and specifications, to ensure our products cater for the environmental protection requirements of the customers. In addition, since 2010, we have gradually adopted environmentally friendly recycled plastics, and continuously increased their proportion.

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### Case: Green product

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#### Mass production of environmentally friendly PCR alloy material products

In two plastic parts projects, we have achieved mass production of RoHS- and REACH-compliant PC/ABS alloy materials with 60% and 65% PCR ratios, and we will accelerate the use of eco-friendly plastic materials in the future.

#### Conduct waste recycling and energy investigations and obtain international certification

In the customer's designated project, we conducted waste recycling and clean energy investigations for our raw material suppliers and ourselves according to customer requirements, two of our existing suppliers have passed the International Recycling Standard 4.0 (GRS4.0) and SCS certification.



GRS4.0 certification recognized by a third-party professional testing organization

SCS certification

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We follow the 3R principle, i.e., Reduce, Reuse and Recycle, in the product packaging design. We have formulated the *Product Packaging Design Standards* for packaging design of automotive products, which requires that all packaging materials should comply with design standards to improve packaging usage and promote the green and renewable materials used in packaging materials. In addition, except for packages used at the beginning of sample development and unrecyclable packages requested by our customers, all products use recyclable and reusable packaging materials.

## 2.5 Quality Services for Customers' Delight

### Protecting customers' rights and interests

Sunrise Technology develops strategic partnership with customers in direct selling mode. We participate in the products' R&D design with customers and provide them with customized services to follow through the pre-sales, R&D, after-sales and etc. phases. At the same time, we build multi-dimensional communication channels for our customers to enable close cooperation and timely response.

Sunrise Technology works on continuous improvement to enhance customer satisfaction. Specifically, we conduct customer satisfaction surveys every half year. Customers are invited to score the quality, environmental protection, delivery, and services. Based on the results of satisfaction survey, we summarize the feedback and make improvements. Meanwhile, we hold special meetings on Continuous Improvement Process (CIP) of customer satisfaction on a monthly basis to collect comments and feedbacks, analyze the reasons, and follow up on the events to be improved.

We have established a sound feedback system and formulated the *Customer Feedback Management Procedure*, the *Instructions for Sales Return, Confirmation and Replenishment Process*, and other documents to ensure that customer feedback and complaints are both responded to and settled.



Customer complaint handling process

#### Case: Quick response to customer needs by flexible management and advance service

In a client's development project, in the case of time urgency, insufficient product maturity, and much higher demand than predicted, we adopted efficient and flexible project management approach, with the R&D team designing in advance, the market team pre-communication and implementation of risk identification and reserved solutions, to shorten the development and production process, which usually takes 1 year, to 5 months, and successfully completed the delivery, which was highly recognized by the client and received written commendation and an on-site awards.





## Safeguarding Trade Secrets and Information Security

The protection of trade secrets is one of the important prerequisites for maintaining the normal order of the market. Sunrise Technology encrypts all technical documents involving intellectual property rights and other commercial secrets, or other types of documents with special requirements, and installs an information security protection system on the computers used by product research and development and technology developers, and restricts the permissions involved in each position and the scope of the transmission, to safeguard the security of information.

We specify confidentiality obligations in the *Employee Handbook*, requiring employees to protect such information as the Company's trade secrets and employees' personal privacy and to sign a Confidentiality Agreement with employees in essential positions. When a new employee joins the Company, we conduct training on the Company's confidentiality requirements they need to follow.

Sunrise Technology actively prevents and controls information security risks following the information security management principle of "prevention first and strict management". We evaluate the potential risks that may cause information security incidents at

regular intervals, and accordingly develop and take preventive measures or rectification measures to prevent information security incidents. We have established a comprehensive data backup strategy, backup business system databases daily and backup on both local and off-site servers. Also, we conducted a two-person inspection mechanism through the OA system to prevent data loss caused by information security emergencies.

At the same time, we have developed an emergency plan to deal with the occurrence of information security incidents. We classify information security incidents into four levels according to their impacts as extremely serious, serious, less serious, and general. In case of any incident, we immediately organize relevant personnel for remedial actions in a timely and orderly manner to ensure that the system can restore as soon as possible. In case of a serious or extremely serious incident concerning information security, we will preserve the original evidence to the greatest extent while responding to emergency. If any criminal act is detected, we will report it to the police according to the law.



03



## Responsible Procurement for Win-Win Cooperation with Partners

Sunrise Technology actively builds long-term and stable co-operative relationships with suppliers, and advocates working hand in hand to create higher-quality social value. We have established a comprehensive supplier management system, stipulating in responsible purchasing and environmental protection, as well as strict management and objective and fair assessment of supplier qualifications and product quality. We maintain comprehensive and efficient communication through annual supplier meetings, on-site communication, and other diversified methods. In 2023, we promoted ESG, low carbon and carbon reduction to our suppliers, so that we can work together to create a high-quality development path.



# 3.1 Supply Chain Management

## Supplier management and communication

Sunrise Technology has formulated the Supplier Management Procedures and established *supplier management processes* covering supplier development and selection, daily review of suppliers, hierarchic management for suppliers and elimination of unqualified suppliers to facilitate the development of competitive and cooperative suppliers. We strictly review the qualification of suppliers as well as their products. When a new supplier is introduced, we require it to sign relevant documents such as the *Honesty Agreement*, the *Non-disclosure Agreement*, the *Supplier Quality Agreement*, the *Letter of Commitment on HSF*, and the *Statement on Volatile Organic Compounds (VOCs)*, to ensure that both the suppliers and their products meet the quality requirements as well as the international standards, national standards, or customers' standards on environmental protection. Suppliers who do not cooperate with the audit process, receive a cumulative total of three quality contact letters within six months, or are in the bottom three of the annual overall assessment will be withdrawn from the supplier list.

During the Reporting Period, in order to further standardize and strengthen the control of incoming environmental substances, we revised the *Procurement Management Procedures*, formally included automatic project procurement into the control scope of the procurement procedures, and made it clear that all relevant materials must strictly follow the company's established environmental substance control process for inspection and confirm that they meet the standards before they can be put into storage, so as to ensure that the entire procurement process meets environmental protection requirements and improve product quality and reliability.

Proportion of suppliers who have passed the relevant qualification certification as of the end of the Reporting Period

ISO 9001 Quality Management System (Raw Materials, Outsourcing and Packaging Accessories) **97.46%**

IATF 16949 Automotive Quality Management System **89.58%**

ISO 14001 Environmental Management System **100%**

In the daily cooperation, we provide suppliers with diverse communication channels, such as on-site communication and review, annual supplier meeting and interviews, enhancing the coordination effect. In addition, we also conduct monthly assessment and annual comprehensive assessment of suppliers and adopt hierarchic management according to the assessment results. For suppliers with excellent performances, we praise and award them at the annual supplier meeting so as to motivate them to continuously improve their performances.



### Case: 2024 Annual Supplier Conference

In November 2023, Sunrise Technology held an annual supplier conference in Suzhou with the theme of "Strong Foundation, Speedy Growth, Challenge 24". The conference invited representatives of more than 80 suppliers from all over the country who have been working side by side with Sunrise Technology for many years. At the conference, we have promoted various issues related to environmental, social and governance (ESG), including the integration of the development of Sunrise Technology characteristics of the vision and interpretation of the issues, etc. In addition, we proposed to our partners a supply chain strategy and requirements for 2024 based on the ESG drive, with the aim of working hand in hand with our suppliers to create a resilient, competitive and high-quality supply chain.



Supplier representatives participated in Sunrise Technology's annual supplier conference



## 3.2 Responsible Procurement for Sustainable Development

We pay attention to the ESG performance of our suppliers and integrate the ESG requirements in the supplier review to ensure that the practices of our suppliers comply with the Sunrise Technology guidelines.

In the *Basic Transaction Contract* signed with the suppliers, we explicitly state that, all of our suppliers' operations should comply fully with the laws and regulations of the countries or regions in which they operate. At the same time, suppliers are required to ensure that their working environment is safe and respectful of human rights and that all operations are consistent with international human rights conventions such as the *United Nations Guiding Principles on Business and Human Rights*.

As to environmental protection, we require suppliers to manage the collection and transfer of hazardous wastes as well as greenhouse gas emissions during the on-site review. At the same time, we review the HSF process management and control system of our suppliers, and give scores based on evaluation from the aspects of management system, relevant training, HSF management and control standards, design & development, supplier management, materials input, and procurement, etc.

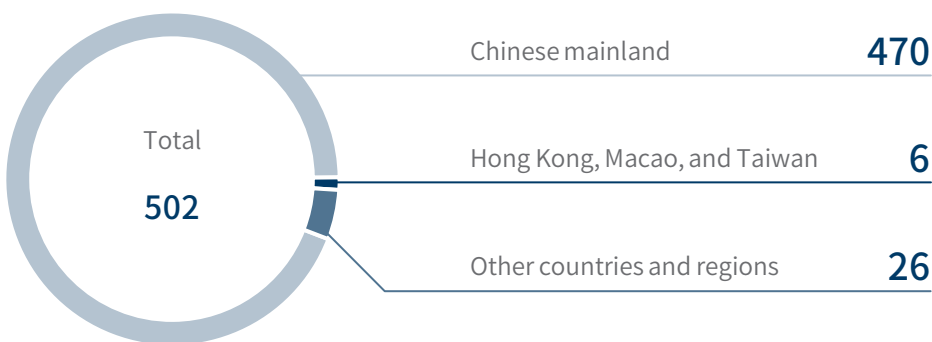
In addition, we advocate local procurement. Through such practice, we facilitate the development of the local economy and lower the impact on the environment in the transportation process.

