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2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

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Preface About the Report

The 2024 Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. (the "Report") is disclosed by Zhuzhou CRRC Times Electric Co., Ltd.(hereinafter referred to as "Times Electric", the "Company", or "we"). The Report aims to provide a comprehensive disclosure to stakeholders regarding the Company's principles, governance approaches, implementation measures, and achievements in ESG aspects throughout its operations.

Reporting Period

This is an annual report covering the period from January 1, 2024, to December 31, 2024. To enhance comparability and forward-looking insights, some textual content extends appropriately to previous and subsequent years.

Reporting Scope

This report discloses information covering Times Electric (hereinafter referred to as "the Company") and its controlling subsidiaries, with the exception of equity-accounted investees. Specifically, Key Performance Indicators (KPIs) under environmental, social, and governance (ESG) domains primarily encompass the Company and its controlling subsidiaries, while economic-related KPIs remain fully aligned with audited financial reporting standards as presented in the Annual Report.

Basis of Preparation

The Report is prepared with reference to the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEX"), the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) released by the Shanghai Stock Exchange (the "SSE"), the Sustainability Reporting Standards (the "GRI Standards") issued by the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (the "SDGs"), the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and the IFRS S2 Climate-related Disclosures ("IFRS S2") issued by the International Sustainability Standards Board (the "ISSB"), and the Key Focus Areas of MSCI ESG Ratings, etc.

Data Sources

The textual information and quantitative data disclosed in the Report are from the 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 the Company's annual report, the annual report shall prevail.

Reporting Principles

This report is prepared in accordance with the four fundamental reporting principles outlined in the HKEX ESG Reporting Guide: Materiality, Quantitative, Balance, and Consistency, as well as the "Mandatory Disclosure" and "Comply or Explain" provisions. Times Electric affirms that the Report contains no false statements or misleading descriptions and is responsible for the authenticity, accuracy, and completeness of its contents.

- \bigcirc focus on disclosing and responding to highly material issues. \bigcirc methodology, basis, and scope.
- \bigcirc informed reviews.
- \bigcirc of ESG data over time. If there are changes in statistical scope, explanatory notes will be provided in the Report.

Report Access

The Report is available in Simplified Chinese, Traditional Chinese, and English. You can download and read the PDF version on the Company's official website (www.tec.crrczic.cc) to access more information about its environmental, social and corporate governance. In case of discrepancies between the English and the Chinese versions, the Simplified Chinese version shall prevail.

Feedback

If you have any questions or feedback regarding the Report and its contents, please feel free to contact us through the following methods: Office Address: No.169 Times Road, Shifeng District, Zhuzhou, Hunan, People's Republic of China Email: ir@csrzic.com

Materiality: The Company conducts annual stakeholder engagement and materiality assessments to identify significant ESG issues, with a

Quantitative: The Report adopts quantitative methods to measure applicable key performance indicators and discloses the measurement

Balance: The Report provides a transparent and objective account of the Company's ESG performance, enabling stakeholders to make

Consistency: Unless otherwise specified, the Report maintains consistency in statistical methods with previous years to ensure comparability

Message from the General Manager

Distinguished Stakeholders,

As time moves forward, so does our journey. Times Electric remains steadfast in its mission of "Connect the World, Benefit Mankind" and its core values of "Righteousness and Integrity, Goodness and Success". We are deeply committed to sustainable development, continuously driving steady, green, innovative, and harmonious growth.

In 2024, we sharpened our focus on core businesses and promoted industrial upgrades.

The Company continues to nurture new quality productive forces, leading industrial transformation through technological innovation. We have deepened technological advancements in fields such as rail transportation and new energy. In green rail transportation, we supported the launch of Guangzhou Metro Group's green intelligent urban rail vehicle; successfully completed the on-track trial operation of China's first homegrown hydrogen-powered overhead contact line maintenance vehicle, which can reduce CO₂ emissions by more than 75 tons annually per vehicle; and officially unveiled our independently developed Train Autonomous Circumambulation System (TACS), a "smart brain" that empowers the evolution of intelligent rail transportation. In clean energy, we developed the 1+X modular centralized photovoltaic inverter, a key innovation in reducing costs and improving efficiency for ground-based power stations; completed the planning and development of an IGBT-based hydrogen production power platform, which has already been deployed in 15 projects to advance green hydrogen production; and overcame a critical industry challenge in photovoltaic inverter fault information collection, providing robust support for the stable operation of new energy equipment.

In 2024, we deepened our commitment to green development and climate action.

We reinforced environmental compliance, enhanced ecological protection, and increased investment in pollution prevention and environmental sustainability. Actively implementing the "6R1D" right-sizing packaging strategy—Right, Reduce, Return, Reuse, Recycle, Recover, and Degradable—we have optimized packaging processes to promote resource reuse. We actively address climate change by advancing low-carbon transition, strength-ened our green and sustainable supply chain, and remained dedicated to providing global customers with environmentally friendly and highly efficient products and solutions. Times Electric and Times Semiconductor were successively recognized as "National Green Factory" during 2021-2023, and Times Electric was rated as a "National Green Supply Chain Management Enterprise."

In 2024, we strengthened compliance operation and enhanced risk control.

We continued refining our ESG management framework, embedding sustainability into corporate strategy to ensure steady progress. We upheld corporate governance under the rule of law, reinforced compliance and risk control, and deepened our commitment to integrity and ethical business practices. Our multi-dimensional supervision system was further strengthened to enhance corruption risk prevention. We actively engaged with shareholders, investors, and other stakeholders, striving to maximize corporate value and shareholder interests, thereby laying a solid foundation for sustainable development. We were honored with multiple accolades, including the highest rating for information disclosure from the Shanghai Stock Exchange and the "2024 Best Practice of the Board of Directors for Listed Companies" award from the China Association for Public Companies.

In 2024, we remained committed to a people-centered, win-win approach.

We refined employee development pathways, expanded training and career advancement opportunities, fostered a culture of innovation, and reinforced workplace health and safety, earning several Best Employer awards. We upheld responsible sourcing principles, integrating sustainability into supply chain management, and hosted an annual partner exchange themed "Open and Inclusive, Win the Future with High Quality" to cultivate a sustainable, cost-efficient, and highly reliable brand-aligned supply chain. We strengthened our social contributions by supporting rural revitalization and launching diverse charitable initiatives such as the "Dandelion" and "Light of Love" programs.

Looking ahead, we will continue to improve corporate governance in accordance with laws and regulations, adhere to green development, drive industrial upgrades through innovation, and fulfill our corporate social responsibilities. Together with our global partners, we will forge a new chapter of high-quality development.



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

Preface

Robust Governance: Strengthening Corporate Foundation

Technology Innovation Leads: Lean-Perfected Excellence in Quality

Responsible Procurement: Building a Sustainable Supply Chain

About Times Electric



Zhuzhou CRRC Times Electric Co., Ltd. (Times Electric) is a joint-stock enterprise under CRRC. Originating from its predecessor and parent company, CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd. established in 1959, the Company has been at the forefront of China's electrified railway equipment industry. Times Electric was officially founded in 2005 and successfully listed on the Hong Kong Stock Exchange on December 20, 2006 (Stock Code: 3898). On September 7, 2021, the company was also listed on the Science and Technology Innovation Board (STAR Market) of the Shanghai Stock Exchange (Stock Code: 688187), making it a dual-listed ("A+H" shares) enterprise in the railway transportation equipment field.

As a global leader in railway transportation and new energy industries, Times Electric is committed to technological innovation and high-quality development. With the vision of becoming the world's preferred supplier of comprehensive electrical system solutions for transportation and energy, as well as a leading model enterprise in its field, the Company has established a complete industrial chain encompassing core components, devices & systems, and complete equipment & engineering solutions. Times Electric operates across nine key sectors, including rail transportation, new energy power generation, and power electronics, with a well-established supply and service network spanning over 20 countries and regions worldwide.

Driven by a strong commitment to independent innovation, the Company has played a key role in formulating international standards and has received numerous prestigious awards, including the China Patent Gold Award and the National Science and Technology Progress Award. It has also cultivated a top-tier technical talent team led by esteemed academicians. As a core power provider for China's high-speed rail industry, Times Electric has established a globally competitive edge in traction drive and control systems for rail transit, supporting China's Belt and Road Initiative and the "Going Global" strategy of high-end equipment.

Amidst a new wave of technological advancements and industrial transformation, Times Electric unswervingly pursues green and sustainable development. The Company has deeply integrated China's Dual Carbon (carbon peaking and carbon neutrality) goals into its business strategy, actively expanding in the new energy sector, and driving the innovation and application of green, low-carbon technologies to support global sustainability.

Throughout its growth, Times Electric has remained dedicated to fulfilling its corporate social responsibilities, safeguarding shareholder interests, strengthening its integrated industry-chain layout, enhancing self-sufficiency, and continuously improving resource efficiency and profitability. With innovation-driven, high-quality development, Times Electric provides safe, intelligent, green, and comfortable high-end equipment to the world, contributing to a more sustainable future.

Economic Performance*



* In December 2024, the Company acquired 100% equity interest in Hunan CRRC Commercial Vehicle E-Drive Technology Company Limited and included it in the scope of the consolidated financial statements. The transaction constitutes a business combination under the same control: therefore, retrospective adjustments were made to the financial data of previous periods in accordance with the relevant requirements of the Accounting Standards for Business Enterprises.

Operating Revenue Growth Rate	2024 13.42 %	²⁰²³
Net Profit Attribut- able to the Share- holders of the Parent Company	2024 37.03 RMB 100 million	²⁰²³ 30.4
Cash Dividend per 10 Shares	2024 10.00 кмв	²⁰²³
R&D Invest- ment	2024 28.42 кмв 100 million	²⁰²³ 21.8
The Propor- tion of R&D Invest- ment to Operating Revenue.	2024 11.41 %	2023 9.96

People Oriented: **Empowering Inclusive** Progress



Annual Economic Performance



Environmentally Friendly: Driving Green Development People Oriented: Empowering Inclusive Progress

Appendix

Twelve Key Principles

- On Industry: Focus, Diversification, Contribution to the Nation
- On Work: Joy, Fulfillment, Balance
- On Talent: Expertise, Commitment, Dedication
- On Reform: Progress, Boldness, Leadership
- On Marketing: Customer Focus, Integrity, Trust
- On R&D: Openness, Self-Improvement, Innovation
- On Manufacturing: Precision, Intelligence, Distinction
- On Quality: Reliability, Customer Satisfaction, Continuous Improvement
- On Safety: Prevention, Protection, Consistency
- On Service: Engagement, Efficiency, Responsiveness
- On Risk Control: Responsibility, Security, Sustainability
- On CPC Strengthening: Cultivation, Loyalty, Deep Integration



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Technology Innovation Leads: Lean-Perfected Excellence in Quality

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Milestones for 2024

Jan

January 2024

- Times Electric secured a billion-yuan contract for an urban rail intelligent operation and maintenance system.
- Times Electric supported Wuxi Metro in integrating 18 self-developed green-intelligence technologies into Line S1.
- The CRRC medium-voltage main drive system for rolling mills, developed by Times Electric, was successfully applied in Guochao Aluminum's hot continuous rolling project.



March 2024

• Times Electric celebrated the first anniversary of the successful application of its CRRC medium-voltage main drive system for rolling mills in Hunan Valin Lianyuan Iron & Steel Co., Ltd.'s 1580mm hot rolling project. • The CRRC medium-voltage main drive system for rolling mills

achieved a breakthrough in the

heavy plate sector.



• A narrow-gauge AC drive diesel locomotive powered by Times Electric's core traction and control system entered operation in Sierra Leone, marking China's largest exported locomotive in terms of power.



- Times Electric's self-developed traction network system supported the launch of a new series of new energy locomotives.
- Times Electric participated in ASEAN Sustainable Energy Week in Thailand
- Times Electric's centralized modular inverters (4400kW and 3300kW models) obtained SCR/SCCR weak grid certification from the China Electric Power Research Institute.
- Times Electric contributed to the successful operation of the new energy light rail train in Jujuy, Argentina.

September 2024

- tionally leading."



February 2024

• Times Electric's CRRC medium-voltage main drive system for rolling mills was successfully commissioned at Wuxi Shuoyang Stainless Steel Co., Ltd.'s Phase III cold rolling project.



April 2024

- Times Electric participated in the SolarEx Istanbul Fair in Turkey.
- Times Electric showcased its latest innovations at the 2024 China Smart Rail Transit Academic Forum G50.
- Times Electric contributed to the successful trial operation of China's highest-load freight train.
- Ningbo CRRC Times, a subsidiary of • Times Electric, officially launched independently developed current
- sensor chips and sensor products for new energy vehicles at the 4th Science and Technology Festival of CRRC Zhuzhou Institute.



June 2024

- Times Semiconductor, a subsidiary of Times Electric, exhibited a range of power semiconductor components, modules, and sensors at the PCIM Europe Expo.
- Times Electric presented its 2000V photovoltaic power generation system solutions and key technologies at the SNEC PV+ 2024 International Photovoltaic Conference & Exhibition.
- Times Electric participated in The Smarter E Europe 2024, showcasing its integrated "wind-solar-storage-hydrogen" solution.
- Times Electric played a key role in achieving a major breakthrough in fully electric deep-sea mining technology
- Times Electric supported the global launch of 7 new energy locomotives for CRRC.Times Electric supported the global launch of 7 new energy locomotives for CRRC.



August 2024

- Times Electric won the bid for the world's largest green hydrogen-ammonia-methanol
- integration project. Times Electric supplied key components for high-power
- hydrogen-powered locomotives. Times Electric's IGBT-based hydrogen production power supply enabled the commercial operation of CHN Energy's Ningdong Renewable Hydrogen and Carbon Emission Reduction Demonstration Project.



October 2024

new energy solutions.

People Oriented: **Empowering Inclusive** Progress

 The unmanned mining truck project at Shaanxi Shenyan Coal Co., Ltd.'s Xiwan open-pit coal mine, undertaken by CRRC Times Electric for CHN Energy, successfully passed scientific and technological appraisal in Beijing. The company's self-developed "Tiangong" unmanned mining truck system was recognized as "interna-

• Times Electric showcased its urban railway and maintenance innovation solutions at the 2024 Smart Rail Transit Conference.

November 2024

- The CRRC TGS6000 medium-voltage drive system achieved its first fully continuous rolling application, reducing the minimum final product thickness to 1.5mm in a single rolling process combining rough and finish rolling.
- Times Electric completed the first-ever large track component replacement operation on high-speed railway, successfully carrying out the No. $42\,$ turnout replacement.
- Times Electric's Zero-Carbon Zero-Carbon Intelligent Equipment Industrial Base was officially established in Linfen, Shanxi.

• Times Electric exhibited a range of photovoltaic and hydrogen production solutions at All Energy Australia 2024, highlighting CRRC's integrated

December 2024

- Times Electric supported Guangzhou Metro in introducing new green-intelligent urban rail vehicles.
- Times Electric successfully developed China's first photovoltaic inverter fault information collection technology.
- Times Electric officially released its independently developed TACS system, a next-generation "smart brain" for trains.
- Times Electric supported CRRC CR450 rolling stock prototype successfully rolled off the production line.

ESG

Awards

Interna-

tional

awards

National

awards

Provincial

awards

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Honors & Awards

Times Electric was rated Grade A in the Sino-Securities Index ESG Ratings.

Times Electric received the 2024 Best ESG Practice Award for Listed Companies from EasyBoard and VALUEONLINE.

> Times Electric receives the China Preferred Employer of the Year 2024 by Zhaopin.com.

Times Electric won the Second Guoxin Cup – ESG Golden Bull Award (Top 50 Central SOEs) from China Securities Journal.

> Times Electric was honored with the Best Employer Brand of 2024 for Talent Attraction by RISFOND

CRRC SMD (Shanghai) Ltd., a subsidiary of Times Electric, received the Superpower Award (Talent Group) for its "Deep-Sea Heavy-Duty Operation and Robotic System Project", and the Superpower Award (Project Group) for its "Project on the Heavy-Duty Operation Robotic System for Deep-Sea Combustible lce Exploration and Extraction" at the 2023 World Future Industries Competition.

Times Electric was recognized as a benchmark "Science and Technology Reform Enterprise" by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), ranking 4th among 349 participating enterprises.

Times Electric was honored with the Outstanding Corporate Brand Award in the "Chinese Central SOEs' Initiative: Lead with Brand" by SASAC.

The CRRC National Transformer Center and Ningbo CRRC Times, subsidiaries of Times Electric, were recognized as a National Manufacturing Champion in a Specific Field by the Ministry of Industry and Information Technology of China.

Times Electric was awarded the Influential Photovoltaic Brand by the Hunan Renewable Energy Society.

Times Electric won the First Prize in the sixth "Empower Ten Thousand Enterprises with Intelligence" New Information Consumption Competition in Hunan Province.

Two subsidiaries of Times Electric were selected in the sixth batch of National Specialized and Innovative "Little Giant" Enterprises.

The project "High-Voltage Large-Capacity DC Breaking Semiconductor Devices, Key Technologies, and Series DC Circuit Breakers," involving Times Electric, received the Second Prize of the National Award for Technological Invention in China.

The IGBT chip manufacturing team of Times Semiconductor, a subsidiary of Times Electric, was honored as a National Youth Work Safety **Demonstration Post.**

Times Electric secured the Second Prize in the Hunan Provincial IPv6 Technology Application Innovation Competition.

CRCC Awards

Times Electric received the Second Prize of National Management Innovation Achievements from CRRC.

Industry Association Awards

Times Electric was awarded the 2024 Best Practice of the Board of Directors for Listed Companies by the China Association for Public Companies.

Times Electric achieved the highest rating (Grade A) for information disclosure among STAR Market-listed companies.

Times Electric was recognized as an Outstanding Committee Member by the China Association of Automobile Manufacturers (CAAM).

Times Electric was honored with the Future Manufacturing Industry Star Listed Company Award at the Second China Listed Company Industry Development Forum.

Times Electric was recognized as the Annual Innovative Enterprise in the 2024 YICAI Capital Market Value List.

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Sustainability Management

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Case: Times Electric Powers Guangzhou Metro's Green and Intelligent Urban Rail Vehicles

In December 2024, the Green and Intelligent Urban Rail Vehicles for Guangzhou Metro Line 12 were officially rolled out at CRRC Guangzhou. Times Electric supplied three core systems: a full-silicon carbide permanent magnet traction system, a DC600V high-frequency silicon carbide auxiliary system, and a SIL 2 network control system—all incorporating industry-leading energy-saving and eco-friendly technologies. The application of the silicon carbide permanent magnet traction system has increased converter efficiency by over 1%, achieving an estimated energy savings of over 15% compared to traditional asynchronous traction systems. Additionally, the DC600V high-frequency silicon carbide auxiliary system, leveraging direct current grid-connected power supply technology, has improved efficiency by more than 2% compared to conventional auxiliary systems, further enhancing energy conservation and efficiency. The green and intelligent urban rail vehicle serves as a benchmark for technological innovation in the industry. The project plays a critical role in advancing the independent innovation of rail transit products, accelerating the expansion of the industry and standardization of rail transit equipment, and promoting China's transition toward greener and smarter rail transportation.

Case: Times Electric Pioneers China's First Fault Data Collection Technology for PV Inverters

In 2024, the inverter team at Times Electric collaborated with the Power Dispatching Control Center of China Southern Power Grid, the Provincial Power Dispatching Control Center of Yunnan Power Grid, and Huadian Yunnan Power Generation Co., Ltd. to tackle technical challenges. Together, we developed an advanced PV sub-array data acquisition device capable of automatically converting standard fault recording files and enhancing interoperability across different manufacturers and protocols. This innovation significantly reduced the time required to retrieve fault recording data from the conventional 2-3 days to just minutes. Successfully implemented at the Shila PV Power Station in Yunnan, the technology became the first in China to transmit new energy inverter fault information to both provincial and national power dispatching centers, greatly improving fault response efficiency and the operational management of renewable energy systems. This milestone enables power generation companies to take full control of fault analysis for string inverters, setting a new benchmark for remote fault diagnostics. It also marks a critical step toward centralized, panoramic remote control for PV power stations.



Advancing Green Development: Innovating Technologies for Low-Carbon Products

Rooted in the transportation and energy sectors, Times Electric remains dedicated to world-class excellence and high-quality development. Through continuous innovation and diversified yet focused strategies, the Company delivers safe, intelligent, and eco-friendly high-end equipment. We are accelerating the development of new energy solutions, achieving significant breakthroughs across key areas.We push forward the product development of rail transportation equipment and emerging equipment with all its strength, makes significant breakthroughs in many key areas, contributing to the advancement of green and energy-efficient technologies. These innovations are driving synergy across the industry value chain, fostering a collective transition toward a sustainable future.



of which 416 were invention patent applications

206 were granted



Innovation Driving **High-Quality** Development

Sustainability shapes the future and innovation powers progress. With a firm commitment to advancing green development, Times Electric continues to promote innovation in sustainable technologies. At the forefront of industry advancements, the Company plays a key role in shaping industry standards, fostering high-quality and sustainable growth.

Environmentally Friendly: Driving Green Development

People Oriented: **Empowering Inclusive** Progress

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Guangzhou Metro Green and Intelligent Urban Rail Vehicle

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2024

2024 Environmental, Social and Governance(ESG) Report

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Case: Times Electric Showcases Innovation at SOLAREX ISTANBUL 2024

In April 2024, SOLAREX ISTANBUL, Turkey's premier international solar energy exhibition, was held at the Istanbul Expo Center. As a leader in rail transit equipment and green energy solutions, Times Electric participated in the event, presenting its latest advancements in integrated solar-storage technology. With a focus on sustainable energy, the Company showcased its 320kW string inverter—designed for large-scale ground-mounted solar power stations—and its 35kV cascaded energy storage system. These innovations offer comprehensive, one-stop solutions for solar projects across the Eurasian continent.



Times Electric at SOLAREX ISTANBUL 2024

Shaping Industry Standards: Focusing on Key Areas for Industry Growth

Times Electric delves deep into key sectors such as rail transit. Driven by innovation and collaboration, the Company leads and participates in the formulation of national and industry standards with a global perspective. Through its solid technical expertise and continuous innovation efforts, Times Electric actively promotes the upgrading and transformation of rail transit technologies, leading industry progress. At the same time, the Company collaborates extensively with upstream and downstream enterprises, research institutions, and universities to jointly advance the scientific development and refinement of standards, ensuring their broad applicability and practicality.

Category	Quantity
International Standard	3
National Standard	22
Industry Standard	3

Standards Led/Participated by Times Electric in 2024



Case: Times Electric Actively Contributes to Standardization Research

In December 2024, the Annual Meeting of the National Technical Committee 278 on Electric Equipment and Systems for Railways of Standardization Administration of China was successfully held in Beijing, with Times Electric representatives in attendance. As the secretariat of the Committee (SAC/TC278), the Company is responsible for national and industry standardization in the field of rail transit electrical equipment and systems. Times Electric actively participates in the development of national standards, having contributed to the creation of 70 standards and led the formulation of 11 among the 121 international standards released by IEC/TC9. These efforts continually fuel the high-quality, coordinated operation of regional rail transit and the advancement of rail electrical equipment.



Case: Times Electric Participates in the 2024 China Smart Rail Transit Academic Forum G50 to Exchange Ideas for a Better Future

In April 2024, the 2024 China Smart Rail Transit Academic Forum G50 (Spring Session) took place in Shijiazhuang, with the theme "Technological Innovation for Safer, Easier, Greener, and Smarter Rail Transit." Times Electric, as one of the co-organizers, attended the event. The Company presented two thematic reports focusing on the energy-saving transformation of rail transit and the high-quality development of urban rail transit, addressing common challenges and issues faced by the industry.



2024 China Smart Rail Transit Academic Forum G50

Environmentally Friendly: Driving Green Development People Oriented: Empowering Inclusive Progress

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 2024 Annual Meeting of the National Technical Committee 278 on Electric Equipment and Systems for Railways of Standardization Administration of China





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Sustainability Management

Times Electric has strengthened its sustainability governance by embedding ESG considerations into the Company's daily operations. The Company has established clear ESG goals and developed a robust management framework and operational system, providing a solid foundation for sustainable development. We maintain active communication with stakeholders on ESG issues, forming a significant issue matrix to advance the Company's sustainable development initiatives.

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Sustainability Management Structure

In line with the Working Rules of the Strategy and ESG Committee of the Board of Directors and other relevant regulations, Times Electric has established an internal ESG governance structure to promote standardized ESG management. In November 2024, the Company officially launched the ESG Management Working Group, which includes the leadership team, the guidance team, and the execution team. The execution team spans across all departments to ensure that ESG efforts are comprehensively implemented throughout the Company. The ESG Management Working Group, in alignment with the strategic objectives set by the Board Strategy and ESG Committee, integrates ESG management across three core areas—strategy and business, operations and processes, and governance and organization. Besides, it formulates ESG management plans, breaking them down into specific performance indicators and tasks.



