



2023

**SOCIAL RESPONSIBILITY AND ENVIRONMENTAL,
SOCIAL AND GOVERNANCE (ESG) REPORT OF
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

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Report Introduction

The 2023 Social Responsibility and Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. ("This report") is a disclosure to stakeholders of the concepts, governance approaches and mechanisms, measures and results achieved by Zhuzhou CRRC Times Electric Co., Ltd. in respect of the substantive issues of environmental, social and corporate governance in the course of our operations.

Report Range

The information as disclosed in this report covers Times Electric and all its financially consolidated subsidiaries, which is strictly in consistence with the Annual Report of Times Electric (Stock code: 688187.SH, 3898.HK).

SEHK ESG Report Principles Response

Materiality principle: In accordance with Guidelines on Environmental, Social and Governance Reporting and other relevant regulatory requirements, our company analyzes the ESG disclosure topics of enterprises in the same industry by benchmarking and analyzing their highlights and features through different forms of communication and exchange with various stakeholders, and finally identifies and screens out the ESG significant topics of our company.

Quantitative principle: Our company conducts regular statistics in accordance with the quantitative key disclosure indicators in the environmental and social categories in the ESG reporting guidelines, and summarizes and discloses them at the end of the year, as well as formulating an ESG performance table, which can be evaluated and verified.

Equilibrium principle: The content of this report strives to examine and disclose our management measures and performance in ESG from an objective and fair perspective.

Consistency principle: The scope of disclosure in this report has not been significantly adjusted in relation to our annual report, and consistent caliber and methodology have been adopted for the calculation of quantitative key indicators to ensure the comparability of the report's content.

Time Range

This is an annual report and covers the period from January 1, 2023 to December 31, 2023. Where some textual information is beyond this scope, it will be noted where it is concerned.

References of Compilation

This report is formulated with references to Reference Indicator System for ESG Special Reporting of Listed Companies Controlled by State Owned Enterprises published by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, Guide to Corporate Social Responsibility Reporting in China (CASS-ESG 5.0) published by the Chinese Academy of Social Sciences (CASS), Guidelines on Disclosure of Environmental Information by Listed Companies of the Shanghai Stock Exchange issued by Shanghai Stock Exchange, Guidelines on Environmental, Social and Governance Reporting of the Stock Exchange of Hong Kong, Sustainability Reporting Standards (2021) ("GRI Standards") published by Global Reporting Initiative ("GRI"), MSCI ESG Ratings, IFRS S1-General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2-Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB).

Report Access

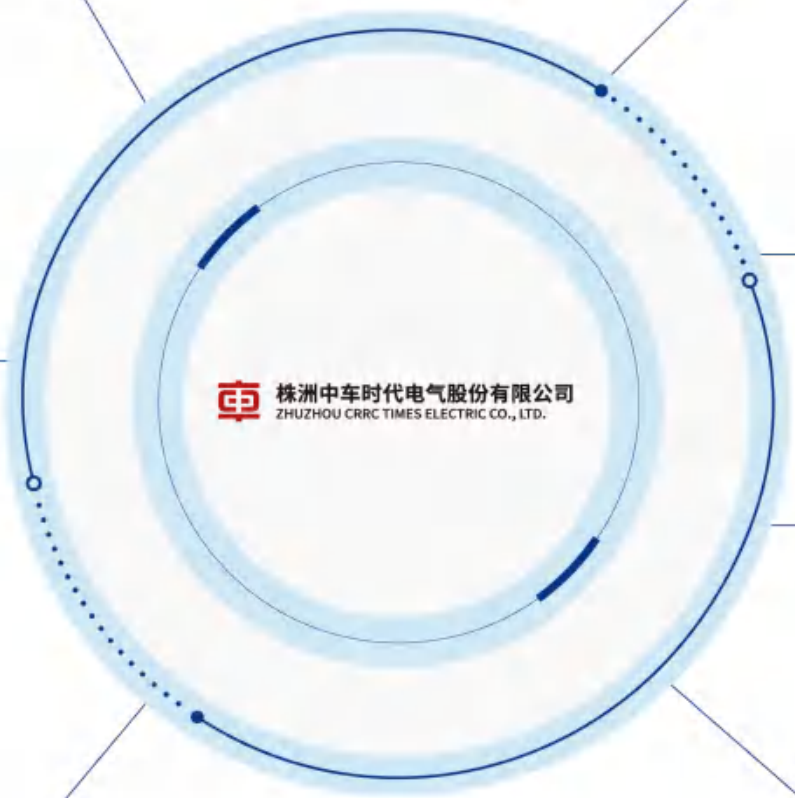
This report is available in Chinese (including Simplified Chinese and Traditional Chinese) and English. You can download and read the PDF version of this report on our official website: www.tec.crrczic.cc to access more information about our environmental, social and corporate governance. In case of discrepancies between the English and Chinese versions, the simplified Chinese version shall prevail.

Data Description

The textual information and quantitative data disclosed in this report are from our company's official documents and statistical reports, and the quantitative data quoted are the final statistical data. If the relevant financial data is inconsistent with our company's annual report, the annual report shall prevail.

Designation

For ease of presentation and reading, "Zhuzhou CRRC Times Electric Co., Ltd." is denoted as "Times Electric", "our Company" or "we" or "us" in this report.





General Manager Address

In 2023, Times Electric witnessed a year of great milestone significance. Against the backdrop of the changing global situation and the complicated and volatile economic situation, we insisted on high-quality development as the core, continuously strengthened the innovation drive, actively promoted the green development, and continuously enhanced our core competitiveness. Embracing the vision of “becoming a world-class enterprise in the field of transportation and energy”, we successfully accomplished the full-year targets and tasks, stepped up a new level of operating income, further enhanced our comprehensive strength, and promoted the win-win development of economy, environment and society, and created new values for all stakeholders.

Over the past year, we have been steadily moving forward on the road of high-quality development. Our company steadfastly implemented the new development concept, centered on the national strategy and market demand, continuously optimized the operating structure and resource allocation, and took the deep and steady steps on the two tracks. By strengthening internal management, deepening reform and innovation, upgrading staff quality and many other measures, we have achieved new breakthroughs in business performance while maintaining steady development.

Over the past year, we have attained numerous achievements on the road towards scientific and technological self-reliance and self-improvement. Our company has increased investment in research and development, and strengthened the accumulation of technology and talent reserves. By tackling key technologies, we have continuously improved our hard power of independent security and controllability in core areas. New generation CR450 CRH train completed high-speed test, TACS train control platform completed off-site line test, on-rail and off-rail technology integration, etc., which made significant contribution to promoting national science and technology innovation.

Over the past year, we have made more determined efforts to promote green development. Our company continued to leverage our strengths in the fields of IGBT, sensors, passenger car electric drives, and new energy power generation equipment, with record deliveries. We have made positive contributions to the promotion of sustainable development and environmental protection through technological innovation and industrial upgrading by actively responding to the national “carbon peaking and carbon neutrality” strategy, promoting energy conservation, emission reduction and green production.

Over the past year, we have been unremitting in adhering to the people-oriented path. Our company attached great importance to the growth and development of employees, and continued to build a diversified career development platform and incentive mechanism. By optimizing the employee incentive system, improving the office and living environment and other measures, we have enhanced the sense of belonging and cohesion of employees, and stimulated their motivation and creativity.

Moving forward, 2024 will be a critical year for our company to realize the goals of the 14th Five-Year Plan. We will continue to uphold the values of “Righteousness and Integrity, Goodness and Success”, and firmly place high quality development as our top priority. We will further strengthen the innovation drive and management efficiency, seize the development opportunities, and fully commit ourselves to practicing the role of a state owned enterprise. We will continue to integrate the concepts of green development, social responsibility and corporate governance into our company's vital veins, so that we can contribute to our shareholders, customers and society with better business performance and more assumption of social responsibility!

Executive Director and General Manager of Zhuzhou CRRC Times Electric Co., Ltd.

Shang Jing

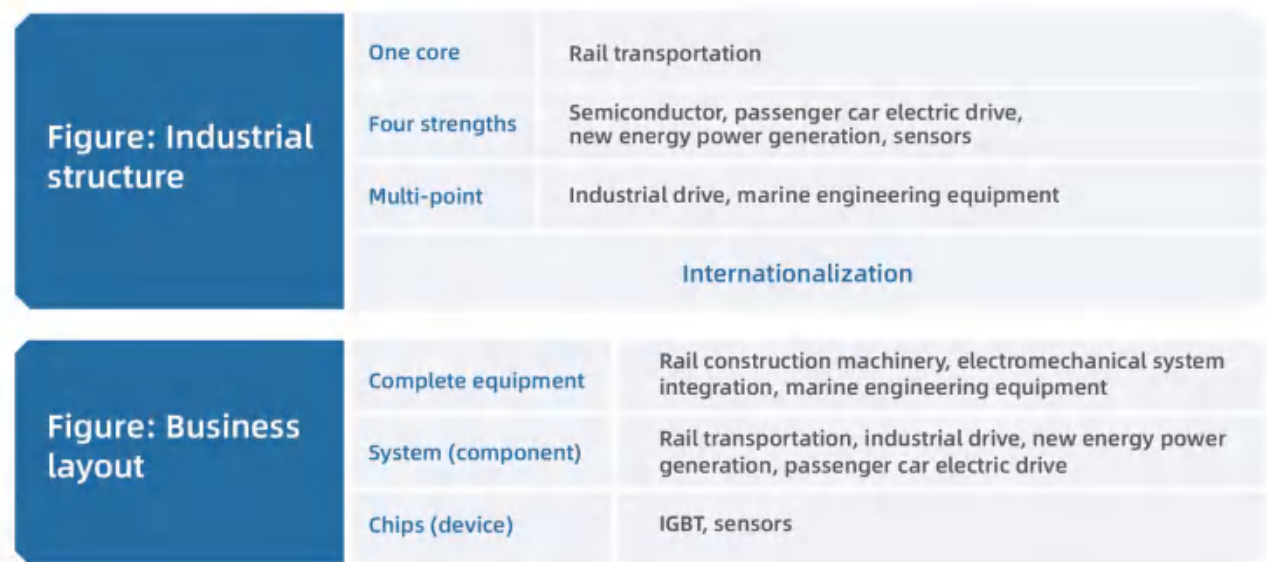
About Times Electric

Times Electric Organization Chart



Zhuzhou CRRC Times Electric Co., Ltd. (formerly known as Times Electric Co., Ltd.) was established jointly by five organizations, including CRRC Zhuzhou Institute Co., Ltd. in 2005. It was successfully listed on SEHK (stock code: 03898.hk) and the SSE STAR Market (stock code: 688187), on December 20, 2006 and September 7, 2021 respectively

Times Electric is the core power support of the “Golden Card” of China’s high-speed railway, and we are also the enterprise that independently masters the core technology and makes large-volume application in China. Focusing on the two centers of “technology” and “market”, we have built up six industrial sectors, namely, rail transportation, new energy power generation, power electronics, new energy vehicles, industrial electrics and marine engineering, and gradually constructed a complete technological chain and industrial chain, from chip (device)-system (component)-complete equipment.

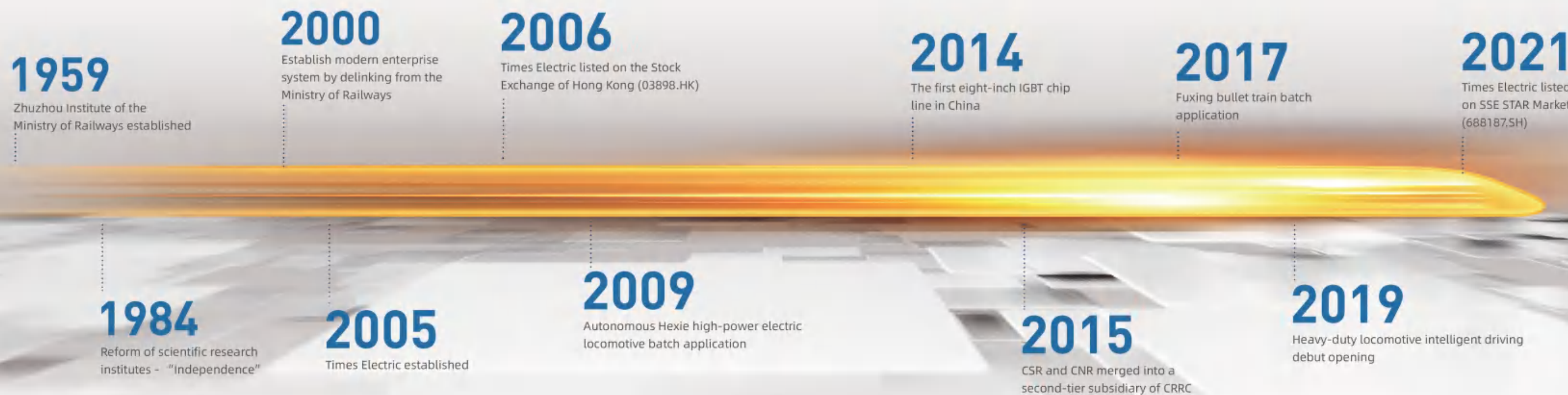


Times Electric has set up several overseas companies and overseas R&D centers, and our products have been massively exported to more than 20 countries and regions, such as the United States, Australia, South Africa, Argentina, Turkey, and so on. We have established a complete supply chain system, manufacturing system, marketing network and after-sales service network at home and abroad, and are the core high-end equipment enterprise to participate in the international competition, fulfill the “Belt and Road” initiative and “Made in China 2025” strategy, and support the “Going Global” of China’s high-speed railway.

As a pioneer and leader in China’s electrified railroad equipment business, Times Electric actively responds to the national strategy of high-quality and sustainable development and unwaveringly takes the road of green development. We will fully integrate the requirements of the “carbon peaking and carbon neutrality” goal into our production and operations, and take the goal as a guide to promote green transformation, so as to contribute more Chinese wisdom and Chinese strength to global sustainable development.

Times Electric actively promotes the layout of the whole industry chain and enhances the overall competitive advantage of our business. Keeping abreast of the market development trend, we promote intelligent upgrading to build core competitiveness of independent products; accelerate the digital transformation of operation and production to enhance the efficiency of resource utilization and profitability. Meanwhile, we actively fulfill our social responsibilities, safeguard shareholders’ rights and interests, and provide the society with intelligent, safe, green and comfortable high-end equipment to create a better life for human beings.

Core of Times Electric Development



Company 2023 Performance Highlights

Revenue



Net Income



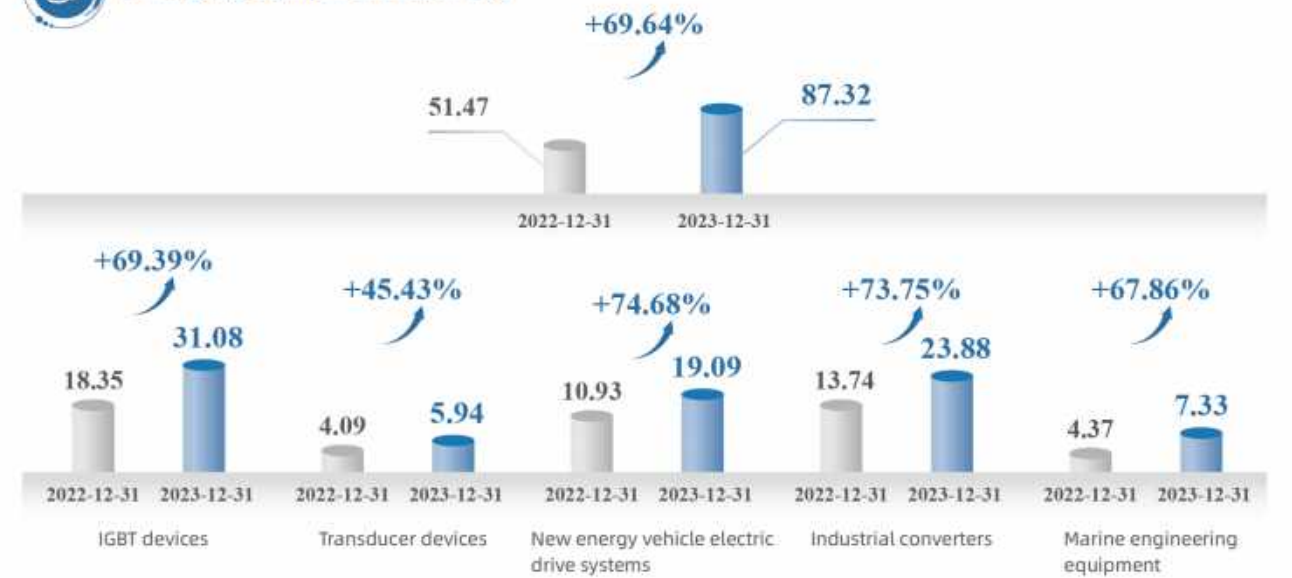
Total assets



Railway transportation equipment business



Emerging equipment business



Other business income





Company Milestones for 2023

March 2023

Zero-Carbon Intelligent Equipment Industrial Base of CRRC Hami Officially Established

Chongqing CRRC Electric Times on the list of "2023 Key Industrial Enterprises and Software Information Enterprises"

May 2023

Times Electric's Independent ETCS In-vehicle System Wins the First EU CCS Level TSI Certificate in China

CRRC Passenger Car Electric Drive Liuzhou Industrial Base Officially Inaugurated

Times Electric Supports the First 10,000-ton New Energy Hydrogen Project in China to Succeed in Producing Hydrogen

July 2023

FAW-CRRC Electric Drive Company Officially Commences Production

The Work Over the Mountain of Times Electric was Honored as the Outstanding Brand Story of State Owned Enterprises in the Year of 2022

Times Electric "Tiangong" Realizes the Largest Formation Operation of Large-Tonnage Unmanned Mining Trucks in China

November 2023

Times Electric was Listed in the "2023 Excellent Practice Cases of Board of Directors of Listed Companies" by China Association for Public Companies.

Times Electric Railway Transformer Intelligent Manufacturing Demonstration Plant Listed as National Intelligent Factory

April 2023

Times Electric Releases C-Power280, the First Product of CRRC Electric Drive E4.0 Platform

Times Electric Releases High-Tech Achievements of "New Generation of Intelligent Permanent Magnet Motor Platform" at Beijing-Qingdao International Metro Transit Exhibition & Forum 2023

June 2023

The First Large-Tonnage Multi-Source Power Mine Train Traction System in the Industry Developed by the National Engineering Research Center of Converters of Times Electric Successfully Launched

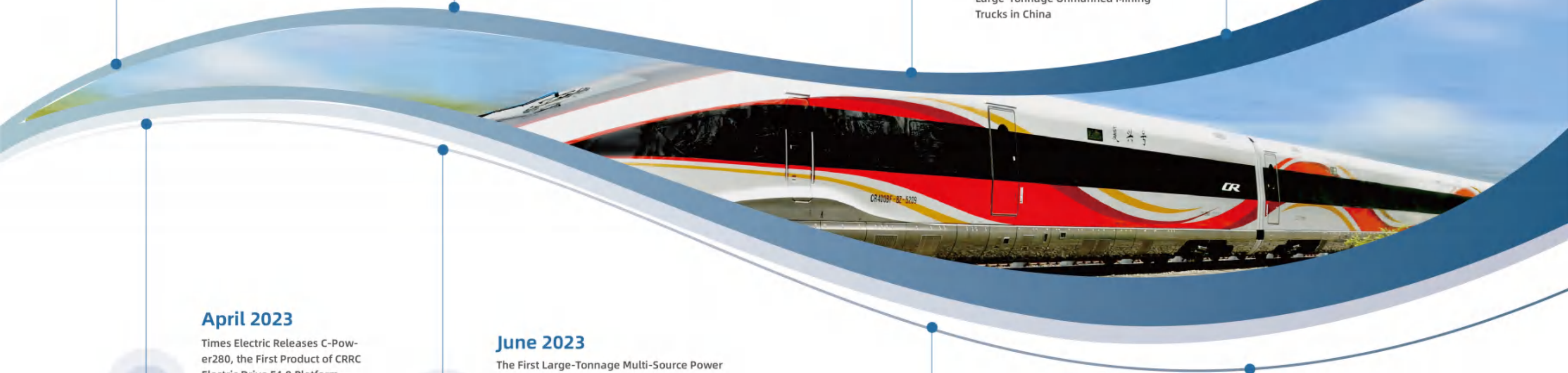
Times Electric Boosts China's 20000-Ton Heavy-Duty Autopilot Train Toward the "Fully Autonomous Era"

August 2023

Times Electric Boosts Fuzhou Metro into a New Era of Fully Automated Driving

December 2023

Times Electric topped the 2023 Hunan High-tech Enterprises Comprehensive Innovation Ability List



Honors & Awards

As a subsidiary of state owned enterprise, Times Electric actively conforms to the national green and sustainable development trend and practices the ESG development concept. We have taken the initiative to participate in sustainability initiatives and product innovation and development, and have been highly recognized by all sectors of society, winning a number of awards and contributing Chinese wisdom to the transportation industry and ESG practices.

2023
Times Electric Won the First and Second Prize of Scientific and Technological Progress Issued by China Power Supply Society

2023
Ningbo CRRC Sensor Technology Co., Ltd. was Awarded the First Prize of Zhejiang Provincial Scientific and Technological Progress by Zhejiang Provincial People's Government

January 2023
Times Electric was Listed in the Top 500 Chinese Brands 2023 at the 17th China Brand Festival

February 2023
Times Electric Won the Most Influential PV Inverter Company and the Best PCS Supplier Award in the 10th "Solarbe Awards"

February 2023
Times Electric and CRRC Electronics won the Third Prize of Railway Science and Technology of China Railway Society issued by China Railway Society

February 2023
Ningbo CRRC Times Sensor Technology Co., Ltd. won the Second Prize of Railway Science and Technology of China Railway Society issued by China Railway Society

March 2023
CRRC Semiconductor Won the Honorary Title of "National Green Factory" Issued by the General Office of the Ministry of Industry and Information Technology of the People's Republic of China

March 2023
Chongqing CRRC was Included in the List of "Creating World-Class Specialized and New Demonstration Enterprises" by the State-owned Assets Supervision and Administration Commission of the State Council

April 2023
Times Electric Won the First Prize of Scientific and Technological Progress in Urban Railway Transportation Issued by China Association of Metros

May 2023
Times Electric was included in the list of "Science and Technology Reform Enterprises" announced by the State-owned Assets Supervision and Administration Commission of the State Council.

May 2023
Times Electric Won the First Prize of China Communications and Transportation of Association's Scientific and Technological Progress Issued by China Communications and Transportation of Association

June 2023
Times Electric Won Electric Drive TOP Enterprise Award and Electric Drive Technology Innovation Award at the 3rd Global xEV Drive System Technology & Industry Conference 2023

July 2023
CRRC Electronics Won the National Specialized and New "Little Giant" Award issued by Industry and Information Technology Department of Hunan Province

October 2023
Times Electric Won the Gold Award of International Convention on Quality Control Circles (ICQCC)

October 2023
Times Electric Won the Highest Grade A Rating for Information Disclosure Work of Listed Companies on SSE STAR Market

October 2023
Times Electric Won the Third Prize of Science and Technology of Mechanical Industry Issued by Chinese Mechanical Engineering Society

November 2023
Times Electric Won the Award of "Top 30 Listed Companies of STAR Market" in China Listed Companies Value Award by 2023 China Star Fund and Listed Companies Value Dual Summit Forum

November 2023
Times Electric Won "Second and Third Prizes" in the 2023 Open Source and Information Consumption Competition Organized by the Ministry of Industry and Information Technology and Hunan Provincial People's Government





Responsibility topic: Green Electric, Driving Toward Sustainability Together

Transport accounts for more than a quarter of global greenhouse gas emissions and is fundamental to the implementation of the 2030 Agenda for Sustainable Development and Paris Agreement. The global sustainable transportation governance system is heading for change, and China's sustainable transportation has injected new vitality into global transportation development. The Party and the State attach great importance to the green and low-carbon development of transportation. The report of the 20th CPC National Congress proposes to actively and steadily push forward carbon peaking and carbon neutrality, promote the clean, low-carbon and efficient use of energy, and push forward the clean, low-carbon transformation of transportation and other areas.

As a core science and technology enterprise under CRRC, Times Electric has always held the greatness of the country in mind, and has formed the whole industrial chain and ecological chain of "chip (device)-system (component)-complete equipment" through the independent innovation and long-term investment in research and development. We are integrating more green systems in transportation and energy, building a sustainable society, and actively participating in the construction of major national strategies such as "Country with Great Transport Strength" and "3060 Carbon Peak and Carbon Neutrality" to drive into the future.

Core Green Energy: Carbon Pathfinder for Clean Energy

Chip is the core component of green transportation and energy, IGBT is widely used in rail transportation, electric vehicles and other fields, known as the "CPU" of power converter in the industry, and is also a strategic core product to support the country to achieve carbon neutrality.

Times Electric is oriented to industrial demand and keeps pace with the world development. We have built industrialization bases for 6-inch bipolar devices, 8-inch IGBTs and 6-inch silicon carbide, and have a full set of independent technologies for chips, modules, components and applications, which guarantees industrial supply, reduces the cost for enterprise applications and boosts the development of downstream emerging industries.

Case: Times Electric boosts the development of new energy and green hydrogen industry

Times Electric penetrates into the source of energy, provides electrical system solutions for green energy, and injects new power into the transformation and upgrading development of the energy industry. Hydrogen energy can help realize large-scale and deep decarbonization in transportation and other fields. Times Electric deeply researches and develops and manufactures IGBT fully-controlled hydrogen power supply to provide the industry with hydrogen power supply products with more friendly grid access, higher system conversion efficiency, modularized simple design, better electric-hydrogen synergistic control performance, and lower energy consumption of the system, and to assist the development of new energy and green hydrogen industry.

(1) In May 2023, Times Electric provided 10,000-ampere IGBT hydrogen generation power supply for the first 10,000-ton new energy hydrogen generation project in China, the 400,000-kilowatt PV hydrogen generation demonstration project of Three Gorges Corporation in Ordos Junggar Qi Najison, and helped this 10,000-ton new energy hydrogen generation project to successfully generate "green hydrogen" for the first time on June 29.

(2) In July 2023, CRRC Times Electric won the bid for the 500,000-kilowatt photovoltaic hydrogen production project in Ningdong invested by CHN Energy Guohua Energy Investment, providing 16 sets of IGBT fully-controlled hydrogen power supply for the Qingshuiying hydrogen production station.

Green and Intelligent Integration: Being an Innovator in Pursuit of Green Energy

High-speed rail, urban rail, electric vehicles ... Times Electric adheres to the development strategy of "concentric diversification" and always stands in the front line of green transportation. Combining independent research and development with international and domestic cooperation, we have been practicing the concept of green and low-carbon in the whole process of product design, R&D, production and application, and continue to improve the green technology innovation system and product matrix for transportation. Adhering to the concept of "collaborative innovation, ecological win-win" to build an ecosystem, and work with industry partners and customers to empower a green future.



Case: Boost the industry

(1) In April 2023, the latest generation of permanent magnet traction system platform created by Times Electric with the goal of "safe, reliable, green and efficient, small and lightweight, intelligent and convenient" was released, and the project "Application of Autonomous and Efficient Urban Railway Transportation Core System Based on Green and Intelligent Integration Technology" was contracted.

(2) In July 2023, 2023 China Auto Forum was held, and Times Electric was awarded the 2023 China Auto Industry CSR "Intelligent Innovation Technology" Award. The then general manager consultant of the automobile division of Times Electric was invited to participate in the round table discussion on the theme of "Assist the Sustainable Development of the Automobile Industry and Accelerate the Construction of ESG Ecosystem".

(3) In December 2023, Times Electric put forward the "Five Actions for Green City Railway Action", namely, green planning first, green equipment R&D, green equipment manufacturing, energy and carbon management and control promotion as well as green service transformation, to promote the "Comprehensive Green Transformation Action" for rail transportation.

Leverage Our Strengths: Being a Weaver of the Whole Industry Chain

Times Electric gives full play to the advantages of the whole industrial chain integrating R&D, production and service, strengthens quality management, ensures product supply and after-sales service, and realizes stable product supply.



Case: Building a product assurance network

Motor drive system is one of the core components of new energy vehicles. The electric drive of CRRC under Times Electric applies the rail transportation traction electric drive technology to the field of new energy vehicles, forming a series of products with passenger car motor drive system as the core and supporting the whole industry chain, and becoming an all-round player in the field of new energy electric drive system.

| | |
|------------|--|
| R&D | We have formed the R&D rhythm of "one generation in mass production, one generation in research and one generation in pre-research", mastered the core technology of electric drive for passenger cars, and built two major electric drive system integration platforms for pure electric and hybrid (including range extended). |
| Production | "1+N" production capacity layout, with Zhuzhou as the core, built large-scale production bases in Wuxi, Changchun, Liuzhou and other places, arranged more than one million sets of electric drive system and components production capacity, radiating China's five major automotive industry clusters, supplying products in the vicinity. In 2023, the annual production capacity reached 500,000 sets, with a cumulative total of more than one million sets launched. |
| Supply | We took the initiative to set up the "CRRC Electric Drive Industry Alliance", cooperated with more than 300 partners, integrated high-quality resources, and made every effort to protect the needs of customers and the industry. |
| Service | Focus on the development needs of new energy vehicles, take the initiative to intervene in front of the technology, focusing on the three-dimensional needs of "user-customer-product", and continue to provide system solutions for new energy vehicles through technological innovation. |



Times Electric ESG Governance

01

Times Electric continues to practice the concept of sustainable development and takes ESG governance as an important channel on the company's development, gradually integrating it into company strategy and governance system. Our board of directors has set up a strategy and ESG committee and is gradually improving the ESG governance structure to promote the in-depth involvement of our board of directors, management and relevant departments in ESG work. We actively respond to the concerns of stakeholders on corporate development, establish open and transparent communication channels with stakeholders, and continuously improve our ESG performance to better meet the requirements and expectations of stakeholders.

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Board ESG Statement

The board of directors recognizes the importance of sound management systems and risk management processes to corporate governance and has established the importance of ESG concepts and management models in sustainable corporate development, with the board of directors responsible for overseeing and managing our performance on key ESG issues.

We undertake that our company shall strictly abide by national laws and regulations, conduct internal governance and information disclosure in accordance with the regulations of China Securities Regulatory Commission and the disclosure requirements of the environmental, social and governance (ESG) reports of the exchanges where listed, and disclose relevant information objectively and truthfully in our regular reports in accordance with the Guidelines on Disclosure of Environmental Information by Listed Companies of the Shanghai Stock Exchange published by the Shanghai Stock Exchange and the latest relevant requirements of the Guidelines on Environmental, Social and Governance Reporting issued by the Stock Exchange of Hong Kong, to ensure that investors and other stakeholders are able to understand in a timely manner the ESG performance of our operations and management.

Our board of directors will regularly review important ESG issues based on our development strategy, external economic changes, environmental protection, social responsibility and other dimensions, identify and assess our ESG risks and opportunities, monitor issue management and performance, and incorporate the management and enhancement of key issues into our annual ESG development strategy.

ESG Management

By improving ESG organizational structure, building ESG system and enhancing ESG practice performance indicators, we have integrated the concept of sustainable development into our management and operation, and achieved in-depth integration with our strategy and business processes. We take R&D innovation, talent priority and safety first as the core, combine the international and domestic new energy development trend, prioritize sustainable energy and high-quality core technology, attract talents to form the cornerstone of R&D and innovation, and set up a complete EHS mechanism internally as a safeguard to form a systematic solution and continuous operation.

Our company has established a comprehensive ESG governance system:

Our board of directors serves as the highest decision-making body for ESG management at Times Electric and is the final authority responsible for our company's ESG efforts. In order to better enhance the ESG governance level of Times Electric, our board of directors in 2023 considered and approved the establishment of the strategy and ESG committee, which is mainly responsible for conducting research and making recommendations on our long-term development strategy, major investment decisions, sustainable development planning and the implementation of ESG work. At the same time, in order to better implement the strategic decisions and work planning of the board of directors and the strategy and ESG committee, we have established an ESG executive team, which is required to perform the following duties:



We have formulated Working Rules of the Strategy and ESG Committee of the Board of Directors of Zhuzhou CRRC Times Electric Co., Ltd. and publicly released on October 26, 2023, as a means to standardize our ESG management and respond to the concerns of our stakeholders.

The main responsibilities of the strategy and ESG committee are:

- Responsible for studying the domestic and international economic development situation, industry development trend, national and industry policy development direction, and providing the board of directors with research reports on national policies and industry development;
- Responsible for studying our long-term sustainable development strategy and business philosophy, and advising the board of directors on the formulation of our development objectives and development policies;
- Responsible for reviewing major investment and financing programs and providing suggestions for the board of directors to decide whether the programs should be implemented;
- Responsible for reviewing major capital operation projects and providing suggestions for the board of directors to decide whether the programs should be implemented;
- To inspect and supervise the implementation of the above major projects;
- To conduct research and make recommendations on our company's sustainable development and ESG-related policies
- To deliberate, evaluate and supervise on major ESG matters of our company, including planning objectives, policy formulation, implementation management, risk assessment, performance, information disclosure and other matters, and to report to the board of directors;
- Matters stipulated in applicable laws and regulations, The Articles of Association, the listing rules of the listed places and other matters authorized by the board of directors.

ESG System Construction

By combining our company's strategic system and daily operations with international and domestic ESG standards, ESG key issues in the same industry, and substantive issues of concern to our stakeholders, we have built an ESG system with new energy R&D and innovation, hazardous gas emission management, EHS management, and talent management as the pillars, and corporate governance as the cornerstone.

By perfecting and practicing ESG system, our ESG system has been closely integrated with our strategic system, business system and product system to promote the sustainable operation of our scientific and technological innovation, integration of production and financing, overseas operation and diversified industrial clusters.



ESG Awards

Times Electric continues to promote ESG work in earnest and pragmatic manner, continuously creates new achievements in ESG development, and the results of ESG governance have been recognized by the industry. On November 24, 2023, our company won two awards, "Top 100 ESG Enterprises" and "Top 50 ESG State Owned Enterprises", at the first CRHC CSI ESG Golden Bull Enterprise Summit co-organized by CSI and CRHC.

