

Sustainability Report 2023



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About This Report

Preparation Basis

This report is prepared with reference to the Global Reporting Initiative (GRI) standards. It is also based on the status quo of Shenzhen Hopewind Electric Corporation Limited in terms of its environmental, social, and governance (hereinafter "ESG") efforts.

Reporting Period

The period covered by this report is from January 1, 2023, to December 31, 2023 (hereinafter the "Reporting Period").

Reporting Scope

This report demonstrates the ESG progress of Shenzhen Hopewind Electric Co., Ltd, encompassing both its direct operations and controlled businesses. The reporting period is in consistence with the financial statements. Additionally, we have reviewed and expanded on specific topics to ensure completeness and continuity in reporting.

Definition Explanation

In this report, "Hopewind Electric," "Hopewind," "the Company," and "we" all refer to "Shenzhen Hopewind Electric Corporation Limited."

Reporting Disclosure

The information and data disclosed in this report are sourced from the Company's statistical reports and official documents, verified by relevant departments.

Report Language

This report is available in both Chinese and English versions. When there is ambiguity in the two versions, please refer to Chinese version. For more information about the Company's background, business development, and sustainable development concepts, please visit the official website at www.hopewind.com.

Confirmation and Approval

After being confirmed by the management of the Company, this report was approved for publication by the Board of Directors on April 18th 2024.

Access to this Report

The digital versions of this report in both Chinese and English are available on the official website (www.hopewind.com).

We appreciate the valuable feedback from all stakeholders. We welcome readers to contact us through the following channels. Your feedback and suggestions will assist us in further enhancing our sustainability efforts.



Guanlong No.2 Industry Park, Xili Town,
Nanshan District, Shenzhen City, Guangdong
Province, China



400-8828-705



hopewind@hopewind.com



www.hopewind.com



A Message from Management



In a global context where sustainable development has become a common aspiration, transitioning towards a clean energy structure stands out as one of the key areas for sustainable economy globally. Against the backdrop of the low-carbon transformation of the energy structure, we find ourselves at an opportune moment to innovate in the field of new energy while actively responding to both domestic and international sustainable development initiatives. We prioritize governance, innovation, ecology, humanity, public welfare, and other multi-dimensional sustainability issues, taking various measures to promote high-level and sustainable development.



○ Practice the "Dual Carbon" strategy and build a circular economy

The Company has established a multi-level governance and built an ESG management system. Additionally, we are dedicated to elevating corporate governance standards, bolstering internal control management systems, and fostering the integrity of our corporate culture. Through the implementation of "ESG control normalization" via "internal responsibility management," our objective is to secure stable and long-term development in a rapidly evolving industry.

○ Promote innovation in science and technology

The Company takes a proactive approach in embracing cutting-edge technologies, blending independent development with collaborations with academia and research institutions to continually explore growth opportunities. This year, our focus on innovation has led to the successful commercialization of several groundbreaking products, including the 215kW Energy Storage Inverter and the 350kW String Inverter through our excellent research and development management system. Besides, we prioritize meeting and exceeding customer expectations by prioritizing their needs, emphasizing quality products and services, and empowering industrial and commercial projects.

○ Green operations ensure a sound environment

We are committed to reducing the environmental footprint of our business operations by leveraging our resource advantages and steadily advancing environmental management efforts. We conduct law-based green operations, bolster climate change resilience, and advocate for sustainable development. Throughout the reporting year, the Company has made significant strides in identifying climate change risks and opportunities, actively pursuing environmentally friendly solutions, and collaborating with like-minded partners to contribute to the vision of a "Beautiful China."

○ Synergize talents to contribute to society

The Company remains dedicated to optimizing both its organizational and individual performance management systems, strengthening our talent pool, and fostering mutually beneficial outcomes with our employees. Moreover, we prioritize the rights of our employees, placing emphasis on care and effective communication. Simultaneously, we maintain positive engagement with various sectors of society, actively participating in social welfare activities, and assuming our responsibility in poverty alleviation through numerous public welfare initiatives. Throughout the reporting period, we have invested approximately RMB 420,000 in these endeavors, viewing this as an opportunity to collaborate with all stakeholders to foster the positive development of the industry.

Reflecting on our sustainable development journey, we have consistently upheld the interests of shareholders, investors, employees, customers, and partners, effectively fostering harmonious coexistence and sustainable development among the Company, society, and the environment. Moving forward, we remain steadfast in our commitment to social responsibility and the pursuit of an environmentally friendly sustainable development model while optimizing business growth. Finally, we will actively respond to societal needs and demands, prioritize quality, and strive to enhance the overall quality of life for all.



About Us

Company Profile

Shenzhen Hopewind Electric Corporation Limited is a nationally recognized high-tech enterprise specializing in the research, development, manufacturing, sales, and servicing of new energy and electrical drive products. Its primary product portfolio encompasses wind power generation, photovoltaic (PV) power generation, energy storage, power quality, hydrogen power products and industrial drive products. Hopewind boasts independent research and development capabilities, along with testing platforms for high-power electronic devices and monitoring systems. By fostering innovation in both technology and service, the company consistently delivers value to its customers, establishing itself as one of China's foremost electrical companies in the competitive field of new energy.

Corporate Strategy

Driven by market dynamics and fueled by technological research and development, the Company maintains a trajectory of continuous development. This is achieved through the introduction of new products, the enhancement of existing ones, and by capitalizing on synergies between the upstream and downstream segments of the industry chain.

Renewable Energy Electronic Control Field

Onshore wind power utilizes the advantages of a consolidated closed market to break through the existing closed market, expanding market share and achieving stable growth; offshore wind power converters achieve technological and market breakthroughs, establishing competitive advantages in the market and increasing market share. The Company implement a full range of photovoltaic series and centralized solutions, and lay out distributed photovoltaic power generation systems to enhance market competitiveness and brand image. In the energy storage field, overall solutions of competitive shared AC or DC energy storage system are provided, continuously expanding domestic and international markets. In the hydrogen energy field, the Company offers high-power IGBT hydrogen production solutions ranging from 500 kW to 20 MW, with options including air-cooled/water-cooled, indoor/containerized, primary topology/secondary topology, supporting integrated solutions for intelligent management of new energy hydrogen production, making it the first domestic manufacturer of long-term stable operation of high-power MW-level IGBT hydrogen production.

Electric Drive Field

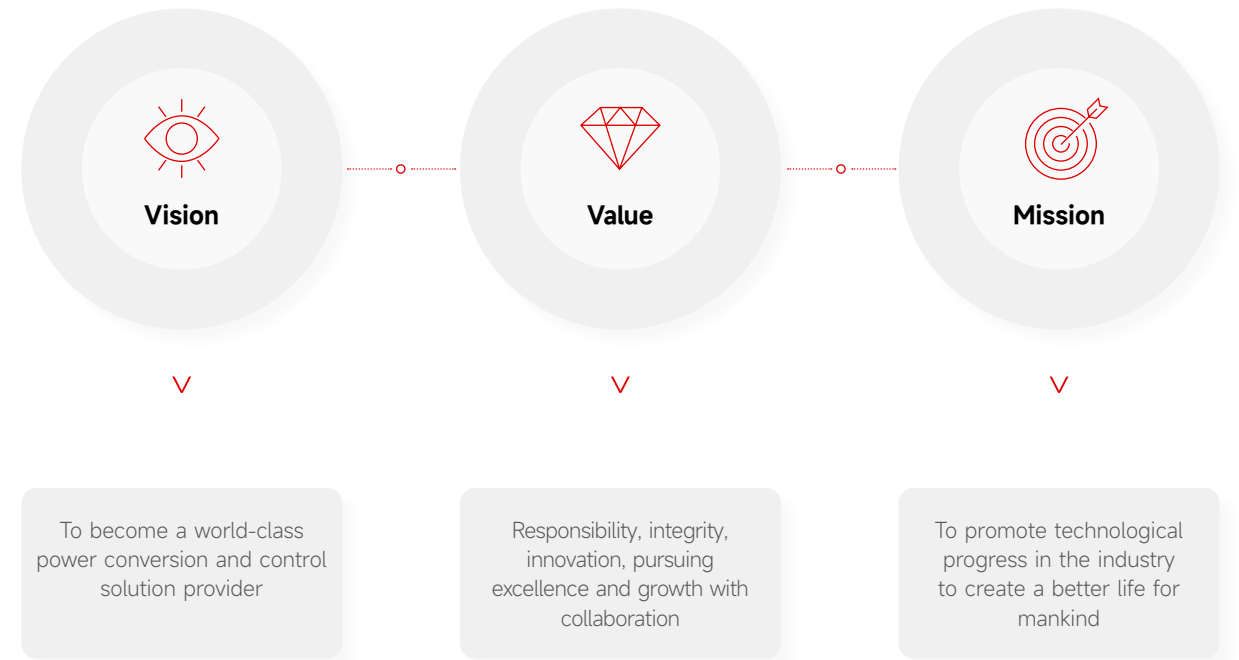
Based on the existing application technology of high-voltage and high-power electronic devices, synchronous generator control technology, grid-side inverter control technology, three-level circuit PWM technology, and other technical reserves, as well as existing product reserves, the Company remains a focus on metallurgy, mining, and petroleum industries. It conducts in-depth research on the process of customers in various industries. By introducing highly cost-effective multi-drive system solutions, the Company aims to achieve rapid growth in business scale in the drive field. We will further consolidate our leading position in medium-voltage large drive and low-voltage engineering-type drive, launch the next generation of universal product series, and continue to introduce new technologies and products in new industries and applications.

Power Supply Field

Based on the existing core technology and product platforms, we leverage the existing megawatt-level low-voltage inverter product platform and IGCT medium-voltage inverter platform, and continuously introduce products in new application areas, including energy storage systems, rail transit power supplies, Static Var Generator etc.

Corporate Culture

The Company's corporate culture strategy aims to translate our vision into operational guidelines, business philosophies, and production and operational goals. This approach is designed to standardize our production and operations while enhancing our operational capabilities.



History



Global Business

With a global perspective and roots in China, the Company has established six overseas sales and service centers strategically located in the Netherlands, Brazil, South Korea, Turkey, Vietnam, and Pakistan. Our presence extends beyond borders, encompassing regions such as the United States, Europe, South America, and Southeast Asia.

We are dedicated to fostering a dual-circulation and dual-driven business structure across both domestic and international markets, with the goal of propelling industry technological advancement and collaboratively shaping a better future for humanity.



Business Development

During the reporting period, the Company's operations were divided into three main categories: New Energy Electric Control, Engineering Drive, and Others. Our main product portfolio consists of wind power converters, marine wind power converters, main control systems, blade pitch systems, PV inverters, energy storage inverters, engineering-specific inverters for high-value projects, industry-specific inverters, power quality products, multifunctional grid simulation devices, station-level energy management systems, and other essential components of electrical and electronic products. Additionally, our core services included product upgrades, modifications, and operational maintenance.

The Company adheres to a market-driven approach, with a strong emphasis on technological research and development. Our sustainable growth is attributed to the introduction of new products, continuous enhancement of existing ones, and expansion of our presence both upstream and downstream in industrial chains. Furthermore, we strategically prioritize our involvement in the PV, energy storage, and drive sectors, aiming to significantly incorporate the sales revenue generated from these products into our overall revenue structure.