Sustainability System Development

Times Electric is committed to building a solid foundation in corporate governance. The company focuses on key issues such as addressing climate change, environmental compliance management, pollutant emission management, waste treatment, product quality and safety, occupational health and safety, research and innovation, supply chain management, and risk management. By continuously optimizing its ESG system, Times Electric integrates ESG principles into its core business operations.



People Oriented: **Empowering Inclusive** Progress



opportunities, mitigate environmen-tal, social, and governance risks, and build a sustainable competitive edge through strategic transformation and

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Innovate ESG management practices to continuously improve ESG ment, performance evaluation, deep integration).



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Sustainability Management

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Board Statement

Times Electric integrates sustainability principles into its corporate strategy, committing to continuously drive innovation across business, technology, and management. The Company strives to create "smart and low-carbon electrical systems," offering society intelligent, safe, green, and comfortable high-end equipment. Our goal is to become the world's preferred supplier of comprehensive electrical system solutions for transportation and energy.

As the highest decision-making body, the Board of Directors is responsible for decisions on major ESG issues. In 2024, the Board made the following decisions on ESG-related matters:



- In March 2024, the Board approved the 2023 Corporate Social Responsibility and Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd.;
- In June 2024, independent directors and supervisors participated in discussions regarding the 2024 ESG Improvement Action Plan.

Times Electric places great emphasis on communication with stakeholders. In line with the characteristics of its industry and business operations, the Company conducts a significance analysis to evaluate and rank issues based on their potential significant impact on the Company's business model, operations, strategic development, financial condition, business outcomes, cash flow, financing methods, and costs in the short, medium, and long term (i.e., financial materiality). Additionally, the Company assesses whether its performance on these issues will have a significant impact on the economy, society, and environment (i.e., impact materiality). The Company will assess, review, and confirm these results in March 2025.

In March 2025, this Report was reviewed and approved by the Board of Directors.

Stakeholder Communication

Times Electric recognizes the critical role stakeholders play in the Company's sustainable development. We have established regular communication mechanisms to maintain strong relations with both internal and external stakeholders, ensuring we stay informed about their concerns and suggestions. These insights are actively incorporated into our sustainable development practices to enhance management effectiveness. Additionally, we continuously optimize and adjust communication channels to address stakeholders' concerns, fostering mutual trust and achieving a win-win situation for sustainable development.

Stakeholder	Concerns	Communication & Response
Government & Regulators	 Compliance operation Business ethics Corporate governance Resource and energy use Emission management Emission management Energy-saving and carbon reduction R&D innovation Climate change response Local economic development 	 Honest business practices Proactive tax payment Supervision and inspections Meetings and discussions Information disclosure
Investors/Shareholders	 Corporate governance Risk management Stakeholder communication Intellectual property protection 	 Profit distribution Information disclosure Shareholders' meetings Regular reports ESG reports Performance briefings Routine investor meetings, conference calls, roadshows, etc.
Employees	 Employee rights and well-being Employee diversity and equality Employee diversity and safety 	 Employee congress and union • Occupational health check-ups Employee feedback platform Employee training

Stakeholder	Concerns	Communication & Response
Suppliers	Risk management Supply chain management Business ethics Industry collaboration	 Supplier meetings Regular exchanges and communications Supply chain audits Compliance training and promotion Company website Regular reports
(R) Customers	 Product quality and safety Supply chain management High-quality service R&D innovation Information security and privacy protection Green products Clean technology R&D 	 Customer satisfaction surveys Customer visits Complaint handling Full-lifecycle products and services Supply chain audits
Industry Associations	Product quality and safety Social welfare R&D innovation Industry collaboration	 Industry conferences and forums Academic research activities Standards formulation workshops
Charitable Organizations	• Social welfare	• Charitable donations
Media	 Sustainability strategy Social welfare Product quality and safety 	Press conferences Information disclosure Exclusive interviews
Public & Communities	Social welfare Local economic development Biodiversity	Volunteer activities Community involvement

Double-Materiality Issue Assessment

Times Electric actively identifies key issues critical to its sustainable development. Building on past practices, we have incorporated a financial perspective into the material issue assessment process for the first time. Through online surveys, we gather stakeholders' concerns and expectations. Based on the characteristics of the industry and the Company's business operations, we assess and rank issues from both an impact materiality and financial materiality perspective. This process results in a double-materiality issue matrix, which provides valuable insights for the Report's key disclosures and further enhances the relevance and effectiveness of the Company's ESG management.

The Company actively conducts double-materiality issue analysis and evaluation to accurately understand and respond to the issues most relevant to stakeholders. This enables more effective identification and management of risks and opportunities. In 2024, Times Electric adopted a four-step process—Issue Identification, Issue Research, Issue Evaluation & Analysis, and Issue Review & Confirmation—to assess both financial and impact materiality. The specific process is as follows:

Materiality Identification Process



The impact materiality survey covered 11 stakeholder groups, including management, employees, suppliers, customers, investors, communities/public, government/regulators, industry associations, charitable organizations, media, and others. The financial materiality survey was targeted at internal management personnel.

Double-Materiality Issue Matrix

In 2024, the Company conducted research and evaluations on 26 ESG issues based on the double-materiality principle. As a result, 13 issues were identified as having high impact materiality, while 6 were classified as financially material. The resulting materiality list is as follows:

Materiality Level	Environmental	Social	Governance
High	 Clean technology R&D Energy-saving and carbon reduction Climate change response* Emission management 	 Product quality and safety* Occupational health and safety* R&D innovation* Employee rights and well-being Information security and privacy protection 	 Corporate governance Business ethics Risk management* Compliance operation
Medium	⊙ Resource and energy use	 Employee diversity and equality Green products Supply chain management* Employee training and development High-quality service Intellectual property protection Industry collaboration Local economic development 	 Stakeholder engagement Sustainability strategy
Low	⊙ Biodiversity	 Social welfare 	

Issues marked with * are considered

23

financially material for Times Electric in 2024.

Times Electric 2024 Double-Materiality ESG Issue List

Local economic

Social welfare

• Stakeholder

• Sustainability

strategy

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Times Electric has conducted an analysis and summary of the impact area the Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulati disclosures regarding the corresponding management strategies and action

Green products

development

High-quality service

 Intellectual property protection Industry collaboration

Unimoprtant

• Employee training and

	Product Quali
Impact Areas	Production, company operations
Potential Risks	Product recalls due to quality and s
Potential Opportunities	Building a product quality and safe products.
Potential Financial Impacts	Risks: Reduced revenue and increases strengthen product quality manage Opportunities: Increased revenue
Further Management Details	Please refer to Section "Quality Ma

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ction	 Climate change response Product quality and safety Occupational health and safety R&D innovation Risk management 	
Local economic development Social welfare Stakeholder engagement	Supply chain management	
Sustainability strategy		 Environmental Social Corporate
Impo	ortant Financial Materialit	Governance
	2024 Double-Materia	Governance
Times Electric		Governance
• Times Electric Issues of F nmary of the impac ichange for Self-Re,	2024 Double-Materia	Governance y cts. In accordance with
Times Electric Issues of F mary of the impace the impace of the second	2024 Double-Materia Financial Materiality It areas, potential risks, opportunities, and financial impa gulation of Listed Companies—Sustainability Report, th	Governance y cts. In accordance with
Times Electric Issues of F mary of the impace the impace of the second	2024 Double-Materia Financial Materiality tt areas, potential risks, opportunities, and financial impa gulation of Listed Companies—Sustainability Report, th d actions in relevant sections. Quality and Safety	Governance y cts. In accordance with
Times Electric Issues of F Inmary of the impact change for Self-Re, ment strategies and Product n, company operati	2024 Double-Materia Financial Materiality tt areas, potential risks, opportunities, and financial impa gulation of Listed Companies—Sustainability Report, th d actions in relevant sections. Quality and Safety	cts. In accordance with e Report provides key
Times Electric Issues of F Inmary of the impact the impac	2024 Double-Materia Financial Materiality It areas, potential risks, opportunities, and financial impa gulation of Listed Companies—Sustainability Report, the d actions in relevant sections. Quality and Safety ons	Governance y cts. In accordance with e Report provides key mpany reputation.

ue driven by high-quality products

nagement" and the ESG Key Performance Table.



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	Supply Chain M
Impact Areas	Company operations
Potential Risks	Supply disruptions, demand fluctuati
Potential Opportunities	Establishing strategic partnerships lowering costs and enhancing marke to reduce environmental impact and
Potential Financial Impacts	Risks: Supply disruptions affecting excess inventory or stockouts, impac ments for cross-border procuremen product quality issues from suppliers Opportunities: Cost savings throug
Further Management Details	Please refer to Section "Responsible Key Performance Table.

	Risk Manag
Impact Areas	Company operations
Potential Risks	Operational, reputational, and financi
Potential Opportunities	Improving systems and structures operations.
Potential Financial Impacts	Risks: Increased operational costs du audit costs; revenue loss due to reput Opportunities: Reduced litigation c
Further Management Details	Please refer to Section "Risk Manager

Climate Change Response		
Impact Areas	Company operations, strategic planning	
Potential Risks	Production disruptions resulting from extreme weather; failure to promptly meet customer demand for low-carbon products and services; increased investment in emission reduction to comply with stricter carbon emission regulations.	
Potential Opportunities	Market expansion and enhanced company reputation driven by innovations in energy-saving and carbon-reduction technologies.	
Potential Financial Impacts	 Risks: Increased management costs due to carbon emission restrictions; short-term financial losses caused by physical risks such as extreme weather; increased costs from energy transition and technological innovation. Opportunities: Increased revenue from energy-saving and carbon-reduction technology applications; reduced operational costs driven by advancements in clean energy technologies, such as solar and wind 	
Further Management Details	power, promoting energy transition and equipment upgrades. Please refer to Section "Climate Change Response" and the ESG Key Performance Table.	

Occupational Health and Safety		
Impact Areas	Production, company operations	
Potential Risks	Reduced production efficiency and employee satisfaction due to occupational diseases or work-relat- ed injuries.	
Potential Opportunities	Building an occupational health and safety system to effectively prevent occupational diseases and accidents, enhance employee care and responsibility, and attract and retain talent.	
Potential Financial Impacts	Risks: Increased management costs to strengthen occupational health and safety management systems. Opportunities: Lower insurance payouts and employee turnover rates, attracting and retaining talent through enhanced occupational health and safety management systems.	
Further Management Details	Please refer to Section "Occupational Health and Safety" and the ESG Key Performance Table.	

Research and Development Innovation		
Impact Areas	Company operations	
Potential Risks	Increased research and development costs; reduced market share due to technological obsolescence.	
Potential Opportunities	Enhancing market competitiveness through technological innovation.	
Potential Financial Impacts	Risks: Increased research and development costs. Opportunities: Increased revenue from improved product competitiveness.	
Further Management Details	Please refer to Sections "Technology Innovation and R&D Management", "Green Innovation and R&D" and the ESG Key Performance Table.	

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Management

ations, compliance risks, quality control, and technological risks.

as with suppliers to jointly develop new products or technologies, rket competitiveness; implementing green supply chain management nd enhance brand image.

ng production and delivery; rapid market demand changes leading to bacting cash flow and operating profits; regulatory compliance requirenent, resulting in higher operational costs and legal responsibilities; ers affecting the final product quality and company reputation.

ough refined management practices.

ble Procurement to Build a Sustainable Supply Chain" and the ESG

nagement

ancial risks resulting from inadequate systems and structures.

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es and enhancing risk control to ensure the Company's stable

s due to enhanced risk management efforts, including but not limited to eputational damage.

n costs resulting from improved risk management systems.

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Robust Governance: Strengthening **Corporate Foundation**

Times Electric adheres to party building leadership and steadfastly advances governance system modernization. We are dedicated to fostering diversity and independence within the board of directors. With compliant operations as the foundation, we uphold business ethics, embrace integrity and transparency, enhance information disclosure, and ensure effective investor communication. Through practical actions, we demonstrate our responsibility and commitment, striving for synergistic growth in company value and shareholder equity.

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Key Sustainable Development Issues in This Chapter

Corporate Governance

Compliance Operations

Risk Management

Business Ethics

SDGs Addressed in This Chapter



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Appendix



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Sustainability Management

Robust Governance: Strengthening Corporate Foundation Technology Innovation Leads: Lean-Perfected Excellence in Quality Responsible Procurement: Building a Sustainable Supply Chain

O Enhancing Corporate Governance

Times Electric operates strictly in compliance with the "Company Law of the People's Republic of China" and the "Securities Law of the People's Republic of China", as well as regulations of the China Securities Regulatory Commission, requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. We continuously refine our internal management system, establishes a comprehensive, professional, and effective governance structure to ensure board independence, diversity, and professionalism, thereby stabilizing operations and enhancing corporate value.

Governance Framework

To further solidify the foundation of standardized governance, the Company has revised key regulations, including the "Articles of Association", "Rules of Procedure for Shareholders' Meetings, Board Meetings, Supervisory Board Meetings", and "Working Regulations for Independent Non-Executive Directors".

We strictly adhere to the decision-making and execution mechanisms of the "three meetings and one level" (shareholders' meetings, board meetings, supervisory board meetings, and management level). The shareholders' meeting serves as the Company's supreme power organ, and the board of directors and supervisory board are accountable to it, exercising their respective powers and functions in accordance with the law. The board has established six specialized committees: the Board Strategy and ESG Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Control Committee, and the Science and Technology Innovation Committee. These committees operate in a standardized manner and make professional decisions. In 2024, to enhance the performance of these committees, we increased discussions on science and technology innovation and ESG-related matters, meeting governance requirements from multiple dimensions.

In 2024, we held 4 shareholders' meetings, 10 board meetings, 6 supervisory board meetings, and numerous specialized committee and independent director meetings in accordance with laws and regulations.



• Organization Structure

Board Diversity and Independence

The Company continues to enhance the diversity and independence of its Board ofDirectors in accordance with its published Board Diversity Policy. In selecting Board members, we adhere to a set of diversity criteria, encompassing ethnicity, race, nationality, gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure. Our Independent Directors diligently fulfill their responsibilities in strict accordance with regulations, utilizing their extensive professional experience to offer independent judgments and reasonable advice on the Group's major decisions. Notably, Lam Siu Fung, an Independent Non-Executive Director, brings over 25 years of accounting expertise, with profound knowledge in auditing, accounting, and taxation in Hong Kong and Chinese Mainland. In 2024, the Company appointed an additional Executive Director and a female Independent Director, further diversifying the Board.



Management of Related Party Transactions

The management of related party transactions of the Company strictly complies with the relevant listing rules and regulatory requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and follows the principles of honesty and credit, equality, voluntariness, equivalence, openness and compensation, and strictly standardizes and manages the process of forecasting, signing of agreements, approving, disclosing and controlling of connected transactions, and has updated and revised the "Related Party Transaction Management System" in this year to continually improve the management of transaction and systems.

During the year, the Board of Directors considered a total of 12 proposals on related transactions, and all related directors of the Company recused themselves from voting in accordance with the regulations. The Audit Committee was established under the Board of Directors, and the independent directors and auditors reviewed the connected transactions on a quarterly basis to strengthen the guidance and supervision of connected transactions. Meanwhile, the Company has completed the information disclosure with high quality to ensure the fairness, justice and equity of the connected transactions, to safeguard the interests of the Company and all the shareholders, and to ensure the sound development of the Company.

Two proposals on connected transactions were considered at this year's shareholders' meeting, among which, the proposal on the signing of the "Framework Agreement on Financial Services for the Period from 2024 to 2027" with China Railway Finance Corporation Limited and the estimation of daily connected transactions was approved by 92.57% of the votes of the non-connected shareholders, after the Company had engaged a Hong Kong-based independent financial adviser to provide a professional opinion on the proposal."2024-2027 Financial Services Framework Agreement" with CRRC Financial Co., Ltd. and the estimation of daily connected transactions was approved by 92.57% of the votes of the non-connected shareholders, after the Company had engaged a Hong Kong-based independent financial adviser to provide a professional opinion on the proposal.

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Professional Background of Board Members



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Deepening Compliance-Driven Operations

Times Electric proactively advances corporate compliance management, and integrates compliance requirements into its fundamental systems and business processes. The Company refines its compliance management system, regularly promotes compliance culture, and provides competency training for all employees, thus laying a solid foundation for stable and sustainable operations.

Compliance Management System

The Company strictly abides by laws and regulations, such as the "Company Law of the People's Republic of China", "Civil Code of the People's Republic of China", and "Price Law of the People's Republic of China". During the reporting period, Times Electric newly issued several institutional documents, including the "Management Measures for Compliance Review", "Management Measures for Compliance Risk Identification, Assessment, and Early Warning", "Management Measures for Corrective and Preventive Actions Against Non-Compliant Behaviors", and "Management Measures for Compliance Reporting and Investigations". Moreover, the Company revised existing regulations like the "Compliance Management Measures" and "Management Measures for Relevant Laws and Regulations" to strengthen its compliance framework.

The Company has established a clear, efficient, and collaborative four-tier compliance management structure, consisting of the Board of Directors, the Compliance Committee, the Compliance Management Office, and specialized compliance management teams. These teams are divided into eight groups according to key compliance areas, ensuring high-quality compliance operations throughout the organization.





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- Ensure resource allocation and budget support for compliance management.

- Conduct compliance risk assessments and compile the risk list, the responsibility list, and the compliance process control list.
- Draft daily documents for the Compliance Committee and submit related materials.
- Support compliance-related initiatives led by superior departments.

Labor & Employ ment Compliance Manage ment Team

Safety & Environmental Compliance Management Team

Strategy, Investment & Capital Operations Compliance Management Team

Market Transaction & Business Partner Compliance Management Team

• Times Electric Compliance Management Structure



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In 2024, the Company defined a series of specific compliance management processes, covering fundamental principles, organizational structure, control and operational mechanisms, performance evaluation, and cultural development. By building an effective compliance management system, the Company has further mitigated compliance risks and obtained the GB/T 35770 - 2022/ ISO 37301:2021 Compliance Management System Certification.



Compliance Culture Development

The Company attaches great importance to creating a compliance culture and integrates compliance topics into employee training programs. Each year, an annual compliance training plan is formulated in line with relevant regulations, and compliance training activities are organized to keep employees updated on compliance requirements and the latest developments in relevant laws and regulations.



Compliance Training for New Employees in Subsidiaries, Departments, and Functional Units

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In pursuit of strategic business goals, Times Electric has been steadfastly advancing the audit and risk control work plan. Employing a methodology centered on problem solving, goal attainment, and result orientation, the Company has seamlessly integrated internal audit, risk management, internal control, and violation accountability management into a unified operational framework. Adhering scrupulously to relevant laws and regulations, Times Electric has established 28 institutional processes in risk and internal control management, which cover management requirements for internal audit, risk management, internal control, and violation accountability, applying uniformly across the enterprise. In 2024, the Company revised the "Economic Contract Audit Management Measures" and officially issued the "Implementation Measures for Accountability for Illegal Business Investments", thereby further strengthening the audit and risk control system.

Internal Audit

The Company adheres to scientific and advanced audit principles, fostering comprehensive audit oversight to ensure authoritative and efficient utilization of audit results. We strengthen audit team development, innovate audit practices and methodologies, which help to advance internal control management, mitigate significant risks, and enhance audit value-added functions. These efforts safeguard the high-quality development of digital electrical systems and the intelligent era. Annually, we conduct special audits focusing on areas such as purchasing and sales.

The Company complies with 13 internal institutional documents, including the "Measures for the Audit and Supervision of Overseas Enterprises of Zhuzhou CRRC Times Electric Co., Ltd.", "Measures for the Management of Internal Audit Information", "Internal Audit Workflow", "Internal Audit Handling and Penalty Workflow", and "Financial Audit Management Measures", actively driving audit initiatives. During the reporting period, audit plans were implemented for entities identified with issues, prompting timely rectifications.

The Company continues to promote digital audits, with the formulation of the "Management Plan for Digital Audit Early Warning Indicators", establishing rules and logic for these indicators. Five key warning indicators of audit have been developed, enabling real-time monitoring and sector-specific dashboard and report displays in electrical digitization. This system aims to ensure that the Company's operational risks are monitored in a timely and effective manner



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including economic responsibility audits of former general managers of

companies, such as Shanghai CRRC SMD Company and Ningbo CRRC Times

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post-evaluation audits of investment

projects requested by CRRC Group

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domestic and overseas subsidiaries

achieved audit reductions exceeding

1.000 in engineering audits

Conducted anti-corruption audits with



Case: Exploring Digital Remote Auditing, Innovating New Audit Technologies, and Enhancing Audit Efficiency

In 2024, the Company accessed data, conducted sampling, and analyzed data through digital application systems like SAP, SRM, LCS, and Digital Finance. We made full use of tools such as data pivots for in-depth data analysis, pinpointed suspicious points, collected and verified information on site, and confirmed problem areas. Subsequently, through a shared platform, audited entities uploaded audit-related data. We then exchanged views via online video conferencing to carry out special audit work. This approach minimized on-site disruptions to audited entities, saved travel expenses and time, and significantly enhanced audit work efficiency. Through digital remote auditing, we conducted special audits of agents for Ningbo Times Sensing, Semiconductor Company, and Hunan Signaling Company, as well as full-coverage audits of overseas companies such as Dynex Corporation, SMD UK Ltd., Hong Kong Subsidiary, U.S. Subsidiary, greatly improving both the efficiency and effectiveness of audit work.

Case: Establishing a Post-investment Evaluation Model, Evaluating the Entire Investment **Project Management Process, and Promoting Effective Investment**

In 2024, to summarize investment experience, the Company adopted a project post-evaluation index system integrating qualitative and quantitative methods as the core. We reviewed the entire process from initiation to operation for 7 investment projects, including CRRC Electric Drive, Semiconductor, Manufacturing Center, Chongqing Times, and Australian company. This endeavor enhanced our ability to prevent and mitigate major investment risks and improved our investment management capabilities. In accordance with the audit plan, from June to November, we completed the initiation, data collection, research and interviews, problem identification, item-by-item project evaluation and scoring, report compilation, and review and confirmation for 7 post-investment evaluation projects, and problems were found in the areas of lagging project acceptance and pre-investment risk assessment.

In 2024, in line with the unified requirements of CRRC Group and CRRC Zhuzhou Institute, Times Electric carried out comprehensive audits across all levels, regions, and business segments in a timely manner. Through approaches such as external audits by the National Audit Office, special audits by superior units, and internal audits by the Company itself, all branches, subsidiaries, and key areas (such as key overseas projects and institutions, major investments and PPP projects, and major risk areas) were involved. We adhered to the principle of audit work serving industrial development and business needs. In the comprehensive audit special project, the Company set up 5 audit teams for domestic and overseas audits, with a total of 12 auditors. We conducted on-site comprehensive audits of 17 domestic subsidiaries and online comprehensive audits of 10 overseas companies. Additionally, we cooperated with the CRRC audit team to complete on-site audits of 2 companies. As a result, 63 audit issues were identified, and over 70 audit suggestions were put forward. This has assisted each company in standardizing management and provided a basis and reference for the Company's management in decision-making. Honors and Awards

> The paper "Research on the High-quality Development Path of Internal Audit under the New Situation: Taking the Practice of Rail Transit Enterprises as an Example' won an award for outstanding papers in

Audit Risk Control Culture

The company organizes exchanges and trainings with internal and external units to propagate the concept of auditing and risk control management, cultivate the culture of risk control, and continuously improve the ability and level of auditing and risk control management, so as to truly play the important role of auditing and risk control on the development of the enterprise.

Case: Normalizing the Conversion of External Training on Audit, Risk, and Internal **Control Knowledge into Internal Training**

internal training. In September, we organized risk control knowledge training, sharing content on multiple topics, including asset evaluation methods and cases, the entire project cost management and audit practice, internal audit and risk management, and non-performing asset audit. This aimed to enhance the professional capabilities of part-time and full-time audit and risk control personnel.

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Appendix

Case: Comprehensive Audit Supervision of Domestic and Overseas Companies

- Hunan Province's audit theoretical research.



Risk Management

Governance

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Measures for Overseas Enterprises". We ensure the timely identification, assessment, monitoring, and response to risks.

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Impact, Risk and Opportunity Management

In line with the requirements of the Company's "14th Five-Year Plan" for risk control and the key points of annual risk management, we have promoted a series of risk control initiatives. Annual risk assessment, response, monitoring, and evaluation work are carried out in accordance with the "Comprehensive Risk Management Measures". In 2024, we identified relevant risk incidents, such as strategic risks, market risks, financial risks, and operational risks.

Frequency

The Company tracks the control status of major annual risk events on a quarterly basis, conducts quarterly monitoring on major operational risk, and promotes the full coverage and effective enhancement of risk management.

Risk assessment of overseas projects

In 2024, we carried out risk investigation and response for overseas projects, as well as self-inspection and correction of operating and management issues, in order to improve the Company's overseas operation and investment management, enhance our risk resistance ability, and prevent overseas operation risks. We also conducted overseas risk audits for 4 companies, such as Dynex Company, to promote the compliance and management improvement of overseas subsidiaries.