Top 100 ESG Enterprises

Top 50 ESG State Owned Enterprises

Stakeholder Communications

Stakeholders' expectations are important considerations when Times Electric formulates ESG strategies and optimizes ESG management. We synthesize feedback from various parties, clarify the focus of stakeholders' concerns, and carry out communication with stakeholders in accordance with our company's business characteristics and by drawing on the experience and practices already in place in the industry. We have identified our key stakeholders, including government and regulatory bodies, shareholders and investors, employees, community residents, charitable organizations, customers, value chain partners, industry associations, media and the public.

The expectations and requirements of stakeholders are the main source for Times Electric to identify important issues. Times Electric focuses on communication with stakeholders and has established a regular communication mechanism to respond to stakeholder needs after adequate communication. During the reporting period, Times Electric optimized communication methods based on feedback from stakeholders. The following table shows the issues that each stakeholder expects to request and the main communication methods.

Stakeholder Communication List

| Stakeholder | Expectations and Requirements | Communication |
|------------------------------------|---|---|
| Government & Regulators | <ul style="list-style-type: none"> Compliance with the law Compliant operation Taxes paid by law Promote local development Response to national strategies | <ul style="list-style-type: none"> Public information disclosure Daily work report and communication Regulatory assessment Reception |
| Shareholders and Investors | <ul style="list-style-type: none"> Shareholder returns Information disclosure Risk control Corporate governance Business performance | <ul style="list-style-type: none"> Annual and periodic reports Annual general meeting of shareholders Investor relations section on official website Investor hotline and mailbox Performance presentations, roadshows and reverse roadshows |
| Employees | <ul style="list-style-type: none"> Employee rights and benefits Occupational health and safety Employee training and development Benefits and remuneration | <ul style="list-style-type: none"> Internal office system Employee hotline Employee congress Skill training sessions |

| Stakeholder | Expectations and Requirements | Communication |
|--|---|---|
| Community Residents | <ul style="list-style-type: none"> Drive local economic development Environmental impact of production and operation on the local area Community service and charity | <ul style="list-style-type: none"> Provide jobs Organize public welfare activities Participate in community building Improve local infrastructure |
| Charitable Organizations | <ul style="list-style-type: none"> Support social welfare Fulfillment of social responsibility | <ul style="list-style-type: none"> Organize public service activities Conduct thematic meetings |
| Customers | <ul style="list-style-type: none"> Clean energy product supply Quality services Product quality Product qualification rate | <ul style="list-style-type: none"> Customer opinion survey Customer satisfaction survey |
| Value Chain Partners | <ul style="list-style-type: none"> Transparent and honest cooperation Fair trade Win-win development Supply chain sustainability | <ul style="list-style-type: none"> Supplier conference Supplier audit Bidding conference |
| Industry Associations and Organizations | <ul style="list-style-type: none"> Fair competition Promote industry development Technology and experience sharing | <ul style="list-style-type: none"> Industry seminars Participate in the compilation of standards Project cooperation |
| Media & Public | <ul style="list-style-type: none"> Services and products Future development trend Corporate social responsibility Financial performance | <ul style="list-style-type: none"> Official website and WeChat official account Media interviews and cooperation Information disclosure |

ESG Issue Identification

With reference to the requirements of authoritative disclosure standards at home and abroad, Times Electric continuously improves the process of defining report contents, identifies and manages topics related to risks and opportunities by combining communication channels such as opinions of our company's management, internal and external experts' suggestions, media information, domestic and international peer benchmarking studies, guidelines on social responsibility standards, suppliers' opinions, and communities' opinions, and responds to the expectations of stakeholders in a timely and effective manner.

In 2023, under the guidance of the strategy and ESG committee of the board of directors, we conducted a significance issues analysis in accordance with the following four steps: identification, interviews and surveys, validation and ranking, and response. We finally obtained the 20 significant issues that are most helpful for our company to realize our ESG objectives and formed an ESG significance issues matrix.

Significance issue screening process:

Identify significance issues

By conducting external policy research, peer benchmarking analysis, and surveys on industry development trends, and taking into account our company's development strategy, business characteristics, and operational planning, we identify 30 issues of importance that are most likely to affect our company's operation and development, or to influence the assessment and decision-making of our stakeholders.

Conduct interviews and questionnaires

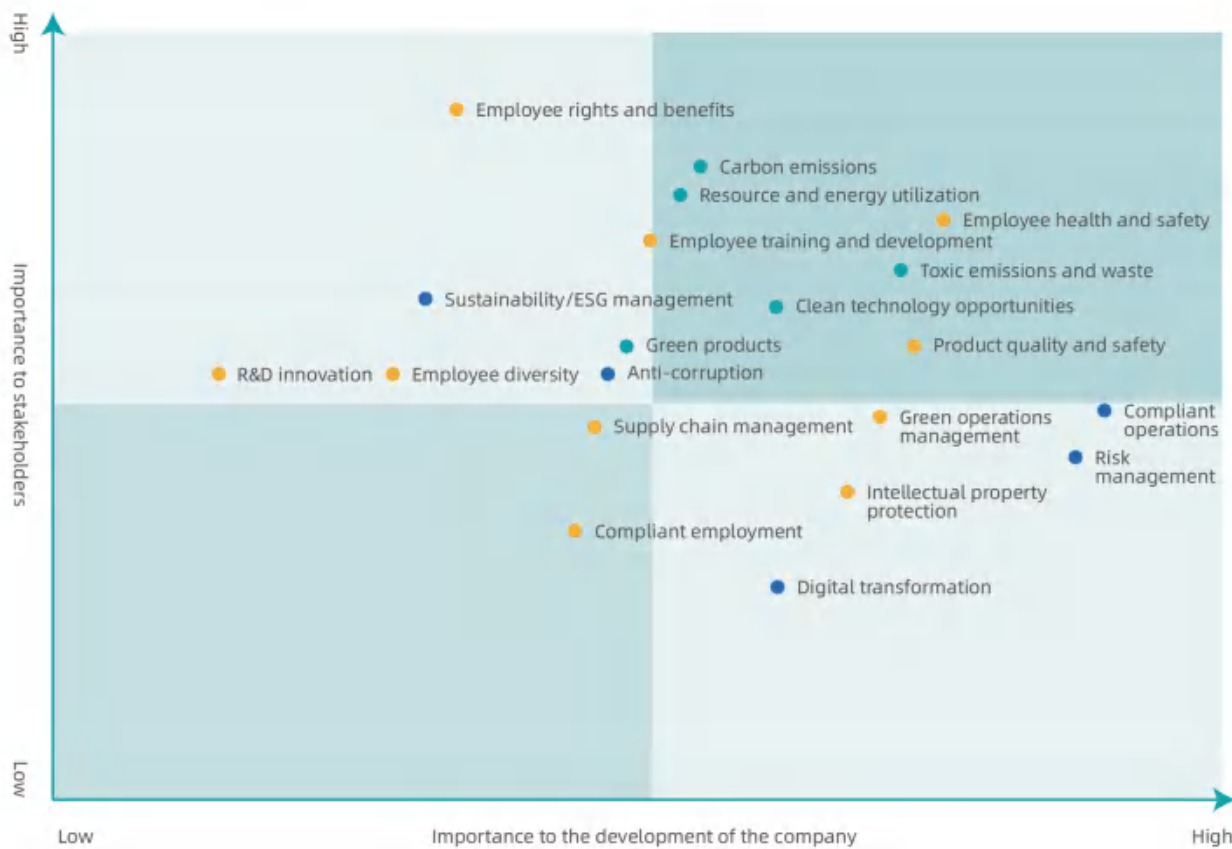
In order to ensure the accuracy and comprehensiveness of the data, we hired a third-party expert consultant to guide the relevant work, customized a questionnaire on the importance of ESG issues and distributed it to stakeholders, conducted interviews with our management, and benchmarked and analyzed the current situation of the industry.

Confirm and rank issues

After data processing and analysis, we considered the feedback from various stakeholders and questionnaire data to finally identify 20 significant issues, and ranked them according to their impact on the company's ESG goals.

Respond to issues

Develop a matrix of substantive issue analysis based on the issue evaluation results and provide focused disclosure in the report for high significance issues. This not only enhances the transparency of the company's communication with various stakeholders, but also highlights our strong commitment and continuous efforts in the area of ESG.



Times Electric 2023 ESG Significance Issues

● environment ● society ● govern

| Issue Significance Level | Issue Title | Response Section |
|----------------------------|-------------------------------------|--|
| High significance issues | ● Employee health and safety | Care for Employees and Create a Well-being Workplace --Guard Health and Safety |
| | ● Toxic emissions and waste | Green Development and Build a Low-Carbon Future --Enhance Pollution Prevention Capability |
| | ● Product quality and safety | Driven by Innovation and Create a Superior Brand --Build Reliable Guarantee |
| | ● Carbon emissions | Green Development and Build a Low-Carbon Future --Respond to Climate Change |
| | ● Cleantech opportunities | Driven by Innovation and Create a Superior Brand --Product Innovation and R&D |
| | ● Resource and energy use | Green Development and Build a Low-Carbon Future --Promote Energy Management |
| | ● Employee training and development | Care for Employees and Create a Well-being Workplace --Emphasis on Talent Cultivation |
| Middle significance issues | ● Compliance operations | Strive for Leadership and Construct Governance Cornerstone --Consolidate Compliance Management |
| | ● Risk management | Strive for Leadership and Construct Governance Cornerstone --Consolidate Compliance Management |
| | ● Green operation management | Green Development and Build a Low-Carbon Future --Constant Green Operation |
| | ● Intellectual property protection | Driven by Innovation and Create a Superior Brand --R&D Drives Transformation |
| | ● Digital transformation | Strive for Leadership and Construct Governance Cornerstone --Promote Digital Construction |
| | ● Employee rights and benefits | Care for Employees and Create a Well-being Workplace --Implement Employee Care |
| | ● Sustainability/ESG management | Times Electric ESG Governance |
| | ● Innovation and R&D | Driven by Innovation and Create a Superior Brand --Product Innovation and R&D |
| | ● Employee diversity | Care for Employees and Create a Well-being Workplace --Multi-Talent Recruitment |
| | ● Green products | Driven by Innovation and Create a Superior Brand --Product Innovation and R&D |
| Low significance issues | ● Supply chain management | Driven by Innovation and Create a Superior Brand --Build Reliable Guarantee |
| | ● Compliant employment | Care for Employees and Create a Well-being Workplace --Optimize Talent Management |
| | ● Anti-corruption | Strive for Leadership and Construct Governance Cornerstone --Consolidate Compliance Management |

Strive for Leadership and Construct Governance Cornerstone

02

Times Electric earnestly implements the requirements of the CPC Central Committee and the State Council on accelerating the improvement of the modern enterprise system with Chinese characteristics and promoting the better transformation of the system advantages into governance effectiveness. In terms of improving corporate governance, perfecting internal control, strengthening risk management and deepening integrity building. We have accelerated the improvement of corporate governance, effectively enhanced the effectiveness of corporate governance, actively shared the fruits of corporate development with groups such as investors, shareholders, customers and suppliers, and consolidated the foundation of high-quality development.

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Stable Operation Management

Corporate Governance

In order to better realize the long-term steady development, Times Electric operates strictly in compliance with Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Criminal Law of the People's Republic of China, Law of the People's Republic of China Against Unfair Competition, Provisional Provisions on the Prohibition of Commercial Bribery, etc., the relevant national laws and regulations, the regulations of the China Securities Regulatory Commission, the requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and in accordance with the governance structure of the shareholders' meeting and the board of directors. In order to effectively cope with the risks and challenges in the process of operation and business development, Times Electric continuously strengthens and improves our internal management system and processes, refines our Articles of Association, and strengthens our compliance operation. These initiatives provide solid rule of law safeguards for the healthy and stable development of our company, ensuring that we can move forward steadily in a complex and volatile environment and create sustainable value for our shareholders, employees and society.

Organization Structure of Corporate Governance of Times Electric

According to Articles of Association of Times Electric, the general meeting of our company is the authority of the company and exercises its power in accordance with the law. The stability of our company's controlling stake and the absence of anticipation of changes have strongly guaranteed the sustained and in-depth implementation of the established strategy of our company. The board of directors of our company has set up six specialized committees such as strategy and ESG committee, audit committee, nomination committee, remuneration committee, risk control committee, science and technology innovation committee, etc., which provide suggestions and advice for major decisions of the board of directors, helping to ensure the scientific and forward-looking decisions of our company.

- Our company attaches great importance to and deeply recognizes the contribution of a diverse board of directors in corporate development. In the process of appointing board members, we take into account diversity-related factors such as gender, age, cultural background, educational experience, professional experience, skills and knowledge, as well as ethnicity. In 2023, our board of directors consisted of eight directors with different industry backgrounds and areas of specialization, which ensured a composite and complementary mix of qualifications and backgrounds of the board members, including six directors with professional background in engineering and one with professional background in accounting. Our company plans to add at least one independent female director by the end of 2024 to further promote gender diversity on the board and to enhance the comprehensiveness and inclusiveness of decision-making.
- The duties of our board of directors are clearly defined, and its convening procedures are in compliance with the provisions of Articles of Association and relevant laws, regulations and systems. Within the terms of reference set out in Articles of Association, our board of directors formulates our corporate development strategies in accordance with the Rules of Procedure of the Board of Directors, and monitors and implements the execution of our business management and financial position. We have always made long-term performance returns our top priority and are committed to creating sustainable value for our company and our shareholders. Most of the members of our board of directors are independent of the management, including four independent non-executive directors, accounting for one-half of the total number of directors. They play an important role in the improvement of corporate governance and major decision-making, and have expressed pertinent and objective opinions on major issues and connected transactions of our company, which have promoted the scientific decision-making procedures of our board of directors and effectively safeguarded the interests of our company and our small and medium-sized shareholders.
- The committees under our board of directors, based on their specialized functions, are responsible for overseeing the operation and management of our Company. The audit committee and the remuneration committee of our company are fully independent from the management, which ensures the impartiality of supervision and decision-making; the audit committee and the risk control committee are mainly composed of members with professional background in finance, which provides a strong guarantee for our financial soundness and risk control.
- In 2023, the Board of Directors deliberated on 8 related party transaction proposals, in which we have always adhered to the principles of fair pricing and necessity to ensure fairness, impartiality and openness, and strictly safeguard the legitimate rights and interests of all shareholders of the Company.

With respect to senior management compensation, we make determinations based on job responsibilities, job importance, performance evaluations and the level of compensation for relevant positions in the industry. The annual base salary of senior management is determined mainly on the basis of factors such as job responsibilities, importance of the position and salary level per employee, while the annual performance salary is determined on the basis of performance evaluation and special incentives are determined on the basis of outstanding contributions.

Contributions to remuneration and benefits for each of the directors, supervisors and CEO for fiscal year 2023 were as follows:

Unit: Yuan Currency: RMB

| | Director's emoluments | Basic salary | Performance Linked to bonus | Pre-tax Total compensation | Social insurance premiums and housing fund | Pension Plan contributions | Total remuneration |
|---|-----------------------|------------------|-----------------------------|----------------------------|--|----------------------------|--------------------|
| Executive Director | | | | | | | |
| Li Donglin | - | - | - | - | - | - | - |
| Liu Kean | - | - | - | - | - | - | - |
| Shang Jing | - | 680,000 | 604,060 | 1,284,060 | 61,189 | 86,196 | 1,431,445 |
| Yan Wu | - | 689,111 | 117,873 | 806,984 | 61,189 | 81,373 | 949,546 |
| Subtotal | - | 1,369,111 | 721,933 | 2,091,044 | 122,378 | 167,569 | 2,380,991 |
| Non-Executive Director | | | | | | | |
| Zhang Xinning | - | - | - | - | - | - | - |
| Independent non-executive director | | | | | | | |
| Gao Feng | 119,048 | - | - | 119,048 | - | - | 119,048 |
| Li Kaiguo | 119,048 | - | - | 119,048 | - | - | 119,048 |
| Lin Zhaofeng | 115,321 | - | - | 115,321 | - | - | 115,321 |
| Zhong Ninghua | 52,561 | - | - | 52,561 | - | - | 52,561 |
| Chen Jinrong | 153,317 | - | - | 153,317 | - | - | 153,317 |
| Pu Bingrong | 153,317 | - | - | 153,317 | - | - | 153,317 |
| Liu Chunru | 67,650 | - | - | 67,650 | - | - | 67,650 |
| Chen Xiaoming | 67,650 | - | - | 67,650 | - | - | 67,650 |
| Subtotal | 847,912 | - | - | 847,912 | - | - | 847,912 |
| Supervisor | | | | | | | |
| Shen Zhulin | - | 431,788 | - | 431,788 | 61,189 | 59,089 | 552,066 |
| Liu Shaojie | 13,321 | 308,881 | 111,218 | 433,420 | 57,877 | 51,658 | 542,955 |
| Pang Yiming | - | 482,065 | - | 482,065 | 61,189 | 55,839 | 599,093 |
| Zhou Guilfa | 21,705 | 992,049 | 66,244 | 1,079,998 | 61,189 | 61,189 | 1,225,028 |
| Li Lue | - | - | - | - | - | - | - |
| Geng Jianxin | 119,048 | - | - | 119,048 | - | - | 119,048 |
| Subtotal | 154,074 | 2,214,783 | 177,462 | 2,546,319 | 241,444 | 250,427 | 3,038,190 |
| Total | 1,001,986 | 3,583,894 | 899,395 | 5,485,275 | 363,822 | 417,996 | 6,267,093 |

Investor Relations Management



Times Electric strictly follows the relevant national laws and regulations, the regulations of China Securities Regulatory Commission, and the requirements of Shanghai Stock Exchange and Hong Kong Stock Exchange to issue regular reports and disclose relevant financial and non-financial information in a timely, accurate and complete manner, so as to ensure that the investors and the stakeholders can understand our operation and management status and the performance of the capital market in a timely manner.

In order to strengthen the communication and exchange with investors, we have set up relevant departments and positions, and established a variety of public communication channels, such as the investor relations column on our official website, WeChat Official Account, regular reports, research activities, roadshows and reverse roadshows, performance presentations, as well as specialized communication mailboxes and hotlines. Through these channels, we have conducted hundreds of in-depth communications with world-renowned institutional investors, fully demonstrating our operating results and development prospects.

In 2023, Times Electric organized a total of 12 investor events, such as earnings presentations, roadshows and reverse roadshows, etc., which created a closer connection between our company and our investors and effectively promoted mutual interaction and understanding.

Information Disclosure

Our company strictly follows the requirements of laws and regulations of China Securities Regulatory Commission, Shanghai Stock Exchange, Hong Kong Stock Exchange and other regulatory bodies and the relevant provisions of Information Disclosure Management Measures of our company, focuses on the regulatory requirements, fulfills the information disclosure obligations in accordance with the laws and regulations and ensures the truthfulness, accuracy, completeness, timeliness and fairness of the disclosed information.

We continue to enhance the quality of information disclosure and ensure that all announcements and circulars are disclosed in a timely manner on Shanghai Stock Exchange, Hong Kong Stock Exchange, our website and designated newspapers and magazines (if necessary) in accordance with the requirements of the listing rules of the place of listing. We adhere to the principle of good faith and ensure that all announcements are true and credible, and that there are no false records, misleading statements or material omissions. We understand the importance of information disclosure and are always committed to safeguarding the legitimate rights and interests of our investors. In 2023, Times Electric did not experience any early disclosure of material information or misstatement of information. In 2023, SSE STAR MARKET started the information disclosure rating, and we received the highest rating - "A".

Internal Control

In order to ensure the rigor and effectiveness of internal control, Times Electric has formulated internal control systems such as Times Electric Internal Control Application Manual and Management Measures for Internal Control Work, and promotes internal control work in strict accordance with these systems. In promoting compliance management, our compliance committee and chief compliance officer were established in 2023. The compliance management lead department is responsible for organizing and coordinating all compliance work, and the supervisory department is responsible for supervising and holding accountable the compliance management work to ensure that the compliance requirements are strictly enforced. Other functional departments, resource centers and business units work together to implement compliance management responsibilities in accordance with their respective division of responsibilities. With such organizational system, Times Electric has gradually established an organizational system of compliance management with unified leadership, division of responsibilities, synergistic linkage and effective operation, which ensures the comprehensive implementation of compliance management at the corporate governance level, operational management level and work execution level, and provides a solid compliance safeguard for sound development of our company.

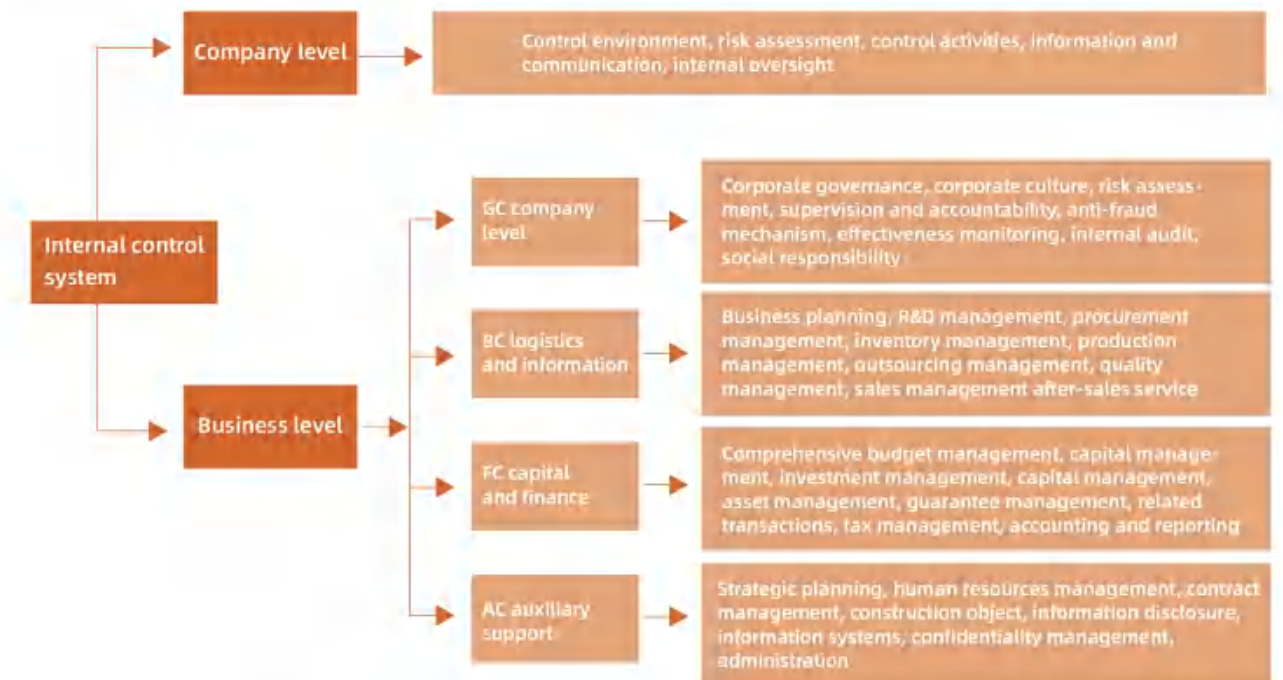
Internal Control Governance Structure

Times Electric continuously improves and perfects the corporate governance structure in compliance with Basic Standard for Enterprise Internal Control, with scientific and reasonable institutional settings and clear division of powers and responsibilities. The general meeting of shareholders, the board of directors, the supervisory board and the management ("three boards and one management level") have clearly defined responsibilities and authorities, and operate well with mutual checks and balances in terms of decision-making, execution and supervision. Each level of the internal control system is responsible for its own duties and responsibilities, as well as cooperating with and restraining each other, forming a closely connected and interlocking system.

In order to safeguard the effectiveness of internal controls, we have established the audit and risk control department, which, under the guidance of the board of directors, the audit committee, and the risk control committee, carries out comprehensive monitoring of important aspects of our finances, operations, compliance, offshore operations, and risk prevention and control. Through continuous internal control monitoring and evaluation, internal control deficiencies are identified and rectified in a timely manner, thereby effectively controlling operational risks.

Internal Control System Structure

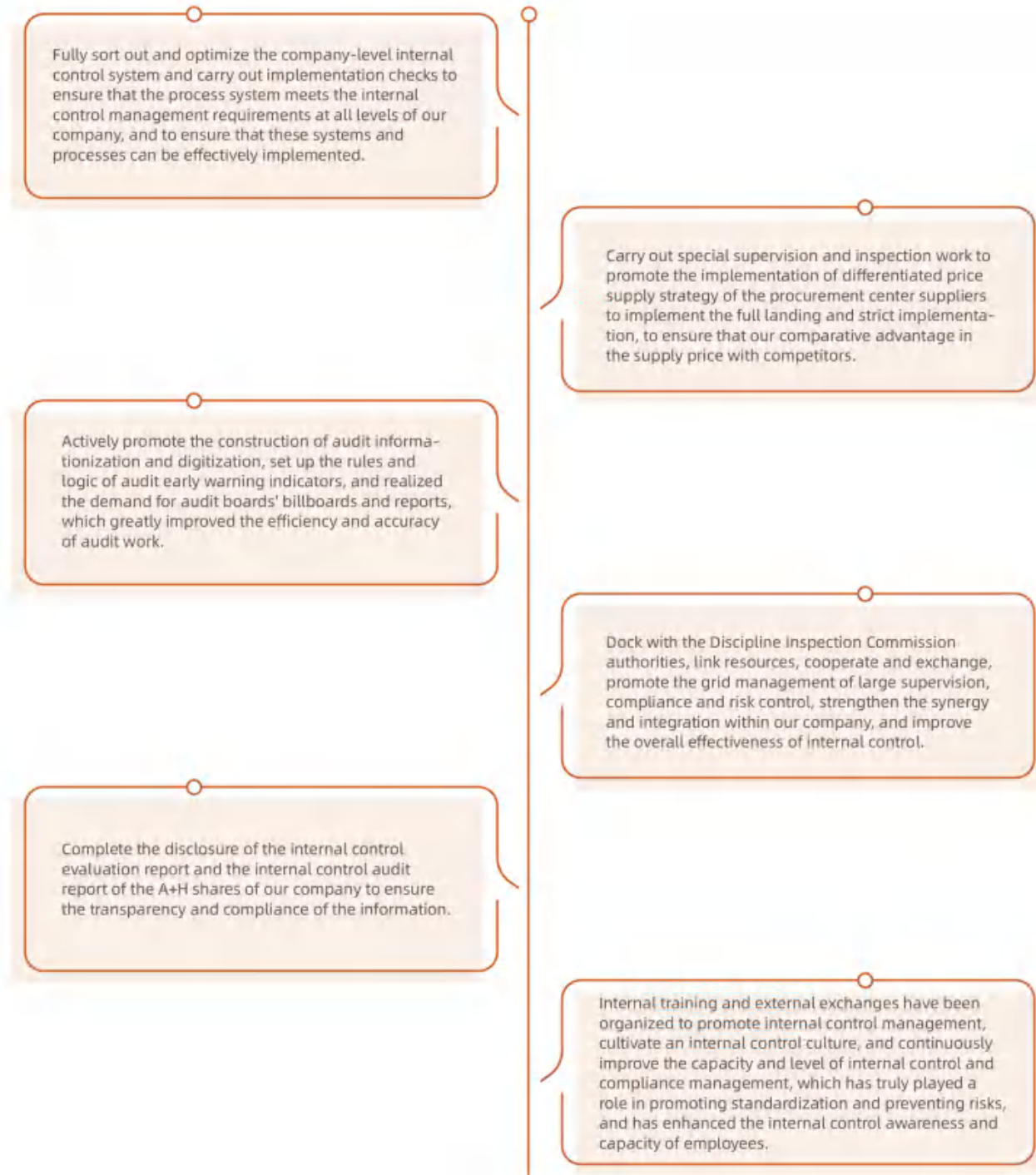
Times Electric has constructed the internal control system including "one system", "two levels", "four main lines" and "N internal control themes", which basically meets the needs of our business development and changes, and synchronizes the processes, key control points and other elements with the changes in the external environment, the laws of the industry and the internal management changes. Meanwhile, the system also fully complies with the requirements of State-owned Assets Supervision and Administration Commission (SASAC) and the stock exchange of the listed place on internal control. In terms of organizational management system, our company has set up three lines of defense for auditing, risk and control, and formulated systems and processes in line with the compliance control requirements of state-owned enterprises and the risk prevention requirements stipulated by listed companies, so as to create an upgraded version of the internal control system of "1+2+4+N", and to realize management upgrading.



In order to continuously improve our internal control level, we set up an internal control self-evaluation team for the year 2023, focusing on key business units and key business areas. By preparing an overall internal control self-evaluation work program, the internal control self-evaluation of 12 functional departments and 31 industrial units and branches was carried out in phases. In this process, our company has sorted out the internal control deficiencies identified and tested 833 key internal control nodes in accordance with the criteria for the identification of internal control deficiencies and in conjunction with the daily supervision and special supervision. For the process of internal control implementation and testing, our company has followed up and provided feedback in a timely manner, so as to ensure the effective operation of the internal control system. During the reporting period, we identified a total of 5 internal control deficiencies, all of which were general deficiencies. In response to these deficiencies, our company has carried out timely rectification and realized closed-loop management. By continuously carrying out internal control evaluation, we effectively ensure that the internal control process has orders to be carried out and evidence to be followed, and that the internal control system operates effectively.

⚙️ Main Initiatives and Effectiveness of Internal Control Work

In 2023, Times Electric comprehensively strengthened our internal control through a series of measures such as promotion, implementation, supervision and consolidation, focusing on the core control objectives of "strengthening internal control, preventing risks and promoting compliance". In order to ensure the effectiveness of internal controls, we conducted an annual internal control monitoring and evaluation, as well as self-inspection and evaluation of the effectiveness of internal controls from a multi-dimensional perspective.



⚙️ Substantiate Compliance Management

⚙️ Risk Management

In 2023, closely combining the requirements of the "14th Five-Year Plan" risk control planning and the annual risk management points of CRRC Group and CRRC Zhuzhou Institute, Times Electric comprehensively promoted the risk control work. Our company has formulated a series of comprehensive risk management systems, including Comprehensive Risk Management Measures, Risk Management Measures for Overseas Enterprises, Management Measures for Major Operational Risk Incidents, Management Measures for Risk Evaluation of Major Projects and Legal Risk Management Measures for Overseas Enterprises, etc., in order to build up a comprehensive and systematic risk management framework. To ensure the effective implementation of risk control, we created Risk Responsibility Matrix and Integrity Risk Self-Inspection Form in 2018, which clarifies the risk responsibility hierarchy from the supervisory leaders to ministers and supervisors. In 2023, the company updated and optimized Risk Responsibility Matrix, covering 12 departments, 17 key positions, 35 job risk points and 48 risk events in the center, ensuring the specificity and clarity of risk responsibilities.

In terms of risk analysis



Our company closely focuses on the strategic objectives and business goals of Times Electric, and assesses 8 high-risk events from more than 130 risk events through bottom-up risk event analysis and research and judgment. After several rounds of review by each department (unit), risk management department, and at the company level, we have determined the information base of risk events for the year 2024, formulated corresponding risk control programs, clarified the units responsible for risk control, and strengthened the efforts of risk prevention and control.

In terms of overseas risk assessment



The company implements the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) and CRRC Group on strengthening overseas risk investigation, and carries out a comprehensive assessment of the risks of Times Electric's overseas projects and overseas subsidiaries. Meanwhile, our company conducted special audits on 7 overseas projects of 4 overseas branches, aiming to enhance the risk management and control level and anti-risk ability of our overseas operation and investment, and to ensure the safety and stability of our overseas operation.

In terms of optimization of risk control system



Our company has carried out the enhancement of new energy risk control system and further consolidated the risk control system of photovoltaic industry. By embedding key risk control nodes into the system process, our company strengthens risk identification and control at the front-end and during the process of business, promotes the in-depth integration of risk control and business, and provides a strong guarantee for the healthy and sustainable development of the industry.

In terms of project risk assessment



We conducted a total of 24 risk assessments of major mergers and acquisitions and joint ventures and other investment projects in 2023. By revealing project risks, evaluating risk levels and proposing countermeasures, our company ensures that the risks of major projects are controllable; at the same time, we follow up on the control status of annual major risk events on a quarterly basis and monitor the control of major operational risk events. In addition, our company has deployed risk assessment, analysis and response for FY2024 as planned to ensure the continuity and effectiveness of our risk management efforts.

Internal Audit

Times Electric adapts to the new development requirements, focuses on the main responsibility and main industry, and continuously expands the audit work idea with modernized and internationalized audit thinking. We strengthen the positioning of audit function through audit service industry, and sink the audit service supervision function to ensure the sound operation and sustainable development of our company. In 2023, we continuously optimized our auditing work and innovatively created a replicable management auditing standard model to realize "one audit with multiple items", "one audit with multiple results" and "one audit with multiple applications", and formulated audit standard models such as Internal Control Self-Inspection Checklist, Audit Guidelines, Audit Implementation Plan and Audit Report on Economic Responsibility, providing clear guidance and standardization for audit work.

Meanwhile, our company has actively promoted the development of audit informatization and established six audit warning indicators, including the early warning of double-layer identity of suppliers and customers and the early warning of total customer credit limit, etc., and clarified the relevant rules, logic and data requirements. The realization of these audit early warning indicators provides the audit board with the demand for billboard and monthly and annual reports. At the same time, through the information-based means of audit early warning, special inspection and supervision can be organized for units with high frequency and high impact of occurrence of early warning matters, which can timely and effectively prevent business risks.

In order to integrate resources and strengthen cooperation, we continue to promote the grid management of large supervision, compliance and risk control. By incorporating the information center information technology project and the special audit supervision project of procurement business into the scope of the discipline inspection committee's great supervision, an effective audit supervision synergy has been formed, which promotes the rectification of the problems and improves the supervision and management ability and level of our company.