By the end of the reporting period,

we had a total of **502** suppliers

of which local suppliers in line with the principle of proximity (based on the provinces where we operate) accounted for more than **60%** of all suppliers and more than **35%** of the procurement amount.

The number of suppliers by geographical region by the end of the Reporting Period is as follows:



04



## Mutual Development for Employees' Wellbeing

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Sunrise Technology continues to practice "family culture". We incorporate labor rights protection into the core of our ESG management system to ensure that employees enjoy solid rights protection, a healthy and safe working environment, a competitive salary structure, a comprehensive training plan, and a fair and transparent promotion path. We regard our employees as close family members, actively promote the construction of "family culture", take care of each employee, and strive to create a workplace environment where employees feel happy. With the increase of the company's overseas operations, respecting local cultural diversity has become one of the focuses of Sunrise Technology. We carefully designed a variety of company annual meetings, festival activities, language courses and other cultural exchange activities, encourage employees to fully participate in the operation and cultural construction of the enterprise, so that each Sunrise Technology's "international family" employee family members to realize their personal value, enjoy the happiness and satisfaction of work.

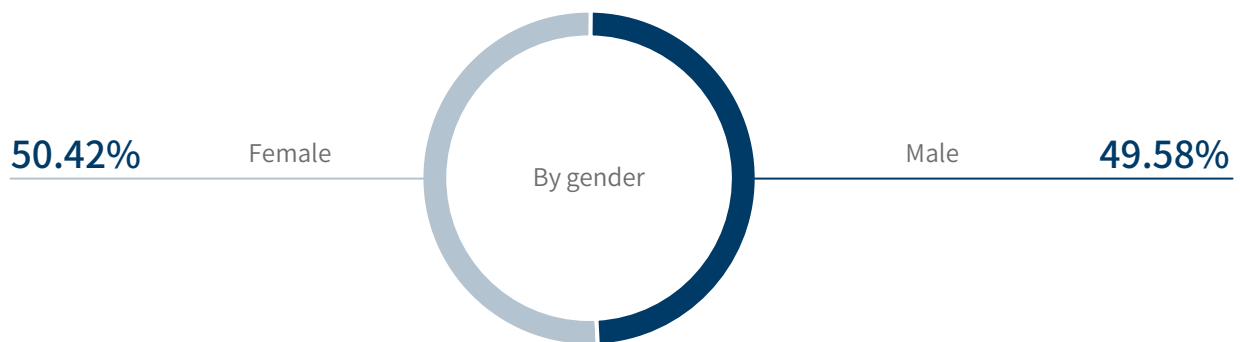
## 4.1 Employee Rights Protection and Communication

We strictly abide by the laws and regulations in the countries and regions where we operate, such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests* and the Provisions on the Prohibition of Using Child Labour. Based on the above documents, we have formulated internal rules and policies such as the *Employee Handbook* and the *Management Rules on Employee Protection* to fully safeguard the legitimate rights and interests of employees.

### Diversity and Equality

Sunrise Technology has defined the relevant principles in *the Management Rules on Employee Protection* and the *Policy on Recruitment and Employment Management* for employment procedures, performance assessment and promotion, and daily work. We treat all employees equally and impartially and forbid any discrimination regarding religion, nationality, region, gender, disability, etc.

By the end of the Reporting Period, Sunrise Technology had a total of **3,188** employees and the composition is as follows:



We always value equal opportunities for employment and career development

As of the end of the Reporting Period

Female accounts for more than **50%** of our employees and **27%** of our management team.

## Safeguarding Rights

We comply with the requirements of the international human rights convention and the international labour standards. We resolutely oppose child labour and forced labour of any form. When new employees join our company, we recheck their ID cards and academic certificates to prevent employing child labour by mistake. In addition, we strictly observe the legal working hours and adopt the principle of negotiation on matters of overtime work for our employees. During the Reporting Period, Sunrise Technology did not have any violation of the laws and rules relating to child labour and forced labour. At the same time, we strictly abide by the laws and regulations of the countries and regions where Sunrise Technology is located, and implement the provisions of maternity leave, breastfeeding leave and nursing leave for employees.

Besides, Sunrise Technology has also established a United Labour Union which helps enhance communication and exchanges between the management and employees. The Labour Union has signed a *Collective Agreement* with the Company. The agreement clearly defines the relevant standards on salary adjustment, pay cycle, labour safety and sanitation, rights, and interests of female employees, etc., and implement the relevant procedures, to safeguard the rights and interests of all employees in a more systematic and practical way. During the Reporting Period, Sunrise Technology did not have any dispute over labour relations or any incident involving suspected violations of employees' rights and interests.

## Employee Remuneration

Sunrise Technology provides employees with competitive salaries. When preparing salary standards, we comprehensively consider employees' professional skills and quality, labour intensity, job responsibilities and working conditions. In addition, we also refer to the salary guidelines for local enterprises, the average salary of employees in the industry, the guiding price in the labour market, etc., to ensure that the salary level of the Company is reasonable. At the same time, our salary standards follow the principles of labour-based distribution and equal pay for equal work so as to strictly guarantee that employees get the same pay for the same work.

In order to fully motivate our employees, share the fruits of our business performance and enable them to grow together with the Company, we have launched an employee equity incentive plan since 2021. The deep integration of the incentive scheme with the corporate culture helps us to enhance the cohesiveness and spirit of the Company, thereby ensuring the effective implementation of our strategic planning and business objectives.



## Communicating with Employees

Open and positive two-way communication is an important condition to promote the healthy development of the enterprise and strengthen the cohesion. Therefore, we have built a variety of communication platforms such as offline communication and online feedback. We regularly organize formal communication activities such as Happy Lunch Communication Meeting and Employee Symposium, complemented by informal communication opportunities such as staff activities and employee dinner gathering (Konpa), and supplemented by WeChat group, email and other online channels, to fully listen to the voices of our employees, to understand their real working and living conditions, and to enhance their sense of belonging and participation. At the same time, we set up communication channels according to the characteristics of different ranks or positions, and distribute thematic questionnaires and surveys through the office system from time to time, so as to quickly locate the key issues and efficiently improve and enhance them. In addition, all subsidiaries also actively expand communication channels, such as the Dongguan Company and the Vietnam Company have set up "General Manager's Mailbox" to

encourage employees in all locations to actively express their opinions and suggestions.

Furthermore, in order to gain a more comprehensive understanding of our staff's overall situation with regard to food and accommodation, training and development, and organizational management, we regularly conduct satisfaction surveys in the form of anonymous sample questionnaires, and take targeted optimization measures based on the focused feedback from the questionnaires on improvements.

Moreover, we listen to employees' opinions and protect their rights and benefits through Staff Congresses and Labour Union meetings. During the Reporting Period, the Company held 2 staff congresses to discuss and approve 4 agendas, namely the *Collective Contract 2023*, the *Collective Agreement on Wages 2023*, the *Agreement on Occupational Safety and Health 2023* and the *Protection of Rights and Interests of Female Employees 2023*. The United Labour Union of the Company, as a standing organ of the staff congresses, will supervise the implementation and improvement.



## Talent Attraction and Retention

Employees are the most valuable asset of an enterprise. Sunrise Technology cherishes employees, widely absorbs, and retains talents. We have formulated and implemented internal policies such as the *Policy on Recruitment and Employment Management and the Campus Recruitment Plan* to establish a more standardized, institutionalized, and standardized recruitment process. We committed to diversifying our workforce through recruitment channels such as campus recruitment, social recruitment, and internal referrals, taking into account the gender, culture, experience and other backgrounds of our employees.

Besides the active actions taken in introducing talent, Sunrise Technology is also committed to improving the stability of its employees. For new employees, we take multiple measures such as pre-employment guide, orientation training, coaching "mentor" mechanism, "HR coordinator", new employee interview and a series of follow-up work to help them quickly adapt to the new working environment and further enhance the stability of the company's human resource structure. In addition, orientated to specific strategic needs of core business units, we provide cross-departmental support through our part-time Human Resources Business Partner (HRBP) mechanism, as to effectively promote talent cultivation, development, and retention.

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### Case: Human Resources Business Partner (HRBP) mechanism

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In 2023, Ningbo Company and Dongguan Company have successively implemented the HRBP mechanism. Ningbo Company introduced the HRBP mechanism in 11 core departments, each HRBP is required to devote at least 0.5 days per week working in business departments, focusing on works such as front-end stabilization, strengthening communication, recruitment and talent introduction, team building and business meeting. During the Reporting Period, Ningbo Company has invested a total of 1,133 man-hours, which effectively strengthened the professional supplement of key department managers in managing their teams and had a positive effect on improving the job satisfaction and job stability of employees in key positions. After Dongguan Company implemented the HRBP mechanism from July 2023, the turnover rate of new employees decreased by approximately 20% compared with the first half of the year, which played a positive role in stabilizing the jobs of new employees.