Indicators and Objectives

In terms of risk management, the Company sets indicators and objectives covering multiple domains, including finance, market, operation, and legal compliance. The objective is to optimize the capital structure, stabilize the capital chain, reduce revenue fluctuations, strengthen the market position, safeguard the corporate reputation, and ensure legal operation, thus facilitating the Company's stable development.

The Company has optimized and completed a risk control system that covers the entire organization, the entire process, and all employees. The Board Risk Control Committee provides comprehensive guidance and supervision over the Company's overall risk management. We summarize relevant work through the annual risk assessment report and the work report of the Risk Control Committee. In accordance with the Company's "Regulations on Major Decisions, Major Cadres, Major Project Arrangements and Large Amounts of Funds", important special risk management projects and the resolution of major risks are promptly reported to the Company's Party Committee and General Manager's Office, facilitating the decision-making, review, supervision, and management of major risks and issues.

The Company strictly adheres to internal risk management-related systems, such as the "Company Risk Assessment Process", "Quarterly Risk Early-Warning Process", "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



Risk Management Departments and Responsibilities

Strategy

The Company strictly executes the comprehensive risk management tasks of risk identification, assessment, and response in accordance with the requirements of the three-line risk management.





Audit and supervision departments are mainly responsible for post-event auditing, review, and supervision.

Three-line Risk Management

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Upholding Business Ethics

Times Electric remains unwavering in its commitment to the corporate core values of "Righteousness and Integrity". The principles of anti-commercial bribery, anti-corruption, and fair competition are seamlessly integrated into every facet of internal management and external collaboration. The Company has redoubled its efforts to deepen the construction of a "multi-dimensional and integrated" large-scale supervision system. Through regular compliance training and ethical promotion, employees' moral consciousness and professional ethics are enhanced, thus cultivating a positive corporate culture. Meanwhile, the Company adheres to integrity and works in tandem with partners to maintain a sound market order and propel the healthy development of the industry. During the reporting period, there were no occurrences of corruption, commercial bribery, or major violations of laws and regulations related to unfair competition.

Institutional Development

The Company strictly complies with national policies and regulations, such as the "Criminal Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China", and the State Administration for Industry and Commerce's "Interim Provisions on the Prohibition of Commercial Bribery", as well as internal regulations like the "Measures for Prohibition of Commercial Bribery Management of Zhuzhou CRRC Times Electric Co., Ltd", "Measures for Handling Discipline Inspection Letters and Visits and Reports", "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", to ensure the thorough implementation of integrity within the Company and among business partners, and firmly put an end to unfair competition. In 2024, the Company optimized the "Management Measures for Employment Integrity" and the "Management Measures for Party Committee Inspection Work", further strengthening the institutional guarantee and elevating the integrity level. During the reporting period, the company had no concluded litigation cases involving corruption, bribery, extortion, or fraud.

During the reporting period, the Company and its employees were not involved in any litigation cases of corruption, bribery, extortion and fraud.

Internal Control

Times Electric complies with the Company Law and other laws and regulations and the relevant regulations of the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange (SSE), the Hong Kong Stock Exchangeand other regulatory authorities, Additionally, the Company adheres to institutional documents such as the "Internal Control Management Measures", the "Post-Evaluation Management Measures for Major Fixed Asset Investment Projects", and the "Internal Control Application Manual". By closely aligning with industry characteristics and the actual business operations, the Company conducts internal control supervision and audits, which not only promotes industry standardization but also enhances business value.

Internal Control System

The Company has re-engineered its internal control system, which consists of "one system" (the internal control system), "two levels" (corporate and business levels), "four main lines" (corporate element, logistics and information, capital and finance, and auxiliary support), and "N internal control themes" (35 themes such as production management, procurement management, and sales management).

The revision of the Internal Control Application Manual has further fortified and refined the internal control framework. Moreover, the Company has optimized its internal control organization system, with well-defined responsibilities and clear-cut divisions of labor at all levels.



Audit and Risk Control Department

Under the guidance of the Board, the Audit Committee, and the Risk Control Committee, the department undertakes internal control supervision and evaluation, focusing on crucial areas such as financial monitoring, operational monitoring, compliance monitoring, overseas business monitoring, and risk prevention and control. It ensures the timely rectification of internal control deficiencies, maintaining an efficient and stable internal control system that effectively curbs business risks.



Business Functional Departments

These departments implement diverse control measures in line with the requirements of the internal control system.

Centering around the control objectives of "strengthening internal control, preventing risks, and promoting compliance", the Company enhances internal control through means such as publicity, implementation, supervision, and reinforcement. Annual internal control supervision and evaluation, along with multi-dimensional self-checks and evaluations of internal control effectiveness, are carried out.

The Company systematically identifies key links and their corresponding control points in daily business activities, assesses the risk significance of each control point, ensuring that risk management permeates all main business processes. We establish correlations between various responsible entities and specific control activities in key business links, effectively implementing control responsibilities. This approach is in full accord with the Company's operational and management needs, ensuring legal and compliant operations as well as true and fair financial reporting.

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once every three years.

Oversight and Management

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Integrity Culture

The Company vigorously nurtures an anti-corruption atmosphere. In 2024, anti-corruption, anti-commercial bribery, and employee ethics training programs were provided to the board of directors and all employees (including part-time employees and contractors), achieving 100% coverage of business ethics training.

Implementing the "Two Responsibilities"

The Company organized annual working

conferences on party conduct, integrity, and

anti-corruption. Collective integrity talks were

held with all managers, and 557 middle-level

and above personnel were organized to sign

the "Responsibility Letter for Dual Responsibili-

ties of One Position". A total of 101 integrity

talks at different levels were organized,

covering 1,978 managers and key-position

personnel.

All managers participated in six conferences for cadres' integrity education. Party organizations at all levels achieved full coverage of party members, cadres, and key-position personnel by conveying the spirit of superior conferences. analyzing typical cases, and watching relevant documentaries. More than 120 newly appointed leaders and key-position personnel were organized to visit the integrity education base of the Hunan Provincial Party School.

Case: Innovating Integrity Education Programs and Launching the Themed Event "Integrity Electric, We Are Together"

integrity" within the Company.





Integrity Situational Drama

Case: High-Quality Implementation of the "Discipline Inspection Cadres Talk About **Discipline**" Activity

In 2024, the Company organized the "Discipline Inspection Cadres Talk About Discipline" activity, conducting 14 special lectures covering 1,693 party members, cadres, and key-position personnel. The secretary of the Company's Discipline Commission took the lead in going deep into the grassroots to make integrity and discipline lectures to newly hired employees and key business units such as centralized procurement, railway transportation technology, and semiconductors. By analyzing typical cases for targeted education, the ideological barrier of "being reluctant to corrupt" among party members, cadres, and key-position personnel was further strengthened.

Deepening the "Multi-dimensional and Integrated" Large-scale Supervision System

Times Electric has established an internal anti-corruption management system to strengthen risk prevention and control in integrity work. Annual audits are conducted on compliance with laws and regulations related to business ethics, ensuring that all businesses of the Company are audited

> Two joint supervision work meetings were organized to enhance the functional supervision role of each department. The selection and initiation of annual major supervision projects were closely monitored, and 15 key supervision projects were organized and advanced. These projects covered fund control, procurement agency, disposal of waste and scrap materials, financial management and fund control, cybersecurity, sporadic infrastructure maintenance, official vehicle use, etc. Throughout the year, six major supervision work reports were issued to promote project implementation, and 15 various supervision work inspections and exchanges were carried out, further expanding the operational effectiveness of the large-scale supervision system.

Solid Advancement of Integrity Risk Prevention and Control

Based on the "Innovation and Entrepreneurship Project" of the integrity risk prevention and control system with the theme of "Precise Detection and Strengthening the Integrity Network", a standardized evaluation tool was updated according to the "Eight-Power Model" and "Risk Level Assessment Model". New evaluation tools for "Business Hospitality" and "Official Vehicle Use" were developed to enrich the evaluation toolkit. Two rounds of integrity risk prevention and control evaluations were carried out, focusing on key business areas such as marketing, procurement, "major decisions, major cadres, major project arrangements and large amounts of funds", talent selection and appointment, business hospitality, official vehicle use, and disposal of waste and scrap materials.

High - Quality Promotion of "Full - Coverage" Inspection Tours

Two rounds of regular inspection tours were independently carried out throughout the year, covering four units, namely the Manufacturing Center, Centralized Procurement Center, Railway Transportation Technology Center, and Data and Intelligent Technology Center. For the first time, "inspection tours via QR code" were explored and practiced, enabling an online evaluation questionnaire survey of all staff in the inspected units. The daily supervision of inspection tour rectification was strengthened through attending the party organization meetings of the inspected units, supervising democratic life meetings, and conducting comprehensive inspections. As of the end of December 2024, the party organizations inspected in 2023 had formulated 236 rectification measures for the issues feedback from the inspection tours. Among them, 232 rectification measures were completed, with a rectification completion rate of 98.3%, and 31 systems were improved.

Focus on the "Critical Minority" and Important Nodes

Annual integrity file declarations and verification were organized for employees engaged in business activities. A total of 6,646 cases of party members, cadres, and key-position personnel and their relatives were screened. Focusing on key nodes such as New Year's Day and Spring Festival, May Day and Dragon Boat Festival, Mid-Autumn Festival and National Day, educational reminders and supervision were strengthened through notices, special meetings, overt and covert investigations. Discipline and work style requirements were reiterated to guide party members and cadres to celebrate festivals with integrity.

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Practicing the Normalized Mechanism of Cadres' Integrity Education

Strengthening the Discipline Inspection and Patrol Team

46 participants were organized to attend special training for the large-scale supervision talent pool. One patrol cadre was recommended to participate in the inspection and annual party building inspection of CRRC, one discipline inspection cadre was selected to participate in the verification of clue issues at the Fourth Regional Review Center of CRRC, and members of the talent pool were recommended to participate in six inspection tours at the Zhuzhou Institute. Through "training through practice", the performance capacity of discipline inspection cadres was further improved.

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Debate Competition on the Theme of Integrity



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Integrity Management of Suppliers

Times Electric employs a variety of measures to ensure the behavioral norms in business cooperation with commercial partners. This includes signing the "Supplier Code of Conduct" and formulating and publicly disclosing the "Measures for Prohibition of Commercial Bribery Management of Zhuzhou CRRC Times Electric Co., Ltd" applicable to all suppliers, ensuring that both parties strictly adhere to integrity requirements during cooperation.

By establishing an integrity cooperation evaluation mechanism, the Company regularly reviews and evaluates suppliers' cooperation behavior. According to the "Supplier Adverse Behavior and Blacklisting Management Measures", suppliers who violate integrity regulations will trigger the blacklist management mechanism, and the Company will take strict measures. Meanwhile, the Company requires employees working with suppliers to strictly abide by laws, regulations, and internal rules, with zero tolerance for corruption, ensuring the transparency and fairness of external cooperation.

The Company actively promotes its integrity requirements in daily communication with suppliers and conducts integrity and self-discipline training during the on-boarding stage of new suppliers, aiming to build an honest and integrity-based cooperation atmosphere with suppliers.

Whistleblower Protection

The handling of discipline discipline inspection letters, visits, and reports composes a crucial part of disciplinary review and a vital foundation for fulfilling the responsibilities of supervision, discipline enforcement, and accountability. The Company strictly adheres to the "Measures for Handling Discipline Inspection Letters and Visits and Reports" and the "Measures for Compliance Reporting and Investigation Management". A comprehensive whistleblowing handling mechanism has been established, accepting reported cases through various channels, such as on-site visits, letters, phone calls, online platforms, text messages, WeChat, and referrals from superiors.



Guided by the principles of fairness, transparency, and efficiency, the Company has established a well-connected closed-loop management system for whistleblowing handling, including registration and archiving, drafting and approval, handling, and filing procedures. This system enables the timely identification, correction, and prevention of related business ethics risks. Those involved are dealt with in accordance with laws and regulations, fostering a corporate atmosphere of integrity and probity.

The Company takes multiple measures to keep the identity of whistleblowers confidential. including but not limited to not providing whistleblowing materials to the accused, refraining from conducting handwriting comparisons or forensic document examinations.



Disciplinary actions will be seriously taken against staff involved in handling letters, visits, or whistleblowing who violate work discipline and confidentiality rules, depending on the severity of the violation and in accordance with relevant regulations.



Anti-Unfair Competition

The Company recognizes the harms and consequences of unfair competition practices and has taken a series of robust measures in this regard. It is committed to maintaining a fair and orderly market environment and safeguarding the legitimate rights and interests of itself and other operators. Continuous efforts are made to enhance employees' compliance awareness and legal literacy. An internal whistleblowing mechanism is established to encourage employees to actively monitor and report unfair competition practices. Once issues are identified, internal investigations and corrections are promptly carried out, and strict penalties are imposed on violations to form an effective internal restraint mechanism.



Times Electric has established an integrated and coordinated information disclosure system, along with a governance structure comprising the "Three Meetings" (General Meeting of Shareholders, Board of Directors, and Board of Supervisors) and investor relations management, ensuring proactive and well-prepared responses. The Company strictly complies with laws and regulations, such as the "Company Law of the People's Republic of China"," Securities Law of the People's Republic of China", "Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange", and "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited". We have formulated the "Management Measures for Information Disclosure" and fulfills information disclosure obligations in accordance with laws and regulations, ensuring that the disclosed information is true, accurate, complete, timely, and fair. This ensures equal access to information for all shareholders and safeguards the interests of all shareholders, especially small and medium-sized shareholders.

Investor Communication

In 2024, the Company continued to strengthen investor relations management by building an efficient and transparent communication platform with investors. Adhering to the principles of "comprehensive, proactive, collaborative, precise, and effective", we actively engaged in effective communication with investors. Through channels such as public announcements, investor exchange meetings, on-site investor visits, SSE e-Interaction, telephone calls, and emails, the Company promptly, openly, and transparently communicated company information to all market participants. Additionally, the Company's meetings of shareholders utilize the Shanghai Stock Exchange's online voting system, effectively expanding investor participation.

Case: Investor Activities to Build a Good Communication Bridge between the Company and the Capital Market

In 2024, the Company organized a total of 10 investor activities, including performance presentation sessions, roadshows, reverse roadshows, and collective investor reception days for annual, semi-annual, and quarterly reports. These activities were carried out through various platforms, such as on-site events, telephone conferences, online platforms, Panoramic Network, and the SSE Roadshow Center, enabling comprehensive and multi-angle communication with different types of investors.



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Appendix

Protection of Investors' Rights and Interests

2023 Annual Performance Press Conference (Hong Kong)



Key Performance Indicators

announcements and disclosure

documents on the Shanghai Stock Exchange

Times Electric issued

15

185

Information Disclosure

contacts has been strengthened.

capital market.

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The Company systematically conducts information disclosure work, establishing a smooth internal information reporting system, a comprehensive

regulatory mechanism, and a top-down coordinated disclosure process. From the board of directors to each subsidiary, an information disclosure

contact network has been established, integrating first-level leaders and business backbones from various departments (units) and subsidiaries.

Through internal promotion and training, the awareness of information disclosure obligations and insider information confidentiality among relevant

The Company timely discloses annual reports, ESG reports, and other relevant documents and creates visual interpretations, such as "Understanding

with One Image" for annual reports, semi-annual reports, and quarterly reports, through various means, including WeChat official accounts, making

it easier for investors to understand the Company's operating conditions. In addition, announcements are issued to showcase the Company's

highlights in corporate governance, scientific research progress, business expansion, social responsibility, and investor relations maintenance to the

Issued 197 traditional Chinese announcements

and 98_{English} announcements on the Hong Kong Stock Exchange

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Party Building Leading Development

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company thoroughly implements the spirit of the plenary sessions of the Party and the national work conference on Party building in state-owned enterprises. We transform the political advantages of state-owned enterprises into advantages for scientific development and organizational resources into resources for scientific development, providing strong ideological, political, and organizational support for the Company's reform and development.

Aiming for high-quality Party building, the Company fully aligns with the "One Body, Three Transformations" project of the Zhuzhou Institute Party Committee and actively explores the "Flying Flag" Party building brand. By focusing on enhancing "political leadership, ideological guidance, organizational execution, disciplinary safeguards, cadre effectiveness, and employee cohesion", the Company integrates Party building into operations, achieving the goal of "leading the Company's high-quality development with high-quality Party building." The Company's Party organizations are well-established, with 100% coverage.



Strengthening the Application of the Party's Innovative Theories

The Company always leverages the application of the Party's innovative theories to enlighten its workforce, steer practical endeavors, and advance operations. We prioritize the "First Agenda" for prompt study, the "First Topic" for in-depth discussion within the Party committee's study group, and subsequent learning by grassroots Party branches. By utilizing diverse formats like reading seminars. specialized Party lectures, themed Party days, Party lecture contests and showcases, and themed study tours, we help our employees working at grassroots, front-line operations, and project sites to know more about the spirit of the 20th National Congress of the Communist Party of China.

enterprise system.





Disclosure Evaluation of Listed Companies on the Shanghai Stock Exchange.

Equal Treatment of Small and Medium-sized Investors

The Company upholds the principle of better safeguarding shareholders' rights and interests and creating greater value for them. We have established a fair and transparent profit distribution and/or cash dividend system to ensure that all shareholders, including small and medium-sized shareholders, receive reasonable investment returns. Since our listing on the Hong Kong Stock Exchange in 2006, we have maintained a stable dividend policy, with the total annual dividend accounting for more than 20% of the net profit attributable to shareholders of the year and the dividend per share increasing year by year. After the Company's listing on the SSE STAR Market in 2021, the dividend payout ratio increased to over 30%. From 2006 to 2023, the Company's cumulative dividends amounted to approximately RMB 8.3 billion, accounting for 73.55% of the total funds raised in both markets.



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Times Electric's Party Building Brand - "Fluttering Flag"

2024

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SDGs Addressed in This Chapte





Technology Innovation Leads: Lean-Perfected Excellence in Quality

Times Electric, driven by a product-centric approach, actively responds to the national "dual carbon" strategy. The Company constantly introduces green products and advanced processes, continuously enhances product quality, and drives industry development. Meanwhile, Times Electric optimizes its customer service mechanisms, providing customers with high-quality and reliable products and services. This commitment has established a brand image of technological leadership and exceptional quality.

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Key Sustainable Development Issues in This Chapter

Product Quality & Safety

R&D Innovation

Information Security & Privacy Protection

Clean Technology Opportunities

Intellectual Property Protection

Quality Services

Industry Collaboration



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Impact, Risk, and Opportunity Management

To effectively manage potential risks and impacts during the R&D innovation, Times Electric has established a systematic management mechanism throughout the lifecycle of major scientific research projects to ensure smooth project progression. During the project planning stage, the technology management department organizes the project team to plan the project's collaboration mode, communication mechanism, risk identification, and response strategies, incorporating these elements into the project plan. Upon entering the implementation and monitoring stage, the technology management department tracks project progress based on the plan, controls risks at a predetermined frequency, promptly reports issues to the Company's technology management department, and obtains decision support. Through scientific evaluation and dynamic control, the Company effectively reduces project risks and ensures smooth project progression.

In addition, Times Electric actively seizes potential market opportunities, aiming to lead industry development through technological breakthroughs and innovation. In the context of rapidly changing global economics and technological advancements, the Company adjusts its strategies to respond to market demands and industry trends, seeking opportunities in emerging markets and technological fields. By focusing on R&D innovation and driving technological breakthroughs in key fields, Times Electric achieves technological advancements, strengthens its market-leading position, and lays a solid foundation for future development.



Honors and Awards

Comprehensive Testing of Intelligent Key Technologies for Haoji Railway China Railway Society Railway Science and **Technology Award Third Prize**

Technological Innovation and R&D Management

Times Electric is committed to promoting industry progress through product R&D and technological innovation, and devoting to building a core competitiveness with leading technology. Through continuous investment in R&D resources, the Company maintains a cutting-edge position in key technological fields, while emphasizing on the intellectual property layout and protection, and solidified Times Electric's technological advantage. The Company actively fosters industry collaboration to nurture a healthy industry ecosystem, further consolidating its leading market position.

Product R&D

Governance

Times Electric has established a comprehensive, hierarchical R&D management system. This includes regulations such as the "Scientific Research Project Management Measures," "Scientific Research Project Grading Management Measures," "Major Scientific Research Project Assessment and Reward Measures," and "Scientific Research Material Management Measures." These regulations standardize the entire process of scientific research projects, from project establishment to implementation and acceptance. Through the establishment of a classification management mechanism, improvement of incentive policies, and standardization of R&D material support, the Company improves the standardization and efficiency of scientific research work. The Technology Committee oversees the overall R&D plan, while platform departments focus on core technology and product R&D. Application departments conduct secondary development based on this foundation to provide customized product solutions. Through collaborative innovation in scientific research projects, with project managers overseeing the entire process, departments ensure efficient progress in R&D.



Product R&D Management Structure

Strategy

In scientific research project management, Times Electric classifies projects into five categories based on their R&D objectives and strategic positioning: product development, platform R&D, forward-looking technology research, specialized technology research, and comprehensive technology research. By aligning projects with their unique characteristics and goals, Times Electric ensures that each project receives appropriate attention and resources.

In terms of project tiered management, Times Electric further divides scientific research projects into six levels based on core criteria such as economic value, technological value, project scale, and importance to the Company's development strategy. This allows for a more precise assessment of project priorities, ensuring that resources are allocated to high-value, high-potential key projects, thereby improving R&D efficiency and resource utilization.

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Promoting Industry Development

Times Electric remains steadfast in driving industry progress and has achieved remarkable standardization efforts. In 2024, the Company hosted and participated in and participated inin four industry association exchanges, leveraging its technical prowess to lead the formulation of 3 international standards, 22 national standards and 3 industry standards across rail transit, exemplifying its technological strength and industry influence. These standards not only address industry gaps but also promotes the standardization of the industry and provide important support for high-quality development, reflecting Times Electric's responsibility and commitment as an industry pioneer.

Railway applications-Compatibility Between Rolling Stock and Train Detection Syste

Railway Applications-Batteries for Auxiliary Power Supply Systems-Part 3: Lead Aci

Railway applications-Protection Principles for AC And DC Electric Traction Power St

Rail Car-Heavy Rail Car

Railway Applications-Suburban Railway and Urban Guided Transport Managemer Systems-Part 1: System Principles and Fundamental Concepts

Railway Applications-Suburban Railway and Urban Guided Transport Managemer Systems-Part 2: Functional Requirements Specification

Railway Applications-Converter Onboard Rolling Stock-Auxiliary Converters for Sub and Urban Rail Transit Vehicles

Variable-Frequency Drive Above 1kv and not Exceeding 35kv—Part 1: Technical Co

Variable-Frequency Drive Above 1kv and not Exceeding 35kv—Part 2: Test Method

Railway Applications-Suburban Railway and Urban Guided Transport Managemer Systems-Part 3: System Requirements Specifications

Intercity Maglev Traffic-Fixed Installations of Medium and Low Speed Maglev-Tract

Railway Applications-Energy Measurement On Board Trains-Part 1: General

Railway Applications-Energy Measurement On Board Trains-Part 2: Energy Measurement

Railway Applications-Energy Measurement On Board Trains-Part 3: Data Processir

Railway Applications-Energy Measurement On Board Trains-Part 4: Communicatio

Railway Applications-Energy Measurement On Board Trains-Part 5: Conformance

Railway Applications-Energy Measurement On Board Trains-Part 6: Requirements

Railway Applications-Current Collection Systems-Technical Criteria for the Interact and Overhead Contact Line

Railway Applications-Rolling Stock-Onboard Lithium-Ion Traction Batteries

Railway Applications-Rules for Installation of Cabling on Rolling Stock

Indicators and Goals

Indicator	Unit	2024
R&D Investment	RMB 100 million	28.42
R&D Investment as a Percentage of Main Business Revenue	%	11.41
Number of R&D Personnel	People	4,025
Proportion of R&D Personnel to Total Employees	%	40.21

Times Electric's R&D Investment in Products

Intellectual Property Protection

The Company places emphasis on intellectual property protection, having established and enforced regulations such as the "Intellectual Property" Management Measures," which involves R&D, procurement, production, sales, and major economic and technological activities. In the R&D phase, intellectual property risk assessments are mandatory; during procurement, production, and sales, the focus lies on mitigating infringement risks; and in major economic and technological endeavors, intellectual property reviews are conducted.



Case: Intellectual Property Protection Training for Middle and Senior Management

In 2024, the Company organized two intellectual property protection training sessions tailored for senior leaders, experts, department managers and technical managers. The training emphasized risk identification and prevention, analyzing infringement prevention measures through real-world cases to enhance employees' capabilities of intellectual property management. It reinforced the concept of "prioritizing, respecting, owning, and leveraging intellectual property," bolstering all employees' awareness and contributing to the effective safeguarding and utilization of corporate innovations.