In order to better publicize the work of auditing and risk control, exchange experience, and strengthen the audit supervision function to promote high-quality development of our group, we actively communicate with external units, such as TBEA Hengyang Transformer Co., Ltd., Zhuzhou Water Group, etc., to learn from each other's advanced modes of internal auditing and ways and means, and to discuss in-depth the experience of auditing, risk, internal control, compliance and other aspects. We also organized internal control exchange training for our subsidiaries to promote internal control management, cultivate an internal control culture, and continuously enhance the internal control awareness of our employees, which provided a strong guarantee for the standardized management and effective operation of our company.

Integrity Development

Times Electric has taken the sense of integrity as an important part of its corporate culture, and has deeply implemented it in all aspects from internal management to external cooperation. In 2023, we continued to strengthen our integrity and anti-corruption accountability system to ensure that integrity building is deeply implemented across the company as well as the entire supply chain.

Internal Management

Sound integrity system >>

Times Electric always adheres to the bottom line of the law and strictly complies with Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on the Prohibition of Commercial Bribery and other national policies and regulations. We have also formulated internal systems such as Measures for Integrity Management of Zhuzhou CRRC Times Electric Co., Ltd and Measures for Prohibition of Commercial Bribery Management of Zhuzhou CRRC Times Electric Co., Ltd to strengthen the construction of anti-corruption and integrity-upholding, and to ensure that leaders at all levels and key position holders work in a clean and virtuous manner.

In order to further implement the spirit of the important instructions of General Secretary Xi Jinping on the work of inspections and inspections, as well as the requirements of the Party committees of CRRC Group, CRRC Zhuzhou Institute and Times Electric on the work of inspections and inspections, our company issued Management Measures for Rectification of Party Committees on Inspections and Application of Achievements on November 2023. The Measures stipulate in detail the responsibility, reporting, supervision and other requirements for the inspection and rectification of the Party Committee of Times Electric, and combine with Management Measures for Party Committee Inspection Work to ensure that the inspection and rectification work is effectively carried out.

Our company continuously improves integrity system, formulates and revises Decision Management Measures for Major Decisions, Major Cadres, Major Project Arrangements and Large Amounts of Funds of Zhuzhou CRRC Times Electric Co., Ltd and Detailed Rules for Implementation of the Responsibility of Party Conduct and Integrity Construction of Zhuzhou CRRC Times Electric Co., Ltd., clarifies the detailed requirements of anti-corruption for employees and business partners such as suppliers, strictly prohibits any form of bribery, and always practices the core values of "Righteousness and Integrity".

We regularly organize and convene meetings on integrity construction and anti-corruption work, arrange and deploy annual integrity construction and discipline inspection work, and ensure that the responsibility is implemented in the form of signing a letter of responsibility. In 2023, our company signed Letters of Responsibility for Full and Rigorous Party Self-Governance with 23 subordinate first-level party organizations, and organized 133 leading cadres at the middle level and above and 401 personnel at the middle level and above of each unit under our company to sign Letters of Responsibility for One Post with Two Responsibilities, which effectively promoted the extension of the main responsibility for full and rigorous Party self-governance to the grassroots level.

In order to further strengthen the staff's understanding of integrity and compliance with the system, our company has always adhered to the concept of "theoretical study, research, promote development, review and rectification", and has carried out the theme of integrity construction of high-standard education. Through a series of educational activities, our employees have achieved remarkable results in "forging spirit by learning, increasing wisdom by learning, correcting conduct by learning, and promoting work by learning".



Case: Thematic learning and education

Our company organized employees to carry out revolutionary traditional education and warning education in Site of the first National Congress of the Communist Party of China, Zunyi, Site of the August 7 Conference, Jinggang Mountain and other places; we have also conducted joint studies with 36 external clients, including Wuxi Metro Group, Chengdu Rail Transit Group and China Construction Fifth Engineering Division Corp., Ltd, focusing on General Secretary Xi Jinping's important discussions on the reform of State-owned Enterprises (SOEs) and the development and construction of the Party. We conducted in-depth thematic study and discussion on topics such as the planning goal of "Advancing to the Top", thinking about the benchmarking of passenger car electric drive tops, locomotive and rolling stock overhaul situation, semiconductor single-tube technology, and the "Two Funds (Accounts Receivable and Inventory Funds)" of urban railroads.

Case: Integrity thematic education

In 2023, we organized the first ideological and political festival with unique ideas, including four major parts of "Ignite - Red Memory" thematic learning and question-answering week, "Continue - Red Spirit" ideological and political class on the theme of implementing the spirit of the 20th CPC National Congress, "Cohesion - Red Power" "Two Excellence and One Priority" commendation and "Sailing - Red Journey" red garden party. This activity combined the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the Spirit of the 20th National Congress of the CPC with the form of "ideological and political open class" in an innovative way, and created a vivid and effective thematic education class. The Party organizations at the grass-roots level responded positively, making use of the "Three Events and One Class" to carry out quarterly Party classes and general meetings for Party members, and monthly thematic Party day activities in conjunction with the actual situation of the branch, to ensure that the Party members and staff members continue to learn and make progress.

Open reporting channels >>

Our company has formally promulgated Measures for Handling Discipline Inspection Letters and Visits and Reports, and has established various convenient reporting channels to ensure that employees and the community can reflect problems, opinions and suggestions in a timely manner. Reported cases mainly include whistleblowing and accusations, complaints, criticism and suggestions and other types of sources, covering a wide range of visits, letters, suggestion boxes, telephone, Internet, text messaging, WeChat and other ways, but also includes letters and petitions referred to by superiors, company leaders and other departments.

In order to ensure the fairness, transparency and efficiency of the handling of letters and reports, our company operates in strict accordance with the established procedures, including registration and filing, to be signed and approved, contractors, filing and archiving of a series of articulated and orderly closed-loop management. These processes not only ensure the smooth handling of letters and visits, but also effectively protect the legitimate rights and interests of whistle-blowers.

In addition, our company pays special attention to the work discipline of handling letters and reports, and has formulated strict whistle-blower protection measures. Specifically include:

- Letters and reports processing and contracting staff and the person being prosecuted and accused have close family relations, or close family members have an interest in the issue of complaints and accusations, which may affect the impartiality of the issue of complaints and accusations, the staff member shall take the initiative to report and apply for withdrawal;
- Letter and report processing and contracting staff shall maintain the confidentiality of the complainant and accuser, shall not disclose the original text of the complaint to the accused, and shall not carry out handwriting verification or document examination;
- In the case of a closed report, it shall be kept confidential to the accused;
- If the letter and report processing and contracting staff violates the work discipline and confidentiality discipline, they shall be investigated for responsibility according to the relevant provisions, depending on the seriousness of the circumstances.

Anti-corruption training >>

In 2023, our company carefully planned and organized more than 10 special training activities for different types of employees, such as new employees, employees in key positions, and staff in internal control related positions, including many key areas such as process system, internal control risk, and clean procurement. Through a variety of special training activities, our company not only enhanced the risk awareness and self-control awareness of employees, but also laid a solid foundation for clean culture construction, and provided a solid guarantee for long-term development.

Case: Integrity and discipline training

The Discipline Inspection Committee of our company closely combined with the core theme of "Enhancing Four Consciousnesses, Practicing Two Maintenance, and Strengthening Integrity and Self-discipline", and planned and carried out a high-level "Discipline Inspection Cadres Speak of Discipline" thematic activity. The secretary and deputy secretary of the Discipline Inspection Commission personally took charge of the key business areas of our company and conveyed strict disciplinary requirements to a total of 1,577 party members and key position holders in all grassroots party organizations, which further enhanced the awareness of party members and cadres and key position holders of integrity and self-discipline. In addition, the secretary of the Discipline Inspection Commission opened a vivid integrity education class for nearly 500 employees who joined the company in 2023 - Learning Integrity Lessons, Not Failing in the Workplace, reminding the new employees that they have to tighten the string of integrity and self-discipline at the beginning of their careers, and tie up the "first button" of their careers in integrity.



Case: Field warning education

We attach great importance to the education of key position personnel such as new leading cadres and key project construction personnel on integrity and self-discipline. On November 20, 2023, we arranged for more than 40 key position personnel of our subordinate units to collectively go to Changsha Integrity Education Base to receive on-site warning education.



External Cooperation

Times Electric understands the importance of supplier management and pays special attention to integrating social responsibility in the supply chain. In order to ensure that all cooperative suppliers comply with ethical norms, laws and regulations in their business dealings, we have taken a number of vigorous measures, including the signing of Supplier Code of Conduct as well as the implementation of systems such as integrity and self-discipline commitment, to establish long-term and stable cooperative relationships with our suppliers, and to jointly promote honest cooperation and anti-corruption initiatives, so as to realize the sustainable development and social responsibility of our company. Supplier Code of Conduct includes the following key elements:

- Not tolerate or engage in any form of corruption or bribery, including, but not limited to, any payment or other form of benefit to any government official for the purpose of influencing decision-making;
- It is prohibited to offer, agree to offer, or provide bribes or improper accommodations, directly or indirectly, to Times Electric employees and/or their relatives for the purpose of maintaining or obtaining business or an improper advantage;
- Disclose information about conflicts of interest to Times Electric, including disclosure of Times Electric employees' ownership interests in any supplier, financial interests, and consulting or employment relationships;
- Do not provide improper benefits in any form to Times Electric procurement staff, including but not limited to the following types: gifts such as kickbacks, gratuities, shopping cards, securities, payment vouchers, commercial prepaid cards, valuables, and favors, appreciation fees, etc. Specifically, these include: goods, such as tobacco, alcohol, gold and silver jewelry, communication tools, home appliances, high-grade office supplies, housing, automobiles, etc.; currency, including RMB and foreign currencies; securities, such as stocks, bonds, etc.; and other property interests, such as the creation of claims, the forgiveness of debts, no-interest or low-interest loans, or the gift of a certain number of shares of an enterprise.

In addition, in order to further strengthen the management of suppliers, Times Electric has especially formulated Supplier Adverse Behavior and Blacklist Management Measures. The measures clearly stipulate that if the supplier has bribed, colluded with our internal staff internally and externally and other serious violations of the law, and the behavior has caused serious adverse effects on our company, adverse in nature and serious in circumstance, it will trigger the supplier blacklist management mechanism.

Times Electric has specific and clear rules against corruption and bribery in New Supplier Development Process. In this process, we are firmly against any form of corruption and bribery, and always adhere to the bottom line of honesty and integrity throughout the process of establishing cooperative relationships with new suppliers. We clearly require all employees involved in the development, evaluation and selection of new suppliers to strictly abide by national laws and regulations as well as company rules and regulations, and have zero tolerance for any corrupt behavior.

In order to ensure that these regulations are effectively enforced, Times Electric has established a comprehensive monitoring mechanism. This includes a comprehensive review of the qualifications of new suppliers, continuous monitoring and inspection in the course of business dealings, and strict handling of violations. Our company is committed to maintaining a fair and equitable business environment and does not tolerate any behavior that disrupts this environment.

In addition to the development of relevant systems, Times Electric has also actively taken a variety of measures to strengthen the publicity and education of the culture of integrity. Our company has compiled a brochure on clean culture and actively spreads the concept of anti-corruption in our daily communication with suppliers. During the admission stage of new suppliers, our company carries out relevant integrity training to ensure that suppliers are clear about our integrity requirements from the outset. In addition, our company will also widely publicize and explain the relevant system in the suppliers' meeting, to further improve the suppliers' knowledge of and attention to integrity and self-discipline, and jointly promote the formation of good business ethics. Through these initiatives, Times Electric aims to build an honest, clean and efficient supply chain system with suppliers.

Transparent Taxation

Paying taxes according to law is the most basic social responsibility of enterprises. Times Electric follows the principle of paying tax according to law, takes the General Principles of Taxation Management as the basis, actively establishes and improves company's tax management system, and fully implements corporate tax obligations at home and abroad.



Times Electric strictly complies with the requirements of relevant national tax laws and regulations, strictly implements Guidelines on Internal Control for Listed Companies of Shanghai Stock Exchange and other tax regulatory requirements, establishes and improves the internal tax risk management system of the enterprise, timely identifies, evaluates and complies with the changes in the tax policies, and carries out the special evaluation of the tax compliance fulfillment on a regular basis, so as to effectively control the risk and ensure the tax compliance.



In 2023, Times Electric was awarded the title of "First-Class Unit of Tax Payment in Hunan Province". During the reporting period, there was no major tax violation case.



Responsible Marketing

Compliance marketing is an important guarantee for enterprises to participate in market competition and practice corporate social responsibility. Our company strictly complies with national laws and regulations such as Advertisement Law of the People's Republic of China and Trademark Law of the People's Republic of China, as well as relevant regulations of the industry, and carries out the management of responsible marketing. We require our employees to follow professional ethics at all times to ensure that the information about our products and services conveyed to customers and consumers is true and accurate, and that any false or misleading publicity is resolutely eliminated. During the reporting period, there were no incidents in which our company was penalized by the competent authorities for violating the relevant regulations on marketing and publicity.

Information Security Management

Times Electric attaches great importance to information security and protection, and strictly complies with the laws and regulations related to information security and personal privacy protection in the countries or regions where it operates.

Our company strictly complies with the requirements of laws and regulations such as Network Security Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, etc., and has passed the certification of ISO 27001 Information Security Management System, and the certificate is valid until July 11th, 2025. We have established a perfect information security management system, set up an information security and network security management organization, and implemented a network information security work responsibility system.

Our company has issued institutional documents such as Measures for Information Security Work Management, Measures for Network and Information Security Information Notification Management, Measures for Information System Full Life Cycle Security Management, Measures for Management of Deployment of Internet-accessible Information Systems, and Measures for Management of Enterprise Network Systems; for network security, we take firewalls, WAF and other technical protection measures, and use network security supervision platform and other security monitoring measures to effectively improve the overall network security of our company.

We also actively organize and arrange employees to participate in network security training, carry out network security attack and defense drills, and make efforts to strengthen and enhance the network security awareness and professional and technical ability level of all employees; fine-tune network security strategy and network full-flow security monitoring, and normalize network security operation and ability assessment.

Capacity Building to Empower Further Development

Flag leads the direction, party construction leads the development. Times Electric takes Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as guidance, carries out the spirit of the 20th CPC National Congress in depth, promotes the high-quality party building project of "Flying Flag", focuses on strengthening the "Six Leads", promotes the enhancement of the "Six Strengths", insists on taking the difficulties of operation work as the focus of party construction work, integrates party construction work into operation work in depth, and leads high-quality development with high-quality party construction.



Strengthen the Party's innovative theoretical forces

Our company persistently uses the Party's innovative theories to strengthen the mind, guide the practice and promote the work, grasps the "first issue" timely learning, the Party Committee Theoretical Learning Center Group centralized seminars, the grass-roots Party branches to follow up the learning, combines the reading class, thematic Party class, theme Party day, Party class competition, ideological and political festival, "Learning Power", red study and other forms to promote the spirit of the 20th CPC National Congress into the front line, into the project.

Deepening the implementation of "transportation + energy" dual-track development strategy, our company carries out discussions on the implementation of national strategies such as country with great transport strength, scientific and technological innovation in high density, combines theoretical learning with grass-roots research, and carries out 61 grass-roots surveys in 41 departments (units) in 2023 to form a "1 + N" investigation and research mechanism, a total output of 27 research reports, held a research results exchange meeting, focusing on solving practical problems at the grassroots level.

Promote the deep integration of party construction and production and management

In 2023, our company continued to promote the comprehensive, systematic and in-depth integration of party construction work with production and operation, organically integrating the implementation of the requirements of party construction work of state owned enterprise with the compliance and execution of the regulations of the capital markets of Shanghai and Hong Kong in respect of corporate governance, and improving the construction of the modern enterprise system continuously.

Continuous party construction

In 2023, Times Electric's "Flying Flag" high-quality party construction project is centered on three projects: "Strengthening Foundation, Gathering Strength, and Leading", and operates six major stations: "Employee Assistance Program", "Public Sentiment Liaison Station", "Party Members Learning Station", "Branch Quality Improvement Station", "Party Members Successful Construction Station", and "Branch Assertion Station".



Innovation-Driven to Build Excellent Brand

03

Times Electric adheres to the research and development concept of "openness and self-improvement, leading innovation", continuously improves the competitiveness of products and the level of customer service, accelerates the transformation of intelligence, drives the sustainable development of suppliers, leads the transformation of the industry, and advances to the world-class enterprises in the field of transportation and energy.

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Topic: Product Innovation R&D

Well-developed Product Research and Development System

Times Electric strictly formulates the scientific research project management system such as Scientific Research Project Management Measures and Scientific Research Project Grading Management Measures according to the national standard GB/T 1.1-2009, aiming to standardize and effectively manage scientific research work of our company, implement the innovation-driven development strategy, enhance the benefits of scientific and technological inputs and outputs with the goal of promoting the efficient research and development of products and guaranteeing the quality of achievements.

According to the purpose of project research and development, Times Electric divides scientific research projects into five categories, including product development (category P), platform research and development (category D), prospective technology research (category R), specialized technology research (category T), and comprehensive technology research (category O), and divides them into six grades according to the core criteria of project economic value, technology value and scale.

The technology committee of our company is responsible for supervising and guiding the implementation of the system related to our major scientific research project management, evaluating and making decisions on major scientific research projects, ensuring that the scientific research direction and inputs of the projects are in line with our technology development strategy, and ensuring the accuracy of our technological inputs and research and development direction in key areas.

The technical management department of our company is responsible for the establishment of the scientific research project management system, and is in charge of project establishment, process management, annual evaluation and project completion. In the process of project establishment, Times Electric focuses on market orientation and takes customer orders and market demand as the basis of project establishment. In response to the specific needs of customers, our company actively responds to and initiates the corresponding product development projects to ensure that the products developed can meet the market demand and enhance customer satisfaction. Meanwhile, the technical management department establishes an evaluation expert group to evaluate the project and completes the approval of the scientific research project plan within the EPPM system. After the scientific research project plan is approved, the unit in charge of the project prepares the project mission statement, which serves as the basis for project process management and supervision and evaluation.

Times Electric not only pays attention to internal project management, but also focuses on the synchronized management of internal and external projects. External projects such as national, provincial and ministerial projects are also set up within our company to support the improvement of overall scientific and technological innovation capability and technology accumulation.

Industry-leading R&D Technology

Scientific and technological innovation is always the power source of the development of Times Electric. As an important participant in the rail transportation industry, Times Electric is not only committed to promoting the high-quality development of the industry, but also participates in the formulation of industry standards and national standards with practical actions, contributes to the standardization of the industry and the enhancement of the technical level, and seeks for continuous breakthroughs on the road of pursuing technological innovation.

Times Electric continues to practice the strategy of country with great transport strength, actively responds to the call of "green and intelligent" development goals, takes scientific and technological innovation as the driving force, helps the high-quality development of the rail transportation industry, and devotes itself to contributing more strength and wisdom to the development of China's transportation industry.

Product Honors and Recognition

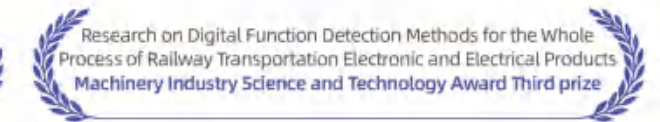
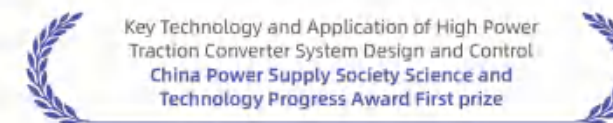
Times Electric solidly promotes scientific and technological innovation and has achieved excellent results. In 2023, our company completed 41 new major projects, and the completion rate of scientific research projects for the year was **99.3%**; **32** external science and technology projects were declared and approved, of which **8** were successfully declared for the National Key Research and Development Program, with **4** subject leaders, and more than **88** million yuan of new research funds were approved for the subjects; **8** provincial, ministerial and industry-level science and technology awards were granted, including **3** first-class awards; **21** CRRC science and technology awards were granted, which was a record high.



Case: Times Electric won the first prize of China Innovation and Entrepreneurship Competition for Railway Transportation Industry Technology Innovation Professional Competition.

The scientific and technological innovation and research and development of Times Electric in the field of rail transportation industry has been highly recognized by the industry. On December 8, 2023, our company was awarded the first prize of the enterprise group in the finals of the 12th China Innovation and Entrepreneurship Competition for Rail Transportation Industry Technological Innovation Professional Competition.

The Railway Transportation Industry Technology Innovation Professional Competition focused on the improvement of industrial science and technology innovation ability, attracting the participation of more than 100 cities in 29 provinces and nearly 100 universities at home and abroad. With the project of Heavy Duty Train Automatic Driving System independently developed by Times Electric, we successfully stood out among 904 enrolled projects and won the first prize of the finals in the enterprise group. The system is based on a high-security computer platform and realizes an intelligent control system for trains, which is the first time in China to realize the automated control of scenarios from general freight load to heavy load, unit 10,000 tons to combined 20,000 tons, etc., and has been successfully applied to several models, several road bureaus or railroad companies, with a cumulative total of more than 2.4 million kilometers of safe operation. The application of this breakthrough technology has been reported by CCTV and other authoritative media many times, becoming the focus of attention in the industry.



Lead Standard Setting and Technology Enhancement

Times Electric actively participates in the formulation of industry standards and national standards, contributing to the development and standardization of the industry. In 2023, Times Electric and the wholly-owned, majority-owned or effectively controlled subsidiaries at all levels led and participated in the formulation of a total of six industry standards, which were approved and published by State Administration of Market Supervision and Administration and Standardization Administration. Times Electric actively promotes the development direction of the industry to ensure that product quality and technological innovation are comprehensively improved, while also laying a solid foundation for the sustainable development of the industry.

| Name of Participating Companies of Times Electric | Role | Standard Name |
|---|------------|---|
| Zhuzhou CRRC Times Electric Co., Ltd. | Lead | Rail Transportation Electrical Equipment for Rolling Stock Part 3: Electrotechnical Devices DC Circuit Breaker Rules |
| Zhuzhou CRRC Times Electric Co., Ltd. | Lead | Rail Transportation Electrical Equipment for Rolling Stock Part 4: Electrical Components AC Circuit Breaker Rules |
| Zhuzhou CRRC Times Electric Co., Ltd. | Lead | Rail Transportation Electrical Equipment for Rolling Stock Part 5: Electrotechnical Components Rules for High Voltage Fuses |
| Hunan CRRC Times Communication Signal Co., Ltd. | Joint lead | Technical Conditions for Urban Rail Transit Signal System |
| Hunan CRRC Times Communication Signal Co., Ltd. | Joint lead | Intelligent Manufacturing Application Interconnection Part 1: Integration Technical Requirements |
| Hunan CRRC Times Communication Signal Co., Ltd. | Joint lead | Railway Transportation Lead-acid Battery Packs for Railcar Traction System |



Case: Times Electric Leads Metallurgical Hot Rolling Technology Innovation

After years of continuous improvement and precipitation, Times Electric has shown remarkable technological innovation and R&D strength in the field of metallurgical hot rolling engineering. With 20 years of technical accumulation and 14 years of experience in product application, we have successfully researched and developed TGS6000 medium-pressure main drive products, which have brought revolutionary changes to China's metallurgical industry.

The 20 MW ultra-high-power medium-pressure main drive system developed by Times Electric has been in stable operation for 10 years since it was first applied to Guangxi Yinhai Aluminum Industry's Aluminum Hot Rolling Mill in 2013, bringing a revolutionary change to the industry. In 2023, the commissioning of Lianyuan Steel's 1580mm hot continuous rolling project marked the birth of the country's first fully localized wide strip production line.

The medium-pressure main drive system for rolling mills independently developed by Times Electric has promoted the development of high-end equipment in the metallurgical industry. The successful application of 20 MW ultra-high-power medium-pressure main drive system developed by our company in the projects of Fujian Sansteel's 3,000 mm medium and thick plates, Baotou's 1850 mm four-roll reversible hot rolling mills, and Fujian Sansteel's medium-rods cogging mill, etc., has demonstrated the stability and reliability of the products and won favorable comments from our customers.



With strong R&D strength and technological innovation, Times Electric has made important contributions to the development of China's metallurgical industry, demonstrating the innovative strength and technological self-confidence of Chinese enterprises.

Major Scientific Research Achievements

Our company is deeply engaged in the field of rail transit traction converter, realizing the technical extension of the "concentric diversification" strategy to related fields, and has achieved fruitful results in the promotion of key projects and product development and application:

- Focus on the major scientific research projects identified in the National "14th Five-Year Plan" (CR450 Science and Technology Innovation Project), participated in the CR450 high-speed performance test organized by China Railway, and our self-developed PCU replacement converter helped the whole train break through three new speed records, with the highest speed reaching 453km/h in the test, which fully demonstrated our leading position in the new-generation high-speed railway rolling stock technology.
- The locomotive autopilot system successfully passed the safety assessment by an international authoritative independent third party and was awarded the first SIL2 level certification in China, which has been realized on Shenhua's 8-axle locomotives.
- Our "Tiangong" unmanned mining truck system appeared in the demonstration conference of CNNE, and the system was evaluated as the "rising star" of unmanned mining trucks, realizing the largest number of unmanned mining trucks with large tonnage in a single pit in China in the form of a mixed formation cluster, and helping Shenyang Coal pass the acceptance of the national-level intelligent demonstration coal mine, making it the first batch of intelligent demonstration open-pit coal mine in the country and the first one in CNNE.
- TACS Ningbo field line test validation passed the expert review, taking a key step towards engineering application.
- Completed the product development of high power density 3300V IGBT modules, developed a new generation of 3300V grade high power density modules to improve the power density, and has completed the finalization of the product, small batch production.
- Develop IGBT for PV field to enrich our product spectrum and help the development of new energy photovoltaic, which have reached the international advanced level, and the products have been finalized and realized batch delivery.
- PV products have obtained the industry's first high-power balance L4 DC arc detection certification, with the industry's leading DC side terminal temperature detection, arc detection, intelligent breaking triple protection, guarding the safety of power plants.
- Completed the development of 320kW high-power string inverter, which comprehensively improves system efficiency, compatibility, grid accessibility and safety. It has higher stand-alone power and higher energy density.
- Self-developed rolling mill medium-pressure main drive to help China's first full wide-width plate and strip production line went into production smoothly. The system adopts PWM four-quadrant rectifier control technology and high-performance vector control mode to guarantee the strip steel production capacity and quality, and at the same time, it significantly reduces the cost of energy consumption of tons of steel in the production line, which fully demonstrates our green low-carbon, safe, reliable and environmentally friendly advantages of variable current control technology.
- Our hydrogen generation power supply was applied to the first 10,000-ton new energy hydrogen generation project in China, helping the project to successfully produce "green hydrogen" for the first time.
- The deep-sea trenching and laying equipment was successfully launched, filling the technical gap in the field of deep-water cable handling in China.

Robust R&D Partnerships

Aggregate global resources and adhere to open innovation

Times Electric has increasingly broadened domestic and international R&D cooperation networks, contributing significantly to the promotion of technological innovation and industrial upgrading.

Times Electric participated in the establishment of Green Transportation Special Committee of National Energy Internet Industry and Technology Innovation Alliance, accelerating the development of new fields and demonstrating the leadership in the field of domestic technological innovation. Our company actively seeks domestic cooperation and has built a new innovation consortium with a number of well-known domestic universities and enterprises in the field of artificial intelligence, network security and other cutting-edge technologies, including Tongji University, Zhejiang University, Huawei and Baidu. We are also working intensively with the Joint R&D Center of Tsinghua University to explore technological innovations in key areas such as electrified highways and high-voltage cascade energy storage, and to develop in-depth cooperation in key technological areas such as carbon computing and new power systems.

Case: Participation in the Preparatory Meeting and Technical Seminar of Green Transportation Specialized Committee of National Energy Internet Industry and Technology Innovation Alliance

On February 16, 2023, our company participated in organizing the Preparatory Meeting and Technical Seminar of Green Transportation Special Committee of National Energy Internet Industry and Technology Innovation Alliance. The event brought together many experts, scholars and industry leaders to discuss the development and innovation of green transportation technology, aiming to jointly promote the implementation of electrified highways and other green transportation system solutions, and promote the integration and optimization of resources.



Times Electric actively promotes the global innovation partnership program and shows the image of Chinese enterprises in the international arena. Our company has started close cooperation with international universities such as Ruhr-Universität Bochum and University of Sheffield, and in-depth exchanges with top international universities and scientific research institutes such as RWTH Aachen University, Fraunhofer Institute and University of Leuven, which have strengthened the two-way interaction of international scientific research and innovation and application of achievements, and contributed to the development of the global energy field with wisdom and strength.

Case: Academic exchange meeting with University of Sheffield

On October 27, 2023, our company co-hosted an exchange meeting with the University of Sheffield. The meeting invited Prof. Zhu Ziqiang from the University of Sheffield as the guest speaker, who gave an in-depth introduction to the latest progress of fractional-slot permanent magnet motors, and elaborated on the significance and application prospects of this technology in improving motor efficiency, reducing energy consumption, and promoting industrial transformation and upgrading.

The University of Sheffield Exchange actively discusses cutting-edge issues, challenges and innovative directions in the field of motor technology, with an in-depth analysis of the latest advances in fractional-slot permanent magnet motors as an example, aiming to promote the development and application of motor technology.



Innovative power to empower the transportation and energy dual track

Times Electric carries out a number of scientific and technological activities around technical exchanges, innovation and cooperation, and industry development, and jointly promotes the innovation and development of power electronics, intelligent transportation and other fields.

Case: Zero carbon era, green future-Times Electric held the annual exchange meeting of new energy partners.

On February 24, 2023, Times Electric successfully held the annual exchange meeting of new energy partners with the theme of "Zero Carbon Era - Green Future", aiming to promote our development and innovation in the field of new energy, accelerate the construction of a safe, reliable, efficient and win-win supply chain of new energy industry, and infuse new power into the development of new energy industry.

In the meeting, more than a hundred representatives of new energy suppliers from home and abroad gathered together to discuss the development prospects and innovation direction of new energy industry. With the concept of "co-creation, sharing and win-win" as the core, the meeting looked forward to the development plan of Times Electric in the field of new energy, and carried out in-depth exchanges around quality management and other topics, which further promoted the comprehensive strategic cooperation and provided a solid foundation for the implementation of new energy strategy of our company.

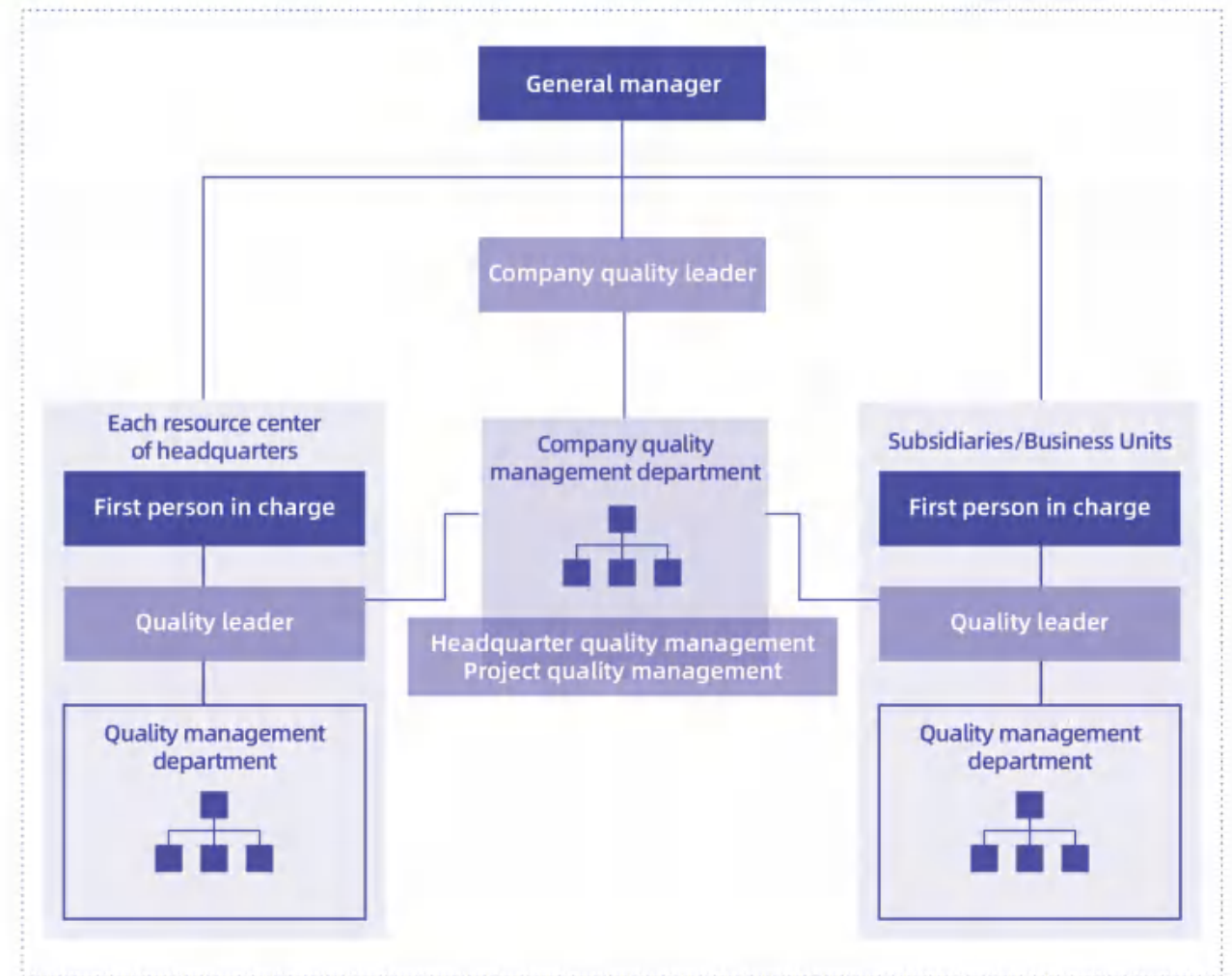


Create Reliable Assurance

Cast Product Quality

Our company adheres to the high standard of product quality, and has formulated Product Quality Problem Management Measures, Implementing Rules for Hierarchical Classification Management of Quality Problems, Product Risk Management Measures, Quality Improvement Management Measures, Integrated Product Development Procedures, Non-conforming Goods Management Procedures and other systematic documents to build a quality management system, and to fully implement the main responsibility of product quality.