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In addition, in order to commend the loyalty and dedication of employees, and to further motivate all employees to continue to contribute to the company, we set up a "commendation meeting" in the annual factory celebration activities, and awards employees with certificates, gifts and cash prizes. As at the end of the Reporting Period, the total number of employees with more than 10 years of service in the company was 792, accounting for 25% of the total number of employees.



Ten Years and Above Employee Award

## 4.2 Humanistic Care for the Happiness of Employees

Providing humanistic care is the foundation of building a happy enterprise. Sunrise Technology advocates "family culture", adheres to the concept of "people-oriented", implements a variety of humanistic care practices, and provides a happy working atmosphere and a harmonious environment for employees around the world, so as to strengthen the cohesion of the team and deepen the employees' recognition of the core values of the enterprise.

### Humanistic Care

Sunrise Technology continues to improve the working and living environment of employees and provides diversified benefits for employees. We are equipped with facilities such as ping-pong tables, basketball courts, indoor fitness rooms and reading rooms, to help employees realize a balance between work and life. In addition, convenience facilities such as convenience store, café and hairdressing saloon are in the working-life area to enhance employee's sense of happiness and make their life more convenient.

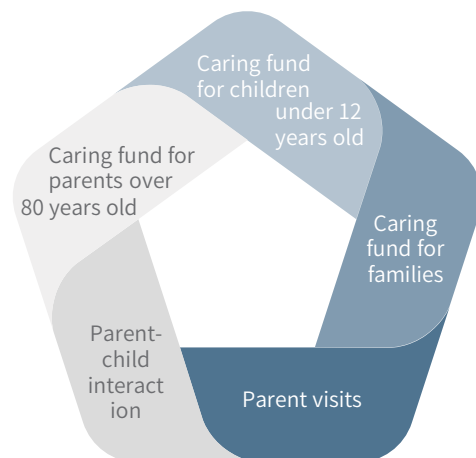


Exercise in the gym of Dongguan Company



Theme salon in the café of Ningbo Company

We want employees to live happily with their family members, and we provide a range of care funds for our employees' family members. To appreciate the hard work of our employees in their positions and the support of their families, we invite employees' parents and children to participate in the Family Open Day activities every year to promote the happiness of employees' families. We also take care of pregnant mothers in the workplace, by preparing nutritious lunches for expectant mothers, setting up lunch break rooms in staff dormitories, introducing a system of flexible working hours, and organizing regular health lectures during pregnancy, to accompany female employees through the challenges of pregnancy and childcare.

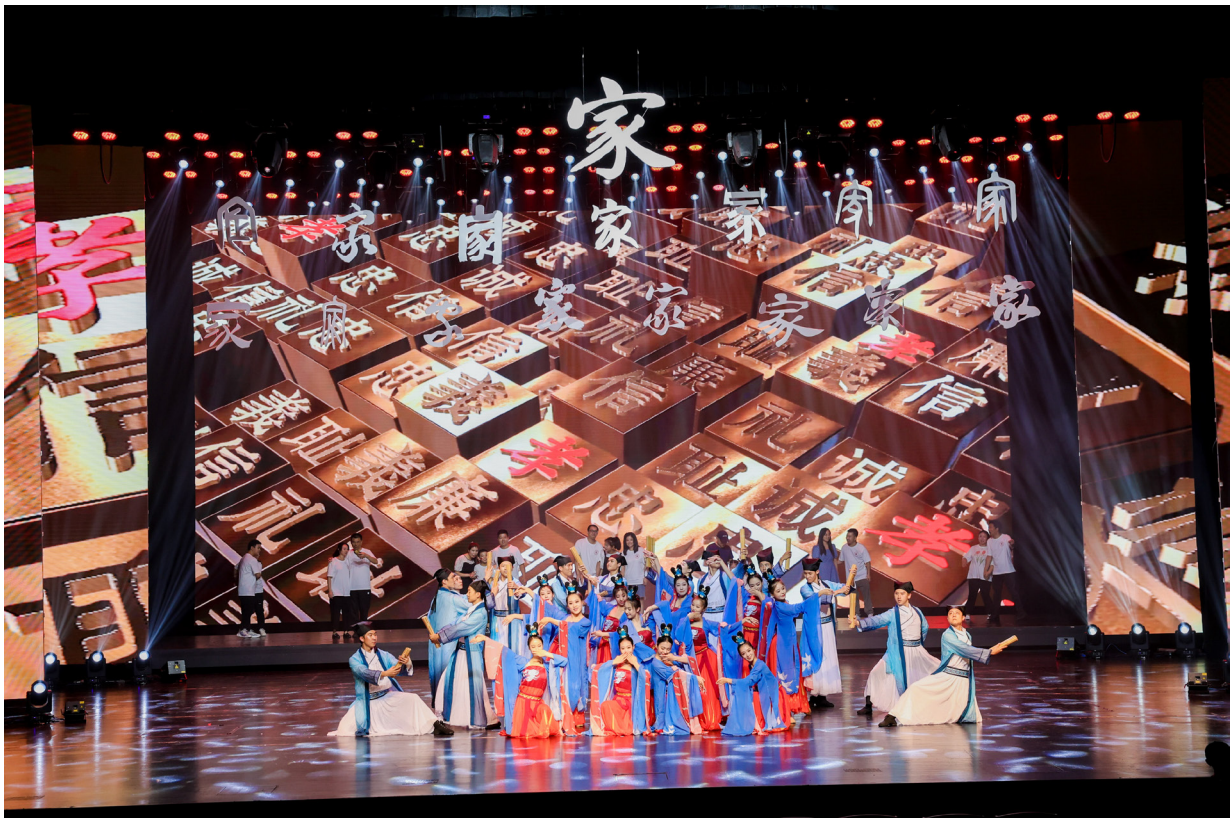
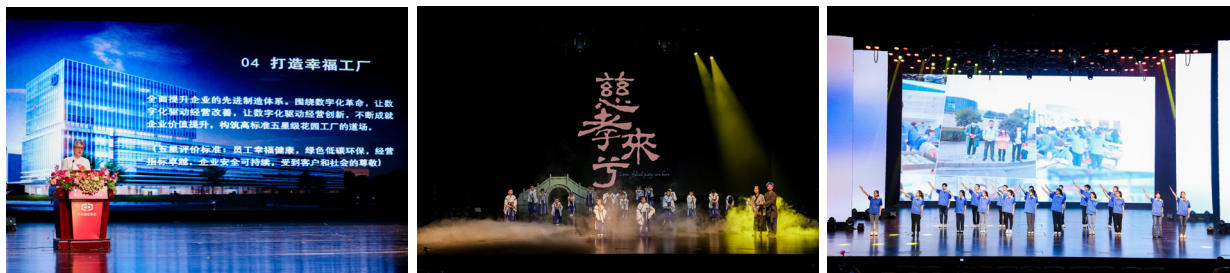


Multiple types of caring funds and Open Day activities to boost employees' family well-being

In addition, in order to enrich the personal life of employees and promote understanding and communication among employees, we and our subsidiaries at home and abroad have carefully planned and organized a series of diversified and distinctive corporate activities, including the company's annual meeting, team building group tours, sports meetings, special festive activities, group birthday parties, etc., to enrich the cultural life of employees, strengthen physical and mental health, and promote a positive, optimistic, healthy and progressive company culture.

### The 10th anniversary of "Family Culture" and the Company's anniversary celebration

In July 2023, on the occasion of the 10th anniversary of "Family Culture" and the Company's anniversary celebration, employees enthusiastically participated, through poetry recitation, singing and dancing, performances, and various forms of activities, showing the profound connotation of "Family Culture" and the moving moments of the cohesion and action of all employees and families of the company over the past ten years.







## Company group events



At the end of the year, the Company held a summary and commendation conference and a new annual business policy conference



Annual meeting of the Vietnam Company



Team building group tour



Party member activities



Military development activities of reserve cadres



The 5th staff sports meeting

## Holiday special activities

- The Ningbo Company



On Women's Day, communication meetings, yoga activities were organized, and flowers and gifts were distributed to female employees



"Good wife volunteer team" making Qingtuan activities



Organized movie viewing activities on Mother's Day



Distributing Dragon Boat Festival gifts to employees



Distributed of Mid-Autumn mooncakes to employees

## Group birthday parties





## Teaching of the Sages

Based on the profound traditional culture, Sunrise Technology absorbs the wisdom essence of Inamori Kazuo management methodology and integrates it into every corner of sage education, so that every employee can draw strength from it and find the code to happiness. In 2023, we activity participated in activities such as the Confucius Ceremony, the Happy Life Class, the 10th Anniversary Forum of Family Culture, and the Parents-children summer camp, which not only benefited the individual employees, but also made the entire enterprise full of vitality. In addition, we carry out classic recitation activities after traditional culture lectures and other courses, including classic books such as *Di Zi Gui*, *Xiao Jing* and *Liao-Fan's Four Lessons*. We also play traditional music and Sanzijing recitations when commuting hours, so as to cultivate the mind and shape the cultural atmosphere in a subtle manner with daily activities and pleasant sounds and elegant music.