Training Programs on Intellectual Property Protection

Standard Category	Remarks
International Standards (IEC)	Participate
International Standards (ISO/IEC)	Participate
International Standards (ISO/IEC)	Participate
National Standards (GB)	Lead
National Standards (GB)	Participate
National Standards (GB)	Lead
National Standards (GB)	Lead
National Standards (GB)	Participate
National Standards (GB)	Participate
National Standards (GB)	Lead
National Standards (GB)	Participate
National Standards (GB)	Lead
National Standards (GB)	Lead
National Standards (GB)	Lead
National Standards (GB)	Participate
National Standards (GB)	Lead
National Standards (GB)	Lead
National Standards (GB)	Participate
National Standards (GB)	Participate
National Standards (GB)	Participate
	International Standards National Standards<



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The Company adheres to the green development paradigm, dedicated to promoting green innovation. By developing eco-friendly technologies, optimizing production processes, and fostering green product innovation, it actively aligns with global environmental trends, supports the low-carbon economy and green transformation, and strives for sustainable development.

Green Innovation Concept

The company is guided by the core philosophy of "Intelligent, Safe, Green, and Comfortable," and regards the development of clean technology as a central strategic priority. It is dedicated to the research, development, and production of high-end equipment, driving the green transformation of the transportation and energy industries. Through technological innovation and resource investment, breakthroughs have been made in efficient power converters, new power devices, energy management, wind power generation, and photovoltaics, contributing to energy-saving and carbon-reduction objectives. The Company's operations span green rail transit and renewable energy power generation, with all R&D and patents categorized under clean technology.

Indicators and Goals	2024
clean technology-related patents*	2,366
Costs of clean technology research and development*	RMB 2,842 million
Investment targets for clean technology*	Accounting around 10% of the revenue in 2025
echnological R&D and patents belong to clean technology.	

• Times Electric's Investment in Clean Technology Research and Development

Green Innovation Achievements

*All tec

Times Electric consistently allocates sufficient resources to the R&D of new products and technologies, focusing on rail transit, renewable energy power generation, and hydrogen energy to propel green innovation and sustainable development.

Innovation Areas	In
Rail Transit	 Successfully installed and implemented the collines, achieving an energy-saving rate exceeding Completed the online pilot operation of the colline emissions by more than 75 tons per vehicle dual-slewing operation device for full coverage
	 Developed a 1+X modular centralized PV inve for cost reduction and efficiency gains in grou
Renewable Energy Power Generation	 Completed the development of offshore 20MV converters and reaching the leading level.
rower Generation	 Completed the planning and development of matching 13 electrolyzers (ALK and PEM type growth of green hydrogen production.

Standard Name	Standard Category	Remarks
Railway Applications-Converter on Board Rolling Stock-Charger	National Standards (GB)	Lead
Earth-Moving Machinery-Battery Electric Non-Road Mining Dumpers-Test Methods	National Standards (GB)	Participate
Industrial Rigid Round Laminated Tubes and Rods Based on Thermosetting Resins for Electrical Purposes-Part 3: Round Laminated Rolled Tubes	National Standards (GB)	Participate
Industrial Rigid Round Laminated Tubes and Rods Based on Thermosetting Resins for Electrical Purposes-Part 4: Round Laminated Molded Tubes	National Standards (GB)	Participate
Film For Electrical Insulation-Part 4: Polythylene Terephthalate Film Used For Electrical Insulation	National Standards (GB)	Participate
Rolling Stock Motors-Traction Motors-Asynchronous Traction Motors	Industry Standards (TB)	Participate
Overhead Catenary Operation Car of Electrified Railway-Inspection Car	Industry Standards (TB)	Lead
Overhead Catenary Operation Car of Electrified Railway-Insulator Water Washing Car	Industry Standards (TB)	Participate



country's first independently developed SiC device traction system on Shenzhen Metro ding 10%, offering benefits like high efficiency, low noise, and reduced weight.

country's first hydrogen-powered catenary operation vehicle, capable of reducing CO_2 e annually, mitigating emissions exhausted in tunnels while featuring a straight-arm ge of maintenance area.

verter, enhancing system efficiency, compatibility, and safety, serving as a pivotal tool ound power stations.

IW full-power and 12MW doubly-fed converters, bridging the domestic gap in offshore

f the IGBT hydrogen production power supply platform, applied in 15 market projects, pes), with specifications ranging from 200 to 2,000 Nm³/h, supporting the industry's

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2024 Environmental, Social and Governance(ESG) Report

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Quality Management

Times Electric firmly believes that quality management underpins a company's survival and drives continuous innovation, development, and growth. We've established a comprehensive quality management system, enhancing product reliability through rigorous quality control, ongoing improvement, meticulous management, and systematic processes.

Governance

Times Electric, guided by the ethos "Quality-Driven, Customer Satisfaction," has built a robust guality management system. The system includes 142 quality management documents, covering critical processes such as demand management, project management, technology development, external provision, production process, and maintenance services, ensuring alignment between documents, processes, standards, and responsible individuals. This year, through continuous system and process optimization, the Company has improved the management level of products and services, offering users superior solutions.

Key Performance Indicators

The Company obtained ISO 9000 Quality Management System certification.

For product quality and safety, the Company implements a hierarchical management system: the General Manager bears overall leadership responsibility, formulates quality and safety strategies, and oversees overall work; the Deputy General Manager in charge is responsible for specific leadership, implements strategic deployments, and coordinates resources to address significant issues; the Quality Management Department, as the centralized management department, is responsible for the overall implementation of superior and company-level quality and safety tasks, and supervises and guides the work of the departmental units and quality management departments of subsidiaries, ensuring efficient operation of the quality and safety management system.



Strategy

Times Electric has formulated and adhered to the "Management Measures for Product Quality Issues," continuously upgrading management and digital construction, improving core product quality, and ensuring the stability of locomotives, CRH trains, urban rail vehicles, and new energy products in real-world applications. The Company has a comprehensive quality assurance system covering the entire product realization process. Through strengthening quality technology capabilities, it continues to enhance reliability screening, conducts in-depth research on the durability of key electrical materials and electronic boards, and introduces new testing resources to effectively intercept early failures of materials or products.

Case: Times Electric Contributing to the Fully-Autonomous Signaling System Upgrade of Changsha Metro Line 2

The signaling system upgrade project for Phase I and the West Extension Phase I of Changsha Metro Line 2 seamlessly transitioned between the old and new systems, achieving online operation of the fully autonomous signaling system at one time. This innovative technology significantly improved operational efficiency, achieving energy conservation, emission reduction, and optimal resource allocation. The intelligent energy management system optimized train energy efficiency, minimized invalid empty runs, and effectively lowered energy consumption. Furthermore, the upgraded signaling system provided safer, more efficient, and more comfortable travel experiences for passengers, contributing to Changsha Metro's transition towards green and intelligent sustainable development.



Fully-Autonomous Signaling System

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Quality Management Departmen

- Coordinate and implement quality and safety tasks assigned by superior departments and the Company Oversee quality management at
- headquarters units and subsidiaries

Product Quality Management Structure

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Case: HX Locomotive Quick Connector Leakage Inspection

By conducting a comprehensive inspection of quick connectors on existing locomotives, leakage issues were promptly detected and rectified by replacing faulty connectors. Additionally, the maintenance plan was optimized to refine maintenance requirements for quick connectors, minimizing the potential impact of maintenance operations on sealing rings and eliminating leakage issues at the source.

Case: Comprehensive Inspection of CRH Train 3C Cover Glass Condition

Regular inspections are conducted on bubbles in the cover glass and bonding areas of CRH Train 3C. When numerous bubbles indicating a risk of detachment are detected, the entire cover is replaced. The new cover features an optimized structural process, effectively preventing glass detachment caused by bubbles and enhancing equipment safety and reliability.

Product Quality Impact Control Mechanism

The Company has established the "Nonconforming Product Management Process," clearly outlining the criteria and implementation requirements for product recalls. In the event of a recall, the Company isolates and identifies work-in-progress and inventory products, strictly managing issues according to the "Detailed Rules for Hierarchical Issue Management." Immediate investigations into defective products are initiated, and the results are promptly communicated to using enterprises to ensure transparency and timely response. For certified products found nonconforming during national or provincial supervisory inspections, the Company promptly notifies the relevant certification body to ensure compliance and accountability.

Indicators and Objectives

The Company has been dedicated to improving quality and safety management, refining the product quality control system, and assessing the quality management level of the headquarters and industries. In 2024, the Company conducted 16 quality and safety-related training sessions, involving 1,775 employees and totaling 187.5 hours of training. Notably, there were no Category C accidents or red-line incidents, nor product recall events due to nonconformity.



addition, the Company has established clear "quality gates," strengthening supplier production volume assessments and reviews of key milestones in the product development to ensure that quality issues are effectively contained and avoided during the development stage, providing a solid guarantee for product quality.

Meanwhile, based on system cybernetics, a trinity manufacturing process quality assurance system consisting of a power system, monitoring system, and control system has been established, enabling coordination, self-adjustment, and automatic closed-loop control among various elements. In

Quality Culture Development

Times Electric conducts quality and safety training, enhancing employees' awareness and skills through systematic, multi-layered training, including systematic courses, contests, and competitions. Diversified training, including systematic training, knowledge contests, and case competitions, fully triggers employees' enthusiasm and stimulates them to participate. Through continuous quality and safety training, the Company has not only strengthened employees' awareness of safety responsibility but also significantly improved operational standardization and risk response capabilities among all staff, laying a solid foundation for the Company's safe production and high-quality development.

Case: Quality Education "Hundreds of Forums" Training Sessions

In September 2024, the Company organized a series of center-level and department-level training sessions to enhance employees' quality awareness and their ability to fulfill quality assurance responsibilities, ensuring that product quality always meets customer expectations and product quality keeps rising. Those training sessions fostered a culture where all employees participate in quality management, and thus facilitated the efficient achievement of quality management goals.



Quality and Safety Training Sessions

Case: Maintenance Service Center's First "Quality in Mind, Excellence in Hand" **Quality Culture Festival**

To deepen the "Quality-Driven, Customer Satisfaction" philosophy and enhance quality competitiveness, the Maintenance Service Center hosted the first Quality Culture Festival, dedicated to creating an atmosphere where all employees focus on and jointly improve quality, making quality the conscious pursuit of every employee, laying a foundation for high-quality development.



Ouality Culture Festival Event Site

Management of Impacts, Risks, and Opportunities

Product Quality Risk Control

The Company implements a comprehensive quality and safety management approach across product development, supply, and delivery. During research and development, proactive fire prevention testing and research on fire-resistant materials are conducted, and the "Converter Product Anti-Detachment Design Guide" is compiled to enhance product safety from its inception. In the supply chain, quality and safety risk inspections are conducted on critical outsourced materials, focusing on welding defects, stressed areas, and critical interface dimensions. Suppliers are urged to simultaneously implement risk interception measures, resulting in quality and safety risk inspections for 49 materials throughout the year. In delivery, potential risks in delivered products are identified and rectified to ensure product quality and safety.

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Customer Rights and Interests Protection

Times Electric regards the protection of customer rights and interests as one of its core responsibilities. By refining its customer service system, optimizing service processes, and enhancing service quality, the Company is committed to providing comprehensive safety assurances and exceptional service experiences to its customers.

Customer Service Philosophy

Times Electric embraces a customer service philosophy centered on "Personalized Service, Fast and Efficient". The Company strives to deliver professional and precise support through an efficient service response mechanism and process optimization. This ensures prompt understanding of customer needs and swift provision of solutions. Additionally, ongoing customer satisfaction surveys and enhanced service team capabilities enable the Company to meet customer expectations efficiently and conveniently, ensuring a consistently improved customer experience.

Product Complaint Management System

To enhance service efficiency and quality, Times Electric has established the "Customer Complaint Management Process", clarifying definitions and grading standards for customer complaints and standardizing the handling procedure. From complaint reception, verification and confirmation, response handling, customer communication and appeals, internal responsibility determination, to closed-loop confirmation, the Company has defined responsibilities and timelines to improve timeliness and effectiveness.

Additionally, the Company has focused on developing a customer complaint management platform for both desktop and mobile devices, enabling real-time registration, full-process management, and retention of customer communication records. This platform monitors the timely handling rate of complaints, further enhancing complaint handling efficiency and ensuring rapid response and proper resolution of customer concerns.

Key Performance Indicators

- Times Electric received 3 formal customer complaints related to product or service quality.
- All complaints were addressed and resolved through customer communication, achieving a

100% resolution rate

Data Security and Customer Privacy Management

Times Electric prioritizes information security and privacy protection, strictly adhering to national laws and regulations such as the "Cybersecurity Law of the People's Republic of China", "Data Security Law of the People's Republic of China", and "Personal Information Protection Law of the People's Republic of China". The Company has implemented internal policies, including the "Information Security Management Measures", "Full Lifecycle Security Management for Information Systems", and "Data Security Classification and Grading Management", to establish a robust information security management system. This ensures data confidentiality, availability, and integrity while preventing unauthorized disclosure or tampering. A dedicated information security organization has been established, supported by security monitoring tools such as a cybersecurity supervision platform.

The Company also conducted targeted training sessions, including specialized cybersecurity protection training for cybersecurity professionals, cybersecurity awareness programs for new employees, network and data security training for the operations management department, and practical training on cybersecurity skills for IT staff. These efforts aim to enhance employee awareness and capabilities in information security, ensuring the Company can effectively address various cybersecurity challenges during its digital transformation.

ÖÖ	Key Performance Indicators
	Times Electric conducted
	3 information security and privacy training sessions

During the reporting period, there were no verified complaints regarding customer privacy violations.

Customer Satisfaction Survey

To better understand customer needs and optimize customer service system, Times Electric expanded the scope and depth of its customer satisfaction survey this year. The survey was upgraded across three dimensions: participants, areas, and methods, to gather more authentic feedback. Specifically, the scope of participants was broadened from senior leaders to frontline employees, with the number of participants increasing to 709, an increase of 374 compared to the previous year. Survey areas were broadened to include marketing, design, service, and quality, ensuring a comprehensive understanding of customer needs. In terms of survey methods, QR codes were used for distribution by liaisons, improving survey convenience and response rates.

These optimizations led to an external customer satisfaction score (railway transportation products and new energy products) of 93.3 points, exceeding the target of 87 points by 6.3 points. A total of 50 customer suggestions were collected. The Company actively promoted issue rectification through task decomposition and clear accountability, achieving closed-loop management. Suggestions with longer implementation cycles were incorporated into key follow-up work plans for continuous tracking and control, ensuring effective implementation of customer feedback and continuous improvement of customer satisfaction.

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100% coverage of information security training for subordinate divisions, branches and subsidiaries

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Responsible Procurement: Building a Sustainable Supply Chain



Responsible Procurement: Building a Sustainable Supply Chain

Times Electric places a high priority on supply chain management, striving to drive sustainable development throughout its supply chain. The Company is dedicated to enhancing the quality and safety management of its supply chain, adhering strictly to the principles of transparent procurement, and integrating ESG (Environmental, Social, and Governance) principles into its supply chain management system. By empowering suppliers, Times Electric aims to build a more resilient and collaborative industrial ecosystem.

Key Sustainable Development Issues in This Chapter

Supply Chain Management

SDGs Addressed in This Chapter



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Responsible Procurement: Building a Sustainable Supply Chain

Supply Chain Management

Times Electric is committed to creating a transparent, efficient, and sustainable supply chain system to support the Company's diversified development and long-term strategic goals. The Company improves its full lifecycle supply chain management, strengthens quality and safety oversight, promotes transparent procurement practices, and fosters capacity-building and value-sharing among suppliers through effective communication and collaboration.

Governance

Starting from the Company's operational needs, Times Electric continuously deepens supplier management by formulating and refining a series of internal supplier management policies, including the "Supplier Entry Management Process", "Supplier Performance Evaluation Management Process", "Annual Supplier Review Management Process", "Supplier Classification Management Process", and "Supplier Exit Process".

Supply Chain Management Structure

Times Electric has established a hybrid centralized procurement management structure to tap into the strategic value of procurement. The Procurement Committee is responsible for approving procurement strategies, reviewing centralized procurement catalogs, resolving cross-departmental disputes, and overseeing the Centralized Procurement Center. The Centralized Procurement Center shoulders the responsibility for formulating the centralized procurement catalog, building the category tree, establishing management systems and processes, cultivating talents, and supervising and managing the procurement operations of subsidiaries and branches.

The procurement department of the business unit adopts a dual reporting system: reporting to the Centralized Procurement Center in a dotted-line manner, and the leaders of the Centralized Procurement Center have the right to make suggestions on the appointment, removal, and assessment of the heads of the lower-level procurement departments. Reporting to the leaders of the business unit in a solid-line manner, and the leaders of the business unit have the final decision-making power on the appointment, removal, and assessment of the heads of the procurement department.



Supply Chain Management Structure

Supply Chain Management Principles

Guided by CRRC's "5S1G" procurement and supply chain planning framework, Times Electric has developed its own procurement and supply chain strategy aligned with its strategic development goals and actual management needs. The Company has established a comprehensive set of processes and systems, with 51 L4 processes solidified through digitalization to ensure seamless alignment between processes and business execution. Additionally, a three-lines supervision system has been put in place to ensure the legality and compliance of procurement activities. Process and system owners regularly review, optimize, and iterate the procurement and supply chain management system to drive sustainable improvement.



Strategy

The vision of the sustainable supply chain of Times Electric is to focus on customer needs, establish a supply resource platform and a capability sharing platform that support the realization of the company's diversified business strategy, and continuously obtain comprehensive competitive advantages in procurement. Times Electric is dedicated to building an efficient, flexible, and resilient supply chain system. Through full lifecycle supplier management, transparent procurement practices, and supplier empowerment, the Company aims to achieve mutual benefit and win-win outcomes with its suppliers, thereby promoting the sustainable development of the supply chain and laying a solid foundation for its steady progress.

Full Lifecycle Supplier Management

By establishing a unified supplier resource management platform, Times Electric achieves lifecycle management of suppliers. This includes development and certification, classification and relationship management, quality control, price and cost management, delivery management, performance management, and exit management. The Company focuses on core strategic suppliers, establishing a cohesive management system to deepen long-term cooperation. A unified "Supplier Code of Conduct" has been formulated to build a unique supply chain culture that fosters collaboration and mutual benefit.





Third line: Key process and system review

Supplier Management Process



Supplier Entry

immediately initiated.

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Supply Chain Empowerment

Times Electric has established a normalized communication and feedback mechanism with suppliers and regularly conducts quality and technical exchange activities to review and improve related issues. In 2024, the Company organized three large-scale online management training sessions for suppliers, covering topics such as supplier integrity, qualification management, order delivery, invoice management, quality management requirements, SCM fire prevention attributes, self-discipline requirements, and SRM system and CRRC Purchase 2.0 business process operation guides. These efforts aim to help suppliers better meet the Company's needs and improve cooperation efficiency. Additionally, Times Electric collaborates with suppliers to enhance their capabilities through joint training for key personnel, disposal of obsolete materials, and improvement of maintenance efficiency, achieving quality and efficiency improvements.

Case: Times Electric 2024 Annual Partner Conference

On May 9, 2024, Times Electric held the 2024 Annual Partner Conference under the theme "Openness and Integration, Quality Wins the Future." The conference invited over 240 partners from home and abroad to share insights around the concept of "co-creation, sharing, and win-win outcomes." By recognizing and honoring outstanding suppliers, the Company incentivized them to improve service levels and product quality, jointly building a sustainable, cost-effective, and high-reliability brand supply chain. This event further deepened cooperation between the supply and demand sides.

Supplier Audit and Evaluation

Times Electric regularly conducts product audits, production process audits, and management system audits of existing suppliers to ensure compliance with the Company's quality and management requirements. An annual dynamic supplier relationship management mechanism is implemented, classifying suppliers into strategic, leveraged, general, and bottleneck categories based on multiple dimensions. Differentiated control measures are applied to optimize supplier resource management. The SRM system is used for online performance evaluations, assessing suppliers' quality, delivery, service, cost, and integrity on an annual, semi-annual, and quarterly basis, with results published online. In terms of integrity and compliance, any violations identified during evaluations result in immediate termination of cooperation through a one-vote veto. Based on performance evaluations, differentiated control strategies and incentive plans are formulated: expanding business shares and prioritizing new business for excellent suppliers; enhancing communication to promote improvement for good suppliers; implementing a cultivation and assistance plan for suppliers meeting standards, while gradually reducing shares or eliminating those that fail to improve over two consecutive years; extending payment cycles for lower-performing suppliers and shortening them for higher-performing ones. These measures ensure positive and negative incentives.

Supplier assessment and certification are crucial for building a high-quality supply chain. During the supplier entry phase, Times Electric conducts

on-site assessments based on the "New Supplier Development Process". These assessments cover basic qualifications, delivery times, service

management, cost management, procurement practices, packaging and transportation, environmental, health, and safety (EHS) management, and

corporate social responsibility. "Business Certification Reports", "Technical Certification Reports", and "Quality Certification Reports" are generated

accordingly. For newly admitted suppliers, due diligence is conducted, requiring them to complete qualification questionnaires and sign six major

entry agreements. External systems (e.g., Tianyancha) are used for risk identification. If any disqualifying risks are identified, the exit process is

The Company assesses and grades suppliers' EHS management capabilities. Suppliers that fail the comprehensive assessment cannot be included in the supplier directory. During the bidding phase, the Company clearly specifies "environmental protection requirements" in the technical specifica-

tions and requires suppliers to respond. During the business certification phase of the "New Supplier Entry Process", the Company audits suppliers' EHS systems. According to the process, all newly admitted manufacturers must complete on-site certification (EHS certification), while existing

suppliers will receive regular on-site certifications (EHS certifications) to ensure they meet its environmental and safety standards.

Supplier Supervision and Elimination

For new suppliers, Times Electric has developed the "CRRC Times Electric Supplier Misconduct and Blacklist Management Measures". Suppliers on the CRRC blacklist that are included in CRRC Times Electric's supplier resource pool are immediately removed, and a blacklist database is established to control new suppliers through the system, ensuring standardized management and effective risk prevention.

For existing suppliers, the Company has formulated and published the "Supplier Misconduct and Blacklist Management Measures" and "Supplier Quality Performance and Claims Management Measures". These clarify the criteria and processes for blacklisting suppliers due to significant economic losses, quality accidents, illegal operations, bribery, and other misconduct, ensuring suppliers' honest performance. Red and yellow card warnings and corresponding control measures are applied for procurement product quality issues, such as quality claims, supply suspensions, and order reductions, effectively preventing procurement risks and maintaining a fair and competitive market environment. These systems jointly ensure supply chain compliance and product quality, enhancing its overall supply chain management level.

Sunshine Procurement

Times Electric has developed a special work plan focusing on "deterrence, prevention, and self-discipline" to strengthen supplier integrity management. During the supplier entry phase, all suppliers are required to sign the "Supplier Code of Conduct", explicitly prohibiting any form of corruption or bribery and stipulating that suppliers must not provide improper benefits to employees. Additionally, the Company has compiled a "Sunshine Procurement, Integrity Protection" leaflet to promote anti-corruption practices among suppliers during daily interactions, urging them to adhere to self-discipline requirements, build a strong ideological defense against corruption, and ensure the integrity and compliance of the supply chain.

Management of Impacts, Risks, and Opportunities

Times Electric places great emphasis on supply chain risk management and has systematically established three key systems for supply chain risk identification, quality management, and safety management. These systems comprehensively prevent potential risks, ensuring the stability and sustainability of the Company's operations.

Supply Chain Risk Identification and Control

To systematically identify and manage supply chain risks, Times Electric's Centralized Procurement Center has established a "Risk Responsibility Matrix." This matrix clarifies the hierarchy of responsibility, assigning risk management duties from leaders to department heads and supervisors at various levels, ensuring comprehensive and effective risk control. In 2024, the Company conducted the review, revision, and release of the central risk information database, integrity risk, and risk responsibility matrix. This initiative covered 12 departments, 17 key positions, 47 risk points, and 32 risk events, establishing a comprehensive risk identification and management system.

To ensure the efficiency of risk control measures, Times Electric formulated a risk management plan and conducted quarterly follow-ups. Through regular assessments and dynamic adjustments, the Company promptly identifies potential risks and takes targeted actions to safeguard the stability and sustainable development of its supply chain.

Supply Chain Quality Risk Management

In 2024, Times Electric revised the "First Article Inspection Management Regulations for Purchased Parts" and the "Supplier Quality Audit Process," further enhancing the supply chain quality risk management system to standardize audit processes and strengthen full-process control over procurement quality, effectively preventing and mitigating quality risks.