Figure: Times Electric Quality Management Organization Structure



Our company establishes a full life cycle quality management system covering customer demand, product development, manufacturing, marketing and service, and realizes lean product quality through continuous improvement. In 2023, the passing rate of our products in the first delivery exceeds the target value of 99.7%.

Figure: Full Product Life Cycle Management

Customer Demand



- Formulate customer visit process, communicate with customers regularly, and collect needs and problems.
- Establish project management mechanism, actively carry out customer technical exchanges, and provide professional technical solutions for customers.

Lean R&D



- Based on IPD framework, product development is efficient and collaborative, realizing the whole process management of system, component, veneer and software development, and constructing an ecological environment of R&D information collaboration with PLM as the core.
- Product development strictly follows the Double V model, and product development quality is ensured through testing and validation activities at all levels.
- Construct material full life cycle control process, material change, substitution, defect handling comprehensive control.
- Verify and optimize the positive design results to eliminate quality problems from the source and improve product quality; Identify insufficient margins and potential hidden dangers of electronic product design in advance through hardware white-box and black-box testing to improve product design quality.
- Strictly control the quality through TR technical review, implement control elements and risk closure to ensure process quality; fully utilize expert resources to control the evaluation, relying on the checklist to implement evaluation elements and optimize evaluation quality.

Lean Manufacturing



- Based on the use of ERP, MES and other technologies to establish a standardized, refined, intelligent production model.
- Ensure the quality of technical standards through product engineering capability and new product introduction capability, control the technical status of products through quality gate evaluation, and ultimately ensure the standard quality of mass production operations.
- Adopt 3D simulation assembly, 3D wiring and other virtual manufacturing technologies to verify product design, identify risks in advance, and form operation standards for platform manufacturing.
- Combined with the different stages of the product technology state of the target demand, targeted development of assembly, testing, inspection and other solutions to achieve the quality, cost, delivery, safety and optimal operating standards.
- Establish automatic production line, fully guarantee the consistency of product processing, and laying a key foundation for "zero-defect" product processing quality.

LUREEN



- Based on the post-life cycle management of products, build the whole process of product delivery, warranty service, quality execution and product overhaul business.
- Promote LUREEN to achieve zero time difference, zero defects, zero complaints; management standardization, operation standardization, business informationization.
- Establish a refined customer satisfaction-oriented service system.
- More than 700 professional service and overhaul teams have been established, with 372 product service sites around the world, 11 offices, 2 overhaul branches, and 1 overseas office deployed.
- Based on the principle of "one vehicle, one file, one item, one file", build MRO digital files of after-sales service products to realize the digitization and structuring of service data.

Our company establishes "zero-defect" workshop quality culture, and actively carries out quality activities, including quality point inspection, quality inspection, quality data statistical analysis, quality reflection meeting, quality monthly meeting, zero-defect competition, quality sharing in the morning meeting, etc., to stimulate the quality management of the whole staff, and guarantee the quality of the production process in all aspects.

Supplier Management

Supplier access and management system

Supplier full life cycle management

Times Electric has established a comprehensive supplier management system and implemented supplier life cycle management, covering supplier development and certification, classification and relationship management, quality control, price and cost management, delivery management, performance management and exit management. We have formulated specifications such as Supplier Admission Management Process, Supplier Performance Evaluation Management Process, Supplier Annual Review Management Process, Supplier Classification Management Process and Supplier Withdrawal Process to optimize the management of the whole life cycle of suppliers. We have also established a standardized supplier management system to ensure the stability and reliability of our suppliers through process specifications and management methods to achieve control at all stages of supplier management.



In order to ensure that suppliers have qualified qualifications, our company carries out new supplier certification of suppliers, and formulates New Supplier Development Process, standardizes the mechanism of on-site inspection of supplier access, and carries out a comprehensive assessment of the supplier's basic qualifications, capabilities, delivery date, service management, cost management, procurement and supplier management, packaging and transportation management, supplier environment, health, safety management (EHS), and corporate social responsibility. The assessment will form Business Certification Report, Technical Certification Report and Quality Certification Report. We also conduct regular product audits, production process audits and management system audits for our existing suppliers.

Our company has formulated and released Supplier Adverse Behavior and Blacklist Management Measures and Supplier Quality Performance and Claims Management Measures to standardize the disciplinary standards and workflow of default and breach of trust behaviors of suppliers, to guide the suppliers to perform in good faith, to guard against the procurement risks, and to jointly safeguard the market environment of cleanliness and fair competition.

Green sustainable supply chains

Times Electric attaches great importance to green and sustainable supply chain strategic planning, establishes a sustainable green supply chain management strategy, and extends the measures vertically throughout the entire supply chain line.

The procurement information that Times Electric provides to suppliers includes environmental requirements such as the use of hazardous substances and the use of recyclable materials. According to EU REACH, RoHS and other laws and regulations, as well as Non-metallic Materials and Indoor Air Hazardous Substance Limits for Rolling Stock (TB/T3139-2021), Prohibited and Restricted Substances in Railway Transportation Equipment Products (enterprise standard) and other relevant requirements, our company specifies the requirements of prohibited and restricted substances, strictly controls the quality of raw materials, receives regular test reports, and resolutely stops the inflow of toxic and hazardous substances into the railway. Meanwhile, for overseas projects, we control materials in accordance with REACH and RoHS requirements, and require suppliers to provide materials that have passed RoHS test reports and SVHC test reports.

As a leading company in the field of new energy, Times Electric has been committed to building an efficient, reliable and win-win supply chain ecosystem. Through a series of supplier management initiatives and cooperation activities, we promote the integration of supplier resources and empower our partners to share success and grow together.

Times Electric actively carries out online management training for suppliers, covering qualification management, quality management, integrity and self-discipline management, etc., to improve the management level and business quality of suppliers. We establish a win-win cooperation model between the company and its suppliers, emphasizing the importance of collaborative innovation, quality control and shared value. By selecting and recognizing outstanding suppliers, we motivate them to improve their service level and product quality, and work together to build a sustainable cost reduction and highly reliable branded supply chain.

Improve procurement quality

Based on the digital quality construction, Times Electric has improved the procurement efficiency and quality throughout the year around five aspects: scientific selection, systematic prevention, effective interception, back-end improvement and capacity support.

Our company has established a complete procurement management system, covering demand planning management, sourcing and price management, contract management, procurement execution management, category management and supplier management. Our core procurement processes have all been managed online through two core procurement information systems, SAP and SRM. Our company promotes the application of differentiated quality control mode for new suppliers and new materials, optimizes the access baseline and access rules, improves the compliance of access suppliers and materials, and improves the overall quality level.

Our company has strengthened the capacity building of quality system, strictly grasped the special process, strictly controlled the supplier process, strictly controlled the quality and safety risks, carried out a large number of supplier process audits, promoted the supplier to strictly process quality control, and established a new energy mass purchasing quality control mode, which further reduces the risk of quality problems.

In 2023, our company carried out a total of 169 supplier process audits, promoted suppliers to strengthen process quality control, established a new energy high-volume procurement quality control model, and carried out APQP control on 117 key materials to implement front-end prevention. We conducted incoming check function inspection on 9,555 batches of products and successfully screened out 25 codes of problematic materials, and intercepted a total of 886 problematic materials.

In 2023, we focused on TOP problem handling and physical quality improvement, carried out a total of 22 category rectification special projects, planned and promoted 44 annual improvements in material quality improvement of suppliers, and reduced the number of field failures in TOP categories by 20.56% compared with 2022.

Sunshine procurement

Times Electric centers around company strategy and business objectives, deepens the construction of "not dare to do, can not do, do not want to do" working mechanism, improves the prevention as the focus, control as the main line, supervisory activities throughout the whole process, multi-departmental cooperation. We emphasize a comprehensive, all-employee, all-process, all-system risk prevention and control system, and call on all departments to participate in internal control work.



Case: Special Audit of PV EPC Project Procurement

Focusing on new business forms, our company conducted "special audit on procurement of PV EPC projects" through data review and walk-through test, and formed a special audit report, which raised 27 issues and made 4 suggestions for improvement. We regularly followed up the closed-loop situation of the problems, and put forward 6 amendment suggestions to the newly compiled PV EPC Procurement Management Measures, which improved the standardization of the procurement management of PV EPC projects.

Customer Rights Protection

Emphasis on quality of customer service

Times Electric strictly follows Product Quality Law of the People's Republic of China and other laws and regulations to drive the high quality development and to create products with better quality, higher efficiency and stronger competitiveness. Since the establishment of "LUREEN" brand in 2004, we have been adhering to the service tenet of "Fast, Effective, Satisfactory", and are committed to providing high-quality one-stop on-site services to our customers. In the past ten years of development, our company has continuously improved and optimized the customer service system and constructed a global after-sales service network to ensure that the customer service is always operated in a professional, efficient and high-quality state.

Our company attaches great importance to the quality management of customer service. Under the framework of ISO 9000, ISO/TS22163 quality management system, we have imported IPD management model, CMMI-SVC service capability maturity concept and model, and constructed and promoted after-sales service development and delivery management system and lean operation system suitable for the characteristics of the industry.

In order to ensure the effective implementation of the service process, Times Electric focused on sorting out and optimizing the after-sales service and product overhaul business process in 2023, and carried out training and publicity for the roles of the positions involved through the "LUREEN Class". Besides, our company has formulated a regular process audit mechanism and a process audit plan, organized process audits, and checked the implementation of processes through self-inspection and special audits to ensure the efficient operation of processes related to customer services.

Times Electric takes "LUREEN" brand as the core, always puts customer satisfaction in the first place, and provides customers with all-round and multi-dimensional service guarantee. For unsatisfactory feedback from customers on product quality, service quality, delivery schedule, resource commitment and complaint handling process, we require relevant departments and personnel to quickly respond and handle complaint issues in accordance with Times Electric Customer Complaint Management Process. Our company promises to respond at the first time when the customer initiates a business claim and solve the on-site problems in 24 hours, so that the customer can be assured and satisfied.

Times Electric has been committed to improving the quality of customer service, with the goal of meeting customer needs and enhancing customer satisfaction, and continues to promote the improvement of customer service quality through the implementation of customer lean management projects and the use of information technology means.

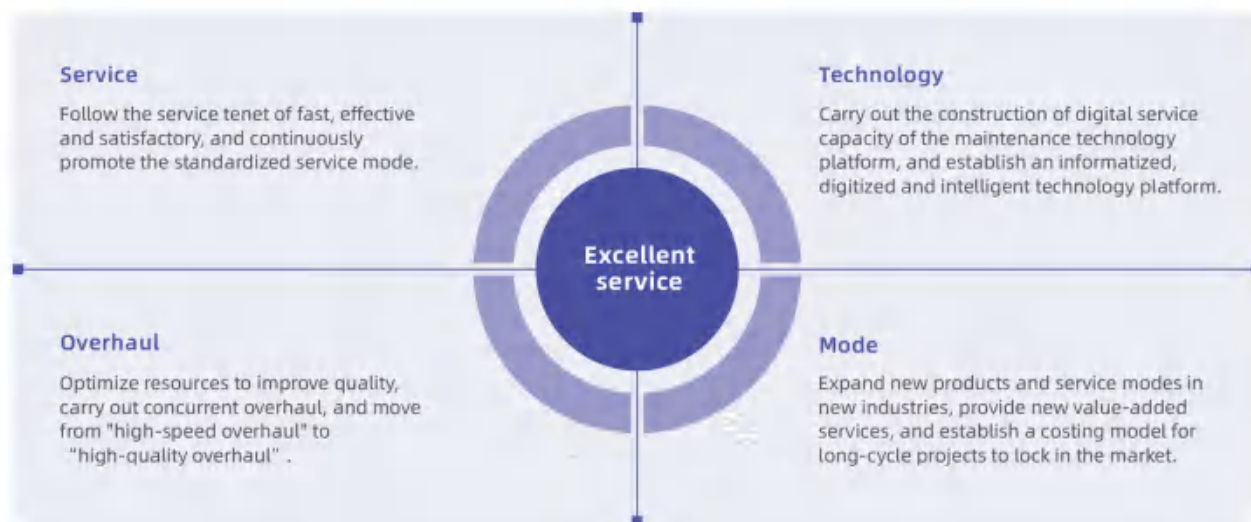
At the business management level, Times Electric clarifies customer definition and establishes customer classification and grading management standards by sorting out the customer list. Through the main responsibility system of regional manager of regional customer management, we have realized the precise and fine management of customers. This initiative has resulted in a more targeted and specialized customer service that is able to address customer claims and problems more effectively.

At the platform support level, Times Electric uses information technology to realize the synchronous management of the PC terminal and mobile terminal of customer visits. This not only strengthens the control of the timeliness of filling work orders for customer visits, but also improves the completeness of the information entry of customer demands and the effectiveness of problem solving. This closed-loop control mechanism significantly improves the efficiency of the execution and management of customer site visits, and strongly promotes the rapid and effective resolution of customer site problems.

Through the 2023 program, Times Electric organized and executed more than 1,400 on-site customer visits, increasing the execution rate from 90% to more than 97%. The customer feedback issue resolution closure rate also increased from 90% to over 99%. We organized 110 customer service quality trainings with 2,485 participants and 2,640 training hours. In addition, the customer service satisfaction survey evaluation score for this year reached more than 90 points, and the completion of all indicators exceeded the level of previous years, realizing a quantum leap in the quality of customer service.



With "high-end, high-efficiency, high-quality" development as the general requirements, "informationization, digitalization, intelligence" as the direction of development, to build a professional, efficient, standard service overhaul network and team, implement excellent service, providing protection for the development of the industry of "products + services".



Research on customer satisfaction

Times Electric conducted a customer satisfaction survey from August 2 to September 6, 2023. The survey covers the fields of rail transportation products and new energy products, including main engine manufacturer, metro companies, locomotive departments, as well as Power China, CR Power, and Central Southern China Electric Power Design Institute. For rail transportation products, Times Electric sent 335 questionnaires to customers and collected 296, with a recovery rate of 88%; for new energy products, 57 questionnaires were sent to customers and 49 were collected, with a return rate of 85%.

The results of this customer satisfaction survey show that Times Electric's external customer satisfaction measurement score for 2023 is 93.1, which is much higher than the target value.

In response to customer feedback, Times Electric's quality management department will follow a monthly notification progress mechanism to improve issues and ensure quality. In the 2024 customer satisfaction survey, a survey on the resolution of issues will be added to continuously improve customer satisfaction.



Case: Recognized by many customers

In 2023, the first Jakarta-Bandung high-speed railway exported overseas by Times Electric formally carried passengers and operated, which was highly recognized from the five major main engine manufacturers, fully demonstrating the competitiveness and influence of Times Electric in the international market. During the reporting period, our technical team, project management team and after-sales service team performed well in the field of rail transportation products and new energy products, and received 25 commendations and recognition from customers.



R&D Drives Transformation

Intellectual Property Protection

Times Electric strictly abides by Patent Law of the People's Republic of China, Tort Liability Law of the People's Republic of China, Enterprise Intellectual Property Management Standards and other relevant laws and regulations, and formulates and continuously improves Intellectual Property Management Measures and other series of management systems and guiding documents for the protection of intellectual property rights. It aims to prevent the loss of intangible assets of intellectual property rights, protect the rights and interests of intellectual property rights, encourage employees to invent and create, give full play to the positive role of intellectual property rights in promoting innovation and protecting the market, strictly check the necessity and reasonableness of intellectual property rights application, and further standardize the intellectual property rights management of our company.

In 2023, our company revised and implemented Intellectual Property Management Measures, which stipulates that the technology management department is mainly responsible for the creation, protection, utilization and management of our company's intellectual property rights and other related work; the audit and risk control department, the securities and legal department, the finance center, the human resources department, as well as the business divisions are respectively responsible for intellectual property transactions, asset disposal, asset valuation, introduction of talents, appraisal and other related work of our company. Intellectual Property Management Measures also stipulate the specific contents and deployment requirements of intellectual property attribution, creation, protection, utilization, management, rewarding and assessment work of our company. 449 patents (including foreign-related) were applied for by our company in 2023.



Case: Conduct patent training courses

In 2023, our company organized more than ten training sessions for full-time and part-time intellectual property staff of each department and technical persons in charge of key R&D project teams, which covered various topics such as the implementation of management methods, the writing of technical submissions, the planning of patent layout, and the use of search tools, etc., to systematically improve the team business capacity, and organized 26 full-time and part-time intellectual property staff to carry out skills certification examination, and all of them passed the examination.

Promote Industry Transformation

Our company actively responds to the national "14th Five-Year Plan" development plan, grasps the main line of high-quality and high-efficiency development, aims at accelerating the construction of the world-class professional leading demonstration enterprise and the creation of science and technology reform demonstration enterprise, and launches the "Wisdom & Carbon Peaking and Carbon Neutrality-Two Wheel Drive Development Pattern" with the digitalized electric as the traction, focusing on the digitalization and intelligent upgrading of the transportation and energy fields, as well as low-carbon and zero-carbon clean energy equipment.



For the transportation field, our company is committed to upgrading the digitalization and intelligence of rail transportation equipment and building an industrial ecosystem to create technical barriers to meet the challenges of the industry. In the energy field, our company focuses on low-carbon and zero-carbon clean energy equipment, including the development of clean power generation and low-carbon applications.

Our company analyzes the industry pain points and internal and external challenges of the six major paths of China Railway, urban rail, new energy vehicles, new energy power generation, industrial converter, marine engineering equipment, and grasps the window period of strategic emerging industry development, focuses on taking advantage of the momentum to join the industry leaders, and establishes the advantageous position for development.

wisdom, our company drives the digital upgrading of rail transportation products and services, vigorously develops intelligent urban rail and turnkey business, completes the key leap to system solution provider, and helps the main business of rail transportation to scale new heights. Taking the momentum of "carbon peaking and carbon neutrality", synergizing with IGBT and sensors, converter and electric drive system, PV and wind power, our company will navigate the growth of scale and efficiency, and build a new high ground of new energy industry.

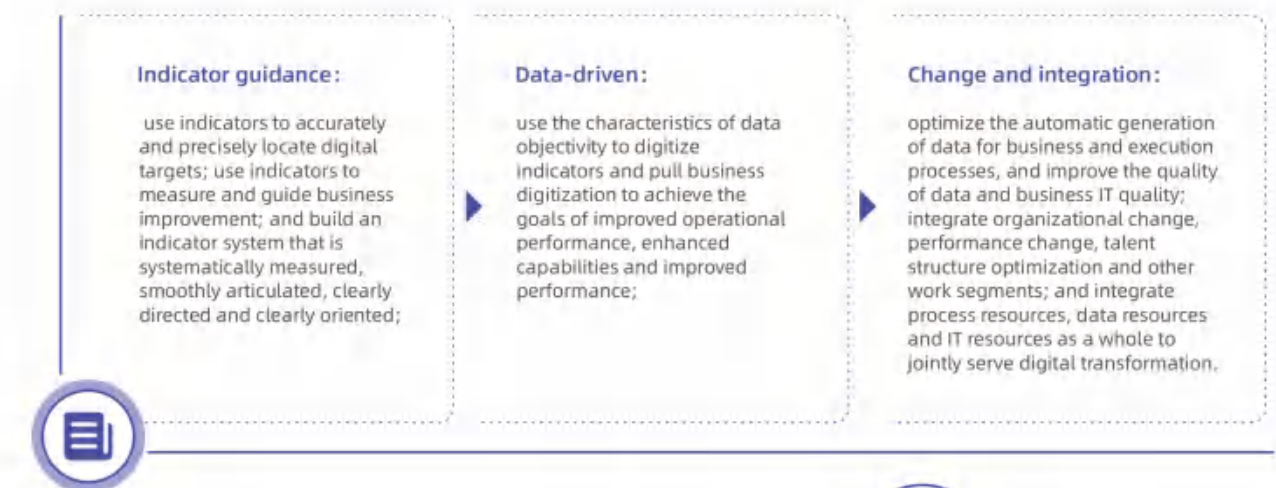
Promote Digitization

Times Electric grasps the main line of high-quality and high-efficiency development, aims at accelerating the construction of world-class professional leading demonstration enterprise and the creation of science and technology reform demonstration enterprise, grasps the opportunities of "wisdom" and "carbon peaking and carbon neutrality" strategy, and takes digitalized electric as the traction and "informatization, digitalization and intelligence" as the development direction to implement excellent service.

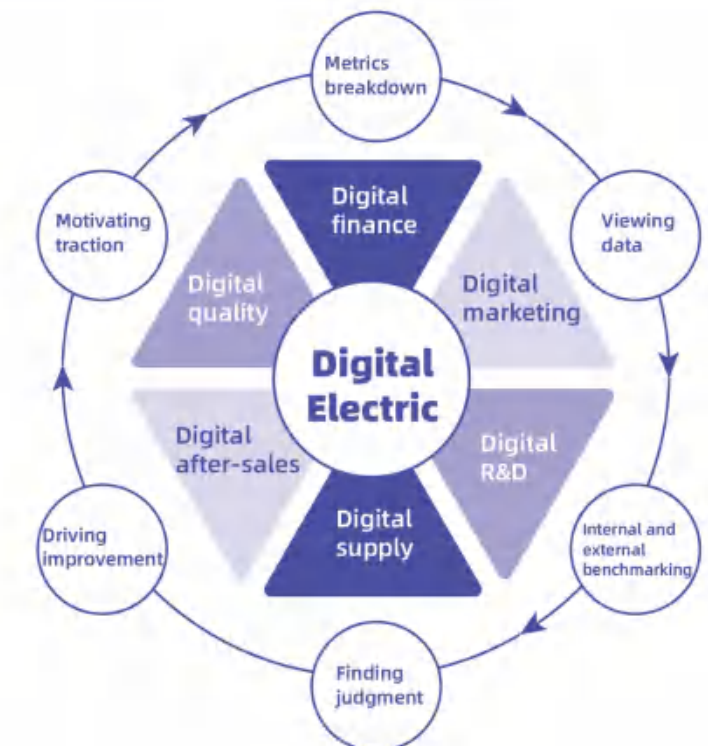
In 2023, in order to accelerate the process of digital transformation, Times Electric set up data governance department of Times Electric information center to realize digital transparency in the whole process of operation, promote data governance, in-depth data mining and analysis, promote the management of quantitative and accurate analysis and cost reduction and efficiency in all aspects, identify gaps in the benchmarking, and empower business upgrading.

In terms of system improvement, Times Electric has improved the principles of publishing and reviewing the information on company website as well as the specific requirements for website operation and maintenance according to the digital governance system such as Website Cluster Operation and Management Measures and Visual Identity VI System Management Measures, further implemented the brand building work of CRRC, and strengthened the work requirements of company external website cluster, including "unified image, unified deployment, unified standard, unified management", to ensure the security, stability and control of website construction, and further enhance company external image.

In terms of process optimization, Times Electric's digital transformation work follows a "three-step" strategy: read the data first, then find the criteria and standards, and promote business improvement and incentive assessment:



In order to better implement the "three-step" strategy, Times Electric digital transformation work is carried out step by step in accordance with the six-dimensional strategic initiatives, which are: digital quality, digital after-sales, digital supply, digital R&D, digital marketing and digital finance. The six-dimensional strategic initiatives complement each other to form a virtuous cycle of digitalization.



Green Development and Build a Low-Carbon Future Together

As a leader in the rail transportation industry, Times Electric plays a pivotal role in spearheading the green and low-carbon transformation of the sector and addressing climate change. We are actively enhancing our environment, safety, and energy management practices, continually implementing carbon emission management strategies, pioneering low-carbon initiatives in rail transportation, fostering a greener society, and making significant contributions towards achieving the goal of "carbon peaking and carbon neutrality."

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Sustainable Business Products

The ongoing scientific and technological revolution alongside industrial changes are reshaping global development, highlighting the significance of intelligent and green industries. Embracing the profound advancement of the "carbon peaking and carbon neutrality" strategy, our company seizes the opportunities presented by sustainable transportation and green energy. We are dedicated to exploring the potential of our products and green technologies, particularly in the realms of transportation and energy, with a core focus on energy efficiency and renewable power. By delivering efficient and sustainable products and solutions, we aim to support both society and our customers in building a more sustainable future.



Train "green heart" : permanent magnet synchronous traction system

The Permanent Magnet Traction System boasts an impressive energy-saving rate of up to 30%. Utilizing this system in a subway train on a daily basis can lead to a reduction in emissions by 1,000 kilograms of carbon dioxide and 3 kilograms of sulfur dioxide. Additionally, each train equipped with this technology saves approximately 40 million degrees of electricity annually. The green emission reduction effect is equivalent to planting 10,000 square meters of broad-leaved forests. This system has been successfully implemented in 16 cities across over 30 projects, totaling over 490 trains, showcasing its remarkable energy-saving impact.

Green "CPU" : crimped IGBT devices

All 16 sets of megawatt turbine generator sets at the Baihetan hydropower station have been fully operationalized. This station serves as a crucial component of China's "West-to-East Power Transmission Project" energy strategy, with our company's semiconductor devices accounting for 60% of the project's share. The Baihetan hydropower station is projected to meet the electricity needs of approximately 75 million people annually, replacing around 19.68 million tons of standard coal and resulting in a reduction of approximately 52 million tons of carbon dioxide emissions.

Giant "low carbon heart" : electric drive system for mining trucks

The electric drive system for mining trucks is distinguished by its emphasis on safety, high efficiency, and the recycling of braking energy. Our company specializes in developing and mass-producing a comprehensive range of intelligent electric drive system products, ranging from 50 tons to 400 tons. We offer the mining industry complete and fully



independent intelligent drive system integration solutions, spanning from the power generation end to the drive end. Over 500 sets of these systems have been successfully implemented and exported with vehicles to various countries and regions, including Australia, Indonesia, Mongolia, the Democratic Republic of the Congo, and many others.

Active power supply system

The active power supply system, utilizing bi-directional converters and energy operation control technology, enables the adjustment and scheduling of DC contact network trend distribution along the entire line. This system plays a crucial role in stabilizing DC network voltage and enhancing the overall energy-saving rate of the system. Lines equipped with this active power supply system can achieve significant energy savings, with an average of 1,200 kWh of electricity saved per station per day. This translates to a yearly reduction of 436,686 kilograms of carbon dioxide emissions and 13,140 kilograms of sulfur dioxide emissions.

Green power mover: PV inverters

In 2023, our inverter shipments exceeded 10GW. By 2025, the annual green clean power generated by PV power stations reached 1285 billion degrees, resulting in savings equivalent to 42.16 million tons of standard coal. This achievement also led to a reduction of 128.16 million tons of carbon dioxide emissions, 3.83 million tons of sulfur dioxide emissions, and 2 million tons of nitrogen compounds emissions.

"Source of electricity" in the hydrogen energy era: hydrogen generation power source

Implementing a key start-stop mechanism, comprehensive sensing capabilities, rapid debugging processes, and health management protocols significantly enhance the intelligence of factory production. These features enable fast response times and perfect adaptation to the fluctuating demands of the new energy grid.

HVAC green "energy-saving" : tPower series air conditioning inverter

Leveraging high-speed rail technology and customized for the central air conditioning industry, our solution efficiently drives centrifugal and screw compressors within a voltage range of 0.4-10kV and a power range of 75-2500kW. By incorporating air conditioning refrigerant cooling, we achieve a remarkable volume reduction of 50%. The innovative onboard structure ensures "zero footprint," offering added convenience. Our green grid connection guarantees harmonics below 5%, meeting the stringent power distribution requirements of data centers, banks, and precision equipment rooms. These products have been successfully deployed in major national projects such as the Great Hall of the People and the Hong Kong-Zhuhai-Macao Bridge, with a cumulative installed capacity exceeding 1GW. This has contributed to over 30% energy savings in central air conditioning and a yearly reduction of more than 2 million tons of carbon dioxide emissions.

Atom work-class underwater robot

Since the delivery in 2018, our solution has successfully completed inspection and maintenance tasks for sea cables in water depths ranging from 0 to 100 meters, even in harsh and complex marine environments. These efforts have aligned with our annual plan, significantly reducing outage times in networking systems and effectively ensuring the electricity needs of island residents, as well as providing political power guarantees and meeting other electricity demands.

Ameliorate Environmental Protection Governance

Environmental management system

In compliance with the Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution of the Environment, Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution, Law of the People's Republic of China on Environmental Impact Assessment, and Law of the People's Republic of China on Environmental Protection Taxes, Times Electric has developed Environmental Protection Management Measures. These measures are aimed at preventing and controlling water pollution, air pollution, solid waste pollution, and environmental noise pollution, while also protecting and improving the environment. By adhering to these laws and regulations, Times Electric seeks to fulfill its social responsibility, enhance corporate image, and promote sustainable development.

On December 27, 2023, Times Electric's headquarters, along with its subsidiary companies Zhuzhou Times Electronic Technology Co., Ltd. and Hunan CRRC Times Communication Signal Co., Ltd., obtained the latest certification for the ISO 14001 environmental management system (UKAS+CNAS).



Environmental risks and opportunities

Identification and control of environmental hazards

Times Electric has implemented Management Measures for Environmental Factors and Hazardous Sources (Q/TEQ 1601) to systematically identify environmental factors and hazardous sources across all products, services, activities, personnel, and equipment within our company. These measures aim to define the various risks associated with hazardous sources, establish responsibilities for identifying hazardous sources, and outline procedures for identifying them within our organization. This approach enables us to effectively carry out risk control measures and provides a solid foundation for formulating relevant environmental safety management objectives and programs.

Risk and opportunity management

To ensure the stable and sustainable operation of our company, Times Electric has implemented a comprehensive risk management system. Environmental, health, and safety (EHS) risks and opportunities form a crucial component of our overall risk profile. This includes risks and opportunities stemming from environmental factors, hazards, compliance obligations, and changes such as new processes, technologies, equipment, activities, products, services, and regulatory requirements. We prioritize the management of environmental risks and opportunities, with each division within our company identifying and evaluating these aspects in accordance with company regulations. The findings are then submitted to the audit and risk control department for review by top management, and appropriate risk control measures are implemented accordingly.

Environmental monitoring and inspection

Times Electric has established EHS Inspection Management Measures to conduct regular inspections of potential accident hazards and defects within the production process. The goal is to assess the status of these hazards and defects, ensure the implementation of our company's EHS goals and targets, and maintain safe and orderly production operations. To ensure orderly supervision of environmental protection, the operation and management department, trade unions, planning and development department, and all other departments are responsible for supervision and inspection. Any identified hidden dangers during the inspection process are addressed and rectified by all departments according to the "five implementations" principle, which includes responsibilities, funding, time, measures, and plans.

During the reporting period, our company conducted two special inspections focused on environmental protection. These inspections specifically targeted the operation of environmental protection facilities, the monitoring of pollution factors at the exit of these facilities, management of hazardous wastes including the list, transfer ledger, and coupons, qualification of hazardous waste disposal units, reporting and approval procedures, as well as storage areas for hazardous wastes. Identified hidden problems were promptly communicated, urging for rectification and closure of the loop to effectively prevent environmental safety incidents.

Environmental protection training

To reinforce the concept of green development, enhance the environmental awareness among company leaders and employees, and minimize environmental accidents, we have established EHS Training Management Measures to drive training initiatives within our company.

During the reporting period, we arranged for relevant personnel to participate in training sessions organized by the Zhuzhou Ecological Environment Bureau. These sessions covered standardized management of hazardous waste, technical specifications for identification marking, solid waste management, and radiation safety. Additionally, we took part in ecological environment protection training provided by CRRC Group. Furthermore, we actively engaged in activities for "World Environment Day" to enhance the awareness of environmental protection among our employees and increase public awareness on environmental issues.

Constant Green Operation

Green manufacturing

Times Electric is committed to accelerating green manufacturing by implementing green manufacturing projects. Our mission goal is to achieve "carbon peaking and carbon neutrality," and we actively promote green operations within our company. We strive to become the preferred supplier IGBT devices in the fields of rail transportation, new energy vehicles, and industrial new energy.

In February 2023, Times Electric was recognized as the 2023 National Green Supply Chain Management Demonstration Enterprise. Times Semiconductor, a subsidiary of Times Electric, was honored with the title of "National Green Factory".

Green packaging

Times Electric actively implements the "6R1D" strategy within the packaging industry, with Right Packaging as the core principle. This strategy encompasses "Right", "Reduce", "Returnable", "Reuse", "Recycle", "Recovery", and "Degradable" design and development concepts. By incorporating recycled and lightweight packaging, we facilitate the green transformation of our packaging practices, minimize the environmental impact of our operations, and contribute to the sustainable development of our enterprise.

Recycled packaging applications

Our product packaging prioritizes the use of recyclable materials, including metal and plastic boxes, and incorporates packaging made from recyclable new materials. This approach aims to promote the efficient utilization of resources and mitigate environmental hazards.

Case: Metal and plastic boxes

Following the comprehensive directives from CRRC Intelligent Logistics, we initiated the adoption of recycled packaging in 2018. As of now, our shipments to Zhuzhou Machinery Company, Qingdao Sifang, Changchun Changke, and Dalian Factory for moving cars and urban rail projects have utilized batch applications of metal and plastic box recycling packaging products. This effort has resulted in an annual reduction of approximately 82 tons of wood consumption.



Case: New material packaging - intelligent turnover box

We are actively advocating for the adoption of intelligent turnover boxes. These boxes are crafted from a new material called bamboo plastic, where bamboo fibers are added to the HDPE raw material, ensuring box strength while significantly cutting production costs compared to traditional plastic. Additionally, the chassis is equipped with various sensors capable of collecting position, opening, temperature, tilt, vibration, and drop data. The battery life can last up to 6-8 years, providing the technical foundation to support the efficient recycling of turnover boxes.

Currently, we have implemented the use of intelligent turnover boxes for packaging materials sent to off-site factories and overhaul bases. Additionally, a box recovery mechanism has been established to facilitate recycling, resulting in a 32% cost reduction compared to traditional disposable wooden boxes. This initiative also helps reduce timber consumption by approximately 64 tons per year.