Part Awards and Recognition in 2023

Corporate-level

High-Tech Enterprise Certificate

Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, Shenzhen Tax Service, State Taxation Administration

Shenzhen Headquarters Business License Certificate

Development and Reform Commission of Shenzhen Municipality

2023 Credit Benchmark Enterprise in Guangdong Province

Guangdong Modern Service Industry Federation, Guangdong Enterprise Credit Alliance

Outstanding Credit Enterprise of Guangdong Province in 2023

Guangdong Modern Service Industry Federation, Guangdong Enterprise Credit Alliance

ESG

ESG Green Supply Award

Inengyuan.com

2023 ESG Exemplary Enterprise Award

The 2nd International Green Zero-Carbon Festival 2023

Honour-2023 Low-Carbon operation pioneer

The Organizing Committee of Social Responsibility Conference

Outstanding Enterprise for Flood Control and Disaster Relief in Hebei Province in 2023

Hebei Photovoltaic New Energy Chamber of Commerce

Energy Storage

Ranked 10th among the Top 20 Energy Storage System Companies in China in 2023

365 Energy Storage and Smart Energy

2023 Top 10 PCS Suppliers in China's Energy Storage Industry

Organizing Committee of Jiangsu Energy Storage Association

Top 10 Energy Storage PCS Companies of 2023

Energy Storage 100

2023 Best Supplier Award for High-Power Bidirectional Energy Storage Inverters

The 10th Global Solar+Energy Storage Conference&Expo

2023 Best Innovative Project Award for Power-Side Application Scenarios

The 10th Global Solar+Energy Storage Conference&Expo

2023 China New Energy Storage PCS Enterprise Innovation Award

Organizing Committee of the China International Conference on New Energy Storage Technology and Engineering Applications, escn.com.cn

Top 10 Energy Storage Brands in China of 2023

Preparatory Committee for the Comprehensive Energy Storage Summit and Energy Storage Sub-Committee, Energy Storage Conference

Top 10 Energy Storage PCS Brands of 2023

IN-EN.com, National Energy Research Institute

2023 Energy Storage Technology Innovation Award

IN-EN.com, National Energy Research Institute

2023 Best Energy Storage Industry PCS Supplier Award in China

China International Energy Storage Conference, escn.com.cn

2023 Excellent Energy Storage Industry PCS Supplier in China

Solarbe.com, Organizing Committee of Solarbe Awards

Wind Power

Grid-Type Inverter Certificate

DNV

2023 "Wind Power Leader" - Best Component Product Award

chinawindnews.com

2023 "Wind Power Leader" - Best Innovative Product Award

chinawindnews.com

Top 10 Excellent Wind Power Products in the 2023 Top 50 of China Wind Power Industry

The Organizing Committee of the China (Jiangsu) Wind Power Industry Development Summit Forum

Solar PV

Future Energy Influential Enterprises

Energy Box of Munich Conference

Excellent Photovoltaic Inverter Company

Organizing Committee for the "Top 100 Photovoltaic Companies" in China's Renewable Energy, National New Type of Power (Smart Grid) Equipment Cluster, Jiangsu Province New Power and New Energy Equipment Cluster, Jiangsu Province Renewable Energy Industry Association

Shaanxi Recommended Photovoltaic Brand Award

Shaanxi Photovoltaic Conference

Top 15 Listed Companies in China for Photovoltaic Inverters in 2023 - Ranked 6th

365 Photovoltaic

Ranking 59th in PVBL Global Photovoltaic Inverter Brand in 2023

New Energy Think Tank, Century New Energy Network, PVBL Photovoltaic Brand Laboratory

High-Quality Photovoltaic Inverter Company of 2023

World Solar Energy Industry Expo, Grandeur Exhibition Group

OFweek "Outstanding Photovoltaic Inverter Company" in the Solar PV Industry in 2023

Solar. Ofweek.com

Top Ten Distributed PV Inverter Brands in China in 2023

Organizing Committee of the Chinese Renewable Energy Conference and Exhibition in Wuxi

Top Ten Brands of Photovoltaic Inverters in 2023

IN-EN.com, National Energy Research Institute

2023 PVBL Global Top 100 Photovoltaic Value Certificate

PVBL Photovoltaic Brand Laboratory, Century New Energy Network

Outstanding Distributed Photovoltaic Manufacturing Award

Organizing Committee of the 7th Distributed Energy Carnival Seminar

SNEC Jiwa Gold Award

Organizing Committee of SNEC2023

2023 Influential Brand - Photovoltaic Inverters

Guangdong Solar Energy Association

The 12th BJX Cup: 2023 Annual Influential PV Inverter Brand

Guangfu.bjx.com.cn, Huonet Power

The 12th BJX Cup: 2023 Influential Energy Storage Integration Solutions Company

Guangfu.bjx.com.cn, Huonet Power

PVBL 2023 Global Best Energy Storage Project Case Award

New Energy Think Tank, PVBL Photovoltaic Brand Laboratory, Century New Energy Network

2023 Outstanding Energy Storage Inverter Brand in Henan Province

New Energy Professional Committee of Henan Province Industrial Development Research Association

Industrial Drive

2023 Top 10 Inverter Brands

Jiangsu E. Tiger Industrial Internet Co., Ltd.

2023 Performance Highlights

Performance Highlights

Revenue

RMB **3,752** million

Net profit attributable to shareholders of the listed company

RMB **502** million

Basic earnings per share

RMB **1.13** /share

Total assets

RMB **7,247** million

Weighted average return on net assets

13.62%



Govern with Integrity: Ensure Effective Governance

The Company held

10

Board of Directors meetings

10

Board of Supervisors meetings

2

General Meeting of Shareholders

100%

attendance rate of directors

No

leakage or insider trading incidents

No

corruption or commercial bribery cases

Shoulder Responsibility: Pursue Innovative and High-quality Products

R&D personnel ratio

32%

Quality inspection investment reached

RMB **20.444** million

Quality management training and promotion totaled

59 sessions

R&D investment exceeded in 2023

RMB **320** million

The number of quality inspection team has reached

105

covering

863 individuals

Obtained

111

patent grants

Has passed the

BSCI

business social standard certification

Passed the

ISO 9001

Quality Management System Certification

The number of non-compliance incidents involving health and safety impacts of products and services

0

with a total headcount of

993

Pursue Evergreen Business: Practice Green Operations

Passed the

ISO 14001

Environmental Management System Certification

No

environmental pollution incidents

Collaborate with Industry Partners: Foster a Sound Environment

Number of suppliers reached

852

the local procurement ratio exceeded

44%

The number of supplier communication activities reached

473

Customer complaint response rate and closure rate reached

100%

The overall customer satisfaction score was

94.2 points

with a service rating of

95.2 points

Marketing training conducted

27 times

covering

857 individuals

No

customer data leaks or privacy related incident

achieving a 100%

coverage rate for marketing personnel

The number of led or participated in the formulation of national and industrial standards

44

Attract Talents: Jointly Build a Better Future

The number of employed staff and workers reached

2,384 individuals

the number of minority ethnic employees recruited in 2023 was

117

No

child labor incident

Delivered training sessions to 2,567 employees, the total length of training reached

41,455 hours

, the average length of training per employee reached 16.15 hours

100%

of employees received regular performance and career development assessments

Labor contract signing rate reached

100%

Social insurance coverage reached

100%

Passed the

ISO 45001

Occupational Health and Safety Management System Certification

No

work-related fatalities occurred in the past three years

Conducted

38

health and safety-related training and drills

with a total training duration of

92 hours

Contribute to the Community: Seek Common Development

Donated about

RMB 420,000

in cash throughout the year



Sustainable Development

The Company places a high priority on ESG governance. We integrate the principles of environmental protection, social responsibility, and other governance concepts into every facet of our operations and management. Tailoring these principles to our unique corporate context, we have developed a unique sustainable development strategy that reflects the Company's distinctive approach and drives economic, environmental, and social benefits simultaneously.

ESG Governance Structure

The Company is committed to integrating environmental, social, and governance standards into daily management by establishing a three-tier ESG governance structure - "Board of Directors - ESG Management Committee - ESG Taskforce". This effectively promotes the participation of various departments in ESG work and continuously strengthens the Company's ESG governance capabilities.

Board of Directors



Composition: Board of Directors Members

Function: The highest decision-making body in ESG governance work, assuming ultimate responsibility, overseeing and making strategic decisions comprehensively. It is responsible for reviewing ESG strategic goals and plans, making decisions and overseeing significant ESG matters, preventing and controlling ESG management risks, and seizing ESG development opportunities.

ESG Management Committee



Composition: Senior management and heads of relevant functional departments

Function: Understand the demands and expectations of various stakeholders, identify significant ESG issues. Also, participate in reviewing the company's ESG development strategy, short, medium, and long-term planning, performance management, etc., to promote ESG system construction and support the company's sustainable development.

ESG Taskforce



Composition: Liaisons from relevant functional departments

Function: In line with the ESG strategy, collaborate with the ESG Board and Management Committee, liaise with various departments to complete tasks such as information disclosure, project implementation, etc.

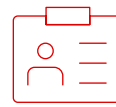
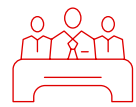
ESG governance structure



Stakeholder Engagement

While striving for high-quality development, the Company places significant emphasis on fulfilling its ESG responsibilities. In our commitment to effectively advance ESG management, we have identified several key material topics. Our aim is to cultivate mutually beneficial relationships and share value with a diverse range of stakeholders, including shareholders, investors, customers, employees, suppliers, partners, and society at large.

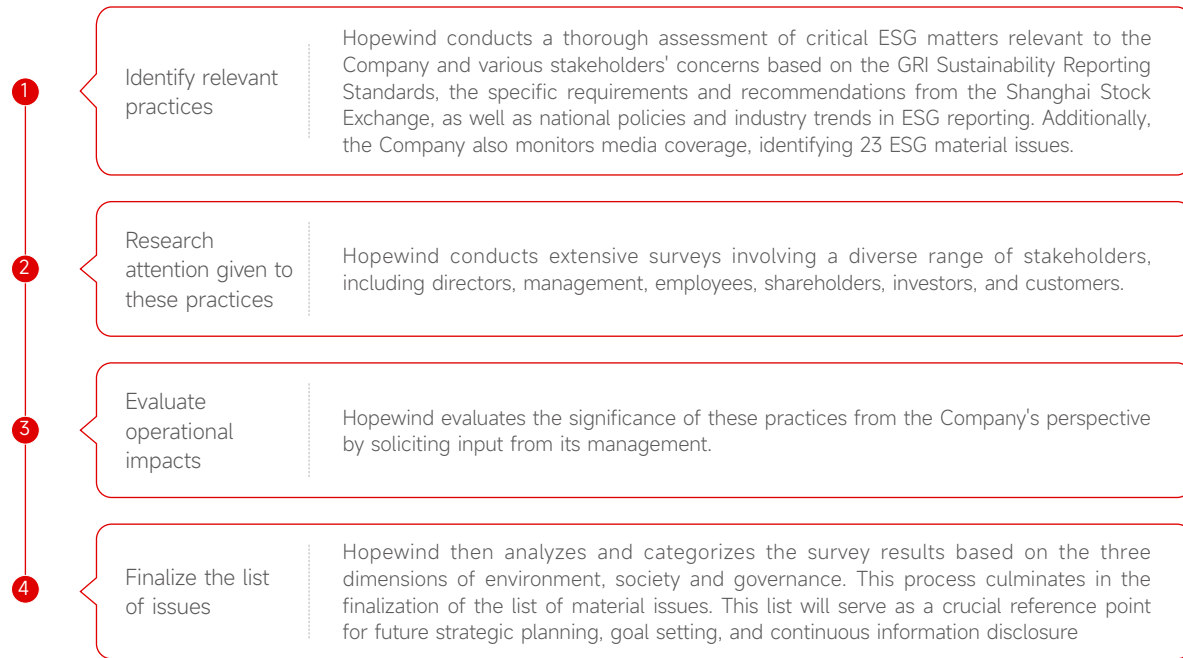
To maintain close and continuous communication with our stakeholders, the Company has established a range of multi-dimensional communication channels, building upon internal frameworks like the *Hopewind Electric Investor Relations Management System*. These channels enable us to gain a comprehensive understanding of stakeholders' demands and expectations, translate these concerns into achievable goals, and respond to their feedback, inquiries, and expectations with tangible actions. Furthermore, we are committed to minimizing any potential adverse impacts on the environment and society that may result from our business operations.