In terms of cost control, the Company integrates materials and applies advanced process technologies, combined with the seven-step strategic procurement method and the analysis of material costs, to reduce costs and improve processing efficiency. Through project-based cost reduction and collaborative reuse, Times Electric supports cost reduction targets across multiple industries, reducing quality cost risks from the source. In quality management, the Company promotes full-process quality involvement among all staff, establishes a multi-tier project management system, and strengthens quality control for bulk purchases of new energy products, so as to improve supplier process quality and prevent quality risks. To optimize procurement management, Times Electric enhances procurement efficiency via a digital centralized procurement platform and optimized non-production procurement. These efforts contribute to procurement quality and efficiency, risk mitigation of supply chain operation, and finally advancement of the green supply chain.

Through these multi-dimensional initiatives, Times Electric improved the effectiveness of its supply chain quality management in all aspects, laying a solid foundation for sustainable development.

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Key Performance Indicators

Conducted quality planning and control for over

20 new projects, ensuring stable material quality.

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Implemented large-volume APQP

control for new energy products, with

a selected key material APQP control

coverage rate of

70 % or higher.

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Times Electric has integrated green leadership and procurement throughout the entire supply chain of green management. The Company drives upstream enterprises to adopt green transformations, optimizes performance management systems for suppliers, strictly controls their green standards, and guides upstream suppliers to implement green processes and green lean manufacturing. As a result of our green efforts, a group of high-quality suppliers have become green benchmarks in the industry, with some obtaining provincial and national green factory and green product certifications, forming a"green alliance" within the supply chain.

Times Electric insists on green procurement throughout the entire process of purchasing raw materials, products, and services, while improving procurement standards and systems. By requiring suppliers to meet environmental protection, pollution prevention, energy conservation, and emission reduction standards, conducting green certification, and helping them to achieve green development, the Company works with suppliers in building a green supply chain. The Company assists suppliers to adopt more environmentally friendly alternative materials with no pollution or less impact on the environment instead of raw and auxiliary materials and packaging materials by engaging in the R&D and manufacturing processes of suppliers. Meanwhile, Times Electric regularly provides training and technical support to suppliers, informs environmental requirements from customers and stakeholders, and helps suppliers integrate those requirements into their operations and pass them down through levels.

Case: Times Electric Crowned "Green Supply Chain Management Enterprise"

Times Electric has been honored with the prestigious title of "Green Supply Chain Management Enterprise" by the Ministry of Industry and Information Technology, recognizing its exemplary green supply chain management practices. By establishing a resource-efficient and eco-friendly system involving design, procurement, production, marketing, recycling, and logistics, the Company encourages upstream and



Supply Chain Security Risk Management

To mitigate the impact of potential risks such as geopolitical changes, adjustments to environmental regulations, and severe weather on the supply chain, Times Electric has prepared solutions of strategic material stocking and domestic resource substitution for key materials with supply risks. Based on product market forecasts and external supply risk situations, these measures have not only reduced supply chain risks but also enhanced the Company's sustainable development capabilities and market competitiveness.

Organized suppliers to develop mass production consistency control plans and completed $\mathbf{68}$ benchmarking across

Case: Chip Material Supply Chain Risk Response

In response to adverse factors such as geopolitical changes, tightening control policies, and international conflicts, Times Electric has developed multi-faceted contingency plans for chip materials. These include ECCN code collection, strategic material stocking, and domestic resource substitution. By distinguishing brands and supplementing ECCN code information, the Company has completed ECCN code collection for 4,707 materials, significantly enhancing its supply chain risk management capabilities.

Indicators and Goals

During the reporting period, Times Electric had a total of 1,337 active suppliers.

	Indicator	Unit	2024
	tal Number of Active Suppliers	Companies	1,337
Т	otal Number of New Suppliers	Companies	114
Num	ber of Active Domestic Suppliers	Companies	1,223
	ber of Active Overseas Suppliers	Companies	114

Overview of Times Electric's Suppliers



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The SDGs addressed in this chapter



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Environmentally Friendly: **Driving Green Development**

Times Electric has embedded the vision that "lucid waters and lush mountains are invaluable assets," establishing a comprehensive environmental management system. The Company adheres to environmental compliance management, actively promotes green production practices, and is committed to building a resource-efficient and environmentally friendly enterprise, which positions it as a benchmark for green development within the industry.

Key Sustainable Development Issues in This Chapter

Environmental Compliance Management

Pollutant Emission

Waste Treatment

Water Resource Management

Energy Management

Biodiversity

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Environmental Compliance Management

Times Electric anchors its sustainability strategy in rigorous environmental compliance management, maintaining strict adherence to national environmental regulations, industry standards, and a continuously enhanced governance framework. The Company proactively fulfills its environmental stewardship obligations, embedding green development principles across all operational processes. Through systematic integration of eco-conscious practices into production and management, it strives to achieve sustainable manufacturing and long-term ecological sustainability.

Environmental Compliance Management

Times Electric steadfastly implements its EHS philosophy of "People-Centric, Continuous Improvement, Green & Environmentally Friendly, and Health & Safety," driving the creation of a resource-efficient and environmentally responsible enterprise. With environmental protection as a strategic priority, the Company rigorously complies with key environmental legislation, including the Environmental Protection Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Noise Pollution, the Law of the People's Republic of China on the Prevention Tax Law of the People's Republic of China. Through systematic pollution prevention measures and full integration of compliance into all operational activities, the Company ensures that all production and operational activities are fully compliant with legal and regulatory requirements.

Times Electric has established a Safety, Environmental & Occupational Health Management Committee to strengthen environmental governance. Operating under the principle of "Tiered Oversight, Functional Accountability, and Managerial Ownership," the committee refines environmental governance frameworks with clearly defined roles and responsibilities, sets measurable objectives and performance-linked accountability mechanisms, designates the Operations Management Department as its permanent executive body for cross-functional coordination, and ensures full implementation of environmental initiatives through integrated safety-ecology management systems.

Environmental Management System

To continuously improve environmental compliance management, Times Electric has established and improved 32 environmental management system documents, including the "Management Measures for Environmental Factors and Hazard Sources," "EHS Inspection Management Measures," and "EHS Performance Evaluation Details." Every year, the company regularly identifies and assesses the environmental risks and hazard sources in all products, services, activities, personnel, and equipment. Targeted risk prevention measures, management measures, and emergency measures are formulated and improved. At the same time, the company's environmental management department organizes at least one environmental protection inspection per month to ensure the normal operation of wastewater treatment facilities and air pollution control facilities, ensuring compliance with environmental discharge standards.

Meanwhile, Times Electric continuously expands the coverage of its environmental management system by commissioning third-party agencies annually to monitor pollutants such as waste gas, wastewater, and noise. Additionally, third-party audits are conducted to review the implementation of the ISO 14001 Environmental Management System and assess alignment with environmental regulations. By 2024, all manufacturing units of the Company have obtained ISO 14001 certification. The company and its subsidiaries have cumulatively obtained 3 provincial-level green factories and 2 national-level green factories. In 2024, Times Electric Manufacturing Center was awarded the title of "Zero Carbon Factory" through continuous improvement.



Invested a total of RMB

9.5 million in pollution control and environmental protection initiatives

8.5 % increase compared to the previous year

Maintained full compliance with environmental laws and regulations, with no penalties imposed for violations.

Environmental Safety Culture

Times Electric has strengthened its environmental safety defenses by prioritizing environmental safety culture development. The Company established the EHS Training Management Measures to standardize training and education within its EHS management system, regularly conducting environmental protection training to enhance employees' environmental awareness. Additionally, it has strengthened capacity for environmental risk assessment and prevention, improved emergency response plans for sudden environmental incidents, and organized practical emergency drills involving multiple departments for key risk areas such as hazardous waste leaks and chemical spills. In 2024, the company conducted 230 emergency drills, covering 14,000 participants, with a 100% coverage rate for emergency drills related to important environmental factors. These drills simulate real-world scenarios, test emergency plans, and optimize response procedures, continuously enhancing risk prevention awareness and emergency response capabilities to further strengthen the Company's environmental safety defenses.

Case: Emergency Response Drill for Organic Solvent Spills During Transportation

In June 2024, the Company conducted emergency response drills for organic solvent spills during transportation to enhance employees' emergency response capabilities through practical training. The exercise strengthened interdepartmental coordination, ensuring swift incident containment in real-world scenarios to minimize personnel harm and environmental impact. This initiative further refines the Company's safety management system.

Case: Emergency Response Drill for On-site Handling of Hazardous Chemical Warehouse Leakage

In October, 2024, the Company organized an emergency response drill for hazardous chemical leakage. Through a simulated real-life scenario, the drill encompassed various emergency response aspects such as on-site handling, rescue operations, command coordination, and protective evacuation, comprehensively enhancing the employees' emergency response capabilities. Following the drill, the Company conducted an evaluation of the overall effectiveness, which further strengthened the emergency response capacity to sudden environmental incidents. This has laid a solid foundation for the continuous optimization of the factory's environmental management system.



Emergency Response Drill for On-site Handling of Hazardous Chemical Warehouse Leakage

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Emergency Response Drill for Organic Solvent Spills During Transportation







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Pollutant Emission Management

Times Electric is actively constructing a comprehensive monitoring system for pollutant emissions, optimizing pollution prevention facilities, improving production processes, and enhancing the meticulous management of pollution sources. Through multiple measures, the Company is reducing the intensity of pollutant emissions, contributing to the improvement of regional environmental quality and promoting the green and low-carbon development of the industry.

Pollution Prevention and Control

To effectively prevent and control environmental pollution, the Company has formulated and rigorously enforces the Environmental Protection Management Measures, which delineate preventive measures against water pollution, air pollution, noise pollution, solid waste pollution, and radioactive pollution. The Company is committed to reducing pollutant emissions at the source through various initiatives, including upgrading environmental protection equipment and optimizing production processes. Combined with meticulous pollutant management, Times Electric ensures that all emission indicators consistently surpass national standards, striving to minimize environmental impact during production and endeavoring to achieve sustainable low-carbon development goals.

Key Performance Indicators

The company achieved **100** % compliance with wastewater and exhaust gas discharge standards for all key management units and simplified management units under the pollution discharge permit system.

Exhaust Gas Management

Times Electric is making continuous efforts in the management of exhaust gas by actively setting emission reduction targets, advancing optimization projects for exhaust gas treatment, upgrading existing facilities, and enhancing the efficiency of exhaust gas processing to achieve more environmentally friendly and efficient emission control. In 2024, the company invested a total of 2 million RMB in the renovation of organic waste gas treatment facilities, significantly reducing the emission concentration of organic waste gases, which are well below national discharge standards. To ensure ongoing compliance with exhaust gas emission standards, the company strictly follows pollution discharge permit requirements by regularly commissioning third-party agencies to monitor air emissions and provide valid testing reports, further promoting green and sustainable development.



Exhaust Gas Emission Reduction Target and Completion Status

Case: Exhaust Gas Treatment Improvement Project at Subsidiary Times Semiconductor

In 2024, the subsidiary Times Semiconductor completed a technical capacity enhancement project for its silicon carbide (SiC) chip production line, implementing critical upgrades to optimize waste gas management. A dedicated acid gas scrubber tower and an alkaline gas exhaust stack were installed on Line 5 with an investment of 3 million yuan made, enabling segregated collection and treatment of acidic and alkaline waste gases. In alignment with the National Pollution Prevention and Control Technology Guidance Catalog (2024, Restricted and Obsolete Categories), the Company upgraded the organic gas treatment system on Line 5 by replacing the original photocatalyst + activated carbon adsorption process with a two-stage activated carbon adsorption system. Additionally, five new combustion + water scrubbing pretreatment units (Point-of-Use, POU) were integrated into the specialty gas treatment framework, significantly enhancing emission control efficiency.

Indicators	Unit	2024
Exhaust Gas	m³	3,783,254,746
Sulfur Oxides (SOx)	Tons	0.6699
Nitrogen Oxides (NOx)	Tons	22.2552
Volatile Organic Compounds (VOCs)	Tons	21.1222
Particulate Matter (PM)	Tons	4.0480
Non-Methane Hydrocarbons (NMHC)	Tons	21.1222

Wastewater Management

The Company strictly adheres to standardized management requirements by formulating and implementing the Wastewater Treatment System Operation Management Measures, which specify that the discharge of acid and alkaline wastewater complies with the indirect discharge standards outlined in the Discharge Standards of Water Pollutants for Electronics Industry (GB 39731-2020), while petroleum-based substances and fluoride are subject to direct discharge standards. The IGBT Park wastewater treatment system is equipped with online monitoring devices that transmit real-time data to the environmental protection department via network connectivity. Additionally, the plant services department employs an internal wastewater terminal monitoring system for continuous oversight, and the Company engages third-party agencies to conduct monthly monitoring to ensure full compliance with regulatory requirements for all wastewater discharges.



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Times Electric Major Air Pollutants Emissions

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The Company consistently prioritizes waste management as a critical component of its environmental governance initiatives. It has established a scientific and comprehensive waste management system to ensure proper handling of all waste categories. By adopting advanced resource recovery technologies, the Company continuously enhances the integrated utilization efficiency of waste materials, contributing to green development and ecological civilization advancement.

Waste Management

Times Electric strictly adheres to national and local environmental regulations and has formulated the Hazardous Waste Management Rules to standardize the classification, collection, storage, transportation, and disposal processes of waste materials, ensuring full compliance with environmental standards.

Furthermore, the Company manages solid waste in accordance with the principles of reduction, resource recovery, and harmless treatment, implementing classified management and comprehensive utilization. Storage, transfer, and disposal processes are strictly regulated to eliminate improper dumping or abandonment. The Company has issued the Specifications for Hazardous Waste Management and Specifications for General Industrial Solid Waste Management, explicitly defining 9 major categories and 21 subcategories of hazardous waste, including waste organic solvents, waste hydrofluoric acid, waste mixed acids, and others. To advance hazardous waste resource recovery, the Company focuses on high-volume waste streams such as waste acids and organic solvents. The company seeks resource utilization of hazardous waste and is exploring resource treatment paths for large quantities of waste acid and waste organic solvents. The disposal cycle for waste acid and waste organic solvents has been reduced by 5%.

Indicators	Unit	2024
Total Waste Discharge	Tons	4,359.52
Total Hazardous Waste Discharge	Tons	2,162.77
Hazardous Waste Discharge Intensity	ton per million yuan of output value	0.087
Total Non-hazardous Waste Discharge	Tons	2,196.74
Non-hazardous Waste Discharge Intensity	ton per million yuan of output value	0.088
Total Recyclable Waste Discharge	Tons	722.79

Waste Recycling

By recycling and reusing waste materials, the Company has significantly reduced soil and water pollution caused by improper disposal or landfilling of waste, minimized air pollution from waste incineration, and protected the surrounding ecological environment. This initiative has enhanced resource utilization efficiency and stimulated the development of upstream and downstream industries. In practice, the Company utilizes sludge as a supplementary material for cement production, replacing part of the clay-based raw materials or fuel. This approach achieves resource recycling, combining environmental protection with economic benefits, and contributes to promoting sustainable social development.

Case: Buf	fer Tank	System	Improvement	Project
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In 2024, the company added a new wastewater buffer tank system to the existing wastewater treatment system, improving the stability of the wastewater treatment system by 30% and further reducing the environmental risks associated with production activities.



Wastewater Buffer Tank

Indicators	Unit	2024
Total Wastewater Discharge Volume	Tons	1,286,797
Industrial Wastewater	Tons	1,260,909.10
Domestic Sewage	Tons	25,887.84
Ammonia Nitrogen (NH ₃ -N)	Tons	4.82
Chemical Oxygen Demand (COD)	Tons	54.86
Suspended Solids	Tons	13.52

Times Electric Wastewater Discharge



Times Electric Waste Discharge



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Resource Management

Adhering to the principle of "conservation first, protection prioritized, and natural restoration as the cornerstone," Times Electric actively implements national policies on resource conservation and environmental protection. The Company fully embraces water-saving practices and efficient resource utilization, providing robust support for advancing green development.

Water Resource Management

Times Electric upholds the concept of water conservation and efficient utilization, continuously optimizing water usage processes in production through measures such as upgrading recycling water systems and reusing reclaimed water, effectively reducing water consumption. The Company establishes and evaluates annual total water usage targets, with the 2024 goal set at 2.61 million cubic meters. Actual consumption reached 2.59 million cubic meters, successfully exceeding the target. All water sources are derived from local municipal supplies.

To address the high local wastewater treatment costs, Times Electric has actively advanced multiple water conservation initiatives. The Company has installed RO concentrate reuse systems and drainage heat recovery systems, effectively reducing tap water usage and wastewater discharge, minimizing water resource consumption. Additionally, it has implemented reuse systems for dilute fluoride wastewater, back grinding wastewater, and QDR wastewater, further optimizing wastewater treatment and recycling. Concurrently, projects for concentrated acid waste collection/off-site transportation and PI developer waste recycling have been promoted to minimize waste liquid emissions and enable resource recovery. These measures are projected to reduce annual costs for purified water production and wastewater treatment by 16.141 million yuan, significantly enhancing resource efficiency and economic benefits. In the year of 2024, subsidiary Times Semiconductor recorded a total water consumption of 1.51 million cubic meters, with 252,000 cubic meters being reused—achieving a reuse rate of 16.69%.



Case: Back Grinding Wastewater Reduction and Recycling Retrofit Project

To address the overload operation of the back grinding wastewater treatment system and unstable effluent quality, the Company upgraded its existing system with a treatment capacity of 10 m³/h to 20 m³/h by adopting a self-cleaning filter + ceramic membrane technology, achieving a wastewater recovery rate of approximately 80% through the ceramic membrane process. Following the retrofit, the upgraded back grinding wastewater reuse system has been commissioned, accumulating a reclaimed water volume of 45,530 cubic meters and generating estimated economic benefits of approximately 182,000 yuan. Additionally, the new reuse system has increased the reclaimed water reuse rate in the IGBT park, reduced the operational load on the grinding wastewater system, enhanced the stability of the wastewater treatment system; decreased sewage discharge volume and lowered wastewater discharge fees, collectively advancing the IGBT park's green and sustainable development.



Unit	2024
10,000 m³	259
10,000 m³ per 10,000 yuan of output value	0.0001
	10,000 m ³

Times Electric Water Consumption

Packaging Material Recycling

Times Electric actively implements the "6R1D" strategy with a focus on moderate packaging, by implementing principles of rational design, pre-reduction, reusable circulation, reuse, material recycling, energy recovery, and degradable disposal. This comprehensive approach optimizes packaging processes to reduce resource waste and environmental impact.

In operational practice, Times Electric promotes the green transformation of packaging by adopting methods such as the use of reusable tooling, supplier packaging recycling, and supplier circular delivery.

In 2024, the proportion of the manufacturing center's output value from products using recyclable packaging accounted for 0.12% of the total output value, reducing wood consumption by approximately 32.25 tons. The proportion of recycled packaging for incoming materials in the manufacturing center was 8.51%.

In 2024, the company implemented circular delivery for five local suppliers in Zhuzhou, solving the problem of frequent small-batch deliveries for items like copper bars and nameplates. This approach saved costs on dedicated drivers and logistics vehicles, reduced supplier costs by 100,000 yuan per supplier, improved the efficiency of delivery point receipt and exception handling, and also reduced energy consumption and carbon emissions during the logistics process.

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Reuse System for Back Grinding Wastewater



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Energy Management

Times Electric actively responds to the national strategies of carbon peaking and carbon neutrality. In compliance with the Law of the People's Republic of China on Energy Conservation, the Environmental Protection Law of the People's Republic of China, and Supervisory and Management Measures for Energy Conservation and Ecological and Environmental Protection of Central State-Owned Enterprises, the Company formulates internal regulatory documents including the Energy Management Manual, Energy Management Rules, and Guidelines for Energy Conservation and Eco-Environmental Protection Management . Guided by the energy policy of "Maximizing Social Responsibility, Nurturing Top-tier Talent, and Empowering a Green World with Sustainable Solutions", the Company aligns with the ISO 50001 energy management system standard to clarify departmental responsibilities and operational procedures. By integrating national and local energy policies, it refines internal regulations and enhances energy management measures. As of the end of 2024, Times Electric has obtained ISO 50001 Energy Management System

In terms of management principles, Times Electric adheres to green and low-carbon development, integrating energy conservation and carbon reduction into its corporate strategy to build a green, low-carbon, and circular development system. The company has established clear energy management goals, aiming for comprehensive energy consumption per 10,000 yuan of output value to be less than 0.025 tons of standard coal. The company has implemented waste heat recovery, reclaimed water reuse, and heat pump heating measures, promoting integrated energy solutions combining solar power, energy storage, charging, cooling, and heating technologies, ensuring Grade 2 or higher energy efficiency ratings for all major energy-consuming equipment, minimizing the use of primary energy sources such as natural gas. By advancing these initiatives, Times Electric actively enforces energy-saving and consumption-reduction policies, contributing to corporate sustainability and the advancement of ecologi-

	Measures	Results
Equipment	Optimize the operation and standby processes of high-temperature equipment to reduce electricity consumption for key energy-consuming systems, including coating line curing ovens, high-temperature testing tunnel furnaces, and soldering ovens.	An annual electricity saving of approximately 1.2 million kWh
Optimization	By increasing the number of heat exchanger plates in the pure water system, the water temperature is elevated to meet the system's operational requirements, while reduc- ing the boiler feedwater temperature to ensure stable and efficient pure water supply for production lines.	An estimated natural gas saving of 19,100 m ³ .
Equipment Retrofit	To address energy consumption from auxiliary office systems such as HVAC and lighting, the Company has piloted smart HVAC-lighting terminal retrofits in selected areas. By deploying intelligent control panels integrated with occupancy sensors and remote scheduling systems, these upgrades enable precise energy management and high-efficiency utilization.	An estimated energy saving of 30%
	Phase out outdated equipment, including low-efficiency third-tier air handling units (AHUs), fans, and other aging systems with over 13 years of operation, replacing them with high-efficiency, energy-saving models to significantly enhance energy utilization efficiency.	An estimated annual electricity cost saving of 100,000 yuan
	By sealing the connection between the return air plenum and RCU ducts, and installing additional return air vents in heat-intensive zones linked to newly added RCU ducts, the Company has optimized the heat exchange efficiency of MAUs and RCUs.	An estimated annual electricity cost saving of 100,000 yuan
Workflow Optimization	By optimizing production line scheduling, introducing mechanical assistive devices, and improving workflow processes, the Company has enhanced energy utilization efficiency and reduced plant utility energy allocation costs.	A cumulative cost reduction of 109,000 yuan over 3 months of implementation

Case: Recycling of Bamboo-Plastic Packaging Materials

To respond to the concept of green logistics, the Company launched bamboo-plastic recyclable packaging materials in 2024. Bamboo-plastic boxes, as an environmentally friendly material, replace traditional wooden boxes, offering not only cost advantages but also excellent recycling performance. Currently, bamboo-plastic boxes have been put into use in several bases. Through recycling, packaging costs have been reduced by 32.1%, effectively promoting the continuous development of the Company's green logistics and improving resource utilization efficiency.



Bamboo-Plastic Packaging Boxes

Indicators	Unit	2024
Total Usage of Packaging Consumables	Tons	6,832.01
Plastic	Tons	65.49
Paper	Tons	87.97
Metal	Tons	185.05
Glass	Tons	0
Others	Tons	6,493.5

Key Indicators for Packaging Material Usage

Time Electric Energy Conservation and Consumption Reduction Measures

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ISO 50001 Energy Management System Certification



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Times Electric fully recognizes the profound challenges posed by climate change and has positioned addressing climate change as a strategic priority for achieving sustainable development. By establishing a robust governance framework, the Company proactively identifies and manages climate-related risks and opportunities, continuously improves mitigation measures, enhances its capacity to address climate risks, and ensures climate resilience across its production and operational activities.

Governance

Times Electric has established a comprehensive governance framework to ensure effective implementation from strategic planning to execution in addressing climate change. The Company has instituted a multi-tiered management system comprising the Board of Directors, Board Strategy and ESG Committee, and ESG executive teams, creating a well-defined division of responsibilities and streamlined decision-making processes.

The Board of Directors oversees the formulation of corporate-wide sustainable development strategies at the strategic decision-making level, integrating climate considerations into long-term development plans to ensure alignment between low-carbon transition and business growth. Under the Board's guidance, the Board Strategy and ESG Committee spearheads the research and planning of climate change mitigation strategies while maintaining regular disclosure of climate-related practices. At the operational level, ESG executive teams implement specific measures encompassing energy conservation and emission reduction, renewable energy utilization, and green manufacturing, in accordance with the deployment of the Board Strategy and ESG Committee, to ensure the achievement of carbon reduction goals.



Strategy

Times Electric has developed a profound understanding of the impacts of climate change, recognizing both the necessity and urgency of climate action, and is actively implementing national carbon peaking and carbon neutrality goals. The Company has established a systematic process for identifying, assessing, developing measures, monitoring, and reporting environmental and climate-related risks and opportunities, providing a solid foundation for optimizing environmental and climate risk management while capitalizing on development opportunities. Furthermore, the Company has integrated climate risks into its comprehensive risk management framework, offering a scientific basis for formulating and adjusting climate strategies, as well as determining implementation plans and target.