Lightweight packaging

Through innovative packaging design, our company is able to minimize material consumption and waste generation while meeting the need to protect our products.

Case: Simplified wooden boxes



In line with our business characteristics, we have chosen to simplify the packaging structure for large and heavy products. Building upon the original all-wood packaging, we have streamlined the assembly structure from "plywood + solid wood" to a simpler "solid wood" assembly (lattice box). This transition has led to a 14% reduction in lattice box costs compared to traditional wooden boxes, while also significantly decreasing wood consumption by approximately 42 tons per year.

Wooden Packaging and Lattice Boxes

Our company has transitioned from using wooden packaging for small products to heavy-duty corrugated paper-wood combination packaging. This change has resulted in a 26.45% cost reduction compared to traditional wooden boxes. Additionally, the cardboard used in the paper-wood combination packaging is made of recyclable and environmentally friendly materials, contributing to a reduction of approximately 30 tons of wood consumption per year.



Promote Energy Management

The global climate presents significant challenges, with energy conservation, carbon reduction, cost reduction, and efficiency enhancement emerging as critical priorities for enterprise development. Times Electric has embraced these responsibilities and continues to strengthen its energy management system, effectively fulfilling the company's energy management obligations, and reducing electricity, natural gas, and other energy source consumption. Currently, our company holds ISO 50001 energy management system certification. We have integrated energy management into our daily operational practices and management evaluation criteria, establishing assessment objectives and energy-saving strategies. As of the reporting period, our annual comprehensive energy consumption per 10,000 yuan of output value amounted to 0.013 tons of standard coal, surpassing the target of 0.014 tons of standard coal, demonstrating our successful energy usage achievement.

Our water consumption primarily relies on municipal water supply, with usage focused on industrial cooling, cleaning, and domestic water for research, production, and operations. To ensure efficient water management and minimize wastage, our company has implemented a comprehensive water resources management system and corresponding standard operating procedures across all major operational sites. During the reporting period, we actively engaged in water-saving initiatives such as water reuse, condensate recycling, and water balance testing. In recognition of our efforts, our company was honored as a Water Saving Enterprise in Hunan Province in 2023.

Times Electric has consistently embraced the principles of sustainable development, emphasizing not only the reduction of our energy consumption and resource utilization but also our significant contributions to the new energy sector. As a key player in the PV inverter market, we leverage our technological expertise and the synergies across our industry chain to enhance product power density, develop energy operation and maintenance solutions, and deliver superior products and services to our customers. Through these efforts, we aim to facilitate the global transition to green energy and drive positive environmental impact.



Seven energy saving measures of Times Electric

To effectively implement the "carbon peaking and carbon neutrality" strategy and further advance energy conservation efforts, Times Electric has conducted a comprehensive review of past energy-saving initiatives. This review includes projects led by our company as well as those independently undertaken by each business unit, resulting in the identification of seven key energy-saving measures. These measures are primarily focused on auxiliary power systems and are designed to be universally applicable across our operations. We have also developed a corresponding management system that mandates the implementation of these energy-saving measures by all units, with oversight and assessment conducted by the headquarters. Since the introduction of these seven energy-saving measures, Times Electric has experienced significant improvements in energy efficiency throughout our operations. These measures have not only served as models for various departments and business units but have also been integrated into the design review process for new projects and facility construction. By incorporating these energy-saving practices at the design stage, we can avoid the need for costly retrofits in the future, thereby maximizing cost savings and operational efficiency.

| Energy Saving Measures | Specific Practices | Classic Case Examples |
|--------------------------------------|--|--|
| Water system equipment modifications | 1. Recycled water reuse | Semiconductor pure water system water reuse renovation |
| | 2. Condensate water recovery | Semiconductor MAU condensate recovery renovation |
| | 3. Water balance testing and leakage control | Tianxin Industrial Park water balance test, fire pool leakage remodeling |

| Energy Saving Measures | Specific Practices | Classic Case Examples |
|---|---|--|
| Lower electricity costs | 1. Handling of basic electricity charges on demand 2. Handling third-party transactions of electricity 3. Negotiating unreasonable charges for the transfer of electricity supply | Our parks handle on-demand charges Third-party trading of electricity in Ningbo Automotive Division, Shanghai CRRC Track electricity tariffs for resupply negotiations |
| Lighting equipment retrofit | Halogen lamps, fluorescent lamps, etc. replaced by LED lamps Lighting zoning group control | Testing, manufacturing, semiconductor and other fluorescent lamps to LED lights Manufacturing center lighting zoning group control modification |
| Modification of central air-conditioning equipment | Increase frequency conversion Increase host intelligent group control system Increase the terminal intelligent group control system Change lithium bromide unit to electric unit | Central air-conditioning frequency conversion renovation of the Collecting Center Semiconductor refrigeration station group control transformation Electronic and electrical engineering building multi-connected end group control transformation Conversion of lithium bromide unit to magnetic levitation motor unit in manufacturing center |
| Heating equipment parameter adjustment | Real-time adjustment of the temperature and number of boilers and heat radiation equipment according to the outside air temperature. | Semiconductor boiler temperature real-time regulation Real-time temperature regulation of lithium bromide units in the headquarters building |
| Air compressor equipment modification | Increase frequency conversion Increase heat recovery device | Semiconductor air compressor frequency conversion modification Semiconductor air compressor heat recovery system modification |
| Adjustment and modification of substation and distribution equipment | Shutdown of idle transformers after load adjustment Staggered operation after load adjustment Increase reactive power compensation facilities Modification of testing equipment energy feeders | Shenyang Times shut down idle transformers Qingdao overhaul testing load staggered operation Chengdu Electric installs reactive power compensation equipment Installation of energy feeding device for testing equipment in testing center |



Response to Climate Change

Aligned with the national "3060" strategic initiative, we are dedicated to integrating low-carbon strategies across all facets of our operations, with a primary focus on mitigating and adapting to climate change. Following the guidance of the Task Force on Climate-Related Financial Disclosures (TCFD), we are actively involved in climate disclosure efforts. This includes conducting comprehensive analyses of the risks and opportunities stemming from climate change, systematically identifying and prioritizing these factors within our organization.

Building upon these efforts, we will further advance research and development initiatives in renewable energy and drive innovation across our operations. Additionally, we will implement robust management strategies, including carbon emissions accounting and target setting. These measures are designed to enhance our ability to manage climate-related risks effectively and capitalize on opportunities presented by climate action. Our goal is to reduce carbon emissions throughout our entire business process and foster sustainable, green development.

Systems for Responding to Climate Change

Governance

- The ultimate responsibility for our company's ESG (Environmental, Social, and Governance) efforts rests with our strategy and ESG committee. We have established this committee to oversee and drive our ESG initiatives, including those related to climate change. The practices and progress made in addressing climate change will be integrated into our regular ESG report for transparent disclosure and accountability.
- The board of directors serves as the highest decision-making body for ESG management at Times Electric and conducts annual assessments of climate change management. Additionally, the board of directors' office is tasked with raising awareness about the significance of climate change, as well as monitoring and tracking the implementation progress of each executive department. This oversight ensures the effective implementation of our company's climate change management strategy.

Strategy

- Climate Targets:** Establish both short- and long-term climate targets that refer to the Science-Based Targets initiative (SBTi) for emission reductions. Develop detailed action plans to attain these targets, encompassing initiatives such as product innovation, enhancements in energy efficiency, and effective management of the supply chain.
- Market Positioning:** Conduct an analysis to understand the influence of climate change on market demand and adjust products and services accordingly to align with the requirements of a low-carbon economy. Explore innovative business models such as offering energy efficiency services or engaging in carbon trading markets to capitalize on emerging opportunities.
- Technological Innovation:** Enhance investment in the research and development of clean energy technologies. Foster collaborations with research institutions and industry partners to drive technological advancements. Encourage our business units to integrate low-carbon concepts into product development, technological innovation, daily operations, and supply chain management, leveraging these initiatives to achieve sustainable growth and environmental benefits.

Risk management

- Risk Identification and Assessment:** Implement regular climate risk assessments encompassing physical risks, such as extreme weather events, and transformational risks like policy changes and shifts in market demand. Evaluate the financial and operational impacts across various climate scenarios, enhancing our ability to proactively manage climate-related risks and opportunities.
- Risk Mitigation Measures:** Formulate resilience strategies such as investing in climate-resilient infrastructure, optimizing supply chains, and enhancing energy efficiency measures. Establish contingency plans to address potential extreme weather events, ensuring proactive management of climate-related risks and maintaining operational continuity.
- Risk Monitoring and Reporting:** Implement a climate risk monitoring system to track the efficacy of risk management measures. Ensure transparent reporting of progress and effectiveness in climate risk management through annual reports, fostering accountability and stakeholder trust.

Indicator and target

- **Key Performance Indicators (KPIs):** Try to define KPIs that are directly linked to our climate objectives, including metrics such as greenhouse gas emission intensity, the proportion of renewable energy utilization, and product life cycle carbon footprint. These indicators are consistently monitored and assessed to ensure they align with our climate targets. We adhere to the framework outlined in the CDP Climate Change Questionnaire, which provides detailed insights into emission data, energy consumption, and other KPIs, aiding in the assessment and enhancement of our climate change management strategies.
- **Short-term and long-term targets:** Try to establish clear and measurable climate targets for both short-term (1-3 years) and long-term (5+ years) periods. Short-term objectives may focus on reducing carbon emissions from particular products or processes, while long-term goals could involve attaining carbon neutrality across the entire supply chain. These targets provide a roadmap for our climate action efforts and guide our progress towards sustainability and environmental stewardship.
- **Pathway to Target Achievement:** Try to develop detailed action plans outlining the steps needed to reach our climate targets, encompassing initiatives such as technological advancements, market growth strategies, collaboration with partners, and more. Establish clear timelines and allocate responsibilities among teams to ensure accountability and successful attainment of our goals. This structured approach enhances our ability to implement effective climate strategies and drive meaningful progress towards sustainability.

Strategy and Risk Management

| Risks/opportunities | Description/examples | Potential impacts | Response measures |
|----------------------------------|--|--|---|
| Physical Risks | | | |
| Extreme weather disasters | Natural disasters such as floods, droughts, and hurricanes can lead to production disruptions, supply chain disruptions, infrastructure damage, and direct property loss, as well as potentially preventing the normal operation of corporate offices. | <p>High</p> <p>Production disruptions may result in delayed delivery of orders, affecting our reputation and customer satisfaction.</p> <p>Supply chain disruptions can lead to shortages of raw materials and increased procurement costs.</p> <p>Infrastructure damage may require significant funds to repair, affecting our financial position.</p> | <ul style="list-style-type: none"> ○ Establish emergency response plans, including disaster response plans and business continuity plans. ○ Reinforce critical infrastructure to increase resilience to disasters. ○ Advanced meteorological warning systems are used to predict extreme weather events in advance. ○ Diversify supply chain to reduce dependence on a single supplier. |

| Risks/opportunities | Description/examples | Potential impacts | Response measures |
|---------------------------------------|---|---|---|
| Climate change | Long-term climate change pattern shifts, such as higher temperatures and rising sea levels, could affect productivity, increase cooling and drainage costs, and impact employee health and safety. | <p>Low</p> <p>Long-term climate change could lead to higher operating costs and affect our profitability.</p> | <ul style="list-style-type: none"> ○ Our office locations take into account the climate of the region in which they are located, and we are not currently located in a potential risk area such as the coast. ○ Invest in energy-saving and environmentally friendly technologies to improve energy efficiency and reduce greenhouse gas emissions. |
| Transformation risk | | | |
| Response measures | <p>The government may introduce new carbon tax, carbon trading system and other policies to require companies to reduce their carbon footprint.</p> <p>With the global push towards a low-carbon economy, the industry needs to adapt to new policy environments, such as carbon pricing and carbon trading markets. This could lead to a revaluation of high-carbon assets, affecting investment decisions and asset values.</p> | <p>High</p> <p>Decline in operating income</p> <p>Increase in operating costs</p> <p>The new policy may result in the need for firms to invest in new technology and equipment and increase capital expenditures.</p> | <ul style="list-style-type: none"> ○ Actively participate in the policy development process, understand policy trends in advance and prepare response strategies. |
| Energy transformation policies | <p>Promote the use of renewable energy and limit the use of fossil fuels.</p> <p>Energy transformation policies, such as renewable energy subsidies and taxes on fossil fuels, may change the profitability model of the energy sector, affecting the industry's energy costs and operational efficiency.</p> | <p>High</p> <p>Decline in operating income</p> <p>Increase in operating costs</p> <p>Rising costs of carbon emissions may affect product prices and market competitiveness.</p> <p>The energy transformation could lead to a devaluation of traditional energy-related assets.</p> | <ul style="list-style-type: none"> ○ Our company optimizes energy management and adopts energy-saving technologies and renewable energy sources to reduce operating costs. ○ Increase investment in research and development to develop low-carbon technologies and products to improve energy efficiency. ○ Explore new business models, such as providing energy management services and participating in the carbon trading market. |

| Risks/opportunities | Description/examples | Potential impacts | Response measures |
|---------------------------------|--|---|---|
| Improve environmental standards | The government raises emission standards and requires companies to adopt cleaner production technologies. | High | <ul style="list-style-type: none"> Our company should strengthen supply chain management to ensure that suppliers meet environmental standards. Assess existing assets and develop asset optimization and transformation plans to meet new energy and environmental standards. |
| | Higher environmental standards may increase the cost of environmental compliance in the manufacturing process, especially for the hardware manufacturing segment, which may require more stringent environmental management systems and more environmentally friendly materials. | Decline in operating income Increase in operating costs | |
| Opportunities | | | |
| Product and service | Develop low-carbon products and services: such as high-efficiency electric motors, smart grid solutions, and renewable energy generation equipment. | Enhance company's brand image and attract more consumers and investors who care about sustainability. | <ul style="list-style-type: none"> Increase the R&D budget to focus on low-carbon technologies and environmentally friendly materials. Collaborate with research institutions to accelerate the commercialization of new technologies. Train sales and marketing teams to better communicate the environmental value of products to customers. |
| | Launching environmentally friendly products: products made with recyclable materials or providing information on the full life-cycle carbon footprint of a product. | Develop new sources of revenue and market share through innovative products and services. | |
| | | Enhance customer loyalty and build competitive advantage by providing differentiated environmental solutions. | |
| Market opportunities | Capture growth opportunities in the green energy market: As global demand for clean energy increases, Times Electric can expand our presence in areas such as wind and solar energy. | Diversify business and grow revenue by entering new markets. | <ul style="list-style-type: none"> Conduct market research to identify and assess potential and risks in emerging markets. Build local partnerships to better adapt to local markets and regulations. Adjust supply chain strategies to ensure operational efficiency and cost control in new markets. |
| | Entering emerging markets: Developing countries are placing more and more emphasis on environmental standards in infrastructure construction, providing new market opportunities for Times Electric. | Enhance our global competitiveness and market presence. | |

| | | | |
|--------------|--|---|---|
| Adaptability | Enhance supply chain resilience: Improve resilience to climate change and market volatility by diversifying suppliers and optimizing inventory management. | Increase company resilience in the face of uncertainty and reduce the impact of potential risks. Through a flexible business model, we are able to respond quickly to market changes and seize new business opportunities. | <ul style="list-style-type: none"> Employ advanced supply chain management tools and techniques to improve transparency and responsiveness. Foster a culture of cross-sectoral collaboration to ensure swift action in the face of challenges. Conduct regular risk assessments and business continuity planning to ensure the stability of critical business processes. |
| | Build flexible business models: e.g. provide customized energy solutions to suit different customer needs. | | |

Practice Carbon Emission Management

| Scope | Type | Carbon emissions (tons of carbon dioxide equivalent) | Percentage |
|-----------------------|---------------------------------|--|-------------|
| Scope 1 | Fossil fuel combustion emission | 5261 | 3.99% |
| | Escaping emission | 2554 | 1.94% |
| | Industrial process emissions | 7787 | 5.91% |
| Scope 2 | Purchased electricity emission | 116136 | 88.16% |
| Total emission | | 131738 | 100% |

In 2023, Scope 1 and Scope 2 data coverage of our company: the GHG accounting of wholly owned subsidiaries, holding companies and branches of Times Electric has been carried out in accordance with the ISO 14064:2018 standard (the statistical caliber does not include overseas entities).

2. Scope 1 includes emissions from fossil fuel combustion of natural gas and gasoline and so on, escaping emissions from septic tanks, refrigerants, etc., and emissions from semiconductor production processes; scope 2 refers to emissions from purchased electricity.

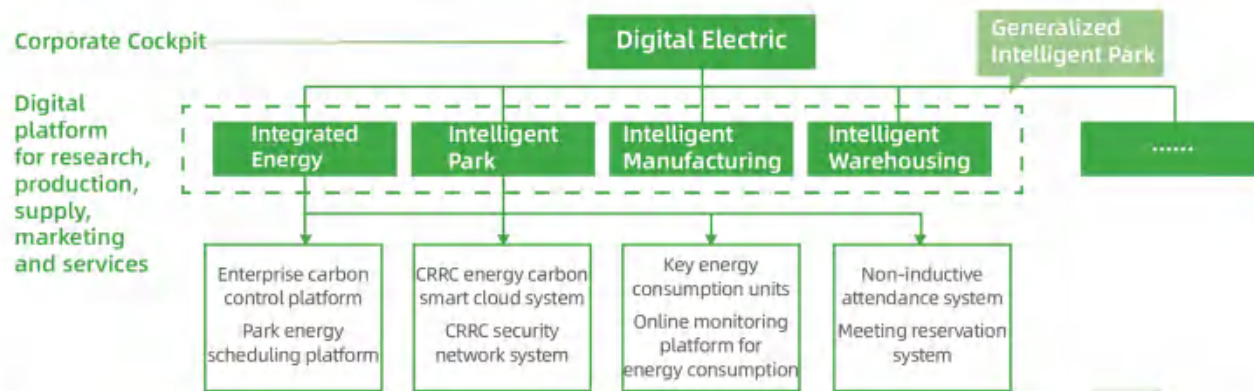
3. The calorific value of fossil fuels in Scope 1 of this report is from GB/T 2589-2020, and the emission factors are from IPCC2006 and IPCC2021; and the emission factors of electricity in Scope 2 are from Notice on the Key Tasks Related to the Management of Greenhouse Gas Emission Reporting of Enterprises in the Power Generation Industry in the Years of 2023-2025 of the Ministry of Ecological Environment of China (Environmental Office Climate Letter) [2023] No. 43.

As an equipment manufacturing company, we are deeply committed to carbon emission management across various fronts. This includes initiatives such as establishing new intelligent parks, certifying and promoting new energy products, managing carbon emissions associated with raw materials, and phasing out outdated equipment. To effectively oversee our greenhouse gas emission reduction efforts and align with the disclosure requirements of the Stock Exchange and SASAC, we have developed a specialized team of carbon emission reduction management experts. Leveraging our existing three-tier organizational structure within the energy management system, this team comprises professionals in energy and environmental protection management, carbon footprint processes, integrated energy system design, and software engineering.

To ensure the alignment of our assessment targets for carbon emission intensity and total carbon emission with the national "carbon peaking and carbon neutrality" target, our company has conducted multiple rounds of internal and external training initiatives. These efforts include organizing relevant personnel to participate in training sessions conducted by authoritative third-party testing institutions focusing on carbon emission verification. Moving forward, we have plans to pursue certifications such as ISO14064, ISO14067, ISO14068, and other system certifications systematically. This approach will enable us to gradually establish a robust carbon emission management system within our company.

Advanced planning for new projects

All new projects and parks should incorporate a certain level of future-oriented planning without significantly increasing initial investment. This proactive approach aims to minimize the costs of future adaptations by leveraging technology to preemptively reduce carbon emissions. By integrating digital and intelligent park construction, with the intelligent park as a key component of the digital strategy, real-time feedback can be provided to the enterprise's control center regarding energy and carbon emissions levels, staffing status, operational security, and other critical data. This data-driven approach supports high-efficiency operations and facilitates the transition towards achieving "carbon peaking and carbon neutrality."



Case: New intelligent parks

The construction of new parks will adhere to a principle of categorization and grading, with intelligent parks tailored to their respective sizes. These intelligent parks will amalgamate security, electrical power, fire protection, and park services to establish an integrated control platform, effectively eliminating redundancy in construction efforts. The program design has been finalized, with plans for its operational launch scheduled for early next year.



| Category | Platform construction content | External system platform |
|---------------------------------------|--|---|
| configuration (19 functions) | Video surveillance, perimeter prevention, access control, human and vehicle track management, campus alarm, attendance management, intelligent inspection, parking lot management, conference room management, laboratory management, campus broadcasting, intelligent light poles, security and fire linkage, intelligent firefighting, carbon emission monitoring, energy consumption monitoring, station operation and maintenance management, office environment monitoring, lighting and air conditioning end group control | CRRC Group: CRRC Energy and Carbon Intelligence Cloud System, CRRC Safety Management Informatization Platform |
| Lowest configuration (2 functions) | Video surveillance, energy consumption monitoring | Others: Building automation BA system, FMCS system |

The Intelligent Park Management Platform is poised to evolve into a crucial module within the OA office, offering accessibility to management personnel across the entire company through the intranet. The Information Center will establish a dedicated "intelligent network" for the Intelligent Park Management Platform, operating independently from the office network. This network will adopt a "multi-location, multi-park, unified platform, standard protocol" architecture to accommodate future park expansions.

Monitoring of energy consumption



Establishment of three-level performance parameter (energy efficiency) monitoring of the energy system, integration of existing energy online monitoring platforms across our company.

Carbon emission monitoring



Relying on the energy consumption monitoring platform, continue to expand the establishment of the Scope 1 and 2 carbon emission monitoring platforms.

Comprehensive energy scheduling



docking with the energy scheduling platform of Zhuzhou Institute the comprehensive energy division to realize load forecasting and optimized operation strategy of light storage and charging as a whole.

Establishment of carbon emissions management functions

"Carbon peaking and carbon neutrality" initiatives go beyond traditional energy saving and emission reduction efforts. Carbon emission management differs significantly from energy management, and our current management structure and staffing may not fully meet the requirements for effective carbon emission management. Therefore, there is a need to introduce new functions and establish a dedicated position to oversee carbon emission reduction efforts. Times Electric plans to leverage the expertise of our existing energy management team to develop and implement a new carbon emission management system.

As per CRRC Group's directives, Times Electric diligently accesses the CRRC Energy Smart Cloud system monthly to input comprehensive Scope 1, 2, and 3 emission data. This encompasses carbon emissions arising from sales, production, and operational activities, signifying our deep commitment to managing a low-carbon supply chain. Specifically addressing Scope 3 emissions, we prioritize a strategy of "focus on the big and put down the small," targeting product usage and raw materials for effective carbon emissions management. To achieve this, our market management and supply chain departments are tasked with proactively formulating relevant norms and measures.

Case: Management of carbon emissions from product use

The Baoji Times Overhaul Vehicle product line is working to accelerate the certification and promotion of purely electric overhaul vehicles and hydrogen battery overhaul vehicles, with the aim of phasing out fuel overhaul vehicles by 2050.

Case: Carbon management of product raw materials

Times Electric is actively engaged in developing carbon emissions calculation and management standards for key raw materials, components, and suppliers. We are working on establishing a differentiated grading system for raw materials and creating a procurement database that categorizes suppliers based on their carbon emissions. Our priority is to select suppliers with lower carbon emissions per unit of product, aligning with our commitment to sustainability and environmental responsibility.

Results of Times Electric low-carbon construction work in 2023

- Successfully build a comprehensive energy demonstration in the park, fully promote it to other newly built parks, and help the development of related industries of CRRC Zhuzhou Institute.

In 2023, to achieve the objectives of "carbon peaking and carbon neutrality" and drive the green and low-carbon transformation within the industrial park, Times Electric collaborated with CRRC Zhuzhou Institute's comprehensive energy business department. Leveraging the resources available in the semiconductor four-lane park, a comprehensive energy project was developed and successfully completed. This project is now fully operational and contributing to our sustainability goals.

The project entails the installation of a 916 kWp carport photovoltaic power generation system. It also supports the establishment of a 0.6 MW/1.4 MWh distributed liquid cooling infrastructure. Furthermore, the project incorporates the deployment of 4 sets of 60 kW AC/DC charging piles and 2 sets of 60 kW DC/DC charging piles across the carport and parking lot areas. Additionally, a smart energy management platform has been developed to ensure coordinated and optimized control of the entire system.

The project represents an innovative "PV-storage-charging" integrated power supply system by combining PV, energy storage, and charging pile technologies. This integration ensures a consistent and reliable power supply using clean energy sources, overcoming the intermittent nature of PV systems. It significantly enhances the utilization rate of clean energy while enabling "peak-load shifting," which brings operational benefits to the park. The intelligent "PV-storage-charging" joint power supply system directly reduces electricity costs and carbon emissions within the park.

The project has successfully tackled several pivotal technologies in the integrated energy sector, offering comprehensive support for equipment research and development, planning and design, operational optimization, and intelligent maintenance of the integrated energy system. These advancements have propelled the development of the park's decarbonization efforts and the establishment of a regional energy Internet, marking significant progress in the field of sustainable energy infrastructure.

In 2023, our company made significant strides in energy conservation and carbon reduction through digitalization. Utilizing strategic decision-making and meticulous planning, we aimed to merge our existing video security monitoring and control management platform within the company's intranet with the outcomes of our developed intelligent energy management platform and carbon control one-stop platform. This integration will result in a state-of-the-art and advanced low-carbon intelligent park management cloud platform. The project has successfully completed the bidding process, undergone in-depth design refinement, and is anticipated to be officially operational by June 2024.

The informatization platform will establish an independent Internet of Things (IoT) framework, facilitating data sharing and connectivity with CRRC Group's energy online monitoring system and government databases. The intelligent park aims to enhance IoT perception capabilities, harness the value of data resources, and optimize business synergy through the "1 + 1 + 4" structure. This structure comprises 1 IoT base, 1 digital intelligence command center, and closed-loop systems for security management, park services, fire management, and energy management. These systems will cover elements such as personnel, vehicles, security protocols, fire safety measures, energy consumption, office facilities, meeting rooms, public environments, and more.

The platform facilitates transparent management and control within the park, overcoming information silos among sub-systems and advancing the park's overall intelligence. This enhances the park's capability for low-carbon operations. By enabling a seamless digital flow from command center operations to executing management measures and conducting data analysis, we have established a shared platform that deeply integrates IoT perception and park business operations. This platform serves as a significant milestone in our company's digital transformation journey.



After successfully completing two demonstration projects, Times Electric is now coordinating with other projects, including Yixing Semiconductor and the Automotive Double Carbon Industrial Park, to comprehensively promote standard programs such as PV-storage-charging integration and intelligent parks. This initiative lays a solid foundation for our company's green and low-carbon construction efforts. Simultaneously, it provides strong support for the rapid development of the energy storage and comprehensive energy industry at CRRC Zhuzhou Institute.

Carbon audit and footprinting of enterprises in an innovative manner, and forward-looking construction of carbon emission management system

Aligned with the "carbon peaking and carbon neutrality" strategic goal set by the state and CRRC Group, Times Electric is actively learning and implementing the major strategic decision of the CPC Central Committee and the State Council regarding "carbon peaking and carbon neutrality". We are also implementing the spirit of the meeting and the work deployment outlined in the comprehensive carbon audit conducted by CRRC Group on "carbon peaking and carbon neutrality". This concerted effort aims to solidly promote the implementation of "carbon peaking and carbon neutrality" work within our organization.

In 2023, we conducted Scope 1 and 2 carbon audits along with carbon footprint accounting for our key products. This initiative aimed to foster the development of low-carbon products and services through innovation-driven technological and management changes, positioning us as leaders in green and sustainable development within the industry. Concurrently, as we embrace CRRC's "carbon peaking and carbon neutrality" strategy, our company is intensifying its top-level design efforts. We are focused on achieving efficient synergy across the industry, actively responding to CRRC's strategic plan for carbon neutrality throughout the entire value chain by 2050. Our dedication lies in constructing a comprehensive zero-carbon technological eco-system and industry solutions. Through these efforts, we aim to consistently lead and propel upstream and downstream enterprises towards a path of high-quality, sustainable, green, and low-carbon development. Ultimately, our goal is to promote carbon emission reduction across the entire industry chain and throughout society.

Release green and low-carbon results and succeed in obtaining external recognition >>

Times Electric is closely aligned with CRRC's strategic deployment, actively promoting and showcasing green and low-carbon research outcomes. We are dedicated to serving as a positive example and demonstration for numerous enterprises that may be facing growth challenges and seeking breakthroughs in the new era.

In 2023, our company welcomed numerous visits from government organizations and customer units to our pilot demonstration projects, earning wide acclaim for our construction achievements. During these reception activities, we exchanged valuable management experiences with relevant units and discussed the pathway to green and low-carbon development. In November 2023, Times Electric successfully secured recognition as a green manufacturing system solution provider in Hunan Province.

The concept of green manufacturing has been seamlessly integrated into every stage of Times Electric's product lifecycle, including product conceptualization, planning, design, manufacturing, supply chain, and after-sales service, yielding commendable outcomes. As a testament to our commitment, Times Electric has earned recognition as a national green factory and has been appointed as the chairman unit of the Hunan Green Manufacturing Industry Association. Moving forward, we will continue to actively engage in and champion initiatives such as green supply chains, green products, and green design at the national level. By positioning ourselves as a leader in energy system solutions, we aim to achieve a mutually beneficial outcome that encompasses both economic prosperity and social well-being for our enterprise.

In the "carbon peaking and carbon neutrality" demonstration zone project, Times Electric has taken a leading role in proposing and implementing pilot programs, providing strong support for CRRC Zhuzhou Institute's efforts. Times Electric is actively exploring integrated application scenarios for renewable energy sources such as wind, solar, storage, and charging infrastructure. By aligning with overarching planning requirements, such as those for charging infrastructure and photovoltaic systems, we aim to provide comprehensive technical solutions and support for the project.

Building on our operational and maintenance management expertise, Times Electric is strategically positioning itself in the forefront of the carbon peaking and carbon neutrality industry. Moving forward, we are committed to analyzing and predicting the price trends in the carbon trading market. Additionally, we will assess the feasibility of Carbon Capture, Utilization, and Storage (CCUS) technologies. These efforts will allow us to provide valuable suggestions and technical support for the development of hydrogen production and storage technologies within CRRC Group.

Release Action Program on Green Urban Railway Equipment Manufacturing of Zhuzhou CRRC Times Electric Co., Ltd. >>

On December 8, 2023, the Intelligent and Green Development Forum of Railway Transportation with the theme of "Intelligent Railway, Connecting Future" was held in Zhuzhou International Convention and Exhibition Center. At the meeting, Times Electric officially released Action Program on Green Urban Railway Equipment Manufacturing of Zhuzhou CRRC Times Electric Co., Ltd. The program is guided by Green Urban Rail Development Action Program of China Urban Construction Association, and puts forward "five major actions green urban rail action", namely, green planning first, green equipment research and development, green equipment manufacturing, energy and carbon control and promotion, as well as green service transformation, to promote the rail transit "comprehensive green transformation action".

The action program is designed to target five main areas: energy and carbon control platform, green factory, green supply chain, green products, and green certification base construction. It also outlines 13 key research objectives aimed at advancing green urban rail technologies. Through this initiative, we aim to develop a range of key core technologies for green urban rail systems, introduce innovative green products, and establish several "green and intelligent integration" model projects. By doing so, we seek to contribute CRRC's expertise and capabilities towards the high-quality development of green urban rail infrastructure.

Low-carbon construction targets

In the future, we will continue to be on advancing energy efficiency and reducing consumption. We plan to meticulously analyze and consolidate our management expertise in centralized energy management, semiconductor industry plant technology, and rigorous control of basic electricity costs. This will involve further strengthening our energy management system and establishing robust three-tiered energy management teams. We aim to foster mutually reinforcing management mechanisms and enhance collaboration across departments. Additionally, we will intensify efforts to develop our carbon emission management system. This includes expanding the scope of product carbon footprint analysis, implementing ESG evaluations, and enhancing green and low-carbon supply chain management. These initiatives are part of our gradual transition from the "dual control of energy and consumption" model to the "dual control of carbon emissions" framework proposed by the State. This strategic shift will better prepare us to align with the country's goal of reaching carbon peak by 2030.

Our company will also continue to assist in promoting the development of the "carbon peaking and carbon neutrality" industry, conduct research on the basic theories of the "carbon peaking and carbon neutrality" industry, summarize the standards, definitions, basic operation modes and relevant national policy documents, and compile the "carbon peaking and carbon neutrality" related policy system, and provide technical support and policy suggestions for the business of Times Electric, as well as the PV power generation, wind power generation, automobile and other industries of CRRC Zhuzhou Institute and CRRC Group.

To further advance the "carbon peaking and carbon neutrality" initiatives of the CRRC Group, we plan to allocate our resources and expertise towards conducting comprehensive research on various low-carbon transformation scenarios. This includes exploring the potential of roofs for PV power generation, parking area roofs, and locations suitable for charging piles. Through this research, we aim to establish a detailed resource inventory and a regional location map. Moreover, we intend to oversee and provide guidance to new parks in implementing green and low-carbon initiatives. This encompasses the integration of PV-storage-charging systems and the development of intelligent parks. By doing so, we hope to offer valuable experimental resources and provide clear directions for the CRRC Group's PV and automobile industries to achieve a successful low-carbon transformation. Overall, our efforts are geared towards supporting the CRRC Group in its journey towards carbon neutrality and sustainability, ensuring that we contribute positively to environmental conservation and climate change mitigation.

Enhance Pollution Prevention and Control Capabilities

Wastewater and exhaust gas monitoring



Our company strictly adheres to the legal management requirements stipulated in the emission license for the daily handling of wastewater and waste gas. We ensure that our treatment facilities for both wastewater and waste gas operate seamlessly, achieving a 100% standard discharge rate. In compliance with the emission license regulations, we engage qualified third-party testing agencies to conduct regular and rigorous monitoring of our waste gas and wastewater on a monthly, quarterly, and annual basis. These agencies issue comprehensive monitoring reports, confirming that our test results consistently remain below the thresholds set by national standards.