### Case: Ceremonies of worshipping and memorizing Confucius

Respecting and honoring the teacher, and seeing a person of high caliber, strive to be his equal. In order to commemorate the ancestor Confucius, we held a ceremony to worship Confucius on the Qingming Festival and Confucius's birthday, offering incense and reciting classics, expressing gratitude to Confucius for opening the wisdom of the canonical books, and guiding our staff to carry forward the virtue of "filial piety and respect for teachers", and at the same time, allowing employees to experience the charm of traditional culture, encouraging everyone to learn and understand Confucianism in modern life, and integrating the essence of traditional culture into daily work and life.



### Case: Summer camp of filial piety and respect for teachers

From July to August 2023, we launched a one-month summer camp for employees' children, carefully planning and arranging a variety of activities such as interest classes, *Di Zi Gui* learning, and talent performance. While alleviating the practical difficulties and troubles of employees who have no one to look after their children during the summer vacation, it also enables children to spend a happy and fulfilling summertime accompanied by traditional culture and hobbies.



### Case: Happy Life Class

To inherit the fine Chinese family tradition, and build an organizational atmosphere full of love, sincerity, and harmony, we regularly organize and carry out courses on the classics of Chinese culture. During the Reporting Period, we conducted out a number of special courses in Ningbo, Guangdong, Jiangsu and other places.

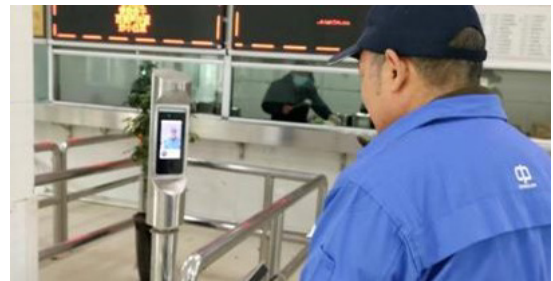


## Green Environmental Protection

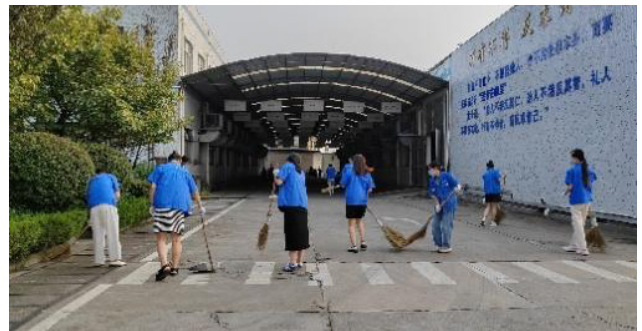
Human beings are closely related to nature and share the same destiny. We are committed to cultivating employees' respect and care for the natural environment, actively practicing green behaviors such as garbage sorting activities, and “Soujido “ activities, cultivating good habits such as saving food, having healthy and low-carbon meals, and reducing the use of disposable products in daily work and life, to build a better future of harmonious coexistence between man and nature with practical actions.

### Case: Face recognition technology empowers smart dining

When you eat, remember that food is the product of hard work. When you put on clothes, keep in mind that materials do not come by easily. We empower smart canteens by using face recognition technology, so that less manpower, less queuing time, and quick self-serve meals are available during peak meal hours. While improving dining efficiency and reducing meal waste, it also plays an indirect role in reducing energy consumption and carbon emissions.



Face recognition technology in canteen



The “Soujido” activity in the Ningbo Company and the Dongguan Company

## Health Promotion

Health care is the extension of humanistic care. Moreover, it is fundamental for the happiness of everyone. We have integrated health promotion measures into the daily work of our employees in many aspects and have continuously launched a number of health programs including healthy diet, health services, healthy sports, and healthy work. We carried out activities such as "Shanxintang" clinics, organizing collective sports and first aid training, so as to improve employees' health awareness and ensure their physical and mental health and all-round development.

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### Case: Healthy exercise

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To enrich and enliven the cultural life of employees, stimulate the passion and vitality of employees, and repeatedly mobilize the enthusiasm of employees to strengthen their physical fitness, we organize long-distance running and fitness, mountaineering and hiking activities, and daily health weight loss check-in activities in the gym.



Basketball friendship game held by the Ningbo company



Yoga course held by the Ningbo company



The interest group of the Dongguan Company "jumped up the power circle" carried out cycling activities

## Charitable Commonweal

Sunrise Technology adheres to the concept of "social welfare is the carrier of 'love' and the tangible embodiment of practicing social mission", closely integrates the company's own development with the fulfillment of social responsibilities, and actively carries out various social welfare and charity activities such as blood donation, care for the sanitation workers, and visit to nursing homes.



Dongguan Company visiting nursing home



Blood donation

## Volunteer Development

Characterized in benefiting others and passing on love, the volunteer spirit is significant for an happy enterprise to enhance and practice. We organized an internal "volunteer team" in March 2013 to carry out periodic volunteer activities, including lunch services, environment cleaning and caring fleet. Also, we carried out services such as visits, dinning and daily care for the elderly in the community. We continue to optimize our volunteer system, establish, and improve the star volunteer evaluation form, improve the management of the volunteer team, and hold volunteer commendation ceremonies every year to enhance the effectiveness and enthusiasm of volunteer services.

On the basis of stabilizing the daily service volunteers, we further recruit the company's family members who are willing to contribute to participate in volunteer activities. By the end of the Reporting Period, the volunteer team had 571 members and provided voluntary services for over 5,931 times during the reporting period, which is a significant increase over the previous year.

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### Case: Manager night shift mechanism

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Sunrise Technology conducts problem inspections through the management night shifts to ensure safety production. During the Reporting Period, the number of duty shifts amounted to 281, types of improvement put forward includes plant safety, on-site equipment operation, on-site work discipline, and night snack quality.





### Case: Morning Escort

Sunrise Technology has increased the frequency of the escort team activities to ensure that the factory area is clean and tidy.

During the Reporting Period

A total of **1,726** people took part in the escort operation, with a participation rate of **95%**



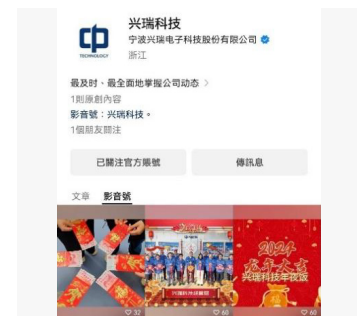
## Humanities Record

Recording humanistic care activities is an important way for the Company to pass on positive energy and disseminate the true, the good and the beautiful. We record every bit of happiness of the Company in words, pictures, videos, etc. and publish them on the platforms such as the Company's official website, "Happiness TV", internal magazine, and the official new media account of the Company. Through these ways, we help employees deepen their sense of happiness as well as promote the happiness culture of the Company.

### Case: New media communications

Other than the WeChat public platform, Sunrise Technology has further expanded new media platforms such as WeChat video account and TikTok account. Through multi-channel synchronous dissemination of the company's happiness corporate activities and employee practice cases, the sense of employees of participation and belonging has been improved, and the correct orientation of goodness and hard work has been established.

At the same time, we have set up a new media reporter group to strengthen the timeliness and professionalism of each company's news publicity.



## Dedication

We advocate that everyone should have a respectful, sincere, and benevolent heart, take on the role of life dutifully, abide by social ethics and morals, and take the initiative to assume their own responsibilities and obligations. We advocate that employee aspire to be a happy employee, and become a good child, a good parent, a good employee, a good volunteer and a leader of green life and practitioners of sage culture, to create value for the enterprise and society, and ultimately realize their own life value. To this end, we actively carry out activities such as "I love my equipment" care and cleaning event, traditional culture learning, morning reading of Inamori Kazuo management methodology, "zero food waste", and low-carbon travel, and encourage employees to cultivate a habit of due diligence and responsibility for their working and living environments around them, and to become a model of personal roles at the family, work, and social levels.

## 4.3 Diverse Training for All-Round Development

In addition to philosophical education and traditional culture education, we also organize other training courses, covering various aspects including professional knowledge, management skills and foreign languages, so as to help employees improve their professional skills and quality. We also continue to optimize promotion paths and encourage employees to give full play to their personal strengths and abilities in the workplace, creating a fair and diversified development environment and a positive company atmosphere.

### Employee Training

Employees are the core driving force for the sustainable development of an enterprise and the cornerstone of building the competitiveness of an enterprise. On the basis of consolidating the education of humanistic and sage education, we encourage employees to continuously strengthen their professional quality, vocational skills and knowledge reserves, so as to help realize growth of individuals and enterprises. We continue to improve the talent training and development system from the aspects of the company's strategic planning, business needs, and employee demands. We also make targeted adjustments and updates to employee development and training programs according to different groups of people and ability building needs. Employee trainings covers aspects such as professional knowledge, management ability and foreign language, which can provide employees with a more diversified learning experience and help them use fragmented time to make further improvements.

During the Reporting Period

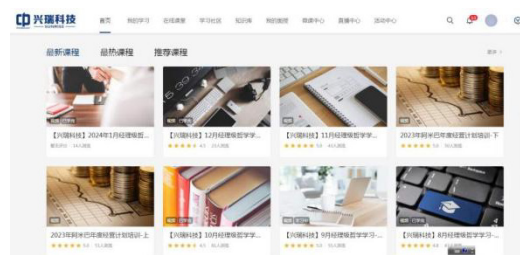
The Company invested RMB **1.63** million in training for all employees

An increase of **2.5%** comparing to previous year

And achieved **full coverage** of the on-the-job employee.