Кеу	Performance	Indicators	

Added $\mathbf{3}_{\mathsf{MW}}$ of rooftop photovoltaic capacity



with an annual electricity generation





Green Electricity Consumption Certificate

Indicators	Unit	2024
Natural Gas Consumption	10,000 m³	348
Per Capita Natural Gas Consumption	m³	370.14
Purchased Electricity	10,000 kWh	29,465
Per Capita Electricity Consumption	kWh	31,353
Comprehensive Energy Consumption	Ton of Standard Coal	40,839
Comprehensive Energy Consumption per 10,000 Yuan of Output Value	Ton of Standard Coal per 10,000 yuan of output value	0.016

Times Electric Energy Consumption



Climate Change Risk Management Process

Furthermore, Times Electric has formulated a comprehensive climate change and opportunity management strategy, establishing a systematic identification process to effectively address climate-related risks and opportunities. In terms of physical risk analysis, the Company has adopted the Representative Concentration Pathway (RCP) 4.5 intermediate emission scenario and the RCP 8.5 high emission scenario as defined by the Intergovernmental Panel on Climate Change (IPCC).

Physical Risk Analysis			
Scenario	RCP 4.5 intermediate emission scenario as defined by IPCC	RCP 8.5 high emission scenario as defined by IPCC	
Scenario Description	By taking strong mitigation actions, it is expected that global greenhouse gas emissions will be reduced to half of the current levels by 2080.	Without climate policy interventions, global greenhouse gas emissions and concentrations will continue to increase	
Estimated Temperature by the End of the Century	2°C	4°C	
Analysis Boundary	The analysis boundary covers Times Electric and its subsidiaries, foc production and operations.	using solely on the Company's own	

In terms of transition risk analysis, we conduct assessments based on the IEA Sustainable Development Scenario (SDS) and the IEA Stated Policies Scenario (STEPS).

Transition Risk Analysis			
Scenario	IEA Sustainable Development Scenario	IEA Stated Policies Scenario	
Scenario Description	Aligned with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement, this scenario assumes that by 2030, countries will have access to affordable, reliable, and sustainable modern energy services, significantly reduce air pollution, and take effective actions to address climate change.	Based on a detailed assessment of current specific policies and those announced by governments worldwide, potential development trajectory of the energy system in the absence of additional policy implementation is explored.	
Estimated Temperature by the End of the Century	1.6°C	2.6°C	
Analysis Boundary	The analysis boundary covers Times Electric and its subsidiaries, for production and operations.	cusing solely on the Company's own	

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Based on the above scenarios, we have comprehensively identified the Company's potential physical and transition risks in the short-term, mediumterm, and long-term.

	Time Ho
Short-term (2025-2026)	Aligned with the Company's ES
Medium-term (2027-2035)	Aligned with the timeline of th
Long-term (2036-2050)	Aligned with the timeline for a

Impact, Risk and Opportunity Management

Times Electric proactively addresses climate risks by identifying potential impacts on its operations, conducting in-depth analyses of climate change-induced risks and opportunities, and establishing effective mitigation measures.

Type of Risk	Class of Risk	Anticipated Time of Occurrence	Potential Risk Impacts	Potentially Affected Value Chain Segment	Potential Financial S Impacts
			Acute Risks		
Extreme Precipitation	High	Short-term, medium-term, long-term	 Flooding or damage to factories and warehouses, leading to production stoppages. Heavy rainfall may disrupt raw material supply and logistics transportation, affecting production progress. 	Product production and operations, Supply Chain	Asset loss, increase in operating costs
Sudden Drought	High	Short-term, medium-term, long-term	 Sudden drought may lead to water shortages for production, affecting operational progress. Drought may disrupt the supply of water-de- pendent raw materials, threatening supply chain stability. 	Product production and operations, Supply Chain	Increase in operating costs
Extreme Heat	Medium	Short-term, medium-term, long-term	 High temperatures may overload power systems, reduce transmission efficiency, and affect the operation of production equipment. High temperatures in the workplace increase the risk of heatstroke for employees, affecting both work efficiency and health. 	Product production and operations	Increase in operating costs and insurance costs
			Chronic Risks		
Water Scarcity	Medium	Short-term, medium-term, long-term	 Water scarcity and rising water prices may limit production capacity and lead to increased operating costs, affecting profitability. 	Product production and operations	Increase in operating costs and decrease in revenue

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SG annual goal-setting and review cycle.

he Company's climate change governance objectives.

achieving the Company's value chain "Carbon Neutral" emissions target.

Physical Risk List



Extreme Precipitation

Sudden Drought

Extreme Heat

Water Scarcity

of Risk

Regulatory

Technical

Risk

Market

Reputation

Risk

Risk

Risk

High

High

High

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domestic use.

power grids.

Medium-term,

long-term

Short-term

Short-term

long-term

Medium Long-term

medium-term.

on a single supplier.

employees to conserve water

Sustainability Management

Optimize infrastructure: Install drainage systems in critical facilities and waterlogged areas, and

Improve emergency management: Develop emergency response plans for extreme precipita-

• Strengthen monitoring and early warning: Closely monitor weather changes, promptly receive

 Optimize water resource management:Implement a scientific and organized water usage plan and supply scheme, prioritizing the provision of water for critical production processes and essential

Diversify supply sources:Develop diversified raw material supply channels to reduce dependence

 Optimize energy structure: Actively develop new energy sources, install photovoltaic solar panels for solar power generation, to achieve energy self-sufficiency and reduce dependence on traditional

Ensure worker safety:Provide adequate heat prevention and cooling supplies for workers, and

Water resource recycling: Strengthen the construction of reclaimed water systems to improve the

Enhance water conservation awareness:Strengthen education and publicity efforts to encourage

Affected Value

product production

Product R&D

Product production

and operations,

supply chain

Increase in

Increase in

Increase in

operating

costs and

operating

insurance costs Increase in

costs, decrease

in revenues

operating costs

operating costs

arrange work schedules reasonably to avoid excessive exposure to high temperatures.

recycling rate of water resources and reduce dependence on freshwater sources.

Physical Risk Mitigation Measures

With the continuous update and tightening of global carbon reduction policies, the Company may face stricter carbon emission limits and will need to

carbon pricing may increase the Company's

• The high development costs associated with

Company's short-term financial performance.

The emergence of substitutes and shifts in competi-

adjustments to respond to market changes.

• If the Company fails to promptly respond to

customer demand for low-carbon products and

services, it may face the risk of losing market share.

energy transition may exert pressure on the

comply with new regulations.

operational costs.

increase investments in emission reduction to $\ensuremath{\mathsf{Product}}\xspace \mathsf{R\&D},$

The implementation of carbon taxes or the rise in and operations

tive trends may impact the Company's existing Product production

business model, necessitating timely strategic and operations

tion and business continuity plans to enhance the ability to respond to unforeseen situations.

warning information, and quickly activate the emergency response mechanism.

regularly clean stormwater pipes to ensure smooth drainage.

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Market

Technical

Opportunities

Opportunities

Responsible Procurement: Building a Sustainable

ence in Quality	Supply Chain	Driving G
Type of Risk		. P
Regulatory Risk	 Actively participate in the the Company's strategy a Optimize production pro enhance energy utilization 	ligns with po ocesses, add
Technical Risk	 Explore new business monew revenue streams. Optimize the energy manefficiency. 	
Market Risk	 Closely monitor industry optimize product portfolio 	
Reputation Risk	 Publish sustainability report the Company's specific in transition, further enhance 	initiatives ar
		Transition Risk

isk Mitigation Measures The global demand for clean energy continues to vast market opportunities for the Company to energy technologies and products. The rapid advancements in clean energy technology

Transition Risk List

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ng process, stay informed about policy developments, and ensure olicy directions.

lopt low-carbon technologies, reduce carbon emissions, and

as extending the new energy technology industry chain, to create

stem, reduce operational costs, and enhance resource utilization

ents, conduct in-depth analysis of market trends, continuously ness models, and actively expand diversified business operations.

gage in stakeholder communication to comprehensively showcase and achievements in environmental protection and low-carbon rency and credibility.

Potential Impact	Countermeasures
The global demand for clean energy continues to rise, creating vast market opportunities for the Company to develop new energy technologies and products.	 Establish a localized operational team, strengthen cooperation with local governments, businesses, and communities, and respond quickly to market demands. Expand into global markets, actively participate in international clean energy projects, and enhance brand influence and market share.
The rapid advancements in clean energy technologies such as photovoltaics and wind power provide strong technical support for the Company to drive energy transition and equipment upgrades.	 Establish deep collaborations with research institutions to jointly advance the commercialization of cutting-edge technologies, with a focus on the innovation and development of low-carbon technologies and environmentally friendly materials. Position in the clean energy technology sector, continuously enhancing core competitiveness in the green energy market through technological innovation and resource integration.

List of Transition Opportunities



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Indicators and Targets

Times Electric actively responds to global climate action initiatives and has developed a systematic climate action plan based on the Science Based Targets initiative (SBTi) framework, tailored to the Company's actual operations. The Company is progressing towards the goal of achieving carbon neutrality in operations (Scope 1 and 2) by 2035, and carbon neutrality across the entire value chain (Scope 1, 2, and 3) by 2050, in alignment with the broader goals of CRRC Group. To ensure the achievement of these targets, the Company has formulated a detailed implementation pathway: in terms of technological innovation, it will increase investment in clean energy technology research and development and promote the low-carbon transformation of production processes; in market expansion, it will focus on high-growth areas such as new energy equipment and energy-saving and environmental protection products; in industrial collaboration, it will work with upstream and downstream partners to build a green supply chain and drive the low-carbon transformation of the entire industry chain. Through multi-dimensional and systematic climate actions, the Company is committed to becoming a model of green and low-carbon development, contributing corporate strength to addressing climate change.

The Company's carbon emission data for the year 2024 is shown in the table below. The Company has engaged Bureau Veritas Certification (Beijing) Co., Ltd. to verify the Company's (excluding Hunan CNR Commercial Vehicle Power Technology Co., Ltd.) carbon emissions from its operations in FY2024, and the results of the verification are set out in the "Greenhouse Gas Verification Opinion".

Indicators	Unit	2024		
Total GHG Emissions	Tons of carbon dioxide equivalent	170,217.54		
Scope 1	Tons of carbon dioxide equivalent	22,838.63		
Scope 2	Tons of carbon dioxide equivalent	147,378.91		
GHG Emission Intensity	Tons of carbon dioxide equivalent / 10,000 RMB output value	0.0683		

Carbon Inventory/Accounting

- In 2024, the Company's Scope 1 and Scope 2 data coverage: According to the ISO 14064:2018 standard, Times Electric conducted greenhouse gas accounting for its wholly-owned subsidiaries, holding companies, and branches (excluding overseas entities).
- Scope 1 includes emissions from the combustion of fossil fuels such as natural gas, fugitive emissions from refrigerants, and emissions from semiconductor production processes; Scope 2 refers to emissions from purchased electricity.
- The heat value data for fossil fuels in Scope 1 is sourced from GB/T 2589-2020, and the emission factors are from IPCC 2006 and IPCC 2021; the electricity emission factor for Scope 2 is sourced from the Ministry of Ecology and Environment and the National Bureau of Statistics' notice "Release of the 2022 Electricity Carbon Dioxide Emission Factors" (Announcement No. 33 of 2024).



Times Electric is committed to building a sustainable ecological environment and actively practices the concept of green development. The Company has established the Greenery Management Measures to regulate greenery management and promote ecological environmental protection. In accordance with the Urban Landscaping Management Regulations and the Urban Landscaping Maintenance Standards, the Company enhances the quality of the natural environment and ecological space by maintaining trees, flowers, and plants, contributing to the preservation and restoration of biodiversity. Additionally, the Company actively participates in green energy projects, such as the construction of photovoltaic power plants, and promotes ecological restoration, contributing to the harmonious coexistence of the ecological environment.



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SDGs addressed in this chapter



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People Oriented : Empowering Inclusive Progress

Times Electric always takes employees as the cornerstone of sustainable corporate development. It is committed to safeguarding employee rights and interests, establishing comprehensive recruitment and employment policies, and developing a complete and competitive compensation and benefits system. It prioritizes employee health and well-being, creates a safe and comfortable working environment, aiming to help employees realize their personal value while advancing in harmony with the company and sharing the benefits of corporate development.

Key Sustainable Development Issues in This Chapter

Employee diversity and equality Employee training and development Employee rights, interests and well-being Occupational health and safety Social welfare

Promotion of local economic development

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Appendix





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Protection of Employee Rights and Interests

Times Electric is dedicated to protecting employees' legal rights and interests, continuously improving employment management systems, and actively upholding principles of equality and fairness in recruitment. The company strictly prohibits any form of discrimination or harassment and strives to foster a diverse, equitable, and inclusive workplace.

Compliant Employment

Strictly adhering to laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, and the Law of the People's Republic of China on the Protection of Women's Rights and Interests, Times Electric has formulated the Labor Employment Management Measures and has updated and modified policy documents such as the Employee Attendance Management Measures, Measures for the Management of Professional Managers' Performance of Duties and Business Expenses, Internal Retirement Regulations, and Standby Employee Regulations, further improving the compliant employment and the policy system for rights and interests protection of employees.

We promote an inclusive and diverse work environment, ensuring equal treatment for all employees. Any form of discrimination - whether based on nationality, ethnicity, gender, religion, cultural background, or physical and mental conditions, along with the employment of child labor, forced labor, and workplace harassment are prohibited.

We safeguard employees' legal rights and interests, adhering to the principles of distribution based on work performed and equal pay for equal work. The company has formulated and implemented the Wage Payment Management Measures and the Employee Performance Management Measures, establishing a comprehensive compensation and benefits system. All employees can enjoy subsidies such as the five social insurances and one housing fund, union benefits, transportation allowances, meal subsidies, and housing subsidies. Additionally, the company implements an annual leave system in compliance with the national Regulations on Paid Annual Leave for Employees and the Implementation Measures for Paid Annual Leave for Enterprise Employees.

Key performance

In 2024

no cases of child labor employment, forced labor, or workplace harassment were reported in Times Electric. The labor contract signing rate for employees was



As of the end of the reporting period, the total number of employees* of Times Electric was 10,010, including 9,398 domestic employees and 612 overseas employees. During the reporting period, the Company's employee turnover rate was 3.80%, with male and female turnover rates at 4.16% and 2.54%, respectively.

*The scope is Times Electric's consolidated reporting unit, including foreign branches.





Diversity and Inclusion

Times Electric actively recruits outstanding talents, providing employment opportunities for individuals from different regions, ethnicities, cultures, and people with disabilities. Each year, the company develops recruitment plans for veterans and individuals with disabilities in accordance with the requirements of CRRC Group and Zhuzhou Institute, and implements them through mutual matching. In 2024, a subsidiary of the company in the semiconductor sector successfully hired a veteran, while also re-employing 6 experienced employees through its reemployment mechanism, thereby practicing the concept of diversity and inclusion and demonstrating the company's efforts in creating an inclusive workplace environment.

The company places a high value on the career development of female employees. It actively promotes the social influence of women and encourages female employees to collaborate, share experiences, and provides comprehensive support for their continued development.



*The scope is Times Electric's consolidated reporting unit, including foreign branches.

Employee Structure Chart of Times Electric



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Key performance

In 2024 **IOU** of the company's employees joined the labor union,

Case: Labor union chairperson paid a visit to grassroots

In 2024, the company's labor union focused on the diverse needs of employees and actively carried out grassroots visits by the union chairperson. More than 30 activities were held throughout the year, reaching the grassroots and front line to understand employees' actual needs, listen to their voices, and collect opinions and suggestions. Through these actions, the labor union effectively addressed practical issues and resolved difficulties for employees, successfully solving their real problems, enhancing their sense of belonging and satisfaction, and building a bridge for communication between the company and employees.





The Chairman of the Labor Union Visits the Grassroots Level (Manufacturing and After-sales Service Sites)

Employee Satisfaction Surveys

Times Electric places high importance on employee opinions and feedback by conducting employee satisfaction surveys each year to seek a direct understanding of employees' feedback on the work environment and atmosphere. The results of the 2024 survey indicated that the company is an "engagement-oriented organization," meaning the company provides a working environment conducive to fully utilizing employees' capabilities and accomplishing organizational tasks.

Employee Communication and Care

Times Electric places great emphasis on listening to employees' voices and provides an open communication platform for them, continuously ensuring smooth communication mechanisms. At the same time, the company fully implements employee care policies by organizing a variety of activities to meet the diverse needs of employees, fostering a harmonious and positive corporate culture, and supporting the mutual growth of employees and the company.

Employee Communication

Times Electric fosters a company atmosphere that encourages open communication. The company strictly adheres to laws and regulations such as the Trade Union Law of the People's Republic of China, respects employees' rights to freely associate and engage in collective bargaining, actively promotes employee rights and interests protection through democratic management measures, and ensures communication channels are smooth and efficient.

Diverse Employee Communication Methods

Times Electric understands employee needs through diverse channels such as staff congresses, employee satisfaction surveys, and in-depth visits to grassroots levels, encouraging employees to fully exercise their right to participate in, right to be informed about, right to express, and right to supervise.

Staff congress

The company strictly implements the staff congress system and ensures the protection of employees' democratic management rights by law. In 2024, nearly 100 opinions were collected during the staff congress, covering key areas such as market expansion, management improvement, deepening reforms, employee benefits, cost reduction and efficiency enhancement, talent flow and development, and industrial development, fully reflecting the important role of the staff congress in promoting the company's development.

Transparency in factory affairs

The company conscientiously fulfills the system of factory affairs disclosure, disclosing major matters of production and operation of the 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.



 $\Box \equiv$

Democratic supervision after public disclosure of factory affairs

The company performs democratic supervision after the public disclosure of factory affairs, and employee representatives are organized to review management measures related to employees' interests. In 2024, employee representatives discussed documents such as the Management Measures for Two Funds Performance and collected more than 40 suggestions, which were communicated and coordinated with relevant departments to ensure timely feedback and resolution of issues.

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 covers salary protection, labor protection, occupational health and safety and protection of female employees, ensuring comprehensive protection of employee rights. 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 employee's 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.

Democratic Management Measures of Times Electric

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and 100 of collective contracts were signed



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to the Party and Mass Work Department.

forwarded to the relevant department for unit-level processing.

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Employee Feedback and Complaints

Times Electric has established smooth communication channels to collect employee opinions and ensure that their opinions are accurately and promptly conveyed to the relevant departments. The company has developed a Management Measures for Public Opinion Communication to create a system for submitting, processing, and providing feedback on opinions, ensuring that communication between employees and the company remains open and enhancing employees' sense of belonging.



 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 meetings, online discussions, and other avenues are managed by the Party and Mass Work Department and relevant departments, and then input into the civil sentiment contact system in a unified manner by designated personnel.

The situation is handled on a case-by-case basis, depending on the level of the opinion:

- Opinions at the company level:Opinions at the company level are reviewed by the Party and Mass Work Department and assigned to the company's functional department for a response. The results are submitted to the company's party secretary for confirmation. Where the department cannot provide a response, the opinion is

• Opinions at the department level:Opinions at the department level are reviewed by the department's party organization and assigned to the responsible department for a response. The results are then summarized and

submitted to the party organization. Where the department cannot provide a response, the opinion is submitted

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, and then provide feedback to the authors of the feedback, who confirm and evaluate the satisfaction level. Finally the information is automatically archived in the public condition contact information platform for closed-loop management.

Public Opinion Communication System for Submission, Processing, and Feedback

Care for Employees

Times Electric focuses on the physical and mental health of employees and their work happiness. It implements diversified humanistic care, organizes enriching activities, and provides comprehensive care and support to help employees achieve a balance between work and life.

Thoughtful Assistance and Care

The company is committed to creating a regular care platform and continuously innovating diversified support platforms. In 2024, the company comprehensively implemented employee care policies through various initiatives, improving employees' sense of belonging, happiness, and the company's cohesiveness.



- The company offers "Happy Cloud Classrooms," providing courses on parenting education, stress management, marital relationships,
- etc., to enhance employees' problem-solving skills and internal strength. • A "Mood and Stress Management" survey was conducted, and family team counseling and fun activities such as "complaint sessions"
- were organized to help employees relieve stress and enhance their enthusiasm for work and life.





• The live broadcast of the "Cloud Classroom" of Times Electric

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Targeted assistance

By implementing measures such as the "provision of warmth in winter, cooling in summer, and assistance in difficult times," together with careful visits, investigations, and timely reporting, the labor union established assistance files for precise help, ensuring that "both household income and support conditions are clearly understood", and expanding the scope of assistance. The as nce work covers all aspects, from daily illness visits to "Golden Autumn Education Assistance" and major illness assistance, meticulously caring for every

The labor union invites hospital experts to hold specialist lectures and provide home visits for over 3,000 employees, encouraging them



Free Medical Consultation Activity of the Health Carnival



Employee Care Measures of Times Electric in 2024



Key performance

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Work-life balance

Times Electric encourages employees to balance work and personal life by organizing various engaging activities and inviting their families to participate, creating a workplace environment that fosters security and happiness. The labor union has established the "Happy Home Club," and the Youth League Committee has launched the "Trend Circle," offering over 100 events to promote a culture of motivation and teamwork, inspiring employees to approach both work and life with greater enthusiasm and determination.

Case: "Joyful Mind & Active Life" reading club

The company established the "Joyful Mind & Active Life" reading club to regularly host reading events for employees. By curating high-quality books and encouraging knowledge-sharing, the initiative broadens employees' perspectives, enriches their intellectual pursuits, fosters a sense of cultural cohesion, and inspires ambition among employees and cultivates a positive and uplifting corporate culture.



Case: Diverse employee activities

The company offers "8-hour+ Club" courses and, following a dual approach of inclusivity and competition, organizes various cultural and sports activities through its sports clubs and arts groups, enhancing employees' leisure experiences. Additionally, the company has established a "Talent Pool" for cultural and sports talents, allocating resources to develop brand events and "cozy living spaces," effectively attracting more enthusiasts to actively participate.





Provided assistance to 389 employees facing illness or financial difficulties	amounting to RMB 140,000
Conducted summer and winter relief efforts benefiting 12,000 employee instances	amounting to RMB 3.85 million
Provided holiday relief to over	amounting to RMB

4.67 million

Distributed care funds totaling RMB

24,000 employees

870,000 to overseas employees and front line staff on duty during the Spring Festival, as well as their families

Provided heatstroke prevention materials and equipment for employees working in high-temperature environments, amounting to RMB

The total welfare fund exceeded

RMB¹⁰ million









Times Electric Carried out a Series of Relief Activities

• The Reading Sharing Session of Times Electric

Employee Club Activities

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Talent Attraction and Development

Times Electric knows well that human resources are the key to sustainable competitiveness. Upholding the core value of "putting value creators first," the company provides a platform for employees to realize their potential, advance their careers, and achieve professional success. The company enhances its talent attraction and recruitment strategies through complete compensation and benefit policies, diverse promotion pathways, and structured training systems, offering comprehensive career development support to foster mutual growth between employees and the company.

Talent Introduction

Based on its strategic positioning, business expansion, and current talent structure, Times Electric employs a scientific approach to forecast talent needs. The company makes relentless efforts to expand talent introduction through internal referrals, internal job postings, social recruitment, and campus recruitment. Additionally, it adopts innovative hiring strategies for experienced professionals and international talents, ensuring a robust talent pipeline to support key business developments. In 2024, Times Electric hired 1,015 new employees.



Case: Parent-child activities

The company introduced summer parent-child classes, providing employees with new ways to accompany their children. The company also hosted the "Guarding Innocence, Moving Forward Together" event for families of employees frequently on business trips, demonstrating care for employees' families and reinforcing the support for employees on the home front.













Parent-Child Activities at Times Electric

Social recruitment	Campus recruitment
Meet the social recruitment	Implement the district
needs of employers	project manager system
through multiple channels.	under the unified principle.

Talent Recruitment Channels at Times Electric

Recruited

48 master's degree holders with over 3 years of work experience

Case: Times Electric won the "Best Employer" award in 2024

In 2024, Times Electric was granted the "2024 Best Employer Brand Talent Attraction Award" by Risfond Talent Technology Group and the "China Preferred Employer of the Year 2024"

award from Zhaopin, fully showcasing the company's outstanding achievements in employ-

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2014年1 単位単主説が

Times Electric Won the Best Employer Award

SHOELDING!

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Guided by its core value of "putting value creators first and sharing success with every employee," Times Electric continuously refines its compensation management system to provide multi-tiered benefits, and is committed to enhancing salary competitiveness for key personnel while ensuring a fair internal income distribution relation.

Overall compensation

The company promotes an overall compensation concept that encompasses benefits, as well as non-monetary rewards such as honors and career development opportunities, into its compensation system. This approach ensures employees have a comprehensive good understanding of the rewards provided by the company, helping to attract and retain talents.