Release of pollution prevention and control systems



To effectively prevent and mitigate water, air, noise, solid waste, and radioactive pollution, as well as to preserve and enhance the quality of our environment, safeguard human health, and foster the company's sustainable development, our company has established a comprehensive set of regulations. These include the Environmental Protection Management Measures and Hazardous Waste Management Rules, among other waste management frameworks. These regulations outline precise protocols for the safe handling of hazardous wastes within our company, covering waste identification, storage, transfer, and disposal. We ensure that all hazardous wastes are entrusted exclusively to licensed units specialized in hazardous waste management for proper disposal. This guarantee ensures 100% compliance with legal requirements, ensuring that our hazardous waste disposal practices are both lawful and responsible.

Waste discharge and management



Our company has invested in state-of-the-art production wastewater treatment facilities to ensure that all wastewater undergoes rigorous treatment before being safely discharged into the urban sewage network. Additionally, we have implemented specialized waste gas treatment systems, including an acid scrubber tower and an activated carbon organic exhaust system, to effectively treat and neutralize harmful emissions, ensuring they meet regulatory standards before being released into the atmosphere. Furthermore, we have constructed a dedicated hazardous waste storage facility to safely collect and store hazardous materials. This facility ensures that hazardous wastes are properly managed and regularly transferred to licensed units specializing in hazardous waste disposal, guaranteeing full compliance with environmental regulations and promoting responsible waste management practices.

Care for Employees to Create a Healthy Workplace

Times Electric firmly believes in the talent philosophy of "fine specialization and contribution-oriented," fostering a work environment that trusts, respects, rewards, and welcomes talented individuals. We are committed to promoting equitable hiring practices, safeguarding employee rights and welfare, prioritizing the physical and mental well-being of our workforce, and maximizing the potential of our human capital. By focusing on "attracting, nurturing, retaining, and utilizing talents," we aim to establish a strong foundation for enterprise talent development, creating a high-quality platform that facilitates the growth and success of our employees.

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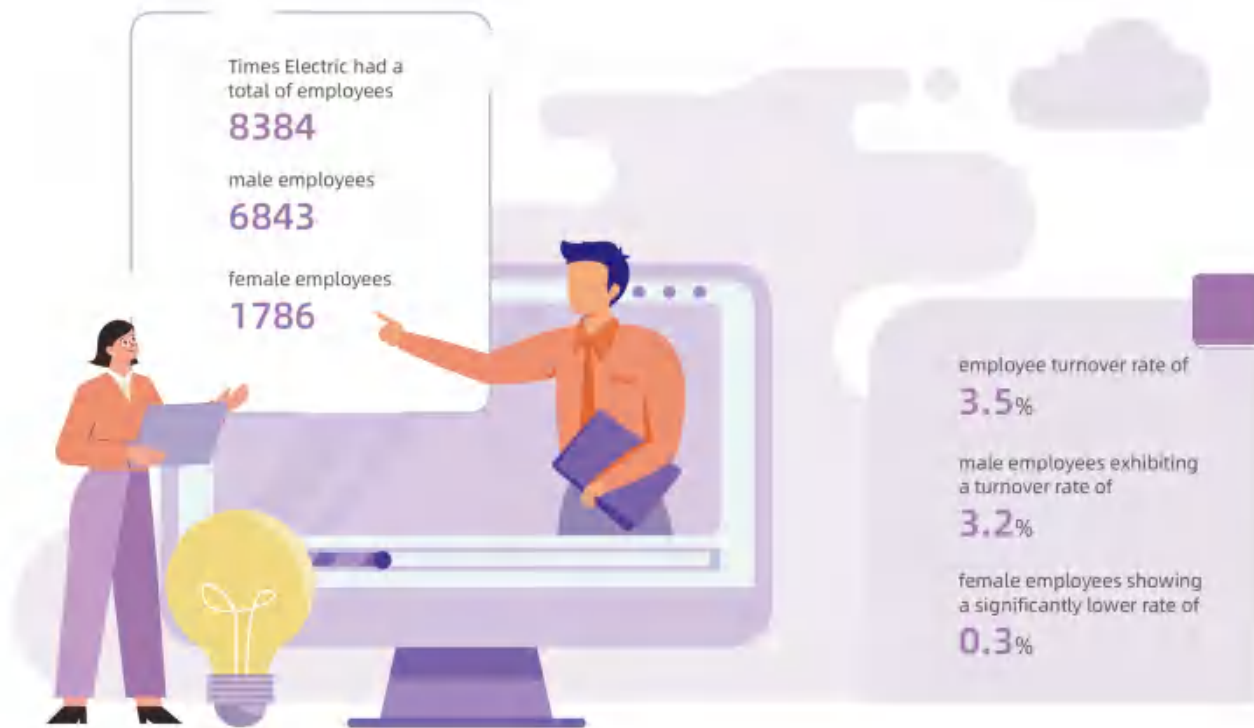
Optimize Talent Management

Times Electric promotes equality in the workplace by employing a diverse range of talents and ensures the full protection of employees' legitimate rights and interests through the revision and enhancement of relevant management systems. We are committed to continuously enriching and refining our multi-level talent development programs, which aim to empower employees' growth and foster mutual progress between individuals and the company. Additionally, we comply with national regulations to offer comprehensive statutory benefits, prioritize open communication with our workforce, and organize diverse activities designed to enhance employee satisfaction and well-being.

Equal compliance employment

Times Electric strictly adheres to the Labor Law, Labor Contract Law, Law on the Protection of Minors, Law on the Rights and Interests of Women, Regulations on the Prohibition of Child Labor, and other pertinent legal frameworks. We uphold the principle of gender equality in our talent management practices and treat all employees, regardless of their nationality, skin color, age, gender, or marital status, with equality and without discrimination. We strictly prohibit the use of child labor and refrain from hiring minors under the age of 16. Forced labor is unequivocally forbidden, and we ensure that no worker is subjected to violence, threats, or any unlawful restrictions on their personal safety. To guarantee legal compliance across all employment processes, we encourage employees to promptly report any violations of these regulations to their supervisors or the HR department for prompt investigation and resolution.

We have implemented a comprehensive management system and has signed both a Collective Contract as well as a Special Collective Contract for the Protection of the Rights and Interests of Female Workers and Employees. These contracts specifically address issues such as labor protection, occupational health, and safety. As of the end of the reporting period, Times Electric had a total of 8,384 employees, with 6,843 male employees and 1,786 female employees. Notably, during the reporting period, the company achieved an overall employee turnover rate of 3.5%, with male employees exhibiting a turnover rate of 3.2% and female employees showing a significantly lower rate of 0.3%. This demonstrates our commitment to fostering a positive and inclusive work environment where the rights and welfare of all employees, particularly female workers, are respected and upheld.



Protect the rights and interests of employees

Times Electric operates a comprehensive working hour and work-rest system that primarily follows the standard of 8 hours per day, 5 days per week, while also accommodating special working hour arrangements as needed. In addition to providing weekends off, statutory holidays, marriage and funeral leave, as well as maternity leave in accordance with national regulations, our company further implements an annual leave system that aligns with the national Regulations on Paid Annual Leave for Employees and the Measures for the Implementation of Paid Annual Leave for Enterprise Employees. This ensures that our employees have ample time for rest and relaxation, promoting a healthy work-life balance.

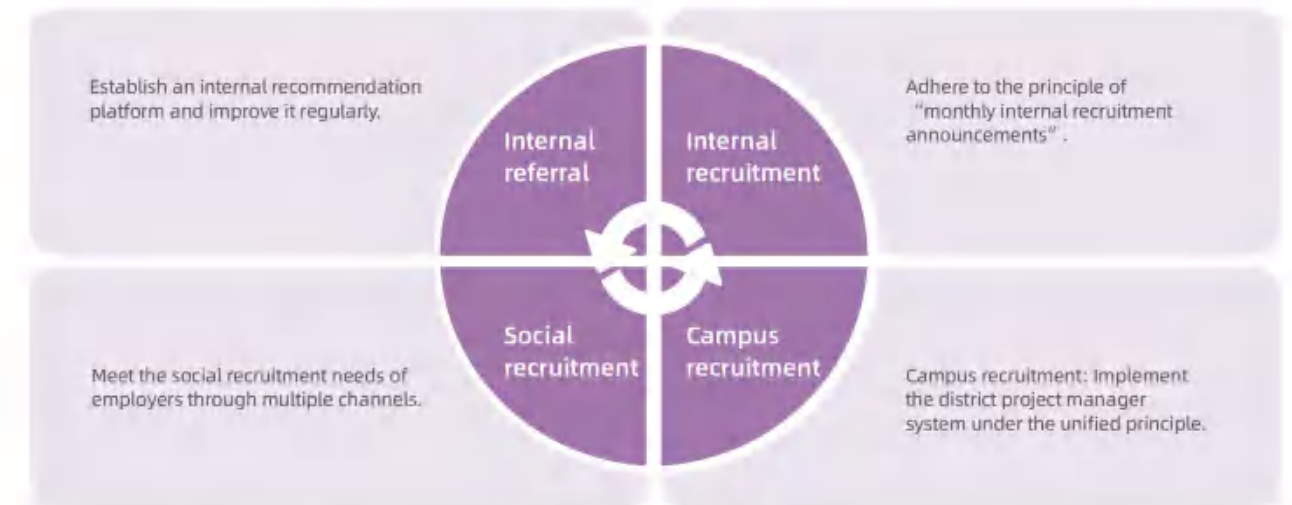
According to the national labor law and labor contract law and other laws and regulations, Times Electric has formulated human resource management systems, including Labor Employment Management Measures, Total Wage Management Measures, Wage Payment Management Measures, Employee Performance Management Measures, Employee Overtime Management Measures, Employee Attendance Management Measures, Retirement and Re-employment Management Measures, Key Position Personnel Exchange Management Measures, Competitive Restriction Management Measures, Employee Violation of Discipline Management Measures, Internal Retirement Management Measures, and other human resource management systems to provide solid institutional protection for the rights and interests of employees.

Our company recognizes the importance of open and effective communication among employees. To this end, we have implemented several initiatives aimed at enhancing our organizational atmosphere and fostering a positive work environment. We have issued the Management Measures for Organizational Atmosphere Construction to establish clear guidelines for maintaining a harmonious and productive workplace. As part of our continuous effort to improve employee satisfaction and engagement, we conduct annual evaluations and solicit feedback from our employees. This feedback provides valuable insights into our operations and helps us identify areas where we can make improvements. Furthermore, our Employee Performance Management Measures include a formal appeals process. If an employee disagrees with their performance evaluation results, they are encouraged to first discuss the matter with their assessor in an effort to resolve any issues. If a resolution cannot be reached, the employee has the option to submit a written appeal to the human resources department within three months of the evaluation's release. When submitting an appeal, the employee must provide a completed performance appeal form along with any relevant supporting documentation. Our goal is to ensure fairness and transparency in all our human resource practices, and we are committed to addressing and resolving any concerns raised by our employees in a timely and respectful manner.



Multiple Talent Recruitment

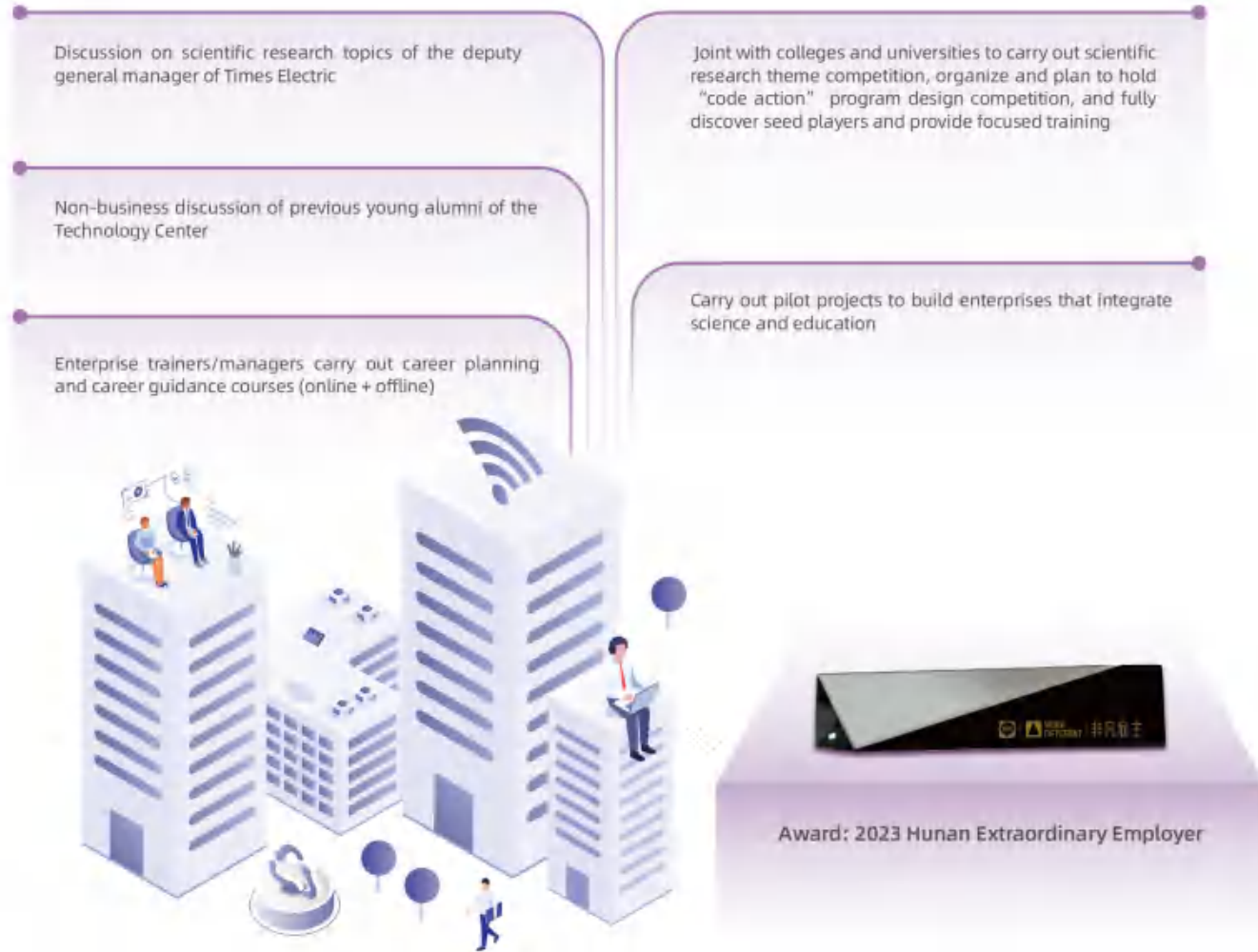
In accordance with the provisions of pertinent laws and regulations, Times Electric adopts a multifaceted approach to talent acquisition, utilizing methods such as internal referrals, internal promotions, social recruitment, and campus recruitment to attract candidates aligned with our job recruitment standards. We are committed to recruiting not only local talents but also mature professionals and overseas talent through innovative recruitment strategies, ensuring a diverse and skilled workforce that supports the significant industrial advancements of our company.



Our company has a sound staff recruitment process, strictly carries out the basic information review of candidates, if illegal recruitment behavior is found, there will be immediate rectification. In 2023, our company did not recruit children, minors, and there was no labor contract employees under the age of 18.

To foster a robust school-enterprise cooperation recruitment system, enhance employer branding, and expand the scope of educational-industrial exchanges, Times Electric has embarked on a comprehensive strategy. This approach involves establishing regular contact points within each department to facilitate specialized school-enterprise interaction. These activities range from collaborative project design and research to professional course development and graduation thesis guidance. By leveraging long-term school-enterprise partnerships and adopting an industry-university-research integration model, we aim to nurture talent within the academic environment, bolstering our employer brand and bridging the gap between the campus and the corporate world. This strategy not only allows us to tap into a rich pool of up-and-coming talent but also ensures that we remain at the forefront of industry trends and innovations, driving our company's continued growth and success.

Case:



Improve Compensation and Benefits

Times Electric is committed to providing its employees with a comprehensive benefits package that complies with national and local laws and regulations. This includes mandatory benefits such as basic pension insurance, basic medical insurance (including mutual aid for serious illnesses), work-related injury insurance, maternity insurance, unemployment insurance, and housing provident fund. In addition to these legal requirements, we also offer a range of corporate-specific benefits designed to enhance our employees' overall well-being. These include corporate pensions, supplementary medical insurance, food subsidies, healthcare allowances, regular physical examinations, recuperation periods, mutual aid programs, and commercial insurance policies. We recognize the importance of a healthy work-life balance and offer various types of leave, including weekends, statutory holidays, marriage and funeral leave, maternity leave, and annual leave. Our annual leave system aligns with national regulations on paid annual leave for employees, ensuring that our workforce can take time off to rest and recharge when needed. By providing these comprehensive benefits and leave options, Times Electric aims to create a supportive and enabling environment where employees can work with peace of mind and enjoy a fulfilling life both inside and outside the workplace.

Our company is committed to continuously improving our salary management system in alignment with national guidelines and policies on salary distribution, while also incorporating the demands of a modern enterprise system. At the organizational level, we have implemented a comprehensive mechanism for determining and growing total wages, which is directly linked to the economic and human resource efficiency of our enterprise. In 2023, we undertook a thorough analysis and designed a model for calculating total wage increments based on increases in operating income and operating net profit. This approach ensures that our compensation system rewards employees for their contributions to the company's financial performance. Looking ahead to 2024, we plan to further enhance our salary management system by incorporating the operating net cash flow indicator. This additional metric will provide valuable insights into the overall financial health of our industrial unit, guiding us towards achieving a sustainable state where orders generate income, income generates profit, and profit generates cash flow. By aligning our salary management system with these key performance indicators, we are confident in our ability to foster a motivated and engaged workforce that is committed to driving the long-term success and profitability of our enterprise.

Graded incentive

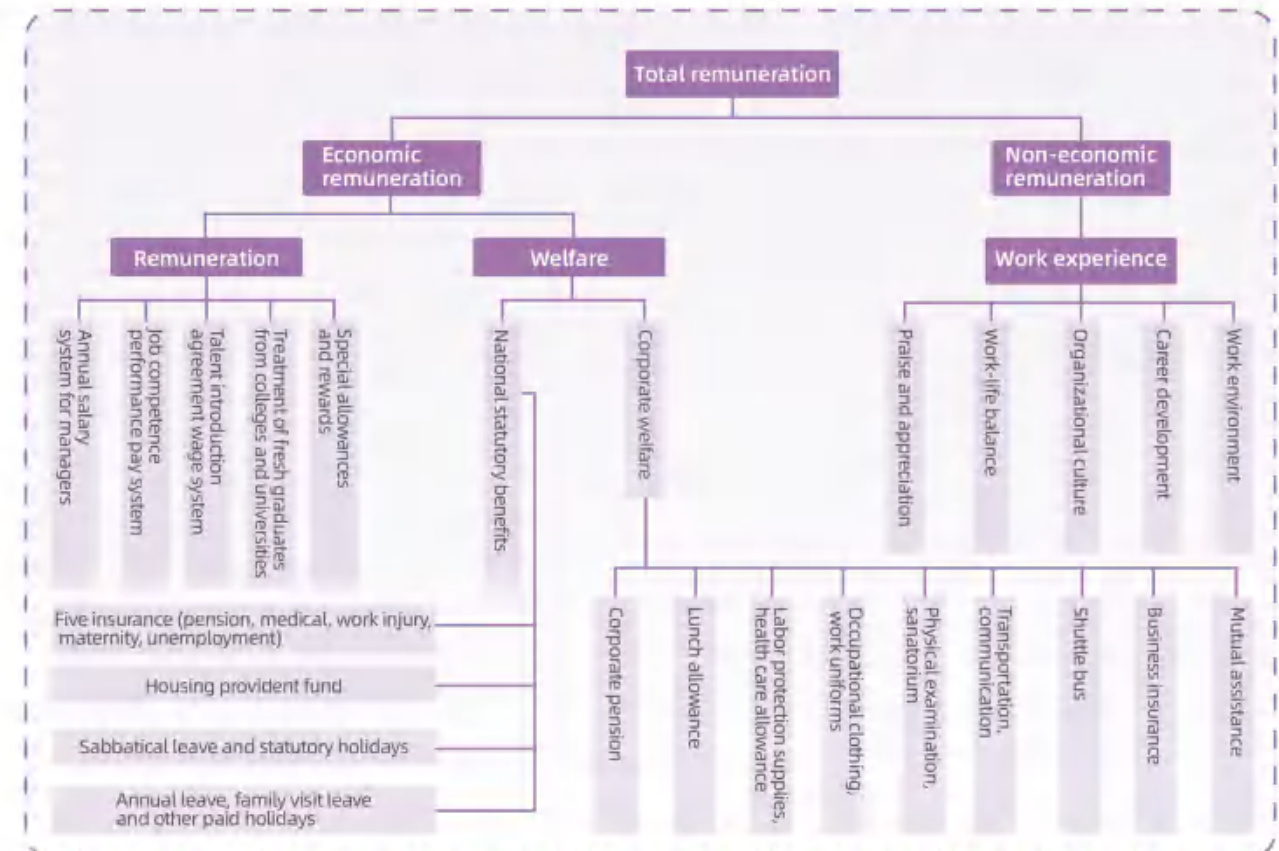
Our company recognizes the significant contributions made by professional managers and has therefore established an annual salary system and tenure incentive mechanism that takes into account their responsibilities, organizational performance, and individual achievements. This ensures that their dedication and efforts are appropriately rewarded. For our employee groups, we have implemented a compensation distribution mechanism that is based on the principles of "post level determining salary scale, performance determining bonus, and level determining benefit." This approach ensures fairness and transparency in our reward system, as employees are compensated according to their role, responsibilities, and performance within the organization. By aligning our compensation and incentive systems with these key factors, we aim to foster a motivated and engaged workforce that is committed to achieving the organization's goals and objectives. We believe that this approach will not only enhance employee satisfaction but also drive the overall success and profitability of our company.

Multiple incentives

Our company has established a comprehensive reward system designed to attract and retain core talents, as well as to provide subsidies and incentives for young scientific and technological talents. We recognize the importance of fostering innovation and excellence within our organization, and as such, we offer appointments for major scientific research projects, special scientific and technological achievements, quality improvement projects, and management improvement projects. In strategic emerging industries such as semiconductors and automobiles, where competition for top talent is fierce, we have implemented core employee stock ownership plans. These plans are executed through new investments and equity sales, giving our key personnel a stake in the company's future and aligning their interests with those of our shareholders. By providing these opportunities for growth, recognition, and ownership, we aim to create a work environment that fosters innovation, collaboration, and loyalty among our employees. We believe that this approach is essential to driving the long-term success and profitability of our company in today's rapidly evolving marketplace.

Overall compensation

Times Electric promotes a comprehensive compensation concept that encompasses not just monetary rewards but also extends to non-economic benefits such as honors and career development opportunities. By including these elements in our compensation system, we aim to provide employees with a holistic understanding of the value they receive from the company. This approach not only attracts top talent but also ensures their retention, as it fosters a sense of appreciation and belonging within the organization. For auxiliary, temporary, and alternative positions, we employ labor dispatch workers and ensure that they receive the same unified salary and welfare policy as our regular employees. This ensures fairness and equality across the board, regardless of employment status. We believe that every member of our team, regardless of their role or position, contributes significantly to the success of Times Electric and should be appropriately rewarded and recognized for their efforts.



Value Employee Training

Talent training

Adhering to the core values of being a "value creator," Times Electric promotes a talent concept that is oriented towards value, driven by innovation, and makes full use of the talents within its ranks. The company is committed to building a platform that enables employees to realize their value, develop their careers, and achieve their professional aspirations. To this end, Times Electric continually optimizes its talent flow mechanism, promoting horizontal mobility across various roles and functions. This approach encourages cross-pollination of ideas and skills, fostering a dynamic and collaborative work environment. Furthermore, the company actively integrates internal and external curriculum resources to organize and implement multi-dimensional training programs and empowerment activities. These initiatives are designed to enhance the leadership, cultural proficiency, and professional capabilities of all employees, ensuring that they are equipped with the necessary skills and knowledge to excel in their roles. By prioritizing these efforts, Times Electric strives to build several core talent teams, including reserve talents, professional talents, and internal trainer talents. These teams serve as the backbone of the organization, driving its growth and success through their expertise, innovation, and leadership.

| Grasp the demand accurately | Scientific planning | Multiple forms of training |
|---|--|--|
| Conduct comprehensive training needs survey in the whole company at the beginning of the year | Develop training plan according to training demand survey data | Internal and external instructors carry out internal training + external training + outsourcing training |

Our company implements a classification and stratification approach to training, emphasizing the empowerment of talents, industries, and customers. We adhere to the integration of "training, examination, and practice" and systematically promote training across eight key business areas, including research and development and marketing. During the reporting period, our company successfully executed over 10 personnel training projects, delivering more than 2,000 internal and external training sessions. We also launched over 100 internal training courses, focusing on the development and application of teacher resources. These efforts have contributed significantly to maximizing the value of training and optimizing human resources within the organization. Looking ahead, our company has allocated an average of 10 million yuan per year for staff training expenses in 2021, 2022, and 2023. This investment translates to a per capita cost of 1,300 yuan, demonstrating our commitment to the professional development and growth of our employees.

Our company remains committed to strengthening the effective implementation of teacher resource development, upgrading our teacher platform, and pursuing a stratified, classified, and graded approach to teacher resource expansion. Currently, teachers constitute 60% of our workforce, highlighting the significant role they play in our organization. At Times Electric, we boast nearly 500 instructors, who have collectively trained 55,456 individuals in 2023 alone. This extensive training program ensures that each employee receives ample opportunities for professional development, with an average of 7 training sessions per person. As a result, our training coverage rate stands at an impressive 92.7%, indicating the widespread impact and reach of our educational initiatives.

A series of training

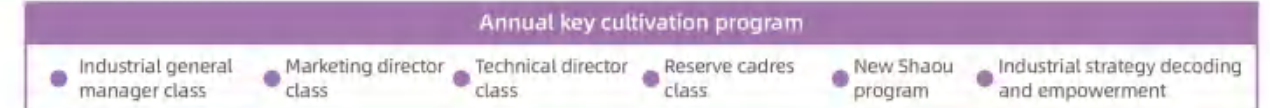
At our company, we recognize the importance of continuous learning and development. Through the knowledge accumulation and management translation of enterprise operations, we have relied on Times College to deliver a comprehensive series of training programs. These programs are designed to align with our strategic objectives, systematically empower our business units, and build the necessary capacities across the organization. The relevance and impact of this training have positioned it as a key driver for talent and industrial empowerment. We have constructed a classified and tiered training system that caters to the diverse needs and roles within our organization. This systematic approach ensures that each employee, regardless of their position or level, receives targeted and relevant training that contributes to their professional growth and the overall success of the company. By leveraging Times College's expertise and resources, we are confident that our series training program will continue to play a pivotal role in strengthening our organization's capabilities and driving sustainable growth.

Horizontal training system

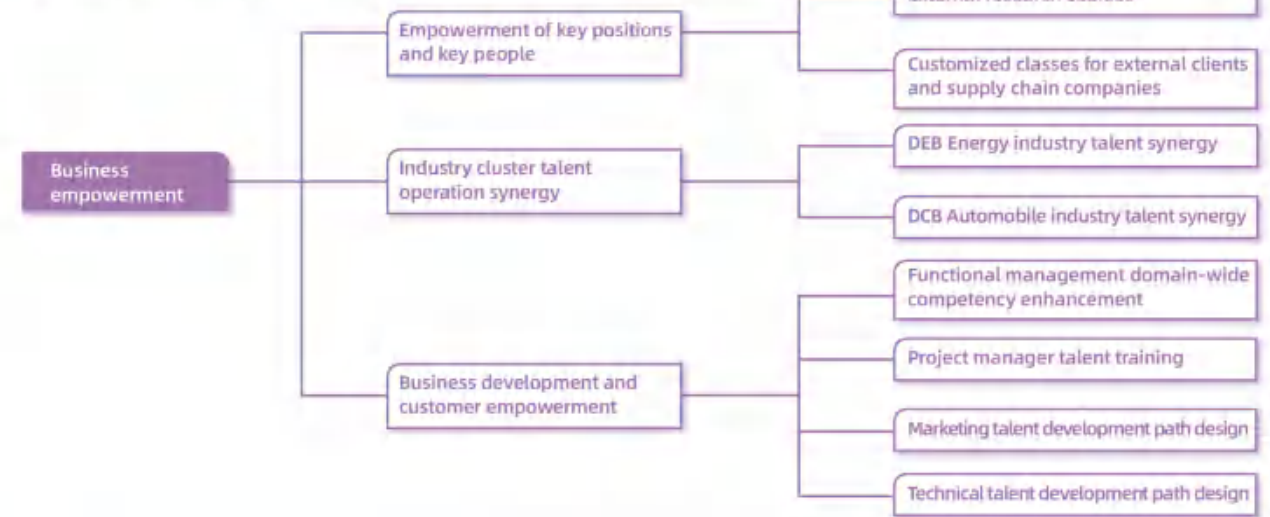
Our company recognizes that each position, group, and business line within our organization requires unique skills and knowledge. To address this diversity, we have established a horizontal training system that caters to the specific needs of various roles, including technical talents, marketing talents, project management talents, industrial talents, and functional management. Within this system, we have formed distinct training paths tailored to the requirements of each role. These paths are designed to provide comprehensive training and empowerment through a variety of formats such as lectures, growth camps, training courses, forums, and other interactive learning experiences. By offering targeted training opportunities, our horizontal training system ensures that employees can acquire the necessary skills and knowledge to excel in their respective positions. This approach not only fosters individual growth but also contributes to the overall success of our company by building a strong and capable workforce.

Vertical training system

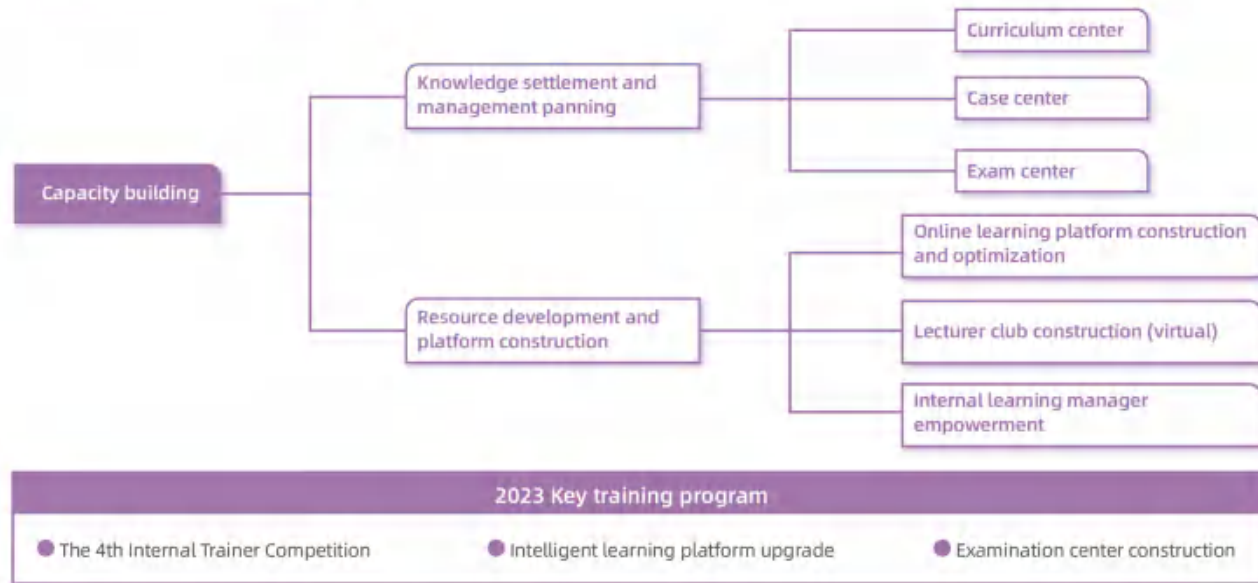
Hierarchical system from the induction training of new employees focusing on cultural integration, to the professional training of daily work, to the leadership training of management talents after promotion, to key training projects.



System enabling business



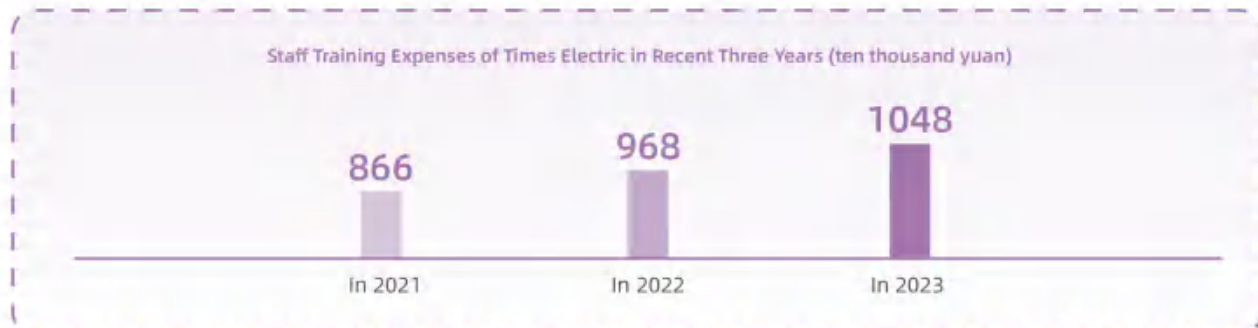
Organizational capacity building



Our company is committed to fostering a dynamic and skilled workforce. As part of this endeavor, we have implemented the "Wolong Plan" - a specialized initiative designed to cultivate high-quality, technically proficient marketing personnel for our marketing platform. This plan not only aims to enhance the organization's pool of versatile talent but also provides employees with expanded opportunities for professional growth and development. Currently, our diverse team comprises over 9,100 employees, including more than 510 individuals from overseas companies. We boast a robust research and development team of over 4,600 professionals, including one cademician of China Engineering Academy, more than 100 professor-level senior engineers, over 120 doctoral students, and over 1,800 master's degree holders. This wealth of expertise and knowledge has enabled us to establish a scientific research hierarchy featuring chief experts, academic leaders, and backbone researchers. The "Wolong Plan" is a testament to our commitment to investing in human capital and creating a conducive environment for innovation and excellence. By providing employees with a broader space for development, we empower them to reach their full potential and contribute significantly to the organization's growth and success.