#### Case: Cloud online learning platform

The company successfully introduced the cloud learning platform, which has a total of 768 active accounts with over 300 thousand hours of online training, which is a significant improvement. With the help of this online learning tool, we further explored the application of the points-based incentive mechanism, which effectively enriched the professional knowledge and skill reserve of employees.





### Case: Multilingual training for staff at home and abroad

Sunrise Technology actively carries out multilingual training at home and abroad to enhance the personal competitiveness of employees in terms of language and empower enterprises to carry out international business. Domestically, we actively carry out English, Japanese language training courses with external professional institutions, universities and foreign language teachers in Ningbo, Suzhou and Dongguan, and invite employees with language skills to serve as tutors and organize English corner activities. Overseas, the Vietnam Company provides Chinese classes and Chinese culture classes for local Vietnamese employees, and about 40 employees are proficient in Chinese.



The Company cooperates with teachers from the School of Foreign Languages of universities to set up language training courses



The Vietnam Company uses Mandarin to give lectures on company philosophy and culture



Monthly English Salon with different themes

## Promotion and Development

Sunrise Technology practises the concept of business development driven by talents. We also value the career development of our employees. By continuously improving and optimising the promotion channels, we hope to create a fair and diverse development environment for our employees. According to the business features and positions' nature, we divide all posts into 3 horizontal series, namely the executive management series (E series), the technical expertise series (T series) and the control and maintenance series (C series). Based on their personal ability and character, employees can freely choose their development channels.

Executive management series E	Technical expertise series T	Control and maintenance series C
Posts that are in charge of team management and have administrative functions.	Posts responsible for product R&D, technology development while not having administrative functions.	Operational posts on production operation/quality testing/equipment maintenance and commissioning/ Warehouse logistics/administrative logistics, etc. at operation sites.

We conduct performance assessment on employees and carry out talent review annually to help the Company build a more competent talent team and a more reasonable talent structure. Based on the assessment report and the review results and following the relevant internal policies of the Company such as the *Salary Management Policy*, the HR Administration Department makes a decision on talent promotion and determines the salary adjustment plan on an annual basis. Besides, it also prepares the Individual Development Plan, special training and development-orientated job rotation arrangement of the next year for key employees. These measures aim to inspire talents to exert their potentials and help them develop together with the Company. As of the end of the Reporting Period, the company's total assessment employee coverage rate was 89%.

## 4.4 Promotion Safety and Health Management

Sunrise Technology always attaches importance to the safety and health of its employees. We strictly comply with the laws and regulations in the countries and regions where we conduct businesses, such as the *Work Safety Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. In addition, we adhere to the safe production policy of "safety first approach focused on prevention and supplemented by comprehensive control" and are committed to providing employees with a safe and healthy working environment.

### Occupational Health and Safety Management System

We have established a sound occupational health and safety management system. The Company and its subsidiary Ningbo Zhongrui have passed the ISO 45001 certification. We have set up a safety management network, which is formed by the Production Safety Commission and the production safety leading team of each department. The network is to take charge of implementing laws, regulations and policies related to production safety, as well as formulating the relevant strategies objectives of the Company. Work summary and reporting is conducted once a year.



Certificate of ISO 45001 Occupational Health and Safety Management System Certification

## Production Safety System

Sunrise Technology has formulated internal policies such as the *Safety Management Regulations*, the *Management Rules on Safety Inspection and Hidden Dangers Rectification* and the *Safe Production Liability System for Hazardous Chemicals Warehouse*. These policies explicitly define the aspects such as safety risk assessment, safety risk management and safety risk inspection to ensure that work on production safety has rules to follow and all employees have a reliable and safety guaranteed working environment. During the Reporting Period, no major safety incidents occurred in Sunrise Technology.

According to the laws and regulations in the countries and regions where we operate, we regularly carry out safety risk assessment of the production environment and submit safety risk assessment reports towards local government. Besides basic information such as persons in charge of safety work, the proportion of funds invested in safety work, and the production safety qualification certificates received, the reports also detailly record the locations of the workshops with safe production risks, the risk category and risk level, as well as the relevant control measures taken.

For instance, for hydrocarbon workshops that use flammable and combustible chemicals and thus have a relatively high fire risk, our control measures include installing ventilation and collection systems, conducting regular spot inspections on fire extinguishers, arranging specially-assigned personnel to take charge of the relevant areas, etc.

For the fire water pool which poses poisoning and suffocating risks, we have prepared the *Rules on Operation in Confined Space*. We also paste confined space related sign boards at conspicuous places to remind employees of various potential risks and relevant measures on personal protection and emergency handling.

To ensure the proper implementation of the safety risk management measures, we have clarified the frequency and process of the safety risk inspection in relevant policies and documents. Each team, workshop and the Company should conduct safety risk inspection at least on a weekly, monthly, and quarterly basis, respectively. If a hidden danger is identified, the relevant person in charge should immediately record, report, rectify and receive assessment, so as to ensure a safe and orderly production process.

In case of actual occurrence of emergency incidents, we have prepared comprehensive emergency plans, including the *Emergency Preparedness and Response Management Procedure*, the *Emergency Response and Handling Measures for Fire Hazards* and the *Emergency Response and Handling Measures for Chemical Leaks*. With these plans, we are able to handle emergency incidents in a timely and appropriate way, while mitigating their impacts on people, environment and properties. At the same time, each factory of Sunrise Technology has set up an emergency command center, responsible for emergency response in face of relevant incidents.



## Culture of Production Safety

We provide employees with all-round education on production safety and occupational health, including regular training and special training. The purpose is to help employees establish their safety awareness and enhance their abilities of self-rescue and mutual-rescue in emergency incidents. While strengthening employees' safety awareness at work places, we are building the safety risk culture of the Company.

### Case: Production Safety Month

In June 2023, Sunrise Technology launched the "Safety Production Month" with the theme of "Everyone focuses on safety, everyone can respond to emergencies" to improve the company's safety management level, enhance the safety awareness of all employees, improve emergency response capabilities and disaster prevention, mitigation and relief capabilities, and curb major safety accidents. Specific activities include safety knowledge learning, EHS comprehensive audit and improvement, fire escape drills, "Everyone focuses on safety" essay and drawing competition, etc.



The Vietnam Company:  
Occupational safety lectures and first aid training



The Vietnam Company:  
fire drill



The Ningbo Company:  
safety escape drills



# Occupational Health Management

During the practical process of manufacturing modules, occupational health risk factors faced by employees of the Company include noise, dust, laser, toluene, and xylenes. During the Reporting Period, in compliance with the *Code of Occupational Disease Prevention of PRC* and the requirements of relevant laws and regulations, Sunrise Technology commissioned a third-party testing organization to carry out tests and evaluations of occupational disease hazards in the Company's production plant and further strengthened the management of occupational health in accordance with the recommendations. The Company has set up corresponding protective facilities in each working area and provided employees with protective equipment. Additionally, the Company has also designated safety supervisors to conduct irregular inspections and supervise whether employees wear personal protective equipment as required.

Occupational health risk factors	Response measures	Boards and Pictures
Dust	Posting the "occupational hazard notification card" in areas with risks to specify the hazard factor, its harm to health, protective measures and emergency handling methods. Providing 3M dust-proof masks and dust-proof caps to employees and requiring them to wear.	
Noise	Posting the "occupational hazard notification card" in areas with risks to specify the hazard factor, its harm to health, protective measures and emergency handling methods. Installing acoustic insulation facilities at the noise source, providing ear plugs, ear muffs, etc. to employees and requiring them to wear.	
Laser	Posting the "occupational hazard notification card" in areas with risks to specify the hazard factor, the harm to health, protective measures and emergency handling methods. Providing goggles and masks to employees and requiring them to wear.	
Toluene and xylenes	Posting the "occupational hazard notification card" in areas with risks to specify the hazard factor, the harm to health, protective measures, and emergency handling methods. Strengthening the air circulation in workshops, regularly inspecting. Maintaining the ventilation device. Urging employees in all positions to pay attention to the correct wearing of personal protective equipment when working, and regularly replace the filter box.	



The Company implement the *Code of Occupational Disease Prevention of PRC*, the *Technical Specifications for Occupational Health Surveillance* and other laws and regulations, and has formulated and implemented internal policies such as the *Occupational Sanitation Management Procedure* to fully safeguard the health and safety of employees. We regularly carry out occupational health examinations for employees in assembly manufacturing, precision stamping, electronic plating, and other production departments. In addition, we also establish health records on occupational diseases for employees to record and track their health condition in a timely manner. During the Reporting Period, the company formulated the *Sunrise Technology 2023 Occupational Disease Physical Examination Implementation Plan*, which clarified aspects such as the institution, price, items, plan, implementation, and result notification of physical examination.