C

The company has established a compreemployees holistically.

Compensation and Benefits

er branding and talent attraction.

Times Electric knows well that a well-structured compensation and benefits system can help attract and retain top talents. In compliance with national and regional laws and regulations, the company provides statutory benefits, including basic pension insurance, basic medical insurance (including critical illness mutual aid), work-related injury insurance, maternity insurance, unemployment insurance, and housing provident funds. Additionally, the company offers non-supplementary benefits such as corporate annuities, additional medical insurance, meal subsidies, summer and winter allowances, health allowances, medical checkups, wellness programs, mutual aid funds, and commercial insurance. In addition to enjoying weekends, statutory holidays, marriage and funeral leave, maternity leave, and other types of leave, employees are also entitled to annual paid leave in accordance with the national Regulations on Paid Annual Leave for Employees and the Measures for the Implementation of Paid Annual Leave for Enterprise Employees.



۲ Talent Remuneration and Benefits System of Times Electric



The term-based incentive model links annual remuneration and tenure incentives to responsibilities, organizational performance, and individual performance.

Case: Employee stock ownership incentive of Times Electric Subsidiary

In 2024, Times Semiconductor, the Company's holding subsidiary, introduced strategic investors and employee shareholding platform for the capital increase, and 80 core and backbone employees in technology and management participated in the capital increase through the employee shareholding platform, Zhuzhou Core Development Zero Enterprise Management Partnership (Limited Partnership), at the same time as the price of capital increase by the 26 strategic investors, with an amount of approximately RMB 98.8 million; as at the end of the reporting period, a total of 344 persons had participated in Times Semiconductor's employee shareholding platforms "Zhuzhou Core Connection Zero Enterprise Management Partnership (Limited Partnership)" and "Zhuzhou Core Development Zero Enterprise Management Partnership (Limited Partnership)".

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hensive incentive system, including rewards for appointment of major research projects, special technological achievements, quality improvement initiatives, and function management enhancement programs. Additionally, core talent stipends and young scientific talent allowances are set up to motivate

The company implements a position-based performance salary system, establishing a compensation distribution system where salary levels are determined by job grades, bonuses by performance, benefits by hierarchical levels, and allowances by job roles. Depending on the job level category, performance-based compensation accounts for 20% to 50% of an employee's total salary, with 100% coverage across all employees.



For all employees

The remuneration system follows the principles of "position grade-based salary grade, performance-based bonuses, organizational level-based benefits, and role-based allowances.

Times Electric Tiered Employee Incentive Mechanism





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Training and Development

Adhering to the talent philosophy of "value-driven, innovation-led, maximizing potential, and optimizing talent utilization," Times Electric has built a comprehensive employee development system. The company has formulated a series of management regulations, including the Training System Management Measures, Employee Education and Training Fund Management Measures, Internal Training Course Management Measures, and Internal Trainer Management Measures, providing a solid institutional foundation for training initiatives.

Each year, the company conducts a bottom-up survey to assess training needs and formulates a multi-tiered training plan based on the findings, covering all levels from departments to the corporate level. The training system integrates academic resources while catering to business needs, advancing training initiatives along three key dimensions: strategic alignment, business empowerment, and talent pipeline development.



Following a classified, tiered, and categorized approach, the company organizes training programs focusing on strategic alignment, business empowerment, and talent pipeline development. It upholds an integrated approach of training, assessment, and practical application, systematically advancing training programs across 8 key business domains, including R&D, marketing, finance, quality, manufacturing, and after-sales service. The company focuses on talent development and the building of its talent pool. In 2024, the company offered more than 100 internal training courses and developed and utilized teaching resources to maximize the value of training and talent resources.

Leveraging the Times College, the company has established a corporate-specific training system, offering employees comprehensive and diverse training programs.



Promotion and Incentives

Times Electric has established a multidimensional "bridge-like" career development system, committed to providing employees with a fair and equitable promotion path. The company has formulated management policies such as the Career Development Channel and Grade Management Measures and the Hierarchy Development System, creating a dual-track promotion mechanism that integrates both managerial and professional career paths. The goal is to empower employees to achieve career growth across different fields.





Dual-Channel Promotion Mechanism for Career Development at Times Electric

The company has established a well-defined career development system, categorizing employee career levels into 7 tiers, which are linked to benefits, and job positions into 9 grades based on the complexity and significance of job responsibilities, which are tied to salary. To optimize talent management mechanism, the company has designed differentiated assessment and evaluation systems for various career development channels. Through a scientific evaluation mechanism, the company fully explores employee potential, ensuring an organic alignment between individual career growth and corporate development goals.

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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.

Employee Training System of Times Electric

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Product competitiveness enhancement training and battle program under the leap program Incremental performance management workshop Supply chain capability enhancement The leadership training program for technical backbones of the New Shaou program Quality ality lighthprogram • Key Training Programs of Times Electric in 2024 Invested RMB Achieved 15.4914 million in total for employee training 100 % employee training coverage Launched over Conducted over 2,000 internal and external training sessions 10 key talent development programs

The company actively encourages employees to enhance their professional qualities, strengthen their professional expertise, and increase their competitiveness for personal growth. Through joint training programs with CRRC Group and some domestic universities, outstanding technical backbones are selected to participate, elevating their professional knowledge and skills. Employees who complete the programs can receive academic certifications from partner universities, providing strong support for their career advancement. These initiatives create an optimal environment for employee development while supplying the company with the talent necessary for innovation and high-quality growth.

To comprehensively support employee skill enhancement and career progression, the company collaborates with grassroots unions and youth organizations to organize over 22 thematic labor and skills competitions aligned with major corporate strategies, key projects and industries. Simultaneously, the company actively promotes the establishment of model worker studios and youth task forces, empowering skilled talent growth and driving corporate development.



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r	ograms in 2024
	Pre-tender guided marketing capability enhancement program under the leap program
	Performance management empowerment
	Financial capability enhancement
	Leadership cultivation program for first-term cadres
	New employee training

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Case: Empowering employee growth through collective innovation

The company's labor union has established a systematic talent development mechanism using the model worker studios as a platform, including skill competitions to enhance practical training, a mentor-apprentice pairing program to facilitate knowledge transfer, and a "train-and-guide" system to support employee growth. This mechanism has effectively strengthened the talent pipeline, yielding remarkable results: two employees won first place in the Hunan Provincial Information Security and Artificial Intelligence Competition, three employees were awarded the "municipal craftsman" title, and several innovation projects received municipal innovation achievement awards, providing strong talent support for the company's high-quality development.





湖南省第八届职工职业技能大赛 暨"智赋万企"数字化应用技术技能大赛 株洲代表队获奖名单

一、网络与信息安全管理员

第一名 蔡晔晔 中车株洲电力机车研究所有限 公司 第三名 许 路 国网株洲供电公司

、人工智能训练师

有一名 王伟 株洲时代电气股份有限公司 第二名 全 皓 中车株洲电力机车研究所有限公司 第三名 史丁丁 株洲时代新材料科技股份有限公司 第五名 盛隽怡 中车株洲电力机车研究所有限公司

Empower Employee Growth Through Collective Innovation



Times Electric upholds the national safety production principles of "safety first, prevention-oriented, and comprehensive management," optimizing the safety and environmental protection management responsibility system. The company is committed to minimizing employee health risks, actively promoting a culture of safety, and creating a healthy and safe working environment.

Governance

Times Electric strictly complies with the Law of the People's Republic of China on Production Safety, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Law of the People's Republic of China on Emergency Responses, and other laws and regulations, and has developed a range of management policies for all employees in alignment with ISO 45001 Occupational Health and Safety Management System standards, including: Times Electric EHS Management Manual, Times Electric EHS Inspection Management Measures, Occupational Disease Hazard Prevention and Control Responsibility System, Occupational Disease Hazard Warning and Notification System. Supported by standardized safety production regulations for the machinery manufacturing industry, the company has optimized the safety production management system to support the smooth operation of its business activities.

Times Electric continuously improves its occupational health and safety governance framework. At the board level, the strategy and ESG Committee is set up to be responsible for formulating and overseeing the company's overall occupational health and safety strategy. At the execution level, the company has established the Safety Management Committee Leading Group to coordinate occupational health and safety affairs. The leading group manages the Safety Management Committee Working Group and the Safety Production Standardization Professional Group, which are responsible for specific management and implementation tasks, respectively, ensuring the effective execution of occupational health and safety management.

Responsible for implementing various laws and regulations, optimizing the safety and environmental protection responsibility system, formulating the company's safety and environmental protection plans and annual work plans, presiding over Safety Management Committee meetings, and organizing safety and environmental protection inspections, awareness campaigns, and accident investigations.

Working Group

Responsible for revising and improving safety and environmental protection management regulations, organizing the identification and control of hazardous sources and environmental factors, developing a safety risk classification and control list, organizing internal and external audits and management reviews of the EHS management system, conducting hazard identification and rectification, establishing an emergency response system, and investigating and holding parties accountable for production safety accidents.

Responsible for organizing company-level safety production standardization inspections and self-evaluations, providing rectification recommendations, participating in cross-audits, conducting training and knowledge-sharing sessions, and enhancing professional knowledge and management capabilities of safety personnel.

Basic Management Discipline

Thermal Explosion

Discipline



Electric Discipline

Mechanical Discipline

Work Environment & Occupational Health Discipline

Safety Management Organizational Structure of Times Electric

Strategy

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implementation of safety and environmental protection measures.

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Enhancement of Intrinsic Safety

To achieve its occupational health and safety objectives, Times Electric has formulated and implemented improvement initiatives to ensure the attainment of safety goals by optimizing management processes, strengthening safety actions, and continuously enhancing its intrinsic safety management level.



Safety Hazard Inspection

Times Electric has established a regular safety hazard inspection mechanism and formulated the EHS Inspection Management Measures. This year, the company updated the Safety Risk Map, mandating that the primary responsible person of each unit personally lead safety inspections, maintaining records and photographic documents. Additionally, special inspections were conducted for key units such as the Manufacturing Center, Testing and Inspection Center, and Semiconductor Company, identifying 14 safety hazards, all of which were rectified, achieving a 100% closure rate.

Times Electric actively integrates high-quality development with high-level safety, implementing multiple measures to enhance intrinsic safety. The company conducts in-depth safety hazard inspections, rigorously advances health and safety management for employees and suppliers, and continuously strengthens safety culture education and awareness. In 2024, the company invested RMB 49.36 million in safety production to ensure steady progress in workplace safety management.

The company implements a multi-tiered safety meeting system. The Safety Management Committee convenes quarterly to implement the safety and

environmental protection requirements of the state and superior departments, report on progress, and plan key initiatives. For major matters, temporary meetings can be held at any time. Monthly production meetings integrate safety work according to the "Five Simultaneous" principle, while

additional safety production work meetings are convened as needed to summarize progress and address challenges, ensuring the effective

Additionally, the company has established a performance evaluation mechanism linking health and safety management to executive compensation,

according to the compensation and performance system, ensuring effective health and safety management and accountability.

Occupational Health and Safety System Certification

Times Electric prioritizes enhancing its occupational health and safety management capabilities and actively promotes occupational health and safety management system certification. In 2024, the company obtained the latest ISO 45001 Occupational Health and Safety Management System Certification (UKAS + CNAS). All its manufacturing subsidiaries have also obtained ISO 45001 certification.

Occupational Health and Safety Management

Times Electric has implemented a series of key occupational health and safety (OHS) initiatives, covering areas such as improvement of safety management, improvement of stakeholder safety management improvement, optimization of occupational disease management, and advancement of safety inspection initiatives. These measures aim to comprehensively elevate environmental, health, and safety (EHS) management standards, ensure employee health and safety, and establish a solid foundation for the company's long-term and stable development.



ISO 45001 Occupational Health and Safety Management System Certification

Improve various safety management regulations for hazardous work; . Improve risk identification and control records for hazardous work; and refine inspection and

. Evaluate existing labor protection equipment and emergency supplies, and standardize compa-

• Conduct emergency drills for each type of hazardous work every six months.

. Establish a lean workstation management model centered on "one board, two ledgers, and three forms," featuring scientific hazard identification, visualized safety mapping, standardized spot check criteria, routine hazard identification, and clearly defined

• Strengthen the inspection and management of safety protection devices; Improve the safety management mechanism for special equipment by implementing the "Three Implementations," "Two Certificates," "One Inspection," and "One Emergency

• Establish and improve risk identification and control strategies throughout the process development cycle, and embed these strategies into specific processes and forms within

Enhancement of Intrinsic Safety

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Occupational Health and Safety Culture Development

To enhance employees' awareness of health and safety, Times Electric actively conducts a series of health and safety-related publicity, training, and drills, striving to foster a strong safety culture and establish a solid foundation for the company's stable development.

Safety Training

Times Electric attaches great importance to employee safety training and promotes safety education through various forms. The company mandates that on the first working day of each year, all departments shall organize an "Opening Safety Lesson" for on-site personnel to instill safety awareness from the very beginning of the year. Additionally, the company organizes an annual "Safety Production Month" campaign, encouraging employees to actively participate in safety culture development.

Case: "Safety Production Month" Campaign of Times Electric

To thoroughly implement the safety production policy of "safety first, prevention-oriented, and comprehensive management," Times Electric launched the 2024 "Safety Production Month" campaign with the theme "Everyone Talks Safety, Everyone Knows Emergency Response - Ensuring Smooth Safe Escape Routes." During the campaign, the company meticulously organized a variety of safety culture activities, including quiz competitions, comic submissions, and safety promotions. These activities enabled employees to learn safety knowledge through participation and improve their emergency response skills through practice, further fostering a culture where "everyone cares about safety, and safety concerns everyone".





Case: "Fire Safety Knowledge" training

From July 25 to 26, 2024, the company conducted "Fire Safety Knowledge" training at Times College for all fire safety management personnel, aiming to enhance fire safety awareness, improve self-rescue and mutual aid skills, and strengthen emergency response capabilities among employees and relevant service personnel.

Key performance

Conducted an overall hazard identification and rectification incentive program, successfully addressing

3,525 safety hazards

Conducted behavior-based safety observation activities for department heads, with



52 company-level safety stars

Conducted an incentive program for safety

safety technical improvement projects

Held a quarterly safety star selection program, recognizing

technical improvement, completing



Employee Occupational Health Management

The company strictly follows the Employee Medical Examination Management Measures, organizing regular health check-ups for all employees. Special attention is given to positions with occupational disease risks, achieving a 100% occupational health examination rate for 1,200 relevant positions. Employees identified with occupational contraindications have been fully reassigned. Moreover, occupational hazard factor detection has reached a 100% compliance rate, and the company has successfully completed occupational hazard reporting, obtaining the official receipt from the National Health Commission. Additionally, 100% of employees are covered by work-related injury insurance and workplace safety liability insurance, ensuring comprehensive protection of employee health and safety.

Supplier Safety Management

Times Electric places great emphasis on the safety management of contractors and other suppliers, It has implemented and implemented the Stakeholder Safety Management Guidelines of Times Electric that cover all contractors. Through a series of closed-loop management processes, the company effectively mitigates supplier-related safety risks.



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"Safety Production Month" Campaign



Case: Emergency skills training for micro fire station members

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To achieve the goal of "early suppression, minor accident containment, three-minute response, and coordinated and effective emergency handling," the company organizes quarterly emergency skills training sessions for micro fire station members to enhance their professional

Emergency Skills Training for Micro Fire Station Members

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George Technology Occupational Health

Times Electric prioritizes employees' occupational health and annually engages external institutions to provide occupational health education and training.

Case: "Cherish Life, Care for Health" first aid & health lecture

In 2024, to enhance employees' health awareness and self-care abilities, the company organized a "Cherish Life, Care for Health" first aid and health lecture. The event featured experts from the Hunan Health Education Center, covering topics such as: first aid techniques (including cardiopulmonary resuscitation, AED usage, and airway obstruction removal) and prevention and treatment of common occupational diseases (such as pneumoconiosis, occupational poisoning, and noise-induced hearing loss), aiming to improve employees' health literacy, promote first aid knowledge, ensure effective self-rescue and mutual aid in emergencies, and help employees better understand their health conditions and adopt effective protective measures.



Key performance

emergency response capabilities.



Times Electric conducted occupational health and safety training sessions, with a total of

16,623 participant instances

and an accumulated training duration of 133,000 hours

Safety Emergency Drills

In 2024, Times Electric further optimized its safety emergency management policy system and conducted emergency drills across its subsidiaries to help employees enhance their emergency response capabilities.

Case: Confined space on-site emergency response drill

On October 23, 2024, Times Electric conducted a confined space operation emergency drill, simulating an emergency response to a worker fainting during a sewage valve replacement operation. The drill was well-coordinated, verifying the scientific and practical aspects of the emergency response plan. It effectively improved employees' emergency handling skills and provided strong support for confined space operation safety management.



Confined Space On-Site Emergency Response Drill

Impact, Risk, and Opportunity Management

Times Electric has developed a dual prevention mechanism integrating risk hierarchical control and hazard investigation & rectification, and established a comprehensive risk management process to identify and assess safety risks, conduct regular hazard investigation and governance, and ensure risk control and closed-loop hazard management.

Risk Identification and Assessment

For new, modified, and expanded construction projects, Times Electric ensures a 100% implementation rate of the "Three Simultaneous" policy (simultaneous design, construction, and operation) to control safety risks at the source. For existing projects, we conduct comprehensive safety risk identification and scientific risk grading, applying organizational, institutional, technical, and emergency measures to effectively manage identified risks and communicate safety hazards. For significant safety risks within each production unit, we have developed illustrated inspection standard reference tables, specifying hazard sources and exact locations, potential consequences, inspection areas, items, and standards, responsible departments and personnel. This approach ensures the completeness and accuracy of risk identification and assessment.

Risk Monitoring and Control

The company regularly conducts hazard investigations and rectifications to enhance its hazard management system, achieving a layered defense, proactive prevention, and source control. By developing detailed inspection standard reference tables, we have clearly defined the risk points and inspection requirements for each production unit, ensuring the continuity and effectiveness of risk monitoring. The responsible departments and personnel conduct regular hazard investigations, promptly identifying and addressing potential risks to maintain a dynamic and timely risk management process. Through these measures, we have achieved comprehensive monitoring and effective control of safety risks, ensuring a safe and stable production environment.

• "Cherish Life, Care for Health" First Aid & Health Lecture



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Indicators and Hargets

Adhering to the EHS management philosophy of "people-oriented, continuous improvement, green and environmental protection, and health&safety," Times Electric has systematically established occupational health and safety goals to create a safe, healthy, and sustainable work environment.



Occupational Health and Safety Targets

Occupational Health and Safety Indicators

Safety production performance

Indicator	Unit	2024
Number of work-related accidents	Cases	1
t workdays due to work-related injuries	Days	10
Number of injured employees	Persons	1
Number of fatalities	Persons	0
ost time injury frequency rate (LTIFR)	Cases per Million Hours Worked	0.054
Total recordable incident rate (TRIR)	Persons per Million Hours Worked	0.054
Lost Time Injury Rate (LTIR)	Cases per Two Hundred Thousand Hours Worked	0.27
Employee fatality rate	%	0



Safety Production Performance of Times Electric

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Social Contribution

Adhering to the philosophy of "team-oriented, individual-supported, serving the enterprise, and benefiting society," Times Electric actively participates in public welfare and charity activities, fulfilling its social responsibilities through diverse initiatives. In 2024, leveraging the "Youth Volunteer Service Day" as an opportunity, the company institutionalized volunteer service efforts. It organized multiple study sessions on the spirit of Lei Feng and conducted a series of practical activities, including free medical consultations, public welfare tree planting, and voluntary blood donation. These initiatives not only conveyed the company's values but also enhanced employees' sense of social responsibility, demonstrating the company's active role in public welfare.

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Free Medical Consultation and Donation activities

Charity Material Donation Activities

Case: "Love Across Mountains and Seas - Spreading the Seeds of Volunteerism" Tibet AID Program

2024 marks the 30th anniversary of China's targeted assistance program for Tibet. In alignment with the Party Committee's directives on Tibet aid, the Youth League Committee of Times Electric collaborated with the Youth League Committees of Ngagzha County, Shannan, Tibet, and Zhuzhou City to launch the "Love Across Mountains and Seas – Spreading the Seeds of Volunteerism" Tibet Aid Program. Through initiatives such as the "Love Blind Box" charity sale and donation of essential supplies, the program mobilized social resources to support Azar Complete Primary School in Ngagzha County, Shannan. Donations included a Young Pioneers' room, industrial and cultural knowledge walls, and educational supplies. These efforts not only introduced local students to the company's culture and values but also educated them on science and technology industries, fostering scientific literacy and innovation skills among the youth, and effectively advancing the company's Tibet aid initiatives and benefiting Tibetan youth.



"Love Blind Box" Tibet Aid Program





Times Electric actively responds to the national rural revitalization strategy, upholding corporate social responsibility to foster mutual prosperity between enterprises and society. In 2024, the company focused on comprehensively promoting rural revitalization and actively participated in the selection and deployment of village assistance teams. Through concrete actions, it contributed to the implementation of the strategy. The company invested RMB 150,200 in rural revitalization, supporting key areas such as rural transportation infrastructure construction and industrial development through consumption-driven assistance, thereby providing strong support for comprehensive rural revitalization.

Case: Agricultural product consumption assistance

In 2024, Times Electric actively responded to the national rural revitalization strategy by supporting consumption-driven assistance initiatives. The company procured agricultural products such as Shibadong water and fruits to promote local industrial development and increases in farmers' income. In 2024, Times Electric invested RMB 130,200 in consumption-driven assistance, making a positive contribution to rural revitalization.

Case: Supporting the opening of the Lijiang-Shangri-La railway and empowering the development of the northwestern Yunnan

2024 marked the first anniversary of the opening of the Lijiang-Shangri-La Railway. Times Electric supplied core equipment for the railway's operational trains, including integrated main and auxiliary power converters, network control systems, on-board power distribution cabinets, information products, and passenger train three-phase inverters, ensuring the safe and efficient operation of trains in complex environments.

The Lijiang-Shangri-La Railway connects popular tourist destinations such as Lijiang and Shangri-La, significantly boosting the local tourism economy. It also facilitates the transportation of regional specialty agricultural products, promoting industrial upgrades. By enhancing transportation accessibility and logistics efficiency, the Lijiang-Shangri-La Railway has become a key driver of regional coordinated development in northwestern Yunnan and an important pillar of rural revitalization.