Stakeholders	Shareholder / Investor	Customer	Employee	Government / Regulator	Supplier / Partner	Communities, Charities and NGO	Media
Communication Demands	<ul style="list-style-type: none"> Operational compliance Risk Management 	<ul style="list-style-type: none"> Customer service management Information security and privacy protection Product quality and safety Product innovation and R&D Responsible marketing 	<ul style="list-style-type: none"> Protection of employee rights and interests Employee training and development Employee diversity and equity Health and safety 	<ul style="list-style-type: none"> Corporate governance Compliance operation Business ethics and anti-operation 	<ul style="list-style-type: none"> Business ethics and anti-operation Supply chain management Health and safety 	<ul style="list-style-type: none"> Public welfare and charity Industrial cooperation Climate change and carbon emission Waste management Biodiversity Energy management Water resource management Exploitation and utilization of clean energy 	<ul style="list-style-type: none"> Public welfare and charity Industry collaboration
Communication Channels	<ul style="list-style-type: none"> Regular disclosure of operational information Organizing shareholder meetings Roadshow Investor inquiry hotline Investor briefing 	<ul style="list-style-type: none"> Customer satisfaction survey Customer communication hotline Complaint mailbox 	<ul style="list-style-type: none"> Employee training Complaint mailbox Democratic communication platform 	<ul style="list-style-type: none"> Regular reporting and communication Information disclosure Improving the regulatory system 	<ul style="list-style-type: none"> Supplier conference Exchange and partnerships 	<ul style="list-style-type: none"> Public welfare and charity Voluntary activities 	<ul style="list-style-type: none"> Press release and publication Telephone correspondence Annual report and announcement Annual and mid-year performance conference Media coverage

Material Issues

Considering its business scope, the expectations of both internal and external stakeholders, and China's "dual carbon"(Carbon peak and carbon neutrality) strategy, the Company refers to both domestic and international standards on corporate social responsibility. We regularly identify key topics that influence our capacity to create economic, social, and environmental value, and influence the evaluation of the company by stakeholders. This rigorous process ensures that our information disclosure is comprehensive and accurate.



Selection Process of Environmental, Social, and Governance (ESG) Topics

Area	Issue	Area	Issue
Governance (4)	Corporate governance	Social (13)	Community welfare and charity
	Business ethics and anti-corruption		Supply chain management
	Risk management		Customer service management
	Compliance operation		Information security and privacy protection
Environmental (6)	Waste management		Intellectual property protection
	Carbon emissions and climate change		Employee training and development
	Biodiversity		Employee diversity and equity
	Energy management		Health and safety
	Water management		Protection of employee rights and interests
	Exploitation and utilization of clean energy resources		Product quality and safety
			Product innovation and R&D
			Responsible marketing
			Industry collaboration

Hopewind's List of material issues in 2023



01

Govern with Integrity: Ensure Effective Governance

Hopewind firmly believes that a robust governance structure serves as the cornerstone and assurance for the sustainable development of a business. We have established a governance framework tailored to the Company's production and operations, and we are committed to continually refining our standardized procedures while enhancing our internal control and risk management systems. Through these measures, we actively promote the sustainable development of the Company and its stakeholders, with the aim of achieving a high standard of corporate governance while ensuring the Company's steady development in an ever-evolving business environment, contributing to sustainable development goals.

UN Sustainable Development Goals:





1.1

Enhance Corporate Governance Foundation

The Company is committed to deepening standardized corporate governance practices, actively advancing the improvement of governance structure, and continuously refining governance measures. We consistently optimize the diversified structure of the Board of Directors, enhance governance effectiveness through practical actions, laying a solid foundation for the Company's long-term development.

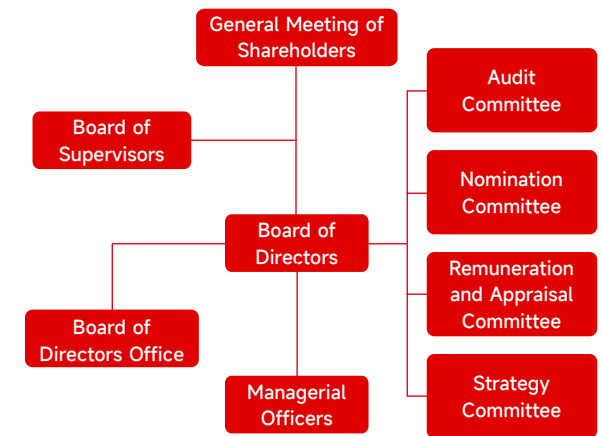
Governance Structure

The Company always adheres to laws and regulations. We strictly comply with *the Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China*, *the Code of Corporate Governance of Listed Companies*, *the Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and other applicable laws, regulations, and regulatory documents. Accordingly, we have developed the *Articles of Association*, *the Rules of Procedure for the General Meeting of Shareholders*, *the Rules of Procedure for the Board of Directors*, and *the Rules of Procedure for the Board of Supervisors*. These internal governance systems ensure that the Company's governance mechanism is in accordance with laws and that governance measures comply with regulations.

The Company's shareholders appoint directors to form the Board of Directors, which executes the authorization that the General Meeting of Shareholders grants to the Board of Directors and implements the General Meeting of Shareholders' resolutions. Under the Board of Directors, there are four specialized committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and

the Strategy Committee, to ensure the efficient operations of the Board of Directors. During the reporting period, the Board of Directors consisted of 7 directors, including 3 independent directors. In 2023, the Company held a total of 10 meetings of the Board of Directors, at which 41 proposals were reviewed and approved; 10 meetings of the Board of Supervisors, at which 32 proposals were reviewed and approved; 2 General Meetings of shareholders, at which 15 proposals were reviewed and approved, with a 100% attendance rate of directors.

The Company remains steadfast in our commitment to integrity, adhering rigorously to relevant regulations on information disclosure and ensuring the accuracy and completeness of all disclosed information. We prioritize transparency, aiming to protect the rights of all parties through timely and comprehensive information disclosure. Additionally, to manage compliant disclosures effectively, we have established and implemented the *Registration and Filing System for Insiders*, tightly controlling insider access and ensuring the safety and compliance of our information disclosure process.



Hopewind's governance structure

Diversification of the Board of Directors

The Company acknowledges the importance of fostering diversity on the Board of Directors for our sustainable development. We meticulously consider the composition of our board members, taking into account factors such as nationality, gender, age, educational background, and professional experience, with the aim of promoting balance and diversity. This approach not only enhances our sensitivity to risks but also facilitates science-based decision-making, providing strong assurances for the Company's stable development and long-term interests.

Diversity of the Board of Directors		Number of People
Appointment	Chairman	1
	Independent Director	3
	Director	3
Educational Background	Doctorate degree	2
	Master's degree	3
	Bachelor's degree	2



1.2

Stick to Compliant Operations

Compliant operations form the foundation of the Company's stable development. We adhere to the principles of standardized and efficient corporate management. By establishing an effective compliance system, we enhance operational efficiency, establish a robust anti-corruption and integrity framework, further strengthen compliance operations, and ensure the sustainable development of the enterprise.

Constructing a Compliance Management System

The Company is committed to improving corporate risk management, bolstering the internal control system, and mitigating business risks through comprehensive and effective internal control measures, thereby ensuring sustainable development.

To bolster compliance management, Hopewind has implemented a system of internal control standards characterized by clear authority and responsibilities, as well as well-defined functions. We conduct regular internal control assessments and risk evaluations in accordance with the Basic Standards for Corporate Internal Control and their associated guidelines. As mandated by these standards, the Board of Supervisors oversees the Board of Directors in establishing and executing internal control measures, while management is responsible for directing the day-to-day operations of corporate internal control.

These measures effectively ensure Hopewind's business and management compliance, as well as truthful and complete disclosure of information, thereby facilitating the execution of its development strategy.

Business Ethics Management

The Company consistently upholds high standards of business ethics and vehemently opposes any form of corruption. We prioritize cultivating a culture of integrity and promoting compliance through regular training to enhance the awareness of senior management and employees. Our aim is to create a business environment characterized by integrity and uprightness.

Holding compliance training

In 2023, following the *Training on the Company's Rules and Regulations*, we conducted 4 compliance training sessions for employees to comprehensively enhance their awareness of business ethics. The training covered various functional departments such as marketing, after-sales support, and human resources. The courses focused on core topics like anti-corruption in business and professional ethics standards.



Meanwhile, we maintain multiple channels for reporting instances of corruption, including the Rationalization Suggestion process, the Company's suggestion box, the Executive Hotline, and our audit department mailbox. Both internal and external stakeholders are encouraged to provide feedback and report any corrupt behaviors through these channels. The Company places a strong emphasis on real-name feedback and reporting, and we take rigorous measures to safeguard the confidentiality of whistleblowers, their feedback, and the content of their reports, shielding them from retaliation and harassment. As of the end of the reporting period, the Company has not been implicated in any cases of corruption or commercial bribery.

Hopewind's business ethics reporting e-mail:

 | HWSJ@hopewind.com

02

Shoulder Responsibility: Pursue Innovative and High-quality Development

The Company is further enhancing its innovation capacity by leveraging technological solutions and applying advanced technologies to drive development. Additionally, through a comprehensive innovation management system, we consolidate and safeguard our intangible assets, cultivate intellectual property advantages, and utilize them to create high-quality products, thus establishing our distinctive culture of quality.