Types of occupational health examination	Examination time
Pre-job physical examination	Within 60 days after onboarding for new employees; within 10 days after taking the new post for employees transferred to another post
On-the-job physical examination	Each August
Physical examination under emergency conditions	When acute occupational hazard incident occurs

Through the above measures, we make every effort to lower occupational health risks for employee and to prevent safe production accidents. However, in case of a work-related injury accident, we also established a comprehensive mechanism for reporting and handling work-related injuries, including the whole process of accident reporting, treatment, declaration of insurance and reimbursement of expenses. Main data on occupational health and safety are as follows:

During the Reporting Period

Sunrise Technology **did not** have work-related deaths

As compared with the previous year, the number of recordable work-related injuries decreased by **55%**

And the number of working hours lost due to work-related injuries decreased by approximately **80%**

Occupational health and safety indicators	Data in 2023	Unit
Number of work-related deaths	0	Person
Percentage of work-related deaths	0	%
Number of recordable work-related injuries	9	Pcs.
Working hours lost due to work-related injuries	690	Hrs

An aerial photograph showing a winding asphalt road that curves through a dense, lush green forest. The trees are tall and appear to be conifers or similar evergreens. The road has a white line marking and a few small vehicles are visible. The lighting suggests a bright, sunny day, with some highlights on the foliage.

# 05

## Green Operation

### Protect the Environment and Low-carbon Development

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The global environment and change of climate are becoming increasingly severe and complex, and problems such as extreme weather disasters, sea level rise, resource shortage, and environmental pollution have become common challenges the world is facing. Sunrise Technology actively responds to development strategies such as the national "3060" carbon peaking and carbon neutrality goals, ecological civilization construction, actively undertakes the responsibility of environmental protection and green development and strives to continuously strengthen the environmental management system capacity building. We have launched practices such as photovoltaic power generation and energy storage to reduce energy consumption, carbon emissions, and other negative impacts on the environment. We will continue to explore opportunities for the development of advanced green and low-carbon technologies throughout our production and operation processes, and we will continue to make progress towards the goal of achieving sustainable development for the planet.



# 5.1 Emission in Compliance for Environmental Protection

## Strengthening Environmental Management System

We stick to a responsible attitude and strictly manage all types of emissions from our production and operation. Sunrise Technology strictly adheres to laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Atmospheric Pollution Prevention and Control*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Wastes*, and specifies the environmental management requirements in the *Corporate Social Responsibility (CSR) Manual* based on the policy of "preventing pollution, saving energy and reducing waste", to control the pollution and prevent pollution incidents throughout the entire production and operation process. By the end of the Reporting Period, Sunrise Technology's four domestic manufacturing factories (the Ningbo Company, the Suzhou Company, the Wuxi Company, the Dongguan Company, the Vietnam Company, and the Indonesia Company) and its overseas factories in Vietnam and Indonesia have all obtained the ISO 14001 Environmental Management System Certification.

### ISO14001 Environmental Management System Certification



Ningbo Company



Suzhou Company



Wuxi Company



Dongguan Company



Vietnam Company



Indonesia Company





We have established the EHS Committee structure with the Company's president as the first person responsible for EHS in Sunrise Technology and the general manager of each subsidiary as the first person responsible for EHS in their respective subsidiary. On this basis, each factory has further formed organizational structures such as Safety and Environmental Protection Management Committees, creating a top-down, information-clear, and coordinated environmental management system. We have also refined the environmental management functions of each department to achieve comprehensive planning, implementation, and monitoring of environmental management work. By the end of the Reporting Period, Sunrise Technology was not involved in any major environmental or ecological accidents.

In addition, to ensure a timely and effective response to emergencies, including hazardous chemical leakage and environmental pollution accidents, we have established an *Emergency Preparedness and Response Management Procedure*, formulated detailed emergency plans, and organised emergency drills, which aim to deepen the ability of all personnel to handle emergency accidents and minimise the impact of accident risks.

## Compliant Pollutant Discharge

Sunrise Technology formulates and strictly implements internal policies, including the *Solid Waste Control Procedure*, the *Hazardous Waste Management Policy*, the *Sewage Treatment and Management Procedure*, and the *Exhaust Gas Treatment and Discharge Management Procedure*, to standardise the management of the environmental impact of exhaust gas, wastewater, noise and solid waste generated during production and operations. Committed to continuously reducing the potential adverse impacts of various emissions on the environment and health, we regularly set annual emission management goals and clearly define the responsible departments for each goal as well as the departments responsible for assessing goal achievement.

As of the end of the reporting period

Sunrise Technology's 2023 emissions management targets have been **100%** achieved

Goals and review	
Goals	Review of goals in 2023
1. 100% of domestic wastewater meets discharge standards	Achieved
2. 100% of external noise meets regulatory standards	Achieved
3. Qualified processors process 100% of hazardous waste	Achieved



We regularly engage qualified third parties to conduct monitoring of wastewater, exhaust gas, and noise levels in and around our facilities to ensure effective environmental protection. During the Reporting Period, all the monitoring results met regulatory standards. Additionally, we have established a comprehensive mechanism for handling emissions.

Exhaust gas	<ul style="list-style-type: none"><li>• After being treated with VOC exhaust gas treatment facilities and alkaline cleaning, all exhaust gas meets regulatory requirements for discharge</li></ul>
Wastewater	<ul style="list-style-type: none"><li>• Domestic wastewater is discharged into the designated sewage pipe network managed by the local environmental protection department and is treated at the municipal sewage treatment plant</li><li>• A small amount of wastewater generated during machine/ workshop cleaning is treated with oil-water separation before 95% of the purified water is recycled, while the remaining 5% of untreated wastewater is recovered by a qualified third-party company</li></ul>
General solid waste	<ul style="list-style-type: none"><li>• General solid waste is collected and recycled after being classified and sorted</li><li>• Domestic waste is collected and sent to qualified suppliers for disposal</li></ul>
Hazardous waste	<ul style="list-style-type: none"><li>• Maintain and regularly update a complete, accurate, and up-to-date inventory of hazardous waste</li><li>• Specified storage areas with anti-leakage facilities for hazardous waste are set up</li><li>• Qualified and trusted third-party organizations are responsible for disposing of hazardous waste, and we follow the Hazardous Waste Management Procedure to ensure proper treatment and periodic reporting</li></ul>





We have equipped professional safety and environmental protection personnel, as well as advanced monitoring equipment such as PH online monitoring instruments and water quality monitoring instruments, to detect the indicators of each batch of discharged wastewater and ensure compliance with emission standards. Meanwhile, we disclose pollution discharge information in strict accordance with relevant laws and regulations.

Subsidiary Name	Main Pollutants	Number of Discharge Outlets	Discharge Method	Main Pollutant Names	Approved Total Emissions	Actual Total Emissions	Execution Emission Standards	Approved Emission Concentration	Actual Emission Concentration	Exceedance of Emission Standards
Ningbo Zhongrui	Waste Water	1	Treatment at Hanglian sewage plant, discharge meets standards and enters pipes	Total nitrogen	11700tonne/year	10746 tonne/year	GB21900-2008	70mg/l	32mg/l	None
				Total phosphorus			GB21900-2008	8mg/l	1.3mg/l	None
				Cyanide			GB21900-2008	0.2mg/l	0.045mg/l	None
				Nickel			GB21900-2008	0.1mg/l	0.028mg/l	None
	Exhaust gas	2	Discharge from exhaust cylinder after alkali spray treatment Discharge after sodium hypochlorite reduction treatment	Sulfuric acid mist	None	1.59*10 <sup>8</sup> m <sup>3</sup>	GB21900-2008	30mg/m <sup>3</sup>	0.19mg/m <sup>3</sup>	None
				Hydrogen chloride			GB21900-2008	30mg/m <sup>3</sup>	3.95mg/m <sup>3</sup>	None
				Hydrogen cyanide			GB21900-2008	0.5mg/m <sup>3</sup>	0.15mg/m <sup>3</sup>	None
				PH				0	0	None
Wuxi Ruite	Wastewater	2	Zero emission	Total nitrogen	0	0	The Huishan District Environmental Protection Bureau requires zero discharge of wastewater	0	0	None
				Total phosphorus				0	0	None
				Cyanide				0	0	None
				COD				0	0	None
				Total nickel				0	0	None
	Exhaust gas	2	Discharge from exhaust cylinder after alkali spray treatment	Sulfuric acid mist	None	0.058t/a	The emission standards in Table 5 of GB (21900-2008) <i>Emission Standards for Electroplating Pollutants apply</i>	30mg/m <sup>3</sup>	0.43mg/m <sup>3</sup>	None
				Hydrogen chloride		0.121t/a		30mg/m <sup>3</sup>	0.37mg/m <sup>3</sup>	None
				Hydrogen cyanide		0.0016t/a		0.5mg/m <sup>3</sup>	ND	None



## Greenhouse Gas Emissions

We actively respond to the carbon peaking and carbon neutrality goals, lay a more solid foundation and basis for scientific and reasonable planning of low-carbon operation strategies, target setting and other related works in the future, and sort out the current situation of the company's greenhouse gas emissions. We carried out the carbon audit for Sunrise Technology's scope 1 and scope 2 based on relevant domestic standards and guidelines such as *GHG Protocol*, *IPCC Guidelines for National Greenhouse Gas Inventories and Guidance for Accounting and Reporting of Greenhouse Gas Emissions from Other Industrial Enterprises [Trial Version]*.