Opening of the Lijiang–Shangri-La Railway



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ESG Key Performance Table

Responsible Procurement: Building a Sustainable Supply Chain

Social performance

Environmental performance

Indicator	Unit	2022	2023	2024
Municipal water purchases	10,000 cubic meters	175	237	259
Water consumption intensity	10,000 cubic meters/10,000 RMB output value	0.0001	0.0001	0.0001
Purchased electricity	10,000 kilowatt-hour	17,168	20,364	29,465
Per capita electricity consumption	Kilowatt-hour	21,476	24,289	31,353
Natural gas	10,000 cubic meters	251	246	348
Per capita natural gas consumption	Cubic meters	313.99	293.00	370.14
Comprehensive energy consumption	Tons of standard coal	24,733	28,507	40,839
Comprehensive energy consumption of 10,000 yuan output value	Tons of standard coal / 10,000 RMB output value	0.013	0.013	0.016
Total greenhouse gas emissions	Tons of carbon dioxide equivalent	111,668	131,738	170,217.54
Scope 1	Tons of carbon dioxide equivalent	13,368	15,602	22,838.63
Scope 2	Tons of carbon dioxide equivalent	98,300	116,136	147,378.91
Greenhouse gas emission intensity	Tons of carbon dioxide equivalent / 10,000 RMB output value	0.0619	0.0604	0.0683
Total waste gas emissions	Cubic meters	2,929,455,131.95	3,433,954,766.08	3,783,254,746.00
Total wastewater discharge	Tons	982,100	1,287,300	1,286,797
Total recyclable waste	Tons	610.43	672.15	722.79
Total non-hazardous waste	Tons	2,743.17	3,646.80	2,196.74
Total hazardous waste	Tons	1,220.24	1,666.71	2,162.77
Total packaging consumables used	Tons	7,588.43	7,445.91	6,832.01

	Indicator	Unit	2022	2023	2024
Total employees		Persons	7,994	8,362	10,010*
	Male	Persons	6,217	6,581	7,549
By gender	Female	Persons	1,777	1,781	1,849
	51 and above	Persons	520	529	563
Duran	41 - 50	Persons	1,467	1,677	1,947
By age	31 - 40	Persons	4,399	4,335	4,349
	30 and below	Persons	1,608	1,821	2,539
	Total number of grassroots employees	Persons	7,233	7,571	8,663
	Total number of employees at middle management	Persons	575	602	539
By type of employment	Number of female employees in middle management	Persons	71	68	55
	Total number of employees in senior management	Persons	186	189	196
	Number of female employees in senior management	Persons	14	14	15
	Master's degree and above	Persons	1,673	1,967	2,828*
By education level	Bachelor's degree	Persons	4,886	5,069	5,611*
	Junior college and specialized schools	Persons	1,435	1,326	1,571*
	Domestic employees	Persons	/	/	9,398*
By geographic location	Overseas Employees	Persons	/	/	612*
	Production staff	Persons	1,371	1,502	2,165*
	Sales staff	Persons	836	505	566*
By employee	Technical staff	Persons	4,763	4,841	6,115*
discipline category	· R&D staff	Persons	2,822	3,180	4,025*
	Financial staff	Persons	1	139	160*
	Others	Persons	1,024	1,375	1,004*

People Oriented : Empowering Inclusive Progress

2024

Total number of departed employees

Employee turnover rate

By gender

By age

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Number of departed male employees

Number of departed female employees

Number of departed employees aged 41-50

Number of departed employees aged 31-40

Number of departed employees aged 51 and above

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Sustainability Management

Persons

%

Persons

Persons

Persons

Persons

Persons

328

4.10

310

27

2

12

147

290

3.50

265

25

8

35

122

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361

3.80

314

47

53

34

128

146

9,398

7,549

1,849

8,663

539

196

396,116

42

318,183

77,933

365,137

22,718

8,261

100

15,491,379

1,337

84

84

114

Technology Innovation Leads: Lean-Perfected Excellence in Quality

Responsible Procurement: Building a Sustainable Supply Chain

	Indicator	Unit	2022	2023	2024
	Number of working days lost due to work injury	Days	0	0	10
	Number of employees who died as a result of work-related deaths	Persons	0	0	0
Employee health and safety	Number of employees in occupational disease risk positions	Persons	1,200	1,125	1,200
	Number of employees attending medical checkups for occupational diseases	Persons	1,200	1,125	1,200
	Number of employees suffering from occupational diseases	Persons	0	0	0
	Number of employees injured at work	Persons	0	0	1
	Number of work injury-related accidents	Cases	0	0	1
	Number of occupational diseases	Persons	0	0	0
	Number of work-related fatalities	Cases	0	0	0
Safety accidents	Number of deaths from work-related accidents	Persons	0	0	0
and personnel	Million man-hours mortality rate	%	0	0	0
	Fatality rate due to work-related accidents	%	0	0	0
	Lost time injury frequency rate (LTIFR)	Cases per million hous worked	/	/	0.054
	Total recordable incident rate (TRIR)	Persons per million hous worked	/	/	0.054
	Lost Time Injury Rate (LTIR)	Cases per Two Hundred Thousand Hours Worked	/	/	0.27
Total health and safety inputs		10,000 RMB	4,691	4,939	4,936
	Number of people trained in safety	Persons	13,996	14,256	16,623
Work safety training performance	Hours of safety training	Hours	111,968	114,048	132,984
	Safety training coverage	%	100	100	100
Number of complaints received	d about products and services	Cases	4	3	3
Complaints handling rate		%	100	100	100
Qualification rate of product sa	ampling	%	/	100	100
Number of product recalls		Cases	0	0	0
Percentage of sold or shipped	products subject to recall due to safety concerns	%	0	0	0
Scope of business covered by o	quality management system certification	%	100	100	100
Customer satisfaction		%	92.50	93.10	93.30
R&D investment		100 million RMB	18.58	21.87	28.42
Amount of R&D investment an	d its proportion to main business revenue	%	10.25	9.96	11.41

	Number of departed employees aged below 30	Persons	167	125	
Total number of employees tra	ined	Persons	7,994	8,362	
	Number of male employees trained	Persons	6,217	6,581	
By gender	Number of female employees trained	Persons	1,777	1,781	
	Number of grassroots employees trained	Persons	7,233	7,571	
By type of employee	Number of middle management employees trained	Persons	575	602	
	Number of senior management employees trained	Persons	186	189	
Total hours of employee trainir	Total hours of employee training		303,772	335,360	
Average hours of employee tra	Average hours of employee training		38	40	
	Total hours of training received by male employees	Hours	236,246	263,920	
By gender	Total hours of training received by female employees	Hours	67,526	71,440	
	Total hours of training received by grassroots employees	Hours	274,854	303,720	
By type of employee	Total hours of training received by middle management employees	Hours	21,850	24,080	
	Total hours of training received by senior management employees	Hours	7,068	7,560	
Percentage of employees recei	ving regular performance and career development appraisals	%	100	100	
Investment in vocational trainir	ng	RMB	9,680,000	10,480,000	
Total number of active supplier	Total number of active suppliers		1,015	1,170	
Percentage of suppliers signing up to a supplier code of conduct		%	78	79	
Percentage of suppliers signing	Percentage of suppliers signing clauses that include environmental and labor requirements		78	79	
Total number of new suppliers		Companies	133	155	

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GRI Standards Indicator Index

December 31, 2024.

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	2-2 Entities included in the organization's sustainability reporting	About This Report	P2
	2-3 Reporting period, frequency, and contact point	About This Report	P2
	2-6 Activities, value chain, and other business relationships	About This Report	P2
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General Disclosure	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability (ESG) Management	P21-22
	2-14 Role of the highest governance body in sustainability reporting	Sustainability (ESG) Management	P21-22
	2-16 Communication of critical concerns	Sustainability (ESG) Management	P21-22
	2-17 Collective knowledge of the highest governance body	Sustainability (ESG) Management	P20
	2-22 Statement on sustainable development strategy	Sustainability (ESG) Management	P20
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	3-1 Process to determine material topics	Sustainability (ESG) Management	P22-23
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GRI 201: Economic	201-1 Directly generated and distributed economic value	ESG Key Performance Table	P119-123
Performance	201-2 Financial impact and other risks and opportunities due to climate change	Response to Climate Change	P82-86
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investment and services supported	Theme of 2024	P13-16
	205-1 Operations assessed for risks related to corruption	Upholding Business Ethics	P40-43
GRI 205: Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	Upholding Business Ethics	P42
	205-3 Confirmed incidents of corruption and actions taken	Upholding Business Ethics	P40-43
GRI 206: Anti-Competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Upholding Business Ethics	P40-43

Governance performance

	Indicator	Unit	2022	2023	2024
Number of shareholders meetings held		Times	4	3	4
Number of board of directors	meetings	Times	9	9	10
Number of supervisory board	meetings	Times	7	7	6
Number of strategy and ESG c	ommittee meetings	Times	2	2	3
Number of audit committee m	neetings	Times	5	5	5
Number of risk control comm	ittee meetings	Times	1	2	3
Number of remuneration com	mittee meetings	Times	3	3	5
Number of Science, Technolog	Number of Science, Technology and innovation committee* meetings		1	1	2
Number of nomination comm	Number of nomination committee meetings		3	3	4
Number of members of the bo	Number of members of the board of directors		11	8	7
	Male directors	Persons	10	8	6
By gender	Female directors	Persons	1	0	1
	Percentage of female independent directors	%	9.09	0	14.29
	Independent directors	Persons	6	4	4
By type	Percentage of independent directors	%	54.55	50	57.14
7-77-	Non-independent directors	Persons	5	4	3
	Percentage of non-independent directors	%	45.45	50	42.86
	Revenue	100 million yuan (RMB)	181.26	219.62	249.09
Economic indicator	Net profit attributable to the parent company	100 million yuan (RMB)	25.45	30.41	37.03
	Cash dividends per 10 shares	Yuan (RMB)	5.5	7.8	10

*The Board's Science, Technology and Innovation Committee was established on October 26, 2023

Times Electric has prepared this Report with reference to the Global Reporting Initiative (GRI) standards for the reporting period January 1, 2024 to

2024

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	401-1 New employee hiring rate and employee turnover	ESG Key Performance Table	P121
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Development	P102-102
	401-3 Parental leave	Talent Attraction and Development	P101-102
	403-1 Occupational health and safety management system	Occupational Health and Safety	P108-110
	403-2 Hazard identification, risk assessment, and accident investigation	Occupational Health and Safety	P114
	403-3 Occupational health services	Occupational Health and Safety	P111-113
	403-4 Occupational health and safety matters: worker participation, consultation, and communication	Occupational Health and Safety	P112-114
RI 403: Occupational	403-5 Worker training on occupational health and safety	Occupational Health and Safety	P112-114
Health and Safety	403-6 Promotion of worker health	Occupational Health and Safety	P113-114
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	P112
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	P112-114
	403-9 Work-related injuries	ESG Key Performance Table	P116
	403-10 Work-related health issues	Occupational Health and Safety	P114
	404-1 Average hours of training per year per employee	ESG Key Performance Table	P119-123
GRI 404: Training and Education	404-2 Program for upgrading employee skills and transition assistance programs	Talent Attraction and Development	P104-106
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Key Performance Table	P119-123
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Protection of Employee Rights and Interests Improving Corporate Governance	P91-92,P29
GRI 406: Anti-discrimination	406-1 Incidents of discrimination and corrective actions taken	Protection of Employee Rights and Interests	P93-98
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for child labor	Protection of Employee Rights and Interests	P91
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk of forced or compulsory labor	Protection of Employee Rights and Interests	P91
GRI 413: Local	413-1 Operations with local community engagement, impact assessments, and development programs	Protection of Employee Rights and Interests	P117-118
Communities	413-2 Operations with actual or potential significant negative impacts on local communities	Social Contribution Support for Rural Revitalization	P117-118

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GRI 207: Tax	207-2 Tax governance, control and risk management	Deepening Compliance-Driven Operations	P31-39
	301-1 Weight or volume of materials used	Resource Management	P78-79
GRI 301: Materials	301-2 Recycled input materials used	Resource Management	P78-79
	301-3 Reclaimed products and their packaging materials	Resource Management	P78-79
	302-1 Energy consumption within the organization	Energy Management	P80-81
CPI 302: Enormy	302-3 Energy intensity	Energy Management	P80-81
GRI 302: Energy	302-4 Reduction of energy consumption	1	1
	302-5 Reductions in energy requirements of products and services	Energy Management	P80-81
	303-1 Interactions with water as a shared resource	Resource Management	P77-78
GRI 303: Water and Effluents	303-2 Management of water discharge-related impacts	Resource Management	P77-78
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	303-5 Water consumption	ESG Key Performance Table	P119-123
GRI 304: Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity	Ecological Environment Protection	P187
	305-1 Direct (Scope 1) GHG emissions	Performance Table	P119-123
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Key Performance Table	P119-123
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GRI 305: Emissions	305-4 GHG emissions intensity	ESG Key Performance Table	P119-123
	305-5 Reduction of GHG emissions	1	1
	305-6 Emissions of ozone-depleting substances ODS	N/A	1
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Key Performance Table	P119-123
	306-1 Waste generation and significant waste-related impacts	Waste Disposal	P76
	306-2 Management of significant waste-related impacts	Waste Disposal	P76
GRI 306: Waste	306-3 Waste generated	Waste Disposal	P76
	306-4 Waste diverted from disposal	Waste Disposal	P76

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GRI 414: Supplier	414-1 New suppliers screened using social criteria	N/A	/
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GRI 416: Customer	416-1 Assessment of the health and safety impacts of product and service categories	Quality Management	P56-58
Health and Safety	416-2 Incidents of non-compliance concerning health and safety impacts of products and services	Quality Management	P56-58
	417-1 Requirements for product and service information and labeling	Customer Rights and Interests Protection	P59
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	Customer Rights and Interests Protection	P59
	417-3 Incidents of non-compliance concerning marketing communications	Customer Rights and Interests Protection	P59
GRI 418: Customer Privacy	418-1 Substantiated complaints regarding customer privacy violations and data loss	Customer Rights and Interests Protection Data security and customer privacy management	59-60

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ESG Reporting Guide Indicator Index of the Stock Exchange of Hong Kong (SEHK)

A Environment

Level	Indicator No.	Indicator Content	Chapter	Page
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pollutant Discharge Management Waste Disposal	P73-76
	A1.1	Emission types and related emission data.	Pollutant Discharge Management Waste Disposal ESG Key Performance Table	P73-76 P119-123
A1: Emissions	A1.3	The total amount of hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility)	ESG Key Performance Table	P119-123
	A1.4	non-hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility)	ESG Key Performance Table	P119-123
	A1.5	Description of emission target(s) established and the steps taken to achieve them.	Pollutant Discharge Management Waste Disposal	P73-76
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of the waste reduction target(s) set and the steps taken to achieve them.	Waste Disposal	P76
	General disclosure	Policies for the efficient use of resources (including energy, water, and other raw materials). Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	Resource Management Energy Management	P77-81
A2:	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in"000s) and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table	P119-123
Resource utilization A2.2	A2.2	Total water consumption and intensity (e.g., per production unit, per facility).	ESG Key Performance Table	P119-123
	A2.3	Description of the energy efficiency goals established and the steps taken to achieve them.	Energy Management	P80-81

Level	Indicator No.	Indicator Content	Chapter	Page
A2:	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Management	P77-79
Resource utilization	zation Total packaging material	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	ESG Key Performance Table	P119-123
A3: Environment	General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Ecological Environment Protection Environmental Compliance Management	P87, P71-72
and natural resources	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Environment Protection Environmental Compliance Management	P87.P71-72

B Society

Level	Indicator No.	Indicator Content	Chapter	Page
B1: Employment	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Protection of Employee Rights and Interests Talent Attraction and Development	P91-92 P100-107
	B1.1	Total workforce by gender, type of employment (e.g.full-time or part-time), age group and geographical region.	ESG Key Performance Table	P119-123
	B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Table	P19-123
B2: Health and safety	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	P108-116
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year	ESG Key Performance Table	P119-123

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Level	Indicator No.	Indicator Content	Chapter	Page
B5:	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain	P68
Supply chain management	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain	P68
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Management Protection of Customer Rights and Interests Data Security and Customer Privacy Management	P56-60
	B6.1	Percentage of total products sold or shipped that are subject to recalls for safety and health reasons	ESG Key Performance Table	P119-12
B6: Product liability	B6.2	Number of products and service related complaints received and how they are dealt with.	ESG Key Performance Table	P119-12
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Technology Innovation and R&D Management	P49-52
	B6.4	Description of quality assurance process and product recall procedures.	Quality Management	P65
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of Customer Rights and Interests Data Security and Customer Privacy Management	P59-60
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to bribery, extortion, fraud and money laundering.	Upholding Business Ethics	P40-43
B7: Anti-corruption	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Key Performance Table	P119-12
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Business Ethics	P40-43

Level	Indicator No.	Indicator Content	Chapter	Page
B2: Health	B2.2	Lost days due to work injury.	ESG Key Performance Table	P119-123
and safety	B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Occupational Health and Safety	P108-116
	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Note: Training refers to vocational training and may include internal and external courses paid for by the employer.	Talent Attraction and Development	P100-107
B3: Development and training	B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	ESG Key Performance Table	P119-123
	B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Table	P119-123
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to preventing child and forced labour.	Protection of Employee Rights and Interests	P91-92
B4: Labor guidelines	B4.1	Description of measures to review recruitment practices to avoid child and forced labor.	Protection of Employee Rights and Interests	P91-92
	B4.2	Description of steps taken to eliminate the such actions when discovered.	Protection of Employee Rights and Interests	P91-92
	General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management Sustainable Supply Chain	P63-68
B5: Supply chain management	B5.1	Number of suppliers by geographical region.	ESG Key Performance Table	P119-123
	B5.2	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	P63-67

Environmentally Friendly: Driving Green Development

People Oriented : Empowering Inclusive Progress

Appendix

Sustainability Management

Robust Governance: Strengthening Corporate Foundation

Technology Innovation Leads: Lean-Perfected Excellence in Quality

Responsible Procurement: Building a Sustainable Supply Chain

Greenhouse Gases Verification Opinion

B7: Anti- corruption	B7.3	Description of anti-corruption training provided to directors and employees.		P119-123
	General disclosure	Policies on community involvement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the interests of the community.	Social Contribution Support for Rural Revitalization	P117-118
B8: Community investment	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports).	Social Contribution Support for Rural Revitalization	P117-118
	B8.2	Resources contributed (e.g., money or time) to the focus area .	ESG Key Performance Table	P119-123

Preface

Indicator Content

D. Climate-related disclosures

Indicator No.

Dimension	Indicator Content	Chapter	Page
Governance	Governance	Response to Climate Change - Governance	P82
	Climate-related risks and opportunities	Response to Climate Change - Strategy	P82-84
	Business model and value chain	Response to Climate Change - Strategy	P82-84
Strategy	Strategy and decision-making	Response to Climate Change - Impact, Risk, and Opportunity Management	P84-86
	Financial position, financial performance, and cash flows	Response to Climate Change - Impact, Risk, and Opportunity Management	P84-86
	Climate resilience	Response to Climate Change - Impact, Risk, and Opportunity Management	P84-86
Risk Management	Response to Climate Change - Impact, Risk, and Opportunity Management		P84-86
	Greenhouse gas emissions	Response to Climate Change - Indicators and Targets	P87
	Climate-related transition risks	Response to Climate Change - Impact, Risk, and Opportunity Management	P84-86
	Climate-related physical risks	Response to Climate Change - Impact, Risk, and Opportunity Management	P84-86
Indicators and Targets	Climate-related opportunities	Response to Climate Change - Impact, Risk, and Opportunity Management	P84-86
	Capital deployment	N/A	/
	Internal carbon prices	N/A	/
	Remuneration	Response to Climate Change - Governance	P82



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ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by Zhuzhou CRRC Times Electric Co., Ltd. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

Boundaries covered by the verification:

- China

operational control approach.

Reporting boundaries: GHG emissions generated in development, design, and manufacturing of electrical equipment for rail transit, new energy electrical equipment, power semiconductors, and peripheral products, and related management activities within the organizational boundaries, as well as indirect GHG emissions from imported energy.

Emissions data verified under reporting boundaries:

 Category 1: Direct GHG emissions: 22838.63 tCO2e 146235.42 tCO2e (market based)

Total guantified emissions 179806.05 tCO2e (location-based); 169074.05 tCO2e (market based)

Limitations and exclusions: Excluding other non-significant indirect GHG emissions

GHG verification protocol used to conduct the verification:

and validation of greenhouse gas statements

Level of assurance:

Reasonable assurance

GHG verification methodology:

- · Interview for relevant personnel;
- · Review of the documentary evidence; · Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;
- · Audit of sampled sites and data to verify source.

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from Zhuzhou CRRC Times Electric Co., Ltd. is in compliance with ISO 14064-1:2018

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Charg'an Street, Dongcheng District, Beijing, China. 100738 Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization. To check this opinion validity please call: +86 10 59683663 or +86 20 83073800

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Greenhouse Gases Verification Opinion

is awarded to

· Verification site name: Zhuzhou CRRC Times Electric Co., Ltd. · Verification site address: Shidai Road, Shifeng District, 412001 Zhuzhou City, Hunan Province,

· Reporting period covered: 01/01/2024 to 31/12/2024 (Base year: 2021)

Organizational boundaries: Activities and facilities of Zhuzhou CRRC Times Electric Co., Ltd. under

Category 2: Indirect GHG emissions from imported energy:156967.42 tCO2e (location-based):

ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals · ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification

Page 1 of 4

Robust Governance: Strengthening Corporate Foundation

Technology Innovation Leads: Lean-Perfected Excellence in Quality

Responsible Procurement: Building a Sustainable Supply Chain

Company name



Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Statement of independence, impartiality and competence:

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with Zhuzhou CRRC Times Electric Co., Ltd. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Haoyu HUANG No.: EMI25665170 Version No.: No.01

Verification date: 08-10/03/2025 Issue date: 19/03/2025

Signed on behalf of Bureau Veritas Certification (Beijing) Co., Ltd.

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Appendix for Greenhouse Gases Verification Opinion

Zhuzhou CRRC Times Electric Co., Ltd. has commissioned Bureau Veritas Certification (Beijing) Co., Ltd. to conduct a third-party verification on the GHG emissions within its reporting boundary.

	Company address
	Shidai Road, Shifeng District, 412001 Zhuzhou City,
	Hunan Province, China
enter of Converters	No. 169, Shidai Road, Shifeng District, 412001 Zhuzhou
and of conveners	City, Hunan Province, China
Ltd.	Tianxin High-Tech Zone, Shifeng District, 412001
Ltd.	Zhuzhou City, Hunan Province, China
and a list	Building 1, 2, 3, 4 and 5, No.333, Changkai Road,
gy Co., Ltd.	Shuang fengqiao Avenue, Yubei District, 401120
	Construction of the second sec
7	Chongqing, China
Luoyang Branch	No.2 East Qiming Road, Chanhe District, 471002 Luoyang
	City, Henan Province, China
gy Co., Ltd.	Building 1&2, No.15, Fuzheng West Street, Fuguan Road,
	Panyu District, 511485 Guangzhou, Guangdong Province,
	Chīna
Ltd.	No.199, Huanghe South Road, Tianyuan District 412007,
	Zhuzhou City, Hunan Province, China
ion Co., Ltd.	Zhongbu Zhigu Building 9, Block 2#189 Renmin Road,
	Economic and Technical Development District, Changsha
	City, Hunan Province, China
igdao Inspection &	No. 73 East Jinhong RD, Chengyang District, 266111
	Qingdao, Shandong Province, China
Co., Ltd.	Fuyou Village Jincheng Town, Jinning District, 650605
	Kunning City, Yunnan Province, China
uhan Branch	Xingyuanchang Village, Daqiao New District, Jiangxia
	District, Wuhan City, Hubei Province, China
ipment Co., Ltd.	No.12-A2.13th Street, Economic And Technological
Accession of some	Development Zone, Shenyang City, Liaoning Province,
	China
ogy Co., Ltd.	No. 440, Shajingyi, Anning District, Lanzhou City, Gansu
and a set to the	Province, China
o., Lid.	No.200 Shidai Road, Minglun Village, Wuxiang Town,
0., 4.10.	Vinzhou District, 315112 Ningbo, Zhejiang Province,
	China
0.111	
ty Co., Ltd.	No.138 and No.129, Zhenyong Road, Jiangbei District, 215021 Marchael City, Zheileng Province China
1.1	315021 Ningbo City, Zhejiang Province, China
o., Ltd.	Registered Address Room 508, No.383, Middle Tianmu
	Road, Shanghai, P.R. China
	Operation Address: In The Compound of No.1588,
	Longnan Road, Shanghai, P. R. China
	3rd Floor, A3 and B Zones, No. 321 Feizhou Road,
	Lingang New Area, China (Shanghai) Pilot Free Trade
	Zone, Shanghai, China
al Equipment Co.,	500 meters northward at the intersection of Zhengshang
	Road and Loom Road, Xingyang City, Zhengzhou City,
	Henan Province, China
mning Branch	Room 105, High-rise Factory Building, Zhengxin Science
	& Tech Park, No.2 Gaohua Rd, Xixiangtang District,
	Nanning City, Guangxi Province, China
Co., Ltd.	No.118 Baofu Road, Jintai District,721003 Baoji, Shaanxi
	Province, China
Co., Ltd.	No.169, Hongye Road, Jingjiang Street, Xiaoshan District,
	Hangzhou 311223, Zhejiang Province, China
.tď.	No. 8, Liyuan Road, Qingdao National High-tech Industrial
	Development Zone, Shandong Province, China
	the second se

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22 Hunan CRRC Times Electric Drive Technology Co., Ltd.

23 Chengdu CRRC Times Electric Technology Co. Ltd.

Sustainability Management

501 Room, Building C, Qingshuitang Huanhu Science and

No. 39, Sichuan Modern Agricultural Machinery Industrial Park, Shibantan Town, Xindu District, Chengdu City,

Technology Innovation Park, 58 Guanhu Road, Shifeng District, Zhuzhou City, Hunan Province, China

Robust Governance: Strengthening Corporate Foundation Technology Innovation Leads: Lean-Perfected Excellence in Quality Responsible Procurement: Building a Sustainable Supply Chain

En Dr



Dear Reader:

Thank you very much for reading 2024 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?
- Governmen
 Regulators
 Shareh

 Suppliers and partners
 Employee
 Comm
- Do you think the report provides complete coverage of your expectation
- Yes
 No, what else would you like to se
- What do you think about the clarity, accuracy and completeness of the
- □ High □ Relatively □ Averag
- Do you think that the organization and layout of the report are aesthe
- High Relatively Average
- .What are your comments and suggestions on our ESG management e

BUREAU

24	Zhuzhou CRRC Times Electric Co., Ltd. 1	Sichuan Pro Ningbo Branch No.200 Shic Yinzhou Di	vince, China Iai Road, Minglun Village, Wuxiang Town, strict, Ningbo P.R. China

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738 Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization. To check this opinion validity please call: +86 10 59683663 or +86 20 83073800 Page 4 of 4

holders and investors		Customers					
nunity public		NGO		Other			
ons of our company?							
ee reflected in it?							
e information, data disclosed and indicators in the report?							
ge		Low		Very low			
tically pleasing and easy to read?							
ge		Low		Very low			
fforts?							