UN Sustainable Development Goals:





2.1

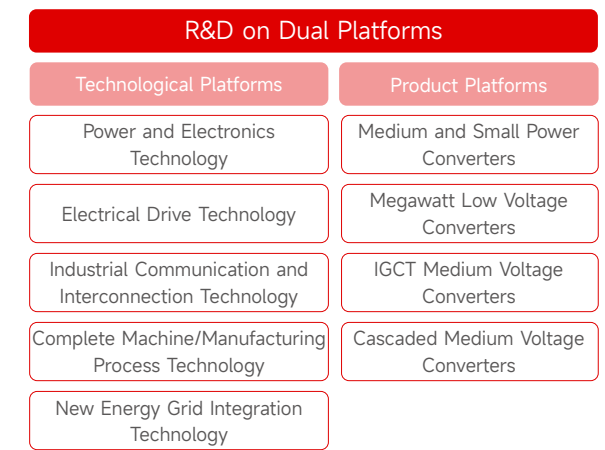
Drive Technological Innovation

As human society progresses, the rapid development of technology is ushering in profound changes in the lives of people worldwide. The Company embraces the concept of "technological innovation empowering talents for enterprise strength." With an evolving R&D innovation system as the cornerstone, we continuously nurture high-quality core technical teams. This not only enhances our innovation and product quality but also bolsters our competitiveness, thereby fostering industry development.

R&D Innovation Structure

Through exploration and accumulation over the past decade, the Company has successfully implemented a platform-based, matrix structure for its R&D system. This structure integrates various product lines within the Company, promoting resource sharing and technology reuse among different business units. It fosters innovative thinking, driving continuous innovation within the organization across both technological and business domains.

We have implemented an advanced and well-established Integrated Product Development (IPD) process. This comprehensive system spans the entire product lifecycle. Furthermore, within this IPD process, we have established a matrix-style layout featuring five major technological platforms and four significant product platforms. This layout ensures seamless connection and provides talent support and a mechanism for reusing resources within our core technology chain at the foundational R&D level; we progressively advance our IT platform, combining "information technology, lean management, and digitalization", digital profile and remote intelligent operation and maintenance system. These initiatives improve R&D efficiency, create high-quality products and systems to meet the rapidly evolving market demands.



R&D Framework on Dual Platforms

By establishing project teams and improving project management mechanisms, we have further boosted the Company's R&D efficiency and product quality. In terms of project teams, the R&D center has formed dedicated professional teams responsible for data measurement analysis and regulatory audits. In the realm of project management, the Company has refined its processes to cover a wide array of project types, including product development, pre-research, technological exploration, platform development, prototype customization, non-standard development, system integration, and engineering modifications. This comprehensive, innovative, and digitized project management system enables us to adapt more effectively to market changes, enhance R&D efficiency, and deliver high-quality products and services to customers.

Innovations

Major R&D Projects

2023 Shenzhen's major science and technology project: "Key Technological R&D of Electrochemical Energy Storage Systems and Integrated Testing for Off-grid Applications."

2023 National Key R&D Project 4.6: "Research and Development of Key Enhanced Technologies and Devices for Digitized Wind/Solar Inverters Supporting Flexibility."

2023 National Key R&D Project 4.2: "Key Technologies and Equipment for High Inertia Energy Storage Synchronous Phase Shifter."

Major Innovative Products

Grid-connected Wind Power Converter

5kW~12kW Hybrid Inverter

350kW Photovoltaic Inverter

3.45MW Centralized Energy Storage Inverter

2023 Hopewind's Innovations

Diving into the photovoltaic industry to drive market growth

To reduce the cost of photovoltaic electricity, the industry has seen most string inverters move towards 300kW+ power to achieve higher power density and greater return on investment. In 2023, the Company innovatively introduced a 385kW String Inverter for 1500V high-power models. This inverter is the world's most powerful string inverter that supports no derating at up to 45° C of ambient temperature, maximizing electricity generation. The product is suitable for large-scale photovoltaic plants and large industrial and commercial projects, which has been put into practice in batches.

Leading wind power innovation to ensure safe and sound development of the industry

In 2023, we launched a new wind power solution, bringing impetus to the wind power industry.

- **Grid-connected Wind Power Converter Solution:** The grid-connected converter, unlike traditional grid-following converters, is designed to support grid frequency and voltage. In high-altitude, harsh natural environments, and deep-sea regions, this type of converter can effectively maintain grid voltage and frequency, ensuring the stable operation of new energy unit systems. Additionally, it can support weak grid operation, island operation, or microgrid construction when necessary.
- **The Solution in Blackout:** With the offshore wind power industry progressing towards high power and deeper sea regions, challenges such as long distances from shore, complex sea conditions, and limited operational time have heightened operational risks. In response, the Company has developed a grid-connected offshore wind power technology for blackout emergencies. This solution dramatically speeds up the restoration process during power failures at wind farms, enabling island operation for the entire offshore wind farm. This technology holds significant application value for advancing the offshore wind power industry.

Helping Gansu Province to grid-tie a hundred-megawatt grid-connected wind farm

In November 2023, China developed new energy synchronized voltage-friendly wind turbines with grid-connected technology. The Company, as the core equipment supplier for this project, successfully completed the grid connection work at the Ganhekou North-South Wind Farm in Gansu Province.

The project employed the Company's 3.2MW air-cooled and doubly-fed grid-connected inverter, marking the world's first retrofit project for grid-connected inverters. This achievement not only demonstrates our robust technical capabilities but also contributes to China's new energy industry, positioning the country at the forefront of renewable energy grid connection technology.



A hundred-megawatt grid-connected wind farm in Gansu Province

**Special
Topic**

**Hopewind's Innovative
Business Landscape**



Electric Drive Products

- Low Voltage General Purpose Inverter
- Low Voltage High Performance Inverter
- Low Voltage Engineering Inverter
- Medium Voltage Engineering Inverter
- Pumped Storage Control Device
- Customized Industrial Machinery
- ...



Power Quality Products

- Indoor Static Var Generator (SVG)
- Outdoor Static Var Generator (SVG)
- ...



Wind Power Product

- Wind Power Converter
- Yaw Frequency Converter
- Energy Management System
- Multi-function Grid Simulation Device
- ...



PV Product

- String Inverter
- Central Inverter
- C&D Inverte
- ...



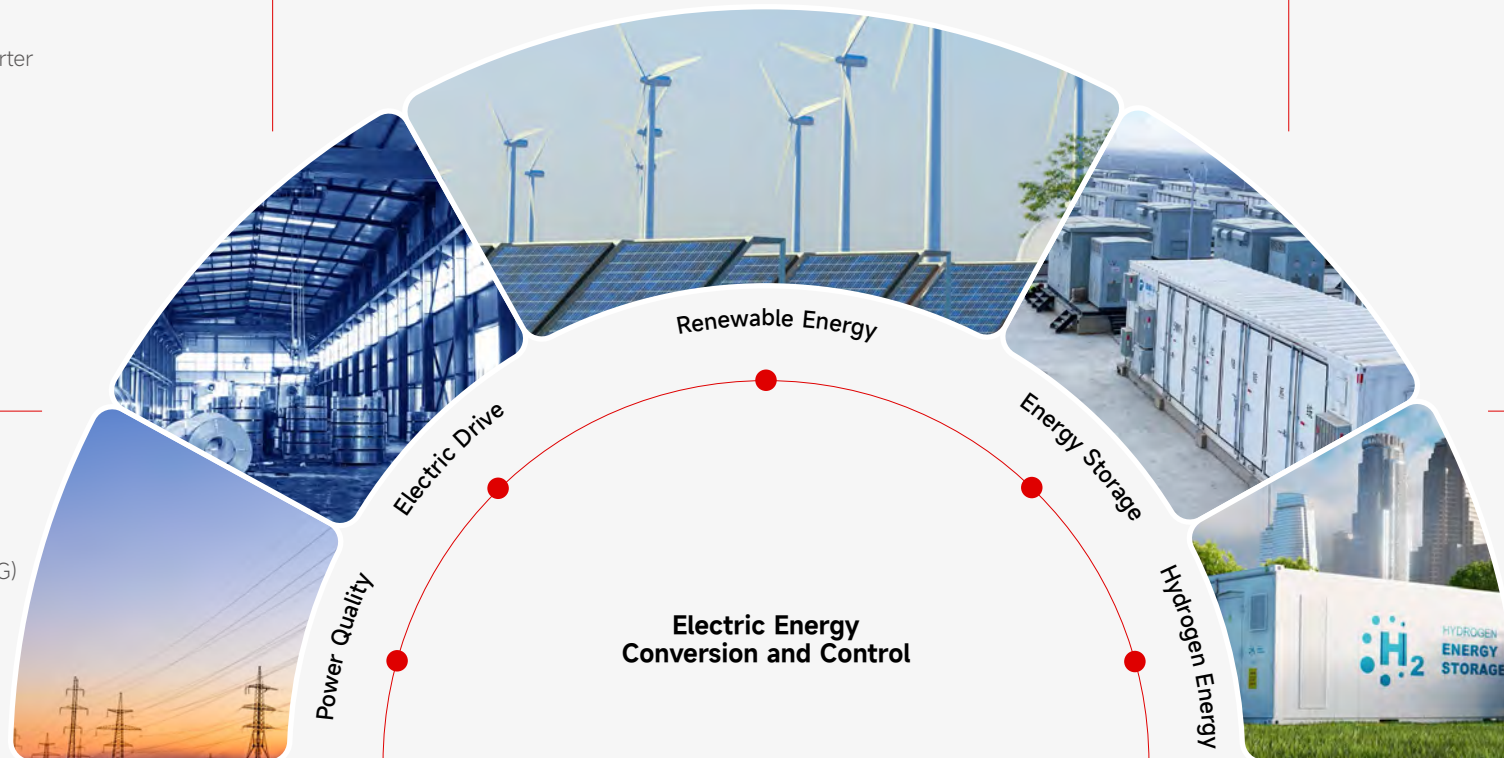
Energy Storage Product

- PCS Residential storage inverter
- PCS cabinet type all-in-one machine
- EMSComplete set of energy storage systems
- ...



Hydrogen Energy Products

- IGBT Hydrogen Generation Power
- SupplySkid Mounted Integrated Hydrogen PlantHydrogen production intelligent management syste
- ...



Wind Power Products



In the field of wind power generation, the Company focuses on grid adaptability research and the development of future new models. The reliability, stability, and forward-looking nature of the products have shown significant improvement. In 2023, wind power projects expanded overseas, currently covering countries such as the United States, Mexico, Brazil, India, Kazakhstan, Ethiopia, Serbia, Italy, South Korea, Vietnam, and Japan.

Our main products include:

- 1.0MW to 12.0MW Full-Power Converter
- 1.5MW to 6.XMW Doubly Fed Induction Generator (DFIG)
- 3.XMW to 20.0MW Low-Voltage Three-Level Doubly Fed Converter
- 3.XMW to 30.0MW Low-Voltage Three-Level Full-Power Converter
- 5.0MW to 24.0MW Medium-Voltage Three-Level Converter
- 1.0MW to 20MW Pitch System
- 1.0MW to 20MW Pitch Drive
- 2.2kW to 110kW Yaw-Specific Variable Frequency Drive
- 2.5MVA/6MVA/10MVA/10MVA to 20MVA/60MVA Multi-function Grid Simulation Device

Power Quality products



In the realm of power quality control, Hopewind provides SVG (Static Var Generator) products ranging from 30 kvar to 140 Mvar. These products aid power generation and drive entities and various end-users in eliminating grid pollution, stabilizing grid voltage, improving power quality, and enhancing drive capacity. We are the first domestic manufacturer capable of grid-connected operation with high- and low-voltage penetration for SVG devices. We are also the first manufacturer in China to have passed high- and low-voltage penetration testing for SVG devices conducted by China Electric Power Research Institute, showcasing outstanding performance and industry-leading excellence.