During the reporting period, Sunrise Technology's direct greenhouse gas emissions (Scope I) were 542.37 tons of carbon dioxide equivalent and indirect greenhouse gas emissions (Scope II) were 24,043.41 tons of carbon dioxide equivalent. The GHG emission intensity (Scope I and Scope II) was 12.25 tons per million RMB revenue.

## Environmental Protection Investment and Improvement

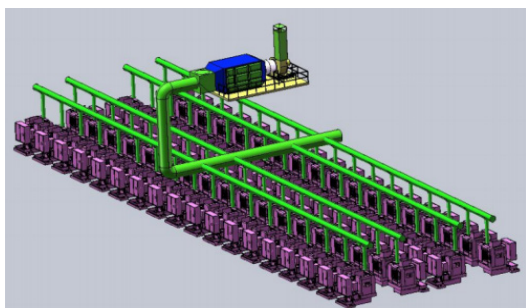
As a pioneer in actively practicing environmental protection, Sunrise Technology continues to build environmentally friendly operation and production facilities with higher standards. During the Reporting Period, the Company invested about RMB 4.56 million in environmental protection, mainly for waste water and waste gas treatment and disposal, solid waste disposal and environmental protection equipment maintenance and on-site environmental management. Among them, focusing on Cixi new energy auto parts industry base, we introduced concentrated treatment systems related to emissions such as oil mist, VOC gases and wastewater in the construction and renovation of factories around the world to treat emissions more efficiently and further improve environmental quality.

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### Case: Concentrated oil mist treatment equipment in Cixi new energy auto parts industry base

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We have upgraded the oil mist treatment method in the hardware workshop, and adopted the oil mist centralized treatment system, which has greatly improved the working environment of the workshop and saved the resource consumption of oil.



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### Case: Intensive VOC gases collection in Cixi new energy auto parts industry base

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We installed VOC gases collection equipment on each molding machine in the injection molding workshop, concentrates the gases on the roof, using activated carbon adsorption and treating it uniformly to meet the emission standard before discharge.



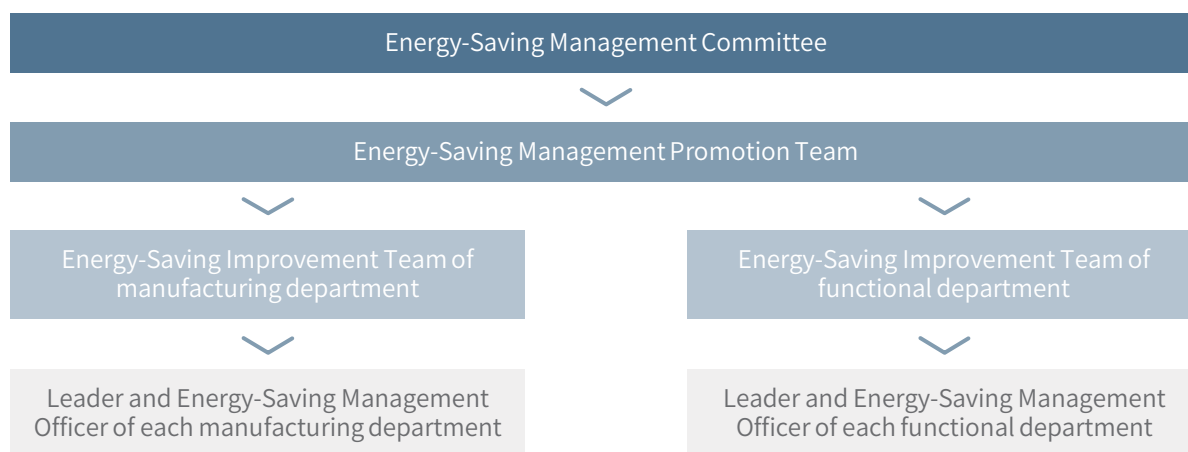


## 5.2 Recycling and Reduction of Consumption for Resource Conservation

One will always be abundance if he perfectly measures natural resources before use. Sunrise Technology firmly believes that resource conservation is the key to realize the vision of sustainable development of human being and society. In strict accordance with *Circular Economy Promotion Law of the People's Republic of China*, *Law of the People's Republic of China on Promoting Clean Production*, *Water Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China* and other laws and regulations, we formulate internal energy-saving policies, finely manage the use of various resources, and promote works such as energy-saving, carbon reduction, recycling. At the same time, we set and implement annual resource targets, and practice the concept of green operation.

### Energy Management

Sunrise Technology has set up a top-down Energy-Saving Management Committee and an Energy-Saving Management Promotion Group, and appointed Energy-Saving Management Officers in each functional department. At the same time, the Company has divided the officers into manufacturing departments and functional departments to promote a dual-line energy-saving management and improvement.



Sunrise Technology's energy-saving management structure

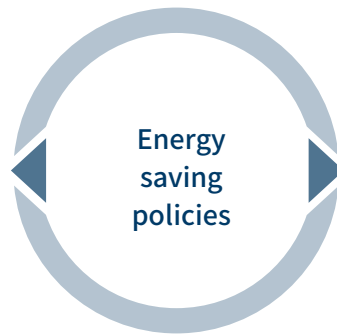
Based on a comprehensive evaluation and analysis of energy use and scientific calculation of energy and departmental output data, we have formulated the *Energy Saving and Consumption Reduction Promotion Plan* on an annual basis, including overall target for energy consumption per unit of output and the sub-targets for each department. We have also refined each department's sub-targets into monthly targets to facilitate periodic reviews and continuous improvement.

As of the end of the Reporting Period

the energy consumption of the Ningbo Company's output value per RMB **10,000** in 2023 decreased by **3%** compared with that in 2022.



Technology advancement,  
management optimisation;



Employee participation,  
efficiency improvement.

Under the guidance of the energy-saving policy and a complete set of *Energy-saving Management Evaluation Standards*, each department continues to carry out comprehensive "independent energy-saving management". We divide energy-saving management into three modules: daily work management, promotion of energy-saving management projects, and regular summary and evaluation to refine work deployment, stimulate the energy of full participation, and continuously explore energy-saving opportunities in the process of production and operation. In addition, we have deepened energy management in the equipment use process by developing and implementing maintenance plans for various types of equipment. For example, we have developed a *Summer Air Conditioning Use and Maintenance, Temperature Management and Restriction Plan* to perform regular maintenance on air conditioning equipment and set a reasonable temperature range to reduce unnecessary energy consumption.

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### Case: Closed circuit cooling towers in Cixi new energy auto parts industry base

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We use closed circuit cooling towers to replace the original open cooling towers in the injection cooling process, which greatly reduces the energy consumption of the injection cooling water system. According to calculations, it can save 167,086 kWh of electricity per year. At the same time, after the use of closed circuit cooling tower, the breeding of bacteria and scale substances can be reduced, which can further improve the energy-saving efficiency of system operation.

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### Case: Energy storage pilots in the Cixi plant

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We have installed energy storage power stations at our Cixi plant, including equipment such as energy storage transformer, which is 20% of the energy storage power, to improve the flexibility of the power system and take a good step for the company to pursue and explore leading and green energy management technologies and solutions.

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Carry out energy-saving training



## Water Management

As the pressure of water shortage is increasing, Sunrise Technology actively implements water-saving measures and gives full play to its corporate responsibility and example. We save water resources from the aspects of planning and management, recycling, and water-saving awareness. We also introduced water-saving measures and facilities in the production process such as hydrocarbon cleaning machines and recycling cooling water to continuously improve water efficiency. Sunrise Technology uses municipal water supply and does not involve the exploitation of surface water and groundwater, to use for daily life and production.水

During the Reporting Period

The total water intake is **139,232.7** cubic meters

## Resource Recycling

Sunrise Technology is committed to recycling and reusing materials, striving to achieve efficient and circular use of resources through exemplary management to convert wastes into resources and further reduce our environmental impact. We continuously classify and collect materials such as waste packaging materials, metal wastes and plastic wastes generated in the production process. We properly store them in designated warehouses and transfer them to the original suppliers for reuse or to qualified resource recovery companies for recycling and disposal on a regular basis.





## 5.3 Response to Climate Change

Tackling climate change is a common challenge facing humanity. As global warming intensifies, extreme weather events such as floods and droughts are becoming increasingly frequent, and the impacts of climate change on human society and ecosystems are growing more profound. In this regard, Sunrise Technology has accelerated its efforts in energy system optimization, green technology research and development, energy conservation and consumption reduction, and extreme weather response to address these challenges. We are taking multiple measures to carry out clean energy practices and strengthen climate risk management capabilities and accelerate the development and implementation of green technology that is safe and reliable and are dedicated to reducing the consumption of energy and materials in the production process so that we can provide customers with cleaner, low-carbon products.

### Renewable Energy Utilization

Sunrise Technology fully recognizes that the use of renewable energy and clean energy is crucial to Sunrise Technology's environmental and social strategies such as green transformation, climate change risk response, and intelligent manufacturing. We have already carried out related construction exploration in a few factories, and plan to explore more forms in the future to improve the utilization capacity of renewable energy and clean energy in various aspects.

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#### Case: Photovoltaic power generation of the Suzhou Company

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We have installed rooftop photovoltaics at our Suzhou plant with an installed area of 8,000 square meters and a total installed capacity of 0.5 MW. During the Reporting Period, the total photovoltaic power generation was 359,048 kWh, which can reduce around 200 tons of carbon dioxide equivalent.