In order to strengthen the capacity building of our intellectual property team, during the reporting period, our company conducted a series of more than 10 trainings for full-time and part-time intellectual property staff of various units and technical leaders of key R&D project teams, covering various topics such as the promotion of management methods, the writing of technical disclosure documents, patent layout planning, and the use of search tools to systematically improve the team's business capabilities; after the series of training, 26 full-time and part-time intellectual property staff were organized to carry out skills certification examinations, and the passing rate was 100%.



| Partition type | Number of trainees | |
|---|--------------------|--------|
| Number of trainees by sex (persons) | Male employee | 6598 |
| | Female employee | 1786 |
| Training hours by sex (hours) | Male employee | 263920 |
| | Female employee | 71440 |
| Number of trainees by type of employees (persons) | Senior employee | 189 |
| | Mid-level employee | 602 |
| | Ordinary employee | 7593 |
| Training hours by type of employee (hours) | Senior employee | 7560 |
| | Mid-level employee | 24080 |
| | Ordinary employee | 303720 |

Case: Incremental performance empowerment project closely linked to industrial development

Times Electric has dug deep into the industry benchmark resources, built an incremental performance management system, and enhanced the ability of core employees to improve the market competitiveness and profit value of products. Our company plans to carry out 5 trainings for the leading group, professional managers, and core backbones of various industrial sectors, covering more than 1,000 management and core backbones.

Case: Resonate business pain points, develop high-quality resources, and help industrial development

To prepare its business leaders for the dynamic challenges and opportunities in today's evolving market, Times Electric has prioritized knowledge advancement and continuous learning. Recognizing that adaptability and expertise are key to success, the company has arranged comprehensive training sessions for nearly 2,000 of its business backbones across IPD, marketing, supply chain, finance, and human resources. In a focused effort to empower its cadres, Times Electric organized a specialized training course for 74 cadres, including industrial general managers, marketing directors, and technical directors. This course aimed to equip participants with advanced skills and knowledge, with the mandate that all participating cadres would conduct internal training and knowledge sharing. As a result, over 50 specialized training sessions were conducted, yielding 70 courseware materials and successfully empowering more than 2,000 core business leaders. This initiative underscores Times Electric's commitment to fostering a learning environment that enables its workforce to grow and adapt to the changing demands of the industry. By investing in its people, the company is paving the way for future success and sustained growth.

Case: Continuously promote management change to help achieve business objectives

As part of its continuous strategy to promote management reform, Times Electric has taken proactive measures to introduce business analysis. The company has selectively chosen semiconductor, automotive electric drive, communication signal, and other key fields as pilot units for this reform initiative. Implementing the "iteration-review" management mode, Times Electric has facilitated collaborative operation among finance, product lines, and other relevant departments. Throughout the year, a total of six empowerment and communication sessions were conducted, leading to the development of a set of practical operational tool forms. These efforts have resulted in improved meeting efficiency, effective problem-solving, and successful integration of industry and financial perspectives. These achievements have been instrumental in helping Times Electric accomplish its business objectives. The company's commitment to innovation and continuous improvement through management reform is expected to drive further success in the coming years.



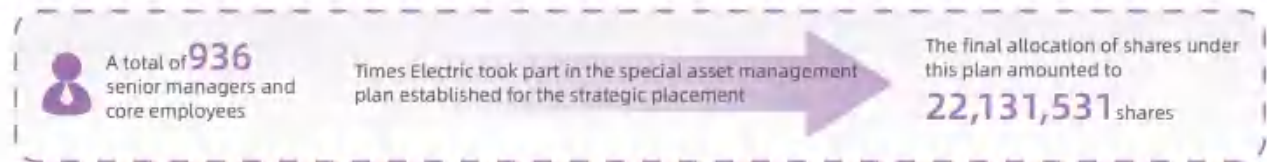
Case: Continuously optimized performance management changes empower project

In its pursuit of excellence, Times Electric has introduced innovative tool methods and evaluation models to elevate the level of performance management within the organization. These advancements aim to continuously optimize business objectives and enhance the overall performance of the company. To ensure precise control over each aspect of operations, Times Electric has adopted strategic decoding and target disassembly tools. These tools guide the effective breakdown and implementation of unit-specific indicators, ensuring that every link in the chain is accurately managed. Furthermore, the company has implemented a comprehensive performance management evaluation model. This model serves as a starting point and encompasses three critical aspects: setting goals, managing processes, and achieving results. Using nine key indicators, the model leads each unit through an iterative process and generates evaluation reports. These reports provide valuable insights that help improve the overall performance management level of the company. By leveraging these new tools and evaluation models, Times Electric is well-positioned to achieve its business objectives, optimize operations, and drive continuous improvement across the organization.

Talent incentives

Through such measures as performance reform, project-based training and profitability improvement, Times Electric actively stimulates the internal motivation of employees and improves the overall competitiveness and profitability.

Times Electric announced its successful listing on the SSE STAR Market on September 7, 2021. The strategic placement for this listing was composed of various key stakeholders, including related subsidiaries, investments from the sponsor institution (lead underwriter), senior management personnel, and core staff of the company through a special asset management plan. Additionally, other strategic investors also participated in the placement. A total of 936 senior managers and core employees of Times Electric took part in the special asset management plan established for the strategic placement. The final allocation of shares under this plan amounted to 22,131,531 shares. This significant participation by the company's top brass and core team members underscores their confidence in the future growth and prospects of Times Electric.



On September 24, 2021, Times Electric announced that its wholly-owned subsidiary, Times Semiconductor, plans to increase its registered capital by RMB 17,900.6 million. To facilitate this capital increase, the company intends to introduce the Zhuzhou Core Connection Zero Enterprise Management Partnership (limited partnership) as an employee shareholding platform. The employee shareholding platform has expressed its intention to subscribe for the new registered capital of RMB 179 million in Times Semiconductor with an investment of RMB 216.25 million. This transaction, known as "Capital Increase and Share Increase," will result in the employee shareholding platform holding a 6.22% stake in Times Semiconductor upon completion. This move by Times Semiconductor not only strengthens its financial position but also aligns the interests of employees with the company's long-term growth objectives. The introduction of an employee shareholding platform fosters a sense of ownership and encourages employees to contribute towards the success and profitability of the business.

On November 25, 2022, our company announced that we would increase capital and transfer assets to Times Semiconductor, and after the capital increase, the employee shareholding platform held 3.83% of the equity of Times Semiconductor.

On June 6, 2023, our company announced that our holding subsidiary Times Semiconductor intends to carry out capital increase and share expansion to introduce strategic investors and simultaneously introduce the newly established employee stock ownership platform.

On August 1, 2023, our company announced the establishment of a holding subsidiary, Hunan CRRC Electric Drive Technology Co., Ltd., in which the employee shareholding platform was funded with 10,000,00 yuan and held 10%.



Focus on improving employee skills

Recognizing that employees are the company's most valuable assets, Times Electric has placed significant emphasis on the training and enhancement of its workforce's skills. In 2023, the company went above and beyond in its commitment to employee development by organizing over 100 specialized skills competitions. These competitions covered a wide range of categories, including general skills for all employees, as well as specific areas such as female workers' skills, maintenance expertise, chip multi-function worker abilities, and production process defect identification. These events not only tested employees' proficiency in their respective fields but also provided a platform for them to showcase their talents and compete against their peers. Furthermore, Times Electric supplemented these competitions with over 30 technical research activities conducted by model worker studios. These studios, led by exemplary employees, focused on innovating and refining existing techniques and processes, further enhancing the company's operational efficiency and product quality. Additionally, 22 labor competitions were held under the umbrella theme of "Advancing to the Top." These competitions spanned four critical fronts: management, production, marketing, and technology. By engaging employees in friendly competition across these vital areas, Times Electric not only encouraged excellence but also created an environment where employees could realize their personal and professional growth potential. Overall, Times Electric's dedication to employee training and skill development through these specialized competitions and technical research activities is a testament to its commitment to fostering a skilled, engaged, and motivated workforce. By investing in its people, the company is paving the way for sustained success and innovation in the future.

Smooth Communication between Employees

Times Electric prioritizes cultivating a harmonious and inclusive company culture by valuing open communication and actively listening to the feedback of every employee. We have established smooth communication channels between employees and the company, recognizing the importance of effective communication mechanisms. To facilitate this, our company has formed a trade union that acts as a bridge for communication between employees and facilitates communication between employees and the company. We have also implemented the Administrative Measures for Public Conditions Liaison Work system document to ensure that employees can exercise their right to information and participation through appropriate channels, ultimately enhancing their sense of belonging to the company.

Our employees have various channels to submit suggestions or opinions to the company, including personal applications, employee forums, democratic discussions, and online communication platforms. These avenues cover a wide range of topics such as administrative operations, career development, salary and benefits, and logistical support. Additionally, the relevant departments within our company have developed draft rules and regulations to ensure that the rights and interests of employees are fully respected. These efforts aim to institutionalize, standardize, and streamline the democratic management of the company.

Public conditions contact suggestion-processing - feedback mechanism

Suggestions presented



Times Electric has established a sound public sentiment feedback mechanism to ensure that employees can give feedback to company through both online and offline channels.

Online Channel: Employees can access the common public conditions contact comment query page to check for any existing replies or similar comments before formally submitting their feedback. If there are no similar opinions found, they can proceed to submit their feedback through the public conditions contact information platform.

Offline Channels: Opinions gathered primarily from employee seminars, democratic life feedback collection, online discussions, and other avenues are managed by the Party and Mass Work Department and various departments. Designated personnel are responsible for inputting these opinions and suggestions into the civil sentiment contact information platform in a unified manner.

Comment processing



According to the different levels of feedback, opinions at the department level undergo review by the department's party organization. These opinions are then assigned to the responsible department for response, and the responses are collected by the party organization. If a department is unable to address certain inquiries, the party organization compiles these queries and forwards them to the party and mass work department.

For company-level feedback, the party and mass work department conducts a review and distributes the feedback to the relevant functional departments for response. After receiving and compiling the responses, the party and mass work department submits the answers to the party secretary for confirmation. If any functional department within the company is unable to provide a response, the party and mass work department redirects the feedback to the appropriate department for further processing at the unit level.

Feedback

Based on the level of feedback, the heads of party organizations in each department and the secretaries of company units review and confirm the responses. They then provide feedback to the authors of the feedback, who confirm and evaluate the satisfaction level. This process forms a closed loop of communication. Finally, the information is automatically archived in the public condition contact information platform for record-keeping and future reference.

Exercise democratic management

Our company adopts democratic management measures and ensures that the rights and interests of employees are protected through various means.



Staff congress

The staff congress serves as the fundamental platform for democratic management within an enterprise, enabling employees to exercise their democratic rights. The labor union committee acts as the operational arm of the staff congress, ensuring that employees can participate in democratic management legally and effectively. The opinions and suggestions gathered at the staff congress encompass a wide range of topics, including talent management, performance evaluation and promotion, employee welfare, differentiated management strategies, cost-efficiency measures, and industrial development initiatives.



Transparency factory affairs

Our company conscientiously fulfills the system of factory affairs disclosure, enriches and unblocks the channels of opinion expression, and carries out the major matters of production and operation of company, the integrity and self-discipline of the leading cadres, and the disposal of major assets through the channels of the staff meeting, the Party Committee, the Decision-making Committee, as well as the documents and so on.



Democratic supervision shall be carried out after the disclosure of factory affairs

Our company earnestly implements the openness of factory affairs, enriches and smooths the channels of opinion expression, encourages the staff to make suggestions for the development of company, strengthens the staff's sense of ownership and responsibility, and organizes the staff representatives to consider and discuss the management methods related to the interests of the staff, such as Accounts Receivable Performance Management, Accountability and Examination Measures for the Violation of Duty of the Leading Cadres and the Middle Managers, which has fully mobilized the staff to participate in the democratic management and the awareness of democratic supervision and democratic decision-making.



Collective consultation system

Our company has signed the Collective Contract and Special Collective Contract for the Protection of the Rights and Interests of Female Workers and Employees with the labor union, which includes salary protection, labor protection, occupational health and safety, and protection of female employees. When faced with major operational changes that affect the employment of employees (contract changes), the company will fully consider the placement and diversion of employees in advance, formulate special plans, investigate employees' intentions, and solicit employees' opinions. The finalization and publicity of the plan follow the democratic process, and the relevant process data is recorded and archived.



Diversified Promotion Paths

Our company has established a transparent and diverse promotion pathway to ensure fairness and equity in employee advancement. We have devised the Career Development Channel and Grade Management, as well as the Hierarchy Development System, among other management methodologies, to implement a dual-channel promotion mechanism consisting of a management track and a professional track:



Based on the professional hierarchy of business management, professional management, engineering technology, marketing, and skilled trades, among others, career development levels are categorized into seven grades with linked grade benefits. Similarly, engineering technology, marketing, supply chain management, professional management, and skilled trades are ranked into nine grades, including engineers, specialists, scientists, etc., based on the scope of responsibilities and complexity, with salary levels linked to the grades.

A comprehensive evaluation system has been established, which includes an annual unified assessment based on work performance, education, years of experience, training, and other relevant factors. This system allows us to identify and nurture the potential of employees, ensuring alignment between individual career development and the overall growth of the company.



Implement Employee Care

Our company has implemented the Gallup Q12 Engagement Survey to gauge employee engagement levels and proactively address any issues to boost engagement. Through a questionnaire survey focused on the dimensions of "access, risk, belonging, and growth," we've developed the Q12 Organization Climate Survey Tool to diagnose and analyze problems and drive improvements. Additionally, we've studied employee care programs in benchmark companies and our industry peers to continuously innovate and enhance our own programs. Our care system revolves around addressing daily life, challenges, and overall employee well-being. Furthermore, we've established a systematic and long-term psychological service program called the Employee Assistance Program (EAP).

The Party Committee of Times Electric has been actively promoting the Employee Assistance Program (EAP) for employees' psychological care since 2013, culminating in the formal establishment of the program in October 2018. The aim is to foster self-respect, self-confidence, positivity, rationality, and tranquility among the workforce. This initiative integrates party construction principles with EAP theories, methods, and means to synergize internal and external efforts, providing support and assistance in physical and mental health development consulting, team effectiveness enhancement, and organizational harmony. To further advance these efforts, the Party Committee participated in the 2023 China EAP Industry Summit and EOA Academic Annual Meeting of the China Society of Social Psychology on May 27, 2023. We presented a report titled "Practical Exploration of Constructing EAP Work System for Party Building in SOEs to Empower Employees and Organizations," showcasing our EAP as an exemplary case of integrating EAP with party building in State-Owned Enterprises (SOEs) to empower individuals and organizations.

Daily care

During the reporting period, our company grasped the people's project and endeavored to provide precise and attentive services to employees to meet their aspirations and needs for a better life.

Holiday welfare



- More than RMB 1.16 million in birthday benefits, RMB 3.85 million in Chinese New Year benefits, RMB 2.27 million in Dragon Boat Festival benefits, RMB 2.4 million in Mid-Autumn Festival benefits and other holiday benefits were paid to employees.

Work subsidies



- Subsidized materials amounting to RMB 870,000 were issued to more than 1,700 frontline overtime workers in the Spring Festival; more than RMB 1.7 million were issued to employees to prevent heatstroke during the high-temperature summer period in July and August.

Education support activities



- In September, we carried out the Golden Autumn Education Support Activity, and issued scholarships for 15 employees' children, bought school bags and study tools, and solved the difficulties of transportation to school.

Health lecture



- Our company carries out lecture activities after physical examination, inviting hospital general practitioners and gynecologists to interpret and analyze the symptoms and health management of 10 common diseases, such as heart attack, three highs, pylorus, etc., and conduct one-on-one physical examination and health counseling for on-site employees, and nearly more than 400 times of employees participated in the interpretation of the lectures and on-site counseling, so as to improve the quality of life of the employees.

Personal care



- Continuously investing in the creation of mother and baby rooms, sports fields, reading and study rooms and other venues and facilities, providing employees with a better, more comprehensive, more intimate and more humane place of study, rest and exercise;
- Our labor union can give a certain amount of consolation goods to our members when they get married or when female employees give birth.

Assistance in case of difficulties

Our company has implemented various programs to provide care and support for specific groups of employees, especially those facing difficulties or major illnesses. These programs include mutual aid funds, care funds, and other initiatives aimed at assisting employees and their families or community members during challenging times. These efforts underscore our commitment to the well-being and welfare of our workforce and their loved ones.

Serious and special hardship cases



- Subsidies for employees in serious and special difficulties are given according to the actual difficulties and in conjunction with holiday condolences;
- Different subsidies are given to the children of union members in special and serious difficulties in the light of the actual difficulties.

Employees in specific situations



- The death of an active member or a member's own immediate family member, a certain amount of consolation money is given;
- Union members retiring from their posts, a certain amount of souvenirs are given;
- When a union member is hospitalized due to injury or illness, a condolence visit is organized and a certain amount of condolence money is given;
- For medical expenses arising from injuries of trade union members and hospitalization of employees, in addition to paying for them according to the policies of basic medical insurance, mutual medical assistance for major illnesses and supplemental medical insurance, appropriate subsidies will continue to be given to the remaining out-of-pocket part of the employees within the directory of medical insurance.

Enrich employee life

The trade union of Times Electric comprises 23 basic trade unions, including those representing electrical organs, the rail transit technology center, the railroad division, the urban rail division, the after-sales service center, the intelligent center, the manufacturing center, the collective acquisition center, and others. Under the guidance of higher-level trade unions and the Party Committee of our company, we implement General Secretary Xi Jinping's directives on trade union work and the ethos of visiting CRRC. We adhere to the work principles of promoting positive energy, fostering cohesion, and creating a happy workplace. Our trade unions focus on core tasks such as promoting group solidarity, fostering harmonious labor relations, protecting workers' rights, and enhancing workforce quality. We strive to fulfill the role of the trade union as a bridge and connector within our organization.

In 2023, our company organized a series of activities aimed at enhancing the skills and abilities of labor union cadres, promoting the health and well-being of employees, and fostering a sense of community and camaraderie. These activities included skill competitions, female employees' reading events, and open-month events for summer clubs, among others. These initiatives not only contributed to the stable development of our company but also fostered a strong sense of unity and spirit among employees.



Case: Times Electric's 18th anniversary series of activities

To celebrate the 18th anniversary of Times Electric's founding and to showcase our youthful spirit and dedication to becoming a world-class enterprise, the CCYL committee, along with the party and the masses work department, organized a series of celebratory events centered around the theme "Concentrating to the Top, the 18th Anniversary of Times Electric" during the Times Electric Frisbee Carnival and "CRRC Day" on October 9, 2023. The celebration included a cake-cutting ceremony where company leaders extracted 18 birthday wishes, symbolizing our aspirations for the future. Employees from various departments formed 18 teams to compete in the Fun Frisbee Points Match and Frisbee Finals, with the organ team emerging as the champions, followed by the manufacturing center team as the first runner-up, the automobile business unit as the second runner-up, and the Hunan CRRC Communication Signal Team also as the second runner-up. With the spirit of youth and a commitment to progress, we look forward to marching ahead with renewed vigor and enthusiasm, ready to script a new chapter of high-quality development for Times Electric.



Guard Health and Safety

Occupational Health and Safety Management

Introduction to health and safety concepts

Our company continues to optimize the management of occupational health and safety, taking ISO45001 Occupational Health and Safety Management System standard as a guide, taking the standardized norms of production safety for machinery manufacturing enterprises as a technical support, improving the management organization of production safety, strengthening the source and operation control, establishing a perfect occupational health and safety management system, strictly implementing the production safety, safeguarding the life, health and safety of the employees, and providing them with a healthy, safe working environment for employees.

Our company coordinates the safety management system, emergency management system, occupational disease prevention and control, safe production activities, occupational health activities, etc., strengthens the safety management of related parties, implements the occupational safety and health management of all employees, etc., and promotes the close integration of the safety system construction with the business, and endeavors to build an intrinsically safe enterprise through the complete EHS management structure.

Our company continuously improves the occupational health, safety and environment management system (EHS system) according to the requirements of ISO 14001:2015 standard and ISO 45001:2018 standard, and issues Times Electric EHS Management Manual, Times Electric EHS Inspection Management Measures, Times Electric EHS Training Management Measures and other management systems in accordance with the laws and regulations such as Production Safety Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China, Prevention and Control of Occupational Diseases Law of the People's Republic of China, Regulations on the Reporting and Investigation and Handling of Production Safety Accidents, Emergency Response Law of the People's Republic of China, and Hunan Provincial Regulations on Production Safety and others.

EHS targets

Overall target

By 2025, the safety and environmental protection organizations of our company and production units will be more complete, the configuration of full-time safety management personnel will be more reasonable, and the number of deaths, serious injuries, and new on-the-job occupational diseases in production safety accidents will be zero; the annual rate of minor injuries in production safety accidents will be controlled at 0.75‰; there will be no major production safety accidents and environmental protection hazards, and there will be no major environmental pollution incidents.

EHS system target

Continuously carry out the certification and audit of ISO45001 Occupational Health and Safety Management System and ISO14001 Environmental Management System to ensure that the EHS system is always running effectively;

Targets for production safety standardization

our headquarters passed the certification and reassessment of the first level of production safety standardization; off-site production units passed the certification and reassessment of the second level of production safety standardization;

Dual prevention mechanism goal

according to Work Guidelines for Curbing Serious and Major Accidents by Addressing Both the Root Causes and the Basis and Opinions on Implementing the Work Guidelines for Curbing Serious and Major Accidents to Construct Dual Prevention Mechanisms of the State Council Safety Commission Office, our company has constructed a dual prevention mechanism for the grading and control of safety risks and the investigation and management of hidden dangers;

Safety culture construction target

our headquarter passed the certification of national safety culture demonstration enterprise, Ningbo Times and Baoji Times passed the certification of provincial-level safety culture demonstration enterprises;

Occupational health management objectives

100% declaration rate of occupational hazards; 100% implementation rate of occupational health "three simultaneous" ; 100% completion rate of occupational hazards facilities; 100% occupational health training rate; 100% participation rate of occupational injury insurance; 100% rate of occupational health checkups for induction, on-job, and departure; 95% or more passing rate of occupational hazards testing.

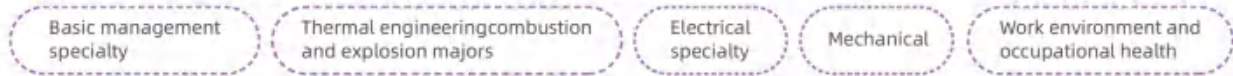
Environmental management target

the waste water, waste gas, noise and radiation generated by our company's production and operation are regularly tested in accordance with the requirements of the sewage license to maintain 100% compliance with the emission standards; and hazardous wastes are maintained at 100% compliant disposal;

EHS organizational structure

Our company has established a complete EHS management structure. In June 2023, we adjusted the Safety, Environmental Protection and Occupational Health Management Committee, clarified the 9 responsibilities of Safety Management Committee's Leading Group, the 11 responsibilities of Safety Management Committee's Working Group, and set up a professional group for safety production standardization.

- Safety Management Committee Leadership Team Headed by the General Manager**
 - Study and formulate company's safety, environmental protection and occupational health planning and annual work plan, determine the long-term goal of our company's safety, environmental protection and occupational health, clarify the annual work objectives, and be responsible for company's annual safety, environmental protection and occupational health performance appraisal.
- Security Management Committee Working Group**
 - Organize the identification, evaluation and control of hazardous sources and environmental factors, formulate the list of safety risk classification and control, organize the preparation of the annual safety, environmental protection and occupational health management plan, and supervise and inspect the implementation of the plan. Conduct internal and external audits and management reviews of the EHS management system to continuously improve the performance of the system.
- Safety Production Standardization Specialty Group**



System certification

On December 27, 2023, we obtained the latest 45001 Occupational Health and Safety Management System Certification (UKAS+CNAS), which is valid until January 16, 2027.



Institution development

In order to strengthen the management of production safety, environmental protection and occupational health risks, identify and correct problems in a timely manner, and ensure the realization of EHS goals and targets, our company has issued EHS System Management Handbook and EHS Performance Assessment and Evaluation Management Measures. In order to further strengthen the safety management, we urge the leadership team of each unit (department) to perform their duties in safety production, and strengthen the awareness of risk and responsibility in safety production, our company has issued Safety Production Risk Guarantee Assessment and Management Measures.

Among them, there are 35+ items of EHS-related management manuals, safety management methods, safety management rules and procedures, and 35+ items of Safety Technical Operation Regulations related to each equipment.

(2) EHS supply chain management system: In the bidding process, Times Electric explicitly formulates environmental protection regulations in the technical specifications, requires suppliers to respond to environmental issues, advocates green production, and promotes the enhancement and practice of environmental protection awareness. Meanwhile, new access manufacturers are required to carry out on-site certification (EHS certification), while regular supplier on-site certification (EHS certification) is carried out for old suppliers to ensure that the EHS system of the suppliers meets our company's requirements and safeguards the safety and health of the production environment.

EHS policy

EHS policy statement

- A** In the process of all production and operation activities of our company, we insist on source control, systematically identify potential EHS risks, formulate control measures, improve the intrinsic safety degree, improve the working conditions of employees, and create a safe and comfortable working environment;
- B** Improve the emergency plan system, improve the emergency rescue facilities, strengthen the emergency training and drills, and minimize the casualties, property losses and environmental pollution caused by accidents;
- C** Comply with EHS laws, regulations, standards and other requirements applicable to our company;
- D** Establish EHS targets and management programs for continuous improvement, continuously eliminate and reduce risks, strengthen EHS monitoring and measurement, conduct regular internal audits and management reviews, and continuously improve EHS operational performance;
- E** Promote the concept of green environmental protection, continue to promote clean production, energy saving, emission reduction and efficiency, and eliminate environmental pollution;
- F** Pay attention to health, care for life, protect the legitimate rights and interests of employees, and establish an EHS culture with company characteristics;
- G** Motivate employees at all levels to participate in the establishment and maintenance of occupational health and safety management system.

Safety training performance

Times Electric always puts employees' health and safety in the first place, and creates a good working environment and organizational atmosphere actively through a series of management and initiatives, in order to ensure employees' physical and mental health and sense of security. The annual number of production safety trainings of our company: 14,256, with a 100% training coverage rate. The total number of work safety training hours for the year: 114,048 hours.

Employee Health Management

Regular health checkups

Times Electric attaches importance to employee health, organizes regular health checkups for all employees in accordance with our Employee Physical Examination Management Measures, and organizes gynecological physical examination and gynecological "two cancers" (breast cancer and cervical cancer) screening for female employees once a year, so as to enhance the sense of achievement, happiness and security of employees.

Employee wellness program

In 2023, our labor union revised Management Measures for Employee Wellness, clarifying the objects, methods, subsidy standards and expense reimbursement for employee wellness, and stipulating that employees and rehired personnel who have signed formal labor contracts with our company and have completed the second anniversary of their working years may enjoy wellness every year in accordance with the standards.

Good organizational climate

Organizational climate survey

In order to create a good organizational climate, Times Electric has formulated Management Measures for Building Organizational Climate and regularly conducts employee satisfaction surveys and organizational climate surveys. Organizational climate is closely related to the behavior and psychology of employees, and the establishment of a good organizational climate in an organization can enable employees to release more of their inner potential and have a positive impact on the organization's planning, decision-making, performance and competitiveness.

Attention to employee mental health

Our company has set up the "Employee Assistance Program" employee mental health consulting service, which provides employees with open communication channels and professional psychological counseling, and pays attention to employees' mental health and work emotions. Through the "five service platforms" of workplace academy, happiness classroom, branch position, energy hotline and special service, our company carries out the "3+N energy action" to explore the specific practice of "branch position" construction. We organized 20 psychological counseling salons throughout the year.

In order to enable employees to better express their democratic views, create a good and relaxed working atmosphere, and enhance their sense of belonging and identification with our company, we have also set up a channel for smooth employee communication. Our company has 24 public condition liaison officers operating the public condition liaison station, applying the COA process, building a public condition liaison network, expanding public condition and public opinion liaison channels, and building a public condition and public opinion information database. In 2023, our company carried out a total of 40 seminars and exchanges, 13 questionnaire surveys, collected a total of 236 issues, and solved 165 issues.

40 seminars and exchanges

13 questionnaire surveys

collected a total of 236 issues

solved 165 issues

Occupational Health and Safety Culture

Ensure employee safety

Our company always adheres to the goal of "three zeros" of zero deaths from production and safety liability accidents, zero new occupational diseases on the job, zero class 1 fire and explosion accidents and other major impact accidents, and takes strengthening responsibility, perfecting mechanism, enhancing supervision and dual prevention system control as the overall idea, takes standardized production safety norms as the technical support, and constantly innovates the safety management mode to improve the safety management level. We organize health check for the plant area, company's total discharge, waste gas, fluorine wastewater treatment, special equipment, lightning protection device, occupational disease hazards and toxic and hazardous job operators once a year, and at least half a year for safety valves, lightning protection devices and so on.

In June 2023, our company adjusted the safety, environmental protection and occupational health management committee, clarified the 9 responsibilities of the leading group of safety management committee, the 11 responsibilities of the working group of safety management committee, and established a professional group for production safety standardization, and formulated a series of occupational health and safety objectives such as the objective of production safety standardization, the objective of dual prevention mechanism, the objective of construction of safety culture, as well as the objective of occupational health and safety management targets.

In order to ensure rapid, orderly and effective response and handling in case of emergencies, minimize losses, and protect the safety of employees and the interests of our company, we have set up the emergency management committee. Our company formulates overall emergency plan for emergencies, establishes emergency management committee or leading group, clarifies the members and duties, and is responsible for the formulation, implementation and evaluation of the emergency plan. The relevant departments of our company carry out statistics and notification on the completion of the drill plan every month. In 2023, our company completed 227 emergency drills according to the plan, with 13,924 participants, and the concept of prevention is more important than rescue is deeply rooted in people's hearts.

Case: "Exhaust gas leakage" emergency drill in Ningbo CRRC Times

Our company continuously tests and improves the emergency treatment ability of the railway transducer production department to deal with the occurrence of sudden toxic and harmful safety incidents, carries out prevention and treatment and rescue work in accordance with the law and effectively, strengthens the employees' self-protection consciousness, protects the employees' health, and maintains the safety and stability of our company. In September 2023, the railway transducer production department of the manufacturing center of Ningbo CRRC Times Transducer Technology Co., Ltd. carried out the emergency drill of "exhaust gas leakage". The contents of the drill included the leakage of exhaust gas in the coating workshop on the third floor of No.2 plant, the fainting and rescue process of the operators in the coating workshop, the emergency treatment after the incident, and the entry of the operators into the site after the exhaust gas was completely dispersed. The entire exercise process interlocking, clear division of labor of all departments in place in a timely manner, in strict accordance with the norms of the process implementation, testing the railway transducer production department to deal with emergencies emergency response capability, greatly enhancing the department's emergency response capabilities and employee safety awareness.

Case: On-site disposal exercise for abnormalities in the wastewater system of CRRC Times Semiconductor Co., Ltd.

In October 2023, Zhuzhou CRRC Times Semiconductor Co., Ltd. ("CRRC Times Semiconductor") carried out an abnormal on-site disposal drill of the wastewater system in the pure water station of the fourth line plant services, with the aim of enhancing the emergency response speed and on-site handling ability of the relevant personnel, effectively safeguarding the health and safety of the employees, and preventing the occurrence of environmentally hazardous events. In the course of the drill, there were problems such as no clear division of labor among the participants, defects in the timeliness of the recovery system, and lack of smooth communication between groups. The conductor provided detailed guidance and corrections to the training problems. After this drill, we improved the emergency response speed and on-site handling ability of pure wastewater personnel, and made them familiar with the emergency response command process. It ensures that we can protect the staff's life and safety, restore the system and ensure the production in the first time when we encounter the same situation in the future.





Case: Emergency rescue drill for chemical leakage in the laboratory of the automobile division

In order for our employees to better understand the work and functions undertaken in the process of emergency disposal, and to help them enhance the awareness of emergency management of chemical leakage, Times Electric has continuously improved the emergency rescue ability and comprehensive quality of the emergency response of the employees through a number of regular drills. The drill improved the correct use of emergency rescue equipment and practical ability of the staff, so that we can find and transfer the injured for treatment in the first time, report to the leadership and call the first aid phone in time.

In June 2023, Hunan CRRC Electric Drive Automotive Division carried out an emergency rescue drill for chemical leakage in the laboratory. The drill planned the drill program in advance, determined the focus of the drill, and strengthened the emergency rescue ability of employees.



Times Electric attaches great importance to the management of occupational disease prevention and control, and constantly improves and strengthens the management system of occupational disease prevention and control to protect the health and safety of employees. In August 2023, Times Electric revised and released Occupational Disease Prevention and Control Management Measures to ensure that it is in line with the latest regulatory requirements and industry standards. Our initiatives such as updating cited documents and supplementing construction industry related regulations help to improve the relevance and effectiveness of our management.

Times Electric has strengthened the identification and preventive control of occupational disease hazards, identified and resolved possible occupational disease hazards in a timely manner through regular inspections and assessments, and taken effective measures to prevent and control them. Our company has formulated a template for the notification of occupational hazards, clearly informing employees of the occupational disease hazards that they may be exposed to at work, as well as the corresponding protective measures and personal protective measures. We have also established an occupational hazards bulletin board to regularly publish information related to the prevention and control of occupational diseases, including hazardous factors, protective measures, work safety precautions, etc., so as to raise employees' awareness of and attention to the prevention and control of occupational diseases.