Solar PV Products



In the field of PV power generation, we promote both distributed and centralized PVs and provide competitive comprehensive solutions, including a full range of series-connected small and medium-power PV power generation systems and centralized/distributed high-power PV power generation systems.

Inn 2023, undaunted by challenges, we successfully secured the bid for the largest distributed generation project of 2GW photovoltaic desertification control project in the country. Our photovoltaic inverter has demonstrated its application value in several desert prevention projects, contributing to the construction of ecological security barriers. At the same time, the Company is actively promoting new formats that combine photovoltaic power generation with ecological development, such as photovoltaics combined with fisheries, agriculture, forestry, and oil fields, achieving dual land use and promoting green development.

Our series-connected solutions include:

- 3kW to 8kW (550V) String PV Inverter
- 8kW to 125kW (1100V) String PV Inverter
- 225kW to 350kW (1500V) String PV Inverter

Our centralized/distributed solutions include:

- 500kW/630kW/800kW (1100V) Grid-Tied Inverter
- 1250kW/1562.5kW/2500kW/3125kW (1500V) Grid-Tied Inverter
- 1000kW/1250kW (1100V) Grid-Tied Inverter
- 1MW to 6.25MW Megawatt-Level Inverter and Inverter-Integrated Box

Energy Storage Products



In the field of energy storage, 50kW~3.45MW energy storage converters, 5kW~12kW residential storage inverters, 1MW~6.9MW PCS combo as well as EMS, offgrid controllers and other equipment, which are widely used in power generation side, grid side, user side, microgrid and so on.

In 2023, the Company provided industry-leading energy storage solutions tailored to the specific characteristics of different application sites. This included the second-generation 3.45MW energy storage inverter with the highest power density, the largest single-machine capacity 2.5MW energy storage inverter, and the 5MW integrated unit solution, showing products with core competitiveness. We remain our strong development momentum in 2023, achieving success with multiple hundred-megawatt projects. These solutions have been widely applied in solar-plus-

storage, wind-plus-storage, standalone energy storage stations, among others.

Our main products include:

- Residential Storage Inverters
- Power Conversion System (PCS)
- Energy Management System (EMS)
- PCS cabinet type all-in-one machine
- Complete set of energy storage systems

Electric Drive Products



In the field of industrial drive building upon a robust customized engineering wind power inverter platform, the Company has independently developed a range of products including the HV350 series low-voltage general purpose inverter, HV510 series low-voltage high-performance inverter, HV500 series low-voltage engineering single transmission inverter, HD2000 series low-voltage engineering inverter, HV7000 series high voltage general purpose cascade Inverter, HD8000 series medium-voltage engineering inverter, pump storage motor control devices, and industry-specific custom machines. These products can be widely used in metallurgy, petroleum and petrochemical, mining machinery, port lifting, distributed energy generation, large-scale testing platforms, marine equipment, textiles, chemicals, cement, municipal and various other industrial applications.

In 2023, the Company's drive products achieved remarkable performance in industries such as metallurgical rolling, oil drilling, LNG, railway infrastructure, large-scale test benches, and pump storage. At the same time, we made significant strides in localization and internationalization. Noteworthy accomplishments were seen in various industries abroad including oil drilling rigs, metallurgical rolling mills, mining hoists, large-scale test benches, pump storage, the light industry and papermaking, among others.

Hydrogen Energy Products



In the field of electrolytic hydrogen production power supply, the Company offers high-power IGBT hydrogen power products ranging from 500kW to 20MW. These products come in various types including air-cooled/liquid-cooled, indoor/containerized, and single-stage topology/dual-stage topology, supporting integrated solutions for smart management of new energy hydrogen production. based on a high-power power electronics platform for wind and solar energy storage, these products have been supported by over 300,000 sets of IGBT module system applications. They are known for their excellent design, reliability, stability, and simple maintenance, with significant characteristics of "three highs and one low" (high efficiency, high reliability, high power factor, and low harmonic distortion).

R&D Capacity Building

Building a Strong R&D Team

The Company adopts a matrix management model, employing a "dual leadership" approach that divides employee functions and project assignments, alongside a product line integration management system that unifies management across different product lines. This strategy fosters closer integration between research and development, ensuring that innovative outcomes align closely with customer needs. Furthermore, to incentivize all employees to engage in innovative research and pursue independent innovation, we have implemented various incentive measures. We recognize and reward employees who excel in patent applications and paper publications with certificates of honor and gifts. Additionally, we provide R&D training courses for our employees, injecting more vitality into the Company's innovation efforts and exploring a path of independent innovation that resonates with our unique characteristics.

In 2023

The Company formed a core technological team and a management team comprised of

755 professionals

Serving as R&D personnel over

32%

Building Versatile R&D Platforms

We have also established comprehensive testing and experimental platforms to support our R&D activities for products such as wind power converters, PV inverters, energy storage converters, SVG, and more. These platforms enable us to conduct functional performance, white-box extreme, fault simulation, and reliability testing in accordance with relevant standards and test specifications. Our laboratory is equipped with wind turbine units of varying power capacities, including 10 MW, 4 MW, 3.5 MW, and 2.5 MW, aging platforms with a maximum capacity of 17 MW, photovoltaic string-type and centralized experimental platforms, medium-power and small-power drive experimental platforms, multi-drive experimental platforms, and high-voltage SVG experimental platforms. Additionally, we have 60 m³ walk-in temperature chambers, 20 m³ salt spray test chambers, 500 kg vibration testing tables, and EMC equipment such as ESD, EFT, SURGE, CS, and shielded rooms. This comprehensive setup allows for a thorough assessment of the functionality, performance, and reliability of our R&D products.

At the same time, the Company's laboratory has obtained the CNAS (China National Accreditation Service for Conformity Assessment) qualification, validating the Company's internal testing capabilities for research and innovation. This accreditation serves to continuously enhance the technical competitiveness of our products.

In 2023

Hopewind's R&D investment exceeded

RMB 320 million



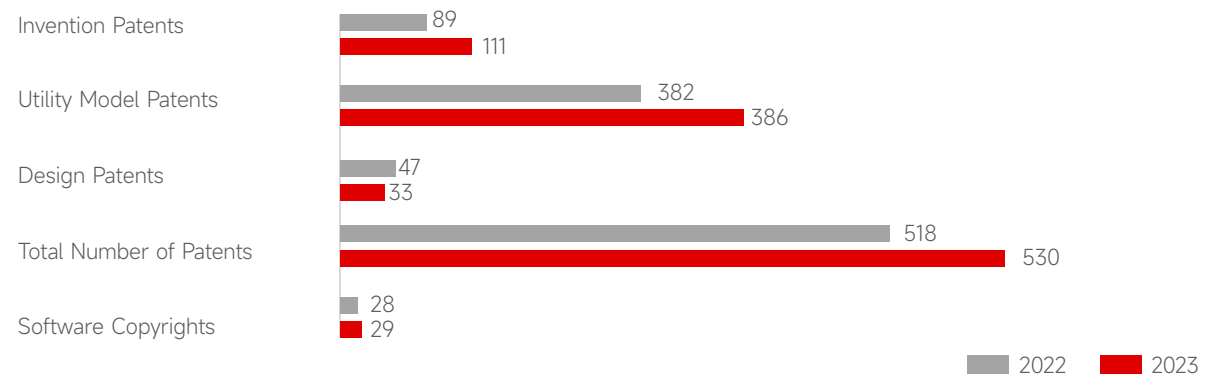
Intellectual Property Protection

The Company complies with laws and internal regulations, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, the *Hopewind Patent Agent Quality Management Standards* and the *Hopewind Intellectual Property Incentive Measures*. In addition, we have established a dedicated IT platform with an electronic workflow system for patent-related processes, such as patent searches, patent discovery, patent applications, and patent investigations.

At the same time, the Company actively enhances employees' professional abilities in intellectual property. Our intellectual property training system includes basic, intermediate, and advanced courses tailored to employees with varying levels of research and practical needs.

Basic Training	Intermediate Training	Advanced Training
<ul style="list-style-type: none"> Training Content: Basics of Patents & Approval Procedures Training Target: R&D personnel with 1 to 2 years of work experience 	<ul style="list-style-type: none"> Training Content: In-depth Analysis of Key Patent Cases, Writing Claims, and Patent Protection Training Training Target: Control, Structural, and Hardware R&D Engineers 	<ul style="list-style-type: none"> Training Content: Writing Skills for Patent Application Documents and Patent Portfolio Protection Training Target: Hardware and Structural R&D Engineers

In 2023, the number of patents, software copyrights, and trademarks owned by the Company is shown in the table below.



2.2

Pooling Together for High-Quality Development

The Company places a high value on product quality, considering it as its lifeblood. We set stringent product quality objectives, establish a comprehensive quality management system, and consistently implement quality improvement initiatives to foster a culture of quality. This enhances our employees' sense of mission and responsibility towards product quality, ensuring the delivery of high-quality and reliable products to our customers.

Product Quality Management

The Company has established a series of quality management policies such as the *Management System Manual*, the *Quality Record Control Procedures*, and the *Quality Objectives and Data Analysis Control Procedures*. We have implemented quality management across various processes, covering product design quality, procurement, supply chain management, production quality, sales, and service quality. These policies encompass all business processes and undergo continuous updates.

During the reporting period

<p>Quality inspection investment</p> <p style="font-size: 24px; color: red;">RMB 20.44 million</p>	<p>Number of inspection team members</p> <p style="font-size: 24px; color: red;">105 people</p>	<p>Obtained the ISO 9001 Quality Management System Certificate</p>  <p style="font-size: 10px;">ISO 9001 Quality Management System Certificate</p>
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Quality Management Objectives

At the beginning of each year, the Company's Quality Department works closely with various first-tier product departments to establish quality objectives, drawing from past quality performance and stakeholder expectations. These objectives provide invaluable guidance for our annual quality management efforts.

Throughout the reporting period

We set 30 primary quality objectives and implemented monthly tracking and statistical analysis, achieving an overall success rate of over

95%

Incidents of product recall or violations impacting the health and safety of our products and services

0

Indicator	Objective Data	
Quality Objectives	Customer Satisfaction	91.00%
	Product Testing Pass Rate	98.20%
	Materials Acceptance Rate	99.00%
	Procurement Timeliness Rate	99.20%

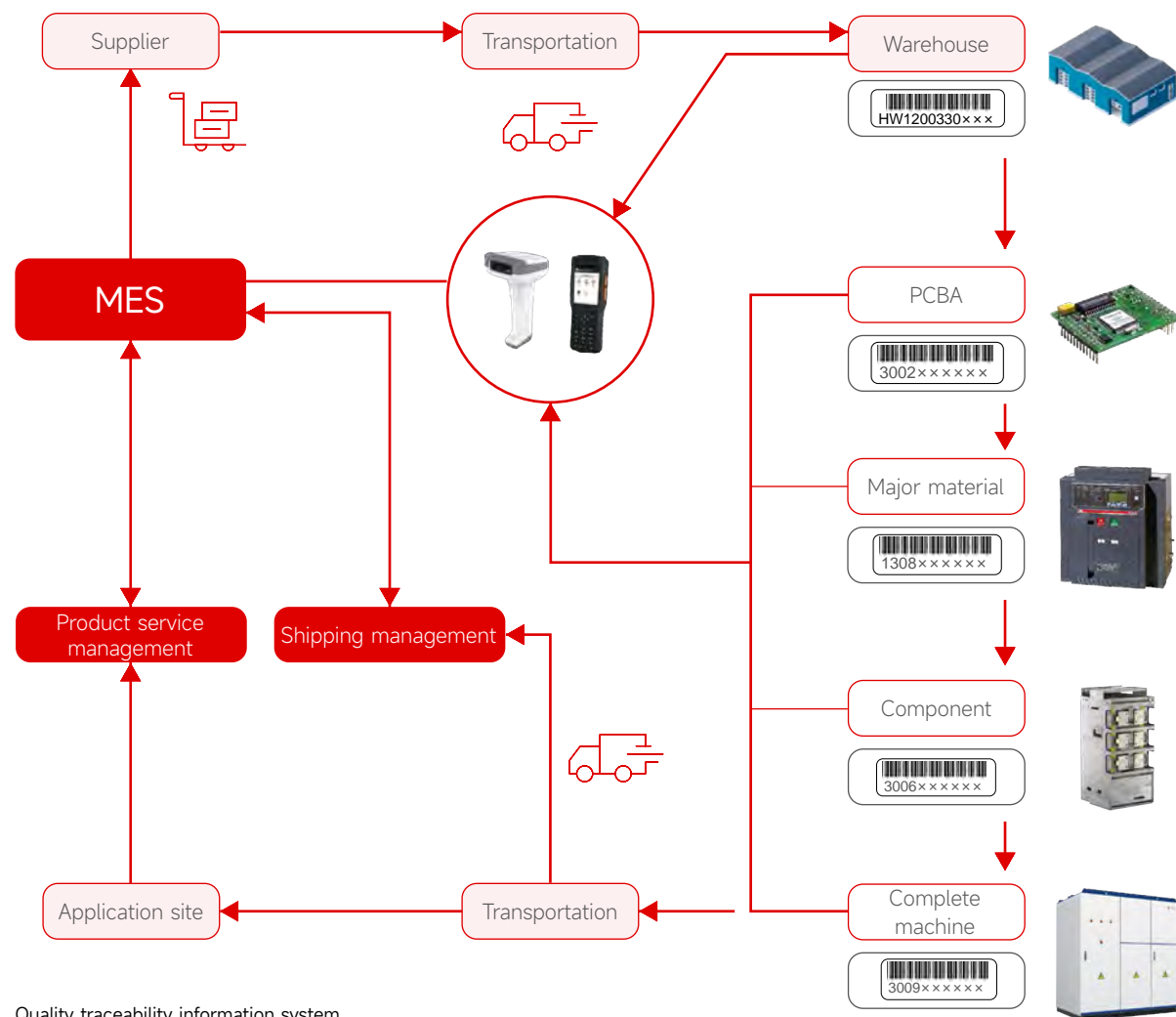
The success rate of quality objectives (partial)



Improving Product Quality

The Company has established a comprehensive quality management system encompassing quality business management, R&D quality management, supply chain quality management, and market service quality management. Utilizing the MES system, an advanced quality traceability information system has been deployed to meticulously monitor every aspect of the product lifecycle—from suppliers to producers, manufacturers, and transportation management.

- Utilizing the MES system, the Company has established a sound quality traceability system. Quality records covering the entire process from supplier to site.



Quality traceability information system

- Over the years, we have introduced automated production equipment and established multiple automated workshops to actively enhance product quality.

Sheet Metal Workshop

- Numerical Control Busbar Punching and Shearing Machine:** Automatic processing of various specifications of copper and aluminum busbars with fast processing speed and high precision
- Open Fixed-Table Press Machine:** Used for shearing, blanking, punching, bending, shallow drawing, and various cold stamping processes for sheet metal. The machine offers the following features: well-built rigidity, stable precision, balanced drive, low noise level, sensitive movement, safe operation
- Riveting Machine:** Processing of various specifications of bolts, nuts, screws, etc., for sheet metals. The machine has firm and reliable connections, no need for auxiliary materials and no dust and toxic smoke

PV String/ Module Assembly Line

- Fully Automatic Screw Torque Calibration Machine:** Used for screw fastening and torque calibration, with consistent fastening quality
- Automatic Packaging Line:** Used for product packaging, enhancing packaging quality and production capacity



Cultivating a Culture of Quality

The Company is committed to strengthening its quality culture and actively fostering a quality-oriented atmosphere. We consistently organize various quality cultural activities such as quality training, quality newsletters, and suggestions for improvement to deepen employees' understanding of the quality system and reinforce their awareness of quality management.

Throughout the reporting period

We conducted a total of

59

quality management training and promotion sessions

Reaching

863 participants

With a total participation of

993 individuals

Monthly Quality Magazine

The Quality Department publishes a Monthly Quality Magazine that covers various topics, including a summary of the month's quality management efforts, quality case studies, expansion of professional expertise, and the evaluation results of rational proposals. Our Monthly Quality Magazine has played a crucial role in establishing a positive cycle of "reflection, motivation, and improvement" in the Company's quality management work. It has also helped employees learn from past experiences, gain motivation from incentives, and develop skills through the sharing of case studies. The ultimate goal is to drive continuous and steady improvement in our product quality.



Monthly Quality Magazine

Rational Proposals from Employees

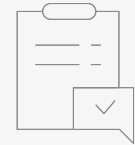
In order to enhance quality management in all products, management, and processes, the Company has established a *Rational Proposal Management System* and actively seeks suggestions from all employees. The Company encourages employees from all departments to come up beneficial ideas for the Company's development and rewards employees who give valuable suggestions with benefits points and cash incentives.

This initiative effectively facilitated the Company's incorporation of valuable feedback from employees, improving business management and contributing to the Company's development.

During the reporting period

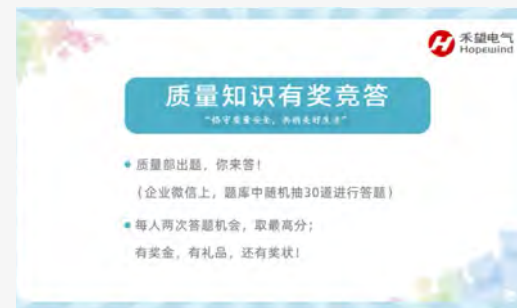
Rational suggestions were proposed

355



Quality Knowledge Quiz with Rewards

The Company regularly organizes quality knowledge quizzes with rewards to help employees continuously improve their quality awareness and enrich their knowledge. During these activities, the Quality Department summarizes common quality issues within the Company, formulates questions based on fundamental quality knowledge, and invites employees from various departments. Those who answer correctly are incentivized with bonuses, certificates, gifts, and more. Through this unique activity, the Company cultivates a strong quality culture, further stabilizing product quality.



Poster of quality knowledge quiz



Company online portal to encourage employees share suggestions

03

Pursue Evergreen Business: Practice Green Operations

The Company remains dedicated to sustainable development, embracing a philosophy of green management and taking an active role in the transition towards a low-carbon future. Our commitment to environmental protection is not merely rhetorical; it is manifested through concrete actions. We consistently strengthen our environmental management system, champion energy conservation, promote the adoption of clean energy sources, spearhead initiatives to mitigate climate change, and play our part in shaping a carbon-neutral future.

UN Sustainable Goals:





3.1

Further Practice Environmental Management

With the evolution of global environmental management concepts and strategies for environmental stewardship, the Company places significant emphasis on resource conservation to mitigate environmental impacts. Tailoring our approach to the unique characteristics of our business, we have implemented a robust environmental management system aimed at realizing our objectives of carbon reduction and eventual carbon neutrality.

Environmental Management System

The Company, in compliance with the laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Integrated Emission Standards for Air Pollutants of the People's Republic of China*, the *Regulations of Guangdong Province on Environmental Protection*, and the *Regulations of Guangdong Province on the Administration of Environmental Protection of Construction Projects*, has formulated internal management systems like the *General Industrial Solid Waste Pollution Prevention and Control Responsibility System*. These internal regulations, combined with the Company's environmental management policies, standardize environmental management practices across all departments and subsidiaries during the reporting period.

Environmental Policy

We adhere to the business philosophy of "guarding a green Earth and achieving sustainable development," uphold the principle of "prevention as the mainstay and treatment as a supplement," and continue to mitigate the environmental impacts of our products, activities, and services.

We comply with applicable environmental laws, regulations, and other requirements, promote green procurement and clean production, and do our utmost to meet the needs of green consumers.

We focus our environmental improvement on resource and energy conservation and minimize the environmental impacts of wastewater, waste gas, noise, and solid waste.

Hopewind's Guiding Policy on Environmental Policy

The Company regards environmental protection as both a social responsibility and a mission. We set clear environmental management objectives, increase investments in environmental initiatives, and explore innovative environmental technologies and solutions. Our aim is to elevate the environmental efforts of the entire company and its subsidiaries to new heights, thereby reducing the negative impact on the environment during operations.

Environmental Management Performance

Objective

environmental pollution incidents

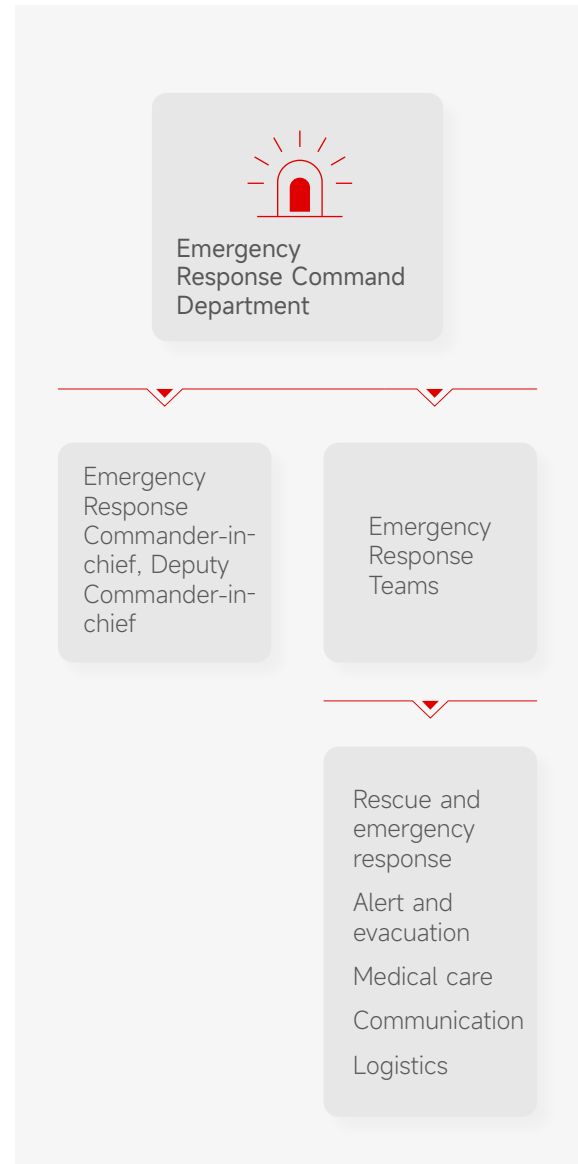
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Progress

environmental pollution incidents happened during the reporting period

0

We have established internal systems such as the *Emergency Rescue Management System* and the *Contingency Plan for Hazardous Waste Accidents* to enhance our risk prevention framework and environmental emergency response plans. Additionally, the Company conducts regular emergency drills and training sessions to ensure the effectiveness of our emergency response system.



Hopewind's emergency response command structure

Environmental emergency drills

In August 2023, the Safety and Environmental Department of the Suzhou base, in collaboration with the Warehousing and Logistics Department and the R&D Department, conducted a chemical spill emergency response drill at the entrance of the temporary chemical storage area. The purpose was to help participating employees familiarize with procedures for handling chemical spills, enhance awareness of emergency response measures, and ensure the safety of personnel involved in emergency response efforts. The objective was to minimize environmental hazards in the event of an accident.



Chemical spill emergency response drill of the Suzhou base

The Company has obtained the ISO 14001 Environmental Management System Certification. This certification signifies our commitment to maintaining a scientifically rigorous and standardized environmental management system. Through this system, we continuously strive to enhance our environmental performance and uphold principles of green sustainable development.



Hopewind's environmental management system certifications

Selected as a Green Factory in Jiangsu Province, demonstrating the Company's commitment to creating a sustainable business environment

In June 2023, the Company completed the evaluation report for the provincial-level Green Factory assessment in Jiangsu Province and submitted it for preliminary review by the Ministry of Industry and Information Technology. This is a full recognition and positive affirmation from government and other relevant departments for the Company's adherence to a green development strategy and active fulfillment of social responsibility. We actively implement our commitment to environmental sustainability by integrating the concept of green development and green manufacturing into processes such as safety, environmental protection, energy conservation, production, and quality management. This has established a positive environmental image and set a green example.

The Company prioritizes biodiversity conservation, intertwining its business operations with endeavors in ecological protection. Employing a variety of measures, we strive to minimize potential adverse effects on the environment and biodiversity, endeavoring to foster harmonious coexistence with nature.



3.2

Enhancing Resource Efficiency

Energy conservation and emission reduction stand as pivotal focal points for the Company's green operations. Employing innovative energy technologies and adopting energy-saving management practices, we strive to regulate energy consumption through a synergy of "technology + management". This approach is geared towards enhancing water resource management efficiency, facilitating orderly and effective operations, and ultimately realizing our objective of green operations.

Energy Management

In 2023, building upon the energy management experience accumulated over the years, we enhanced our energy-saving operational standards and plans across various dimensions including equipment, economics, and management. This initiative aimed to achieve significant reductions in energy consumption throughout our operational processes, aligning with our commitment to green practices.

Equipment Energy Conservation

The Company has identified aging and high-power consumption as issues with our PV inverter products, which impede the efficiency of PV power generation systems due to energy losses during the conversion process. To mitigate these impacts, we are implementing inspection and adjustment measures, as well as energy-saving upgrades for production equipment to optimize inverter performance. This initiative aims to enhance equipment efficiency, reduce energy consumption, and provide robust support for achieving energy-saving goals in PV power generation systems.

Developing an optimization plan for electrical losses to achieve reduction at the source

In September 2023, the Suzhou base addressed the issue of significant losses during testing and aging on the platform. The plan involved disconnecting from the ACS and directly connecting to the grid to reduce electrical losses. This approach is expected to save 40% in power losses compared to the current setup. With an estimated annual testing capacity of 600 per platform, the projected annual cost savings in electricity expenses could reach around RMB 114,000.

In 2023

The projected annual cost savings in electricity expenses could reach around

RMB 114,000

Our efforts resulted in approximately RMB 47,340 in energy cost savings through equipment upgrades

Economic Energy Conservation

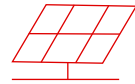
The Company installs distributed rooftop photovoltaic systems to achieve self-generation and self-consumption of electricity. By reducing dependence on traditional energy sources, this approach also alleviates pressure on the

power grid. We believe that this initiative enhances our independence and flexibility in energy usage, resulting in the dual optimization of economic benefits and environmental efficiency.

In 2023

The photovoltaic project at the Suzhou base generated of electricity

1,391,260 kWh



Internal consumption

1,124,519 kWh



hereby contributing to green and sustainable development through the utilization of clean energy



Hopewind's distributed rooftop photovoltaic systems

Participating in clean energy heating projects and contributing to economic energy efficiency

In 2023, we actively participated as an equipment supplier in the "Distributed Photovoltaic + Clean Energy Heating" project led by Yingkou City in Liaoning Province. This project provides subsidies to villagers for installing clean heating equipment and photovoltaics, aiming to replace coal-burning devices and establish a clean, low-carbon green heating energy system in the area.

The first phase of the project has a total installed capacity of 100,000 kW and renovates heating equipment in 50,000 households. Additionally, some households are utilizing our 8 to 36 kW string inverters. After completion, the project is expected to generate over 1.3 billion kWh of electricity annually, effectively reducing carbon emissions and helping local communities achieve green heating and low-carbon winter solutions.

Management Energy Conservation

The Company follows the requirements outlined in the ISO 50001 Energy Management System Certification, thereby optimizing energy management processes and enhancing energy efficiency. Through the implementation of energy-saving measures and strategic energy management, we have successfully reduced energy consumption, consequently contributing to a decrease in greenhouse gas emissions.



Energy Management System Certification

Hopewind's energy consumption during the reporting period was as follows.

Indicator	Unit	2023
Purchased electricity consumption	MWh	10,515.6
Indirect energy consumption ¹	Tonne of coal equivalent	143.42
Indirect energy consumption intensity	tonne of coal equivalent/RMB 1 million revenue	0.04
Self-generated Renewable Energy for Self-consumption		
PV installed capacity	MW	1.2
PV power generation	MWh	1,391.3
PV power self-consumption	MWh	1,124.5
Total gasoline consumption	L	18,950.00
Total diesel consumption	L	10,000
Total direct energy consumption ¹	Tonne of coal equivalent	20,216.41
Direct energy consumption intensity	Tonne of coal equivalent/RMB 1 million revenue	5.39
Total GHG emissions (Scope 1) ²	Tonne of CO ₂ equivalent	6771
Total GHG emissions (Scope 2) ³	Tonne of CO ₂ equivalent	6,013.77
Total GHG emissions	Tonne of CO ₂ equivalent	6,081.48
CO ₂ emissions intensity	Tonne of CO ₂ equivalent/RMB 1 million of revenue	1.62

¹ The energy consumption is converted into coal equivalent with reference to the GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption.

² Scope 1 emissions are calculated using the lower heating value of gasoline of 44.8 GJ/t from the 2005 Research on the GHG Emission Inventory of China, the carbon content of per calorific unit of gasoline of 0.0189 tC/GJ from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and Guidelines for Provincial GHG Inventories (for Trial Implementation), and the carbon oxidation rate of gasoline of 98% from the Guidelines for Provincial GHG Inventories (for Trial Implementation).

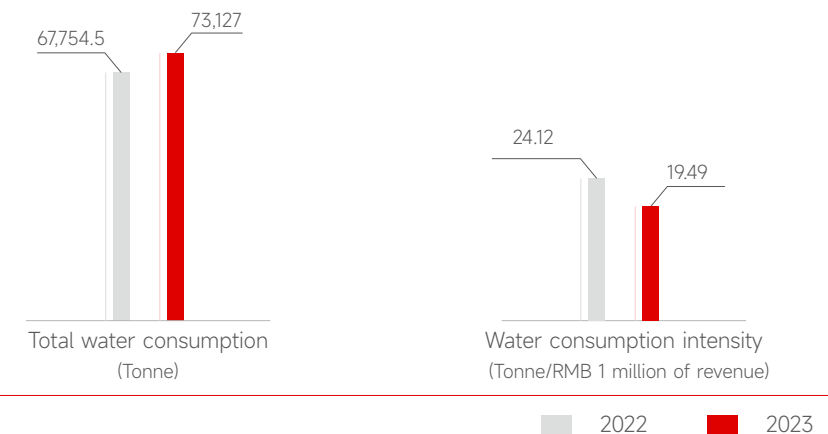
³ Scope 2 emissions were calculated using the national grid average emission factor 2022 of 0.5703 t CO₂/MWh from the Notice on the Management of GHG Emissions Reporting of Enterprises in the Power Generation Sector from 2023 to 2025 published by the Ministry of Ecology and Environment.

Water Resource Management

The Company places significant emphasis on maximizing water resource utilization efficiency across all its operations. We are committed to enhancing water conservation efforts by implementing various measures including water recycling, adopting daily water-saving practices, and installing water-saving devices to optimize water utilization efficiency. In 2023, the Company primarily sourced its water from municipal water supply systems.

Rainwater collection tanks

In 2023, the Company installed a rainwater collection system within the factory, with a capacity of 336m³. Through rainwater collection and utilization, we saved 480 tonnes of water annually. The collected rainwater is treated and used for landscaping irrigation, road washing, and landscape replenishment. Effectively utilizing rainwater not only helps reduce water costs but also decreases our reliance on traditional water sources.





3.3

Regulated Discharge and Clean Production

The Company strictly adheres to internal regulations such as the *Management Procedures for Polluted Water and Gas, Noise, and Residues*. Every year, we conduct thorough wastewater, emissions, and noise testings, generating detailed inspection reports. This proactive approach aims to facilitate the effective operation of mechanisms for regulated waste product discharge, ultimately fostering clean production through regulatory emission management.

Wastewater Management

The Company strictly adheres to laws and regulations such as the *Integrated Wastewater Discharge Standards of the People's Republic of China*, the *Regulations of Jiangsu Province Yangtze River Water Pollution Prevention and Control*, and the *Environmental quality standards for surface water* in its operations. As a company engaged in the research and manufacturing of electrical equipment, our manufacturing processes primarily entail assembly testing, thereby resulting in zero wastewater discharge within the factory premises.

In 2023, the Company enlisted reputable third-party testing agencies to perform water quality assessments on all wastewater at the factory site, ensuring 100% compliance with regulatory discharge standards.

During the reporting period, the wastewater discharge of Hopewind's Suzhou base was as follows.

Indicator ⁴	Unit	2023
Total wastewater discharges	metric ton	30,830
Total number of wastewater outlets	piece	1

⁴ The data refers to domestic wastewater of Suzhou base and that of other bases aren't included.

Waste Gas Management

The Company relies on regulations and standards such as the *Integrated emission standards of air pollutants of the People's Republic of China* to oversee waste gas management endeavors. In 2023, we implemented real-time monitoring of environmental protection facilities during the production process, guaranteeing uninterrupted operation of waste gas management equipment throughout the year. This ensured effective treatment and enabled compliance with emission standards for waste gases throughout the year.

Implementing waste gas control measures to improve air quality

In 2023, the Company called upon its various subsidiary companies to actively carry out waste gas control measures to ensure that emissions comply with national and local environmental standards.

- The Safety and Environmental Department at the Suzhou base, in conjunction with the Equipment Management Department, regularly cleans the internal adsorbent material (activated carbon) in environmental protection facilities. This ensures the centralized and effective collection of waste gases, preventing emissions from exceeding limits.
- The Heyuan base has added new organic waste gas treatment facilities and selected feasible and high degree of automated treatment processes to ensure stable and regulated exhaust emissions.
- The Headquarter in Shenzhen installed an air duct purification unit in the PCB test area, which effectively filters out hazardous substances.



Employees in Suzhou base cleaning the environmental protection facilities

During the reporting period, the waste gas emissions of Hopewind's⁵ Suzhou base were as follows.

In 2023

Tin emissions

0.000015 metric ton

Non-methane hydro carbon

0.001872 metric ton

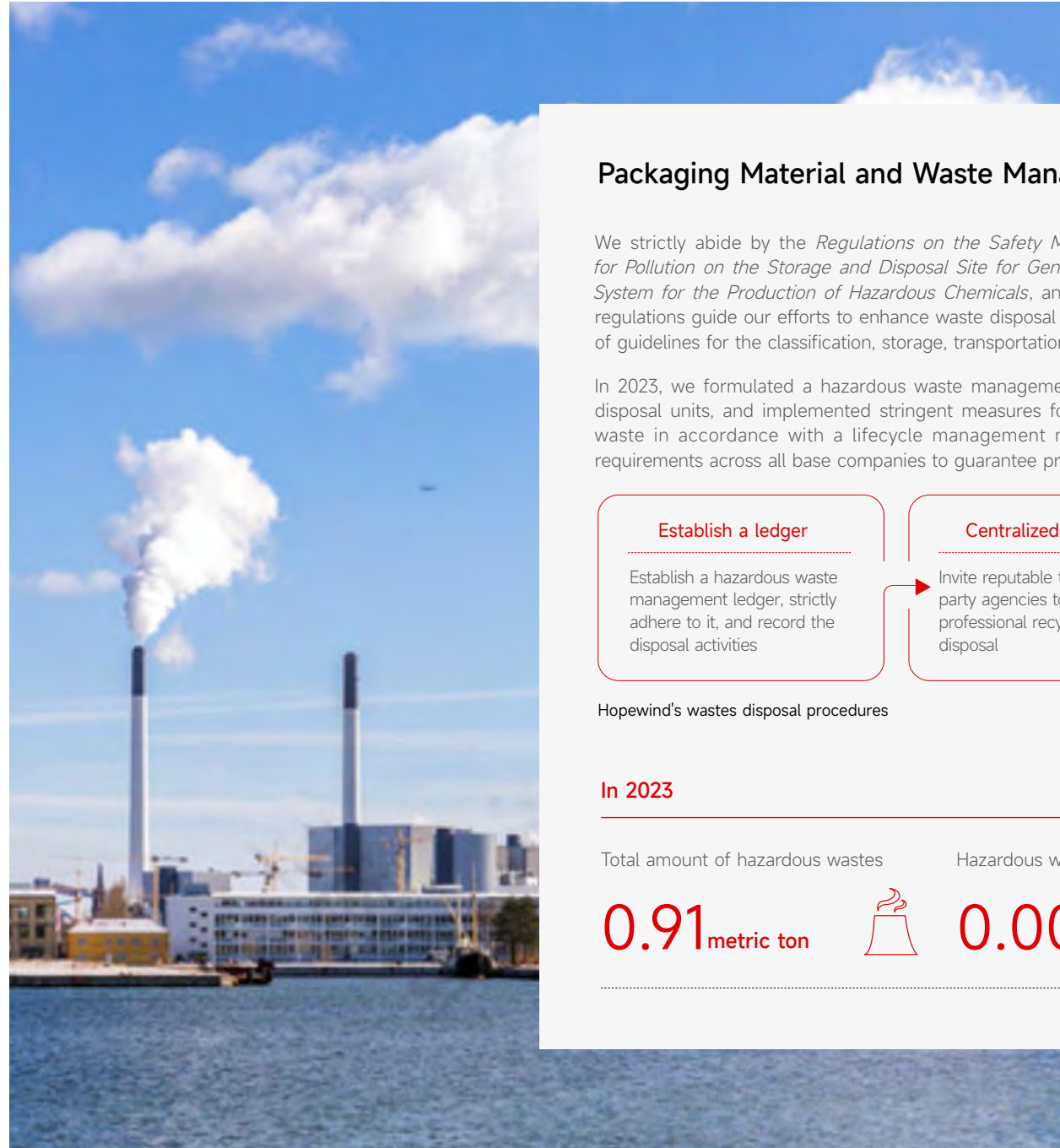
Total waste gas emissions

0.001887 metric ton

Total number of waste gas outlets

1 piece

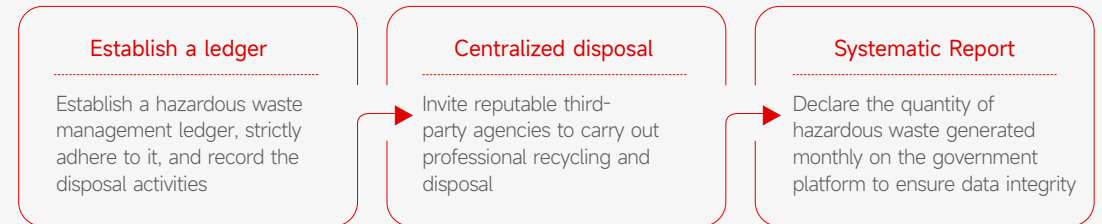
⁵ The data refers to gas emissions of Suzhou base and that of other bases aren't included.



Packaging Material and Waste Management

We strictly abide by the *Regulations on the Safety Management of Hazardous Chemicals*, the *Standard for Pollution on the Storage and Disposal Site for General Industrial Solid Wastes*, the *Safety Management System for the Production of Hazardous Chemicals*, and the *Hazardous Waste Management System*. These regulations guide our efforts to enhance waste disposal processes and standards, including the establishment of guidelines for the classification, storage, transportation, and disposal of waste materials.

In 2023, we formulated a hazardous waste management plan, signed disposal agreements with reputable disposal units, and implemented stringent measures for the collection, storage, and labeling of hazardous waste in accordance with a lifecycle management model. Furthermore, we ensured the alignment of requirements across all base companies to guarantee proper and compliant management of hazardous waste.



Hopewind's wastes disposal procedures

In 2023

Total amount of hazardous wastes

0.91 metric ton



Hazardous wastes intensity

0.0002 metric ton/ RMB 1 million of revenue



3.4

Responding to Climate Change

We recognize that climate change poses both opportunities and challenges that will significantly impact the Company's long-term development and financial performance. Accordingly, we are proactively identifying and addressing climate risks, with a focus on enhancing governance related to climate issues and actively responding to "Dual Carbon Goals".

In 2023, the Company referred to the recommendations framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to systematically identify and analyze various types of climate-related physical and transition risks. Subsequently, we formulated response measures to comprehensively enhance our ability to adapt to climate change. The identified climate change risks are as follows.

Risk type	Risk factor	Impact cycle	Impacts	Response measures
Physical risks	Natural disaster	Short-term	<ul style="list-style-type: none"> Floods, heavy rainfall, sandstorms, blizzards, earthquakes, and short-term extreme weather events may disrupt the Company's operations and production. These events may also endanger the safety of employees' lives and property, disrupt raw material supply, hinder product transportation logistics, or damage fixed assets such as machinery, equipment, factories, laboratories, and office areas. 	<ul style="list-style-type: none"> Producers should consider the impact of various extreme adverse weather conditions during the development and pre-research stages, ensuring high environmental adaptability of the products Warning and emergency deployment for abnormal weather events are conducted, along with emergency drills for employees, to prevent any loss of life or property Provide various product packaging and transportation methods to reduce the risk of global product transportation being affected by geological disasters
	Climate change	Long-term	<ul style="list-style-type: none"> Persistent high temperatures, water scarcity, rising sea levels, and frequent extreme weather events have the potential to affect the Company's production processes. 	<ul style="list-style-type: none"> Based on the company's operational needs and long-term strategic planning, thoroughly consider the risks of local office or factory premises being affected by rising sea levels and make advance planning accordingly In production, strengthen the scientific management of water resources, promote water conservation, and reduce the risk of water supply shortages
Transition risk	Laws and regulations	Long-term	<ul style="list-style-type: none"> The green economy, low-carbon transformation, climate-related laws and regulations, and policies regarding low-carbon transition impose pressure on businesses to reduce greenhouse gas emissions. 	<ul style="list-style-type: none"> Closely monitor climate change regulations and policies related to carbon emission reduction that may have significant impacts; analyze trends in carbon peaking and carbon neutrality policies and initiate preparation work in advance Actively promote external certifications such as carbon footprint certification and the use of green electricity in production and operations
	Technical risk	Medium-term	<ul style="list-style-type: none"> Varying technical standards and certification requirements in different countries may impact the Company's ability to export products overseas. The emergence of new industry technologies and business formats presents both opportunities and risks. 	<ul style="list-style-type: none"> Continuously drive independent innovation, expand the high-quality R&D team, enhance the core technology R&D in electric power transformation and control, and consistently elevate the Company's core competitiveness
	Product opportunities	Short-term	<ul style="list-style-type: none"> Increasing awareness of environmental protection prompts more customers to advocate for low-carbon, environmentally friendly, and sustainable development concepts, leading to a rise in demand for clean energy products and services. The continuous advancement of energy transition favors the coordinated development of wind, solar, and hydrogen energy storage. 	<ul style="list-style-type: none"> Provide efficient, reliable, and environmentally friendly solar energy storage solutions Based on wind power, photovoltaics, and energy storage business layout, accelerate the deployment in the new field of hydrogen energy to help establish new business growth models for the company Increase R&D innovation for products, continually expand applications and explore more industry solutions

Climate change risks identification and response

3.5

Practicing Green Operations

In our operational processes, the Company champions green consumption by integrating energy-saving, green office, and other environmental concepts into our daily operations. We collaborate with employees, customers, suppliers, and other partners to fulfill our environmental responsibilities. In 2023, we primarily implemented the following measures to uphold the concept of sustainable development.

Supplier Coordination

The Company adheres to the RoHS (Restriction of Hazardous Substances)⁶ directive as a guiding principle and actively engages in signing environmental protection agreements, such as the *Environmental Protection Agreement for Materials*, to bolster our commitment to sustainable practices. Aligning with international environmental trends, we are committed to achieving green production and environmentally friendly product packaging to meet customer demands.

Green Office Operation

In office operations, we integrate sustainable development concepts into the work environment. We reduce electricity consumption through efficient lighting and energy- equipment; use digital document and double-sided printing to reduce paper usage; encourage employees to use renewable energy transportation; and encourage remote work and video conferencing.

Advocating Green Awareness

The Company actively participates in environmental protection campaigns such as Earth Hour and Earth Day, calling on employees, customers, and the general public to collectively focus on global climate change issues.

The Company conducts training sessions aimed at enhancing environmental risk awareness among employees. We actively promote environmental concepts and disseminate environmental knowledge throughout our workforce. These efforts serve to increase employee sensitivity to potential environmental risks and encourage active participation in environmental initiatives and practices. By fostering a shared environmental values system, we lay the foundation for future sustainable development within our organization.

⁶ It refers to the *Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment*, including but not limited to DIRECTIVE2011/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2011 on the Restriction of the use of certain hazardous substances in electrical and electronic equipment and its accompanying rules and standards and any subsequent revisions.