### Climate Risk Management

Sunrise Technology is deeply aware of the various direct and indirect risks that climate change may bring to the development of the company. We have formulated the *Sunrise Technology CSR Risk and Opportunity Assessment Analysis Form* to identify the risks of climate-related natural disasters such as typhoons and heavy rains through the severity of the impact and the frequency of occurrence of the location of the operation site, and formulate response strategies and actions, including carrying out systematic maintenance before the rainy season and typhoon season, establishing a specialist on duty to inspect, and preparing a reserve of materials for typhoon and flood control, so as to make full preparations for climate disasters. At the same time, to improve the disaster response capability, we have formulated an internal emergency response system such as the *Sunrise Technology Flood Control and Typhoon Emergency Rescue Plan* and set up a typhoon and flood control command group. In case of extreme weather, we will take immediate measures to ensure the safety of life and property of our employees and minimize the impact of damage.

Sunrise Technology is gradually integrating climate-related risk management into its ESG governance strategies, continuously improving its climate-related risk management capabilities, adopting scientific and reasonable methods to minimize carbon emissions in production and operation activities, and working with all employees, customers, and other partners to make unremitting efforts to mitigate the trend of climate change.



# 06



## Public Welfare for Common Prosperity

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With the corporate mission of "make contributions to the progress and development of mankind and society", Sunrise Technology is deeply aware of the importance of poverty alleviation and inequality reduction in achieving the goal of sustainable development. Under the leadership and practices of the management, over the years, we have been actively involved in public welfare, continue to focus on charitable and public welfare activities in the areas of traditional cultural heritage, care for families in need, education and "a good deed a day" charity activity.

During the Reporting Period

We have invested a total of RMB **1.41** million in public welfare

Set up an education incentive fund of RMB **4** million to give back to the community in a variety of ways and to promote social goodness.

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### Case: Participate in enterprise-titled scholarship to promote the integration of industry and education, and the innovation of science and education

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At the beginning of 2023, Sunrise Technology set up an award fund of RMB 4 million for the Ningbo Institute of Materials Technology and Engineering, Chinese Academy of Sciences ("Ningbo Institute of Materials") Enterprise-titled Scholarship to encourage the development of graduate students of Ningbo Institute of Materials in academics, public affairs, volunteer services, etc., aiming to closely combine talent training with industrial development, accelerate the transformation of high-tech and scientific research achievements, improve the level of industrial development, and contribute to the cultivation of talents and scientific and technological innovation in the country and society.



Award ceremony for enterprise-titled scholarship held by Ningbo Institute of Materials

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### Case: Bamboo Tube Fund

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Since 2014, the company has participated in Tzu Chi's charitable activities and set up the "Bamboo Tube Fund", which advocates "donating small amounts of money to do great good" in the spirit of "accumulating good thoughts every day". We place special bamboo tubes in each department and public area, and carry out the bamboo tube homecoming ceremony every quarter. Through the Tzu Chi to use for the care of families in need, children in poor mountainous areas, homes for the elderly, orphanages and other recipients, so that the dissemination of the concept of charity and education, in order to help the poor and the needy, and the common prosperity to pay a love and good deeds.



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### Case: Action to help impoverished students

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In order to care for impoverished students and help to realize their dreams, we participate in the charity platform, organize donations from all employees, and arranged to visit impoverished students in Changhe Town and Lianxing Village, and send them spiritual and material encouragement.



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### Case: Care for low-income families and the elderly

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For the low-income families in Ningfeng Village of Cixi City, we care about their daily life through household care and material assistance and provide fixed-point care for families with special difficulties. In addition, in order to thank the elder generation in Ningfeng Village for their contributions to the construction of the village and society, and to promote the construction of good local family culture, we specially carry out the "Sangzi" activity to give thanks to the elders in hometown.

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# GRI Standards Index

Statement of use Ningbo Sunrise Elc Technology Co., Ltd. has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organizational details	About Sunrise Technology
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
2-6	Activities, value chain and other business relationships	About the Report 3. Responsible Procurement for Win-Win Cooperation with Partners
2-7	Employees	4.1 Employee Rights Protection and Communication
2-9	Governance structure and composition	1.2 Corporate Governance
2-10	Nomination and selection of the highest governance body	1.2 Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 ESG Management
2-13	Delegation of responsibility for managing impacts	1.1 ESG Management
2-20	Process to determine remuneration	4.1 Employee Rights Protection and Communication
2-22	Statement on sustainable development strategy	Message from the Chairman
2-24	Embedding policy commitments	1.4 Business Ethics and Integrity
2-26	Mechanisms for seeking advice and raising concerns	About the Report
2-27	Compliance with laws and regulations	1.4 Business Ethics and Integrity

GRI STANDARD	DISCLOSURE	LOCATION
2-29	Approach to stakeholder engagement	1.1 ESG Management
2-30	Collective bargaining agreements	4.1 Employee Rights Protection and Communication
<b>GRI3: Material Topics 2021</b>		
3-1	Process to determine material topics	1.1 ESG Management
3-2	List of material topics	1.1 ESG Management
3-3	Management of material topics	1.1 ESG Management
<b>Economic</b>		
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	1.2 Corporate Governance
201-2	Financial implications and other risks and opportunities due to climate change	5.3 Response to Climate Change
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Direct economic value generated and distributed	3.2 Responsible Procurement for Sustainable Development
<b>GRI 205: Anti-corruption 2016</b>		
205-2	Communication and training about anti-corruption policies and procedures	1.4 Business Ethics and Integrity
205-3	Confirmed incidents of corruption and actions taken	1.4 Business Ethics and Integrity
<b>Environmental</b>		
<b>GRI 302: Energy 2016</b>		
302-4	Reduction of energy consumption	5.2 Recycling and Reduction of Consumption for Resource Conservation
302-5	Reductions in energy requirements of products and services	2.4 Collaboration for Developing Green Products
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as shared resource	5.2 Recycling and Reduction of Consumption for Resource Conservation
303-2	Management of water discharge-related impacts	5.2 Recycling and Reduction of Consumption for Resource Conservation

GRI STANDARD	DISCLOSURE	LOCATION
303-3	Water withdrawal	5.2 Recycling and Reduction of Consumption for Resource Conservation
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	5.1 Emission in Compliance for Environmental Protection
305-2	Indirect (Scope 2) GHG emissions	5.1 Emission in Compliance for Environmental Protection
305-4	GHG emissions intensity	5.1 Emission in Compliance for Environmental Protection
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.1 Emission in Compliance for Environmental Protection
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	5.1 Emission in Compliance for Environmental Protection
306-2	Management of significant waste-related impacts	5.1 Emission in Compliance for Environmental Protection
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	3.2 Responsible Procurement for Sustainable Development
<b>Social</b>		
<b>GRI 401: Employment 2016</b>		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Employee Rights Protection and Communication 4.2 Humanistic Care for the Happiness of Employees
401-3	Parental leave	4.1 Employee Rights Protection and Communication
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	4.4 Promotion Safety and Health Management
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Promotion Safety and Health Management
403-3	Occupational health services	4.4 Promotion Safety and Health Management
403-5	Worker training on occupational health and safety	4.4 Promotion Safety and Health Management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Promotion Safety and Health Management

GRI STANDARD	DISCLOSURE	LOCATION
403-8	Workers covered by an occupational health and safety management system	4.4 Promotion Safety and Health Management
403-9	Work-related injuries	4.4 Promotion Safety and Health Management
403-10	Work-related ill health	4.4 Promotion Safety and Health Management
<b>GRI 404: Training and Education 2016</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Diverse Training for All-Round Development
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	1.2 Corporate Governance 4.1 Employee Rights Protection and Communication
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	3.2 Responsible Procurement for Sustainable Development

# Feedback From Readers

Thank you for reading the *Sunrise 2023 ESG Report*. We sincerely invite you to give your comments and suggestions on this report to help us better communicate valuable information to stakeholders and improve our ESG management.

You can fill in the feedback form and give it back to us via:

**E-mail:** [Sunrise001@zxec.com](mailto:Sunrise001@zxec.com)

**Address:** Sunrise Technology, No. 669, Kaiyuan Road, Cixi Hi-Tech Industrial Development Zone, Zhejiang Province

1. How will you rate the report?

Very Good  Good  Average  Bad  Very Bad

2. How will you rate the social and environmental performance of Sunrise Technology?

Social performance  Very Good  Good  Average  Bad  Very Bad

Environmental performance  Very Good  Good  Average  Bad  Very Bad

3. Do you think this report reflects the impact of the social practice of Sunrise Technology on society and the environment?

Truly reflect  Well reflect  generally reflect  Not reflect so well  Can't reflect

4. What do you think of the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

Clarity  Very Good  Good  Average  Bad  Very Bad

Accuracy  Very Good  Good  Average  Bad  Very Bad

Completeness  Very Good  Good  Average  Bad  Very Bad

5. Do you think the structure and layout of this report help you to read?

Yes  Average  No

6. What are your other comments and suggestions on Sunrise Technology and this report:





## **Ningbo Sunrise Elc Technology Co., Ltd.**

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