From May to July 2023, our company carried out occupational health checkups for the personnel who received the hazards with Zhuzhou Labor Health Occupational Disease Prevention and Control Center, and carried out annual health checkups for the trade union members with the Central Hospital in October, with a total of 589 persons participating in occupational health checkups.



Build safety culture

Times Electric attaches great importance to work safety and strengthens employees' safety awareness through various activities and initiatives to prevent accidents and safeguard their lives and properties.



Case: Times Electric held an incentive program for reporting hidden accident hazards

Our company has planned and released a program of rewarding the staff for reporting hidden dangers, which has been fully implemented as an annual key work, and has been publicized and studied in the safety committee, striving to form a corporate safety culture of "active management, full participation, teamwork mutual assistance and continuous improvement". Our OA hidden danger platform is available for employees to report hidden accidents and supervise the implementation of closed-loop rectification, and there is an account of hidden accidents, with a total of 3,937 hidden accidents reported throughout the year.

Case: Times Electric safety month activities

We actively organized safety month activities, including forklift skills competition, emergency skills competition contest, and video and news promotion for the activities.

Case: Times Electric actively organizes communication training to rectify hidden safety problems

Safety committee of our company to share and exchange knowledge related to the identification and prevention of explosive dust, organizing relevant safety management personnel to learn from the experience of dust management in brother units, organizing safety management personnel to focus on learning the contents of Order No. 10 Explosive Dust. For crowded places fire and explosion prevention, limited space operations, special operations, outsourcing projects, dust and explosion-related places, to carry out the era of electrical irregularities and violations of special rectification action, monthly statistics of hidden problems and hidden problems rectification list. Among them, a total of 102 hidden problems were identified in May, all rectified and closed the loop, reported 4 typical problems to Zhuzhou Emergency Management Bureau.



Case: Times Electric organization occupational health training and promotion

According to the annual occupational health and safety training plan of Times Electric, our company organized the first person in charge, occupational health management personnel totaling 15 people to participate in the retraining and obtaining certificates organized by Zhuzhou Municipal Health and Safety Commission, and all of them obtained the certificates successfully. During the occupational disease prevention and control law publicity week, we organized training on occupational diseases and occupational hazards protection for personnel exposed to hazardous factors and operators in important positions, and made publicity panels for occupational disease prevention and control law publicity week themed activities.

In April 2023, we organized a series of safety and cultural activities on prevention and control of occupational diseases, participated in the 2023 Occupational Health Work Conference of Zhuzhou City, recommended 4 employees to participate in the selection of "CRRC Healthy Person", and 2 employees won the honor of "CRRC Occupational Healthy Person", and participated in the healthy enterprise training conference in July.

Join Hands to Create a Better Future

06

Based on people-oriented and from the heart, Times Electric creates value for all stakeholders while giving back to the society with sincere efforts and actively participates in various public welfare and charity actions. We organize voluntary activities, focus on education and assistance, build quality communities, bear the responsibility of livelihood development, and strive to create a harmonious society.

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Contribute to Community Building

Adhering to the idea of "team-oriented, individual supplemented, service enterprises, radiating society", in 2023, Times Electric took the 24th "Youth Volunteer Service Day" as an opportunity to organize more than 10 Lei Feng Spirit learning activities, and planned and carried out thematic practical activities in the areas of operation assistance, education assistance, public welfare and environmental protection. More than 20 hands-on activities have been carried out, with more than 200 hours of volunteer service, covering more than 400 people.



In promoting fair education, our company relies on the "Yuexing" Volunteer Association, which continuously operates the three platforms of corporate services, social welfare and education assistance, and promotes volunteer services on a regular basis. Jointly with Yanling County Committee and Yanling County "Yupian" Volunteer Association, we carried out school aid activities in Xianping Village, Longxi Township, Yanling County, to publicize our company's culture and show our social responsibility.

In terms of caring for the health of community residents, our company organized and planned more than 4 blood donation sessions throughout the year of 2023, with over 200 successful blood donations, and won the Zhuzhou Advanced Unit of Blood Donation and the Love Unit of Blood Donation for Learning from Lei Feng, so as to make the red ribbons of the transmission of life glittering.

In strengthening environmental protection, Times Electric actively responds to the "carbon peaking and carbon neutrality" strategy, focuses on enhancing the awareness of young employees to save resources and protect the environment, and organization of the Youth League at all levels actively carries out public welfare activities such as tree planting, low-carbon travel, waste utilization, etc., and further integrates the concept of green, low-carbon and environmental protection into the development of markets, product research and development, manufacturing and other aspects of the market. Our company carried out a public welfare tree-planting activity "Sowing Green Spring, Lighting Double Carbon Future"; and our subsidiary, CRRC Times Semiconductor, carried out a greening maintenance activity "Green Factory, Growing Resources".

Ningbo CRRC Times Transducer Technology Co., Ltd, a subsidiary company of Times Electric, carried out a series of activities to clean up the dirt in the pool of the factory and publicize the awareness of environmental protection.



Environmental Philanthropy

Times Electric PV products have been applied to rural roof photovoltaic power generation projects in Yunnan, Jiangsu and Zhejiang regions, providing "green power" for rural revitalization and helping the masses to obtain "sunshine income".

Times Electric also carries out green deposit projects related to solar power generation, based on Guidelines for Measuring Energy Saving and Emission Reduction of Green Credit Projects (Annex 3 of China Banking and Insurance Regulatory Commission Letter (2020) No. 739) and the green project environmental benefit measurement developed by third-party assessment and certification organizations. One green industry project supported by this green deposit can achieve an annual reduction of 59,500 tons of carbon dioxide emissions after operation, of which, according to the ratio of the balance of this green deposit to the total investment of the project, the annual carbon emission reduction benefit driven by the green industry project supported by this green deposit is a carbon dioxide emission reduction of 10,500 tons.



Conclusion

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Outlook

In 2024, Times Electric will unite the hearts of all people, pool their strengths and wisdom, and use ESG practices to add strength to the grand blueprint of high-quality development.

We will continue to improve the ESG governance structure and enhance quality and efficiency at all levels of decision-making, management, execution and operation; and hammer out high quality party spirit and work standards, style, competence, processes and teamwork, internal and external synergies.

We will fully fulfill our duties and obligations as a listed company and strengthen our communication with our shareholders, customers, employees, suppliers, the public and other stakeholders, so as to form a good ecology of mutual benefit and win-win situation and harmonious development.

We will continue to strengthen ecological environment management, actively explore and practice the harmonious integration mode of ecological protection and industrial development, and promote green and low-carbon development to achieve new results.

We will strengthen the physical and mental health care for employees, effectively protect the rights and interests of employees, and improve the remuneration system, so as to unite the enthusiasm, initiative and creativity of all employees in their work and performance of their duties.

We will enhance our responsibility, participate more actively in public welfare undertakings, drive the development of the industry, enhance the well-being of people's livelihood, and bring the care and warmth of our employees to all walks of life.

In the future, we will continue to grasp the main line of high-quality and high-efficiency development, with the goal of accelerating the construction of world-class professional leading demonstration enterprises and the creation of science and technology reform demonstration enterprises, and grasp the opportunities of the "intelligent" and "carbon peaking and carbon neutrality" strategy, and continue to write a new chapter of the era of Times Electric ESG, with the digital electric as the traction.



ESG Key Performance

Environmental key performance table

| Name of key performance indicator | Indicator unit | Statistics | | |
|--|---|------------|---------|---------|
| | | In 2021 | In 2022 | In 2023 |
| Municipal water purchases | 10,000 cubic meters | 172 | 175 | 237 |
| Purchased electricity | 10,000 kilowatt-hour | 14910 | 17168 | 20364 |
| Electricity consumption per capita | Kilowatt-hour | 19281 | 21476 | 24289 |
| Natural gas | 10,000 cubic meters | 231 | 251 | 246 |
| Natural gas usage per capita | Cubic meter | 298.72 | 313.99 | 293 |
| Comprehensive energy consumption | Tons of standard coal | 21472 | 24733 | 28507 |
| Comprehensive energy consumption of 10,000 yuan output value | Tons of standard coal/10,000 tons of production value | 0.013 | 0.013 | 0.013 |
| Total greenhouse gas emissions | Tons of carbon dioxide equivalent | 97321 | 111668 | 131738 |
| Scope 1 | Tons of carbon dioxide equivalent | 10696 | 13368 | 15602 |
| Scope 2 | Tons of carbon dioxide equivalent | 86625 | 98300 | 116136 |
| Greenhouse gas emission intensity | Tons of carbon dioxide equivalent/10,000 tons of production value | 0.0644 | 0.0619 | 0.0604 |

| Name of key performance indicator | Indicator unit | Statistics | | |
|-----------------------------------|----------------|---------------|---------------|---------------|
| | | In 2021 | In 2022 | In 2023 |
| Total waste gas emissions | Cubic meter | 2893250200.00 | 2929455131.95 | 3433954766.08 |
| Total wastewater discharge | Ton | 843000 | 982100 | 1287300 |
| Total recyclable waste | Ton | 434.13 | 610.43 | 672.15 |
| Total general solid waste | Ton | 2056.08 | 2743.17 | 3646.80 |
| Total hazardous waste | Ton | 672.05 | 1220.24 | 1666.71 |
| Total packaging consumables used | Ton | 7383.39 | 7588.43 | 7445.91 |

Times Electric has conducted GHG accounting for Times Electric (including its wholly owned subsidiaries, holding companies and branches) in accordance with ISO 14064:2018.

1. Scope 1 includes emissions from fossil fuel combustion of natural gas and gasoline, fugitive emissions from septic tanks, refrigerants, etc., and emissions from semiconductor production processes; scope 2 refers to emissions from purchased electricity (the statistical caliber does not include overseas entities).

2. The calorific value of fossil fuels in Scope 1 is derived from GB/T 2589-2020, and the emission factors are derived from IPCC2006 and IPCC2021; the emission factors of electricity in Scope 2 are derived from Notice on the Priority Work Related to the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Industry in 2023-2025 by the Ministry of Ecology and Environment of China (Environmental Office Climate Letter [2023] No. 43).

3. In accordance with the ISO 14064:2018 standard, the greenhouse gas emission data for 2021 and 2022 have been recalculated, in which the electricity emission factor for Scope 2 in 2021 is derived from Ministry of Ecological Environment Notice on Doing a Good Job of the Key Tasks Related to the Management of Enterprise Reporting on Greenhouse Gas Emissions in 2022 (Environmental Office Climate Letter [2022] No. 111).

 Social key performance table

| Name of key performance indicator | Indicator unit | Statistics | | |
|-----------------------------------|----------------------------|------------|---------|---------|
| | | In 2021 | In 2022 | In 2023 |
| Total number of employees | Person | 7733 | 7994 | 8384 |
| By gender | Male | 5929 | 6217 | 6598 |
| | Female | 1804 | 1777 | 1786 |
| By age | 51 and above | 502 | 520 | 529 |
| | 41-50 | 1340 | 1467 | 1699 |
| | 31-40 | 4339 | 4399 | 4335 |
| | Under 30 | 1552 | 1608 | 1821 |
| By education | Dr. & Prof. | 124 | 122 | 125 |
| | Master | 1396 | 1554 | 1843 |
| | Undergraduate | 4721 | 4900 | 5085 |
| | Junior college | 925 | 892 | 857 |
| | Below junior college level | 567 | 526 | 474 |

| Name of key performance indicator | | Indicator unit | Statistics | | |
|--------------------------------------|---|----------------|------------|---------|---------|
| | | | In 2021 | In 2022 | In 2023 |
| By type of employee | Total number of grassroots employees | Person | 6847 | 7233 | 7593 |
| | Total number of employees at middle management | Person | 695 | 575 | 602 |
| | Number of female employees in middle management | Person | 120 | 71 | 68 |
| | Total number of employees in senior management | Person | 191 | 186 | 189 |
| | Number of female employees in senior management | Person | 14 | 14 | 14 |
| By employee professional composition | R&D staff | Person | 4371 | 4582 | 4658 |
| | Production staff | Person | 1484 | 1443 | 1540 |
| | Sales staff | Person | 452 | 529 | 510 |
| | Technical staff | Person | 4371 | 4582 | 4658 |
| | Finance staff | Person | 0 | 0 | 0 |
| | Administrative staff | Person | 242 | 253 | 314 |
| | Service staff | Person | 1184 | 1187 | 1362 |
| | Other | Person | 0 | 0 | 0 |
| Total number of departed employees | | Person | 349 | 328 | 290 |
| Employee turnover rate | | Person | 4.50 | 4.10 | 3.50 |
| By gender | Number of departed male employees | Person | 310 | 310 | 265 |
| | Number of departed female employees | Person | 39 | 27 | 25 |

| Name of key performance indicator | | Indicator unit | Statistics | | |
|-----------------------------------|--|----------------|------------|---------|---------|
| | | | In 2021 | In 2022 | In 2023 |
| By age | Number of departed employees aged 51 and above | Person | 3 | 2 | 8 |
| | Number of departed employees aged 41-50 | Person | 29 | 12 | 35 |
| | Number of departed employees aged 31-40 | Person | 153 | 147 | 122 |
| | Number of departed employees aged below 30 | Person | 164 | 167 | 125 |
| | Total number of employees trained | | Person | 7733 | 7994 |
| By gender | Number of male employees trained | Person | 5929 | 6217 | 6598 |
| | Number of female employees trained | Person | 1804 | 1777 | 1786 |
| By type of employee | Number of grassroots employees trained | Person | 6847 | 7233 | 7593 |
| | Number of middle management employees trained | Person | 695 | 575 | 602 |
| | Number of senior management employees trained | Person | 191 | 186 | 189 |

| Name of key performance indicator | | Indicator unit | Statistics | | |
|---|---|----------------|------------|---------|----------|
| | | | In 2021 | In 2022 | In 2023 |
| Total hours of employee training | | Hour | 278388 | 303772 | 335360 |
| Average hours of employee training | | Hour | 36 | 38 | 40 |
| By gender | Total hours of training received by male employees | Hour | 213444 | 236246 | 263920 |
| | Total hours of training received by female employees | Hour | 64944 | 67526 | 71440 |
| By type of employee | Total hours of training received by grassroots employees | Hour | 246492 | 274854 | 303720 |
| | Total hours of training received by middle management employees | Hour | 25020 | 21850 | 24080 |
| | Total hours of training received by senior management employees | Hour | 6876 | 7068 | 7560 |
| Percentage of employees receiving regular performance and career development appraisals | | % | 100 | 100 | 100 |
| Investment in vocational training | | Yuan | 8660000 | 9680000 | 10480000 |

| Name of key performance indicator | | Indicator unit | Statistics | | |
|---|---|----------------|------------|---------|---------|
| | | | In 2021 | In 2022 | In 2023 |
| Total number of suppliers | | Company | 882 | 1015 | 1170 |
| Percentage of suppliers signing up to a supplier code of conduct | | % | 79 | 78 | 79 |
| Percentage of suppliers signing clauses that include environmental and labor requirements | | % | 79 | 78 | 79 |
| Total number of new suppliers | | Company | 143 | 133 | 155 |
| Employee health and safety | Number of working days lost due to work injury Note: Number of days of absence from work due to work-related injuries | Day | 0 | 0 | 0 |
| | Number of employees who died as a result of work-related deaths (note: if the total number of employees who died as a result of work-related deaths is not zero, the cause of death must be stated) | Person | 0 | 0 | 0 |
| | Number of employees attending medical checkups for occupational diseases | Person | 1008 | 1200 | 1125 |
| | Number of employees attending medical checkups for occupational diseases | Person | 1008 | 1200 | 1125 |
| | Number of employees suffering from occupational diseases | Person | 0 | 0 | 0 |

| Name of key performance indicator | | Indicator unit | Statistics | | |
|--|-------------------------------------|-------------------|------------|---------|---------|
| | | | In 2021 | In 2022 | In 2023 |
| Security incidents and personnel (note: applicable to companies with production sites) | Number of employees injured at work | Person | 0 | 0 | 0 |
| | Number of work-related accidents | Accident | 0 | 0 | 0 |
| | Number of occupational diseases | Person | 0 | 0 | 0 |
| | Number of work-related fatalities | Accident | 0 | 0 | 0 |
| | Number of work-related fatalities | Person | 0 | 0 | 0 |
| | Million man-hours mortality rate | % | 0 | 0 | 0 |
| | Total health and safety inputs | 10,000 yuan (RMB) | 3434 | 4691 | 4939 |
| Work safety training performance | Number of people trained in safety | Person | 11030 | 13996 | 14256 |
| | Hours of safety training | Yuan | 88240 | 111968 | 114048 |
| | Safety training coverage | % | 100 | 100 | 100 |
| Number of complaints received about products and services | | Piece | 3 | 4 | 3 |
| Complaints handling rate | | % | 100 | 100 | 100 |
| Qualified rate of product sampling | | % | / | / | 100 |
| Number of product recalls | | Piece | 0 | 0 | 0 |
| Percentage of sold or shipped products subject to recall due to safety concerns | | % | 0 | 0 | 0 |
| Scope of business covered by quality management system certification | | % | 100 | 100 | 100 |
| Customer satisfaction | | % | 92.40 | 92.50 | 93.10 |

Governance key performance table

| Name of key performance indicator | | Indicator unit | Statistics | | |
|---|---|------------------------|------------|---------|---------|
| | | | In 2021 | In 2022 | In 2023 |
| Number of shareholders meetings held | | Time | 2 | 4 | 3 |
| Number of board of directors meetings | | Time | 10 | 9 | 9 |
| Number of supervisory board meetings | | Time | 10 | 7 | 7 |
| Number of strategy and ESG committee meetings | | Time | 1 | 2 | 2 |
| Number of audit committee meetings | | Time | 6 | 5 | 5 |
| Number of risk control committee meetings | | Time | 2 | 1 | 2 |
| Number of remuneration committee meetings | | Time | 2 | 3 | 3 |
| Number of nomination committee meetings | | Time | 3 | 3 | 3 |
| Number of members of the board of directors | | Person | 10 | 11 | 8 |
| Disclosure by gender | Male director | Person | 9 | 10 | 8 |
| | Female director | Person | 1 | 1 | 0 |
| Disclosure by type | Independent director | Person | 5 | 6 | 4 |
| | Non-independent director | Person | 5 | 5 | 4 |
| Economic indicator | Revenue | 100 million yuan (RMB) | 151.21 | 180.34 | 217.99 |
| | Net profit attributable to the parent company | 100 million yuan (RMB) | 20.18 | 25.56 | 31.06 |
| | Cash dividends per 10 shares | yuan (RMB) | 9 | 5.5 | 7.8 |

Index Table of Reporting Criteria

Index of GRI sustainability reporting criteria indicators

Table: Index of GRI Sustainability Reporting Standard Indicators

Usage Note: Times Electric reported the information cited in this GRI Content Index from January 2023 through December 2023 by reference to the GRI Standard.

GRI 1 Used: GRI 1: Foundation 2021

| GRI Standard Number | GRI Standard Content | Chapter | Pages |
|---|---|-----------------------------|-------|
| GRI2: General Disclosure | | | |
| Organization and its reporting practices | | | |
| 2-1 | Organization details | Report Introduction | 3 |
| 2-2 | Entities included in the organization's sustainability reporting | Report Introduction | 3 |
| 2-3 | Reporting period, frequency and contact point | Report Introduction | 3-4 |
| Activities and workers | | | |
| 2-6 | Activities, value chain and other business relationships | About Times Electric | 7-16 |
| 2-7 | Employees | Optimize Talent Management | 81 |
| Governance | | | |
| 2-9 | Governance structure and composition | ESG Management | 23-24 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Board ESG Statement | 23 |
| 2-14 | Role of the highest governance body in sustainability reporting | Board ESG Statement | 23 |
| 2-16 | Communication of critical concerns | Stable Operation Management | 29-33 |
| 2-17 | Collective knowledge of the highestgovernance body | ESG Management | 23-24 |

| GRI Standard Number | GRI Standard Content | Chapter | Pages |
|---|--|------------------------------------|-------|
| Organization and its reporting practices | | | |
| 2-22 | Statement on sustainable development strategy | ESG Management | 13 |
| 2-27 | Compliance with laws and regulations | Substantiate Compliance Management | 34-39 |
| GRI 3: Material Topics 2021 | | | |
| 3-1 | Process to determine material topics | ESG Issue Identification | 26-27 |
| 3-2 | List of material topics | ESG Issue Identification | 28 |
| 3-3 | Management of material topics | ESG Issue Identification | 26-27 |
| GRI 203: Indirect Economic Impacts 2016 | | | |
| 203-1 | Infrastructure investment and services supported | Topic: Product Innovation R&D | 43-49 |
| GRI 205: Anti-corruption 2016 | | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Substantiate Compliance Management | 35-38 |
| GRI 207: Tax 2019 | | | |
| 207-1 | Approach to tax | Substantiate Compliance Management | 39 |
| 207-2 | Tax governance, control and risk management | Substantiate Compliance Management | 39 |
| GRI 302: Energy 2016 | | | |
| 302-1 | Energy consumption outside of the organization | Promote Energy Management | 66-67 |
| 302-4 | Reduction of energy consumption | Promote Energy Management | 66-67 |
| 302-5 | Reductions in energy requirements of products and services | Promote Energy Management | 66-67 |

| GRI Standard Number | GRI Standard Content | Chapter | Pages |
|---|---|---|---------|
| GRI 303: Water and Effluents 2018 | | | |
| 303-4 | Water discharge | ESG Key Performance | 111 |
| 303-5 | Water consumption | ESG Key Performance | 110 |
| GRI 305: Emissions 2016 | | | |
| 305-1 | Direct (Scope 1) GHG emissions | ESG Key Performance | 110 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | ESG Key Performance | 110 |
| 305-4 | GHG emissions intensity | ESG Key Performance | 110 |
| GRI 306: Waste 2020 | | | |
| 306-1 | Waste generation and significant waste-related impacts | Enhance Pollution Prevention and Control Capabilities | 78 |
| 306-2 | Management of significant impacts waste-related impacts | Enhance Pollution Prevention and Control Capabilities | 78 |
| 306-3 | Waste generated | Enhance Pollution Prevention and Control Capabilities | 78 |
| GRI 401: Employment 2016 | | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or parttime employees | Improve Compensation and Benefits | 84 |
| RI 403: Occupational Health and Safety 2018 | | | |
| 403-1 | Occupational health and safety management system | Guard Health and Safety | 95-97 |
| 403-5 | Worker training on occupational health and safety | Guard Health and Safety | 98 |
| 403-6 | Promotion of worker health | Guard Health and Safety | 99 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Guard Health and Safety | 100-102 |
| 403-8 | Workers covered by an occupational health and safety management system | Guard Health and Safety | 97 |
| 403-9 | Work-related injuries | ESG Key Performance | 116 |

| GRI Standard Number | GRI Standard Content | Chapter | Pages |
|---|--|----------------------------------|---------|
| GRI 404: Training and Education 2016 | | | |
| 404-1 | Average hours of training per year per employee | ESG Key Performance | 114-115 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | EValue Employee Training | 87 |
| GRI 405: Diversity and Equal Opportunity 2016 | | | |
| 405-1 | Diversity of governance bodies and employees | Optimize Talent Management | 81-82 |
| GRI 413: Local Communities 2016 | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Contribute to Community Building | 105 |
| GRI 416: Customer Health and Safety 2016 | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Create Reliable Assurance | 49-51 |
| GRI 417: Marketing and Labeling 2016 | | | |
| 417-1 | Requirements for product and service information and labeling | Promote Digitization | 57-58 |
| 417-3 | Incidents of non-compliance concerning marketing communications | Promote Digitization | 57-58 |

Content index of Guidelines on Environmental, Social and Governance Reporting of the Stock Exchange of Hong Kong

| Main scope, dimensions, key performance indicators | Indicator description | Chapter | Pages | |
|--|--|--|---|---------|
| RI 403: Occupational Health and Safety 2018 | | | | |
| Level A1: Emissions | <p>Emissions of gases and greenhouse gases, discharges to water and land, and generation of hazardous and non-hazardous waste:</p> <p>(a) policies; and</p> <p>(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p>Note: Exhaust emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous waste is defined by national regulations.</p> | <p>Response to Climate Change</p> <p>Enhance Pollution Prevention and Control Capabilities</p> | 68-78 | |
| | Key performance indicator A1.1 | Emission types and related emission data. | <p>Enhance Pollution Prevention and Control Capabilities</p> <p>ESG Key Performance</p> | 78, 111 |
| | Key performance indicator A1.2 | Total direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, if applicable, intensity (e.g., per unit of production, per facility). | Response to Climate Change | 72 |
| | Key performance indicator A1.3 | Total amount of hazardous waste generated (in tons) and, if applicable, density (e.g., per production unit, per facility). | <p>Enhance Pollution Prevention and Control Capabilities</p> <p>ESG Key Performance</p> | 78, 111 |
| | Key performance indicator A1.4 | Total amount of non-hazardous waste generated (in tons) and, if applicable, density (e.g., per unit of production, per facility). | <p>Enhance Pollution Prevention and Control Capabilities</p> <p>ESG Key Performance</p> | 78, 111 |
| | Key performance indicator A1.5 | Describe the emission targets established and the steps taken to achieve them. | Enhance Pollution Prevention and Control Capabilities | 78 |
| | Key performance indicator A1.6 | Describe the methods used to deal with hazardous and non-hazardous wastes, and describe the waste reduction targets set and the steps taken to achieve them. | Enhance Pollution Prevention and Control Capabilities | 78 |

| Main scope, dimensions, key performance indicators | Indicator description | Chapter | Pages | |
|--|--|---|--|------------|
| Level A2: Resource utilization | <p>Policies for the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.</p> | Promote Energy Management | 66-67 | |
| | Key performance indicator A2.1 | Total direct and/or indirect energy (e.g., electricity, gas, or oil) consumption (in thousands of kilowatt-hours) and intensity (e.g., per production unit, per facility) by type. | <p>Promote Energy Management</p> <p>ESG Key Performance</p> | 66-67, 110 |
| | Key performance indicator A2.2 | Total water consumption and density (e.g., per production unit, per facility). | <p>Promote Energy Management</p> <p>ESG Key Performance</p> | 66-67, 110 |
| | Key performance indicator A2.3 | Describe the energy efficiency goals established and the steps taken to achieve them. | Promote Energy Management | 66-67 |
| | Key performance indicator A2.4 | Describe any problems that may exist in obtaining suitable water sources, as well as the water efficiency goals that have been established and the steps that have been taken to achieve these goals. | Promote Energy Management | 66-67 |
| | Key performance indicator A2.5 | Total amount of packaging materials used in finished products (in tons) and, if applicable, per unit of production. | Constant Green Operation | 64-65, 111 |
| Level A3: Environment and natural resources | <p>Policies to minimize the issuer's significant impact on the environment and natural resources.</p> | <p>Perfect EHS Management</p> <p>Meliorate Environmental Protection Governance</p> | 63-64 | |
| | Key performance indicator A3.1 | Describe the significant impacts of the business activities on the environment and natural resources and the actions that have been taken to manage the impacts. | <p>Perfect EHS Management</p> <p>Improve Environmental Management</p> <p>Enhance Pollution Prevention and Control Capabilities</p> | 63-64, 78 |
| Level A4: Climate change | <p>Policies for recognizing and responding to significant climate-related matters that have had and may have an impact on the issuer.</p> | Response to Climate Change | 68-78 | |
| | Key performance indicator A4.1 | Describe the significant climate-related matters that have had and may have an impact on the issuer, and the actions taken in response. | Response to Climate Change | 68-78 |

| Main scope, dimensions, key performance indicators | | Indicator description | Chapter | Pages |
|--|--------------------------------|--|---|------------|
| Main scope B-Social | | | | |
| Employment and labor practices | | | | |
| Level B1: Employment | General disclosure | Those relating to pay and termination, recruitment and promotion, working hours, vacation, equal opportunities, diversity, anti-discrimination and other treatment and benefits: (a) Policies; and (b) Information on compliance with relevant laws and regulations that materially affect the issuer. | Optimize Talent Management Multiple Talent Recruitment | 81-83 |
| | Key performance indicator B1.1 | Total number of employees by gender, type of employment (e.g. full-time or part-time), age group and region. | Optimize Talent Management ESG Key Performance | 81-82, 112 |
| | Key performance indicator B1.2 | Employee turnover rate by gender, age group and region. | Optimize Talent Management ESG Key Performance | 81-82, 113 |
| Level B2: Health and safety | General disclosure | Those relating to the provision of a safe working environment and the protection of employees against occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that materially affect the issuer. | Perfect EHS Management Guard Health and Safety | 95-102 |
| | Key performance indicator B2.1 | Number and rate of work-related deaths in each of the past three years, including the reporting year. | ESG Key Performance | 116 |
| | Key performance indicator B2.2 | Number of working days lost due to work-related injuries. | ESG Key Performance | 116 |
| | Key performance indicator B2.3 | Describe the occupational health and safety measures adopted and the related implementation and monitoring methods. | Guard Health and Safety | 95-102 |
| Level B3: Development and training | General disclosure | Policies regarding the enhancement of employees' knowledge and skills to perform their job duties. Describe training activities. Note: Training refers to vocational training and may include internal and external courses paid for by the employer. | Value Employee Training | 85-90 |
| | Key performance indicator B3.1 | Percentage of employees trained by gender and employee category (e.g., senior management, middle management). | Value Employee Training ESG Key Performance | 85-90, 115 |
| | Key performance indicator B3.2 | Average number of hours of training completed per employee, by gender and employee category. | Value Employee Training ESG Key Performance | 85-90, 115 |

| Main scope, dimensions, key performance indicators | | Indicator description | Chapter | Pages |
|--|--|--|---|-----------|
| Level B4: Labor guidelines | General disclosure | Those relating to the prevention of child or forced labor: (a) Policies; and (b) Information on compliance with relevant laws and regulations that materially affect the issuer. | Optimize Talent Management | 81-82 |
| | Key performance indicator B4.1 | Describe measures to review recruitment practices to avoid child and forced labor. | Optimize Talent Management Multiple Talent Recruitment | 81-82 |
| | Key performance indicator B4.2 | Describe the steps taken to eliminate the situation when a violation is detected. | Optimize Talent Management Multiple Talent Recruitment | 81-82 |
| Employment and labor practices | | | | |
| Level B5: Supply chain management | General disclosure | Environmental and social risk policy for managing the supply chain. | Substantiate Compliance Management Create Reliable Assurance | 38, 52-54 |
| | Key performance indicator B5.1 | Number of suppliers by region. | ESG Key Performance | 116 |
| | Key performance indicator B5.2 | Describe the practices regarding the engagement of suppliers, the number of suppliers to whom the practices are applied, and the related implementation and monitoring methods. | Substantiate Compliance Management | 38 |
| | Key performance indicator B5.3 | Describe practices for identifying environmental and social risks at each stage of the supply chain, and related implementation and monitoring methods. | Substantiate Compliance Management | 38 |
| Level B6: Product liability | Key performance indicator B5.4 | Describe practices for promoting the use of environmentally preferable products and services when selecting suppliers, and related implementation and monitoring methods. | Create Reliable Assurance | 52-54 |
| | General disclosure | For health and safety, advertising, labeling and privacy matters and remedies regarding products and services offered: (a) Policies; and (b) Information on compliance with relevant laws and regulations that materially affect the issuer. | Create Reliable Assurance | 49-51 |
| | 关键绩效指标B6.1 Key performance indicator B6.1 | Percentage of total products sold or shipped that are subject to recall for safety and health reasons. | ESG Key Performance | 117 |
| Level B6: Product liability | Key performance indicator B6.2 | Number of complaints received about products and services and how they are responded to. | Create Reliable Assurance | 54-55 |
| | Key performance indicator B6.3 | Describe practices related to the preservation and protection of intellectual property rights. | R&D Drives Transformation | 56-57 |

| Main scope, dimensions, key performance indicators | | Indicator description | Chapter | Pages |
|--|--------------------------------|---|------------------------------------|-------|
| | Key performance indicator B6.4 | ADescribe the quality assurance process and product recall procedures. | Create Reliable Assurance | 49-51 |
| | Key performance indicator B6.5 | Describe the consumer data protection and privacy policy, and related enforcement and monitoring methods. | Create Reliable Assurance | 54-56 |
| Level B7: Anti-corruption | General disclosure | Those relating to the prevention of bribery, extortion, fraud and money-laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that materially affect the issuer. | Substantiate Compliance Management | 35-38 |
| | Key performance indicator B7.1 | The number of corruption cases filed and concluded against the issuer or its employees during the reporting period and the outcome of such cases. | Substantiate Compliance Management | 34-35 |
| | Key performance indicator B7.2 | Describe the preventive measures and reporting procedures, as well as the related enforcement and monitoring methods. | Substantiate Compliance Management | 35-38 |
| | Key performance indicator B7.3 | Describe the anti-corruption training provided to directors and employees. | Substantiate Compliance Management | 36-37 |
| | Community | | | |
| Level B8: Community investment | General disclosure | Policies on community involvement to understand the needs of the communities in which it operates and to ensure that its operations take into account the interests of the community. | Contribute to Community Building | 105 |
| | Key performance indicator B8.1 | Focus on the area of contribution (e.g., education, environmental issues, labor needs, health, culture, sports). | Contribute to Community Building | 105 |
| | Key performance indicator B8.2 | Resources (e.g., money or time) used in the area of concentration. | Contribute to Community Building | 105 |



Suggestions & Feedback

Dear Reader:

Thank you very much for reading 2023 Social Responsibility and Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. In order to provide you and other stakeholders with more valuable information and promote our company's ability and level of ESG management, we sincerely welcome your comments and suggestions on the report.

Feedback Questionnaire

Which of the following categories of stakeholders are you?

- Government
 Regulators
 Shareholders and investors
 Customers
 Suppliers and partners
 Employee
 Community Public
 NGO
 Other

Do you think the report provides complete coverage of your expectations of our company?

- Yes
 No, what else would you like to see reflected in it?

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

- High
 Relatively high
 Average
 Low
 Very low

Do you think that the organization and layout of the report are aesthetically pleasing and easy to read?

- High
 Relatively high
 Average
 Low
 Very low

What are your comments and suggestions on our ESG management efforts?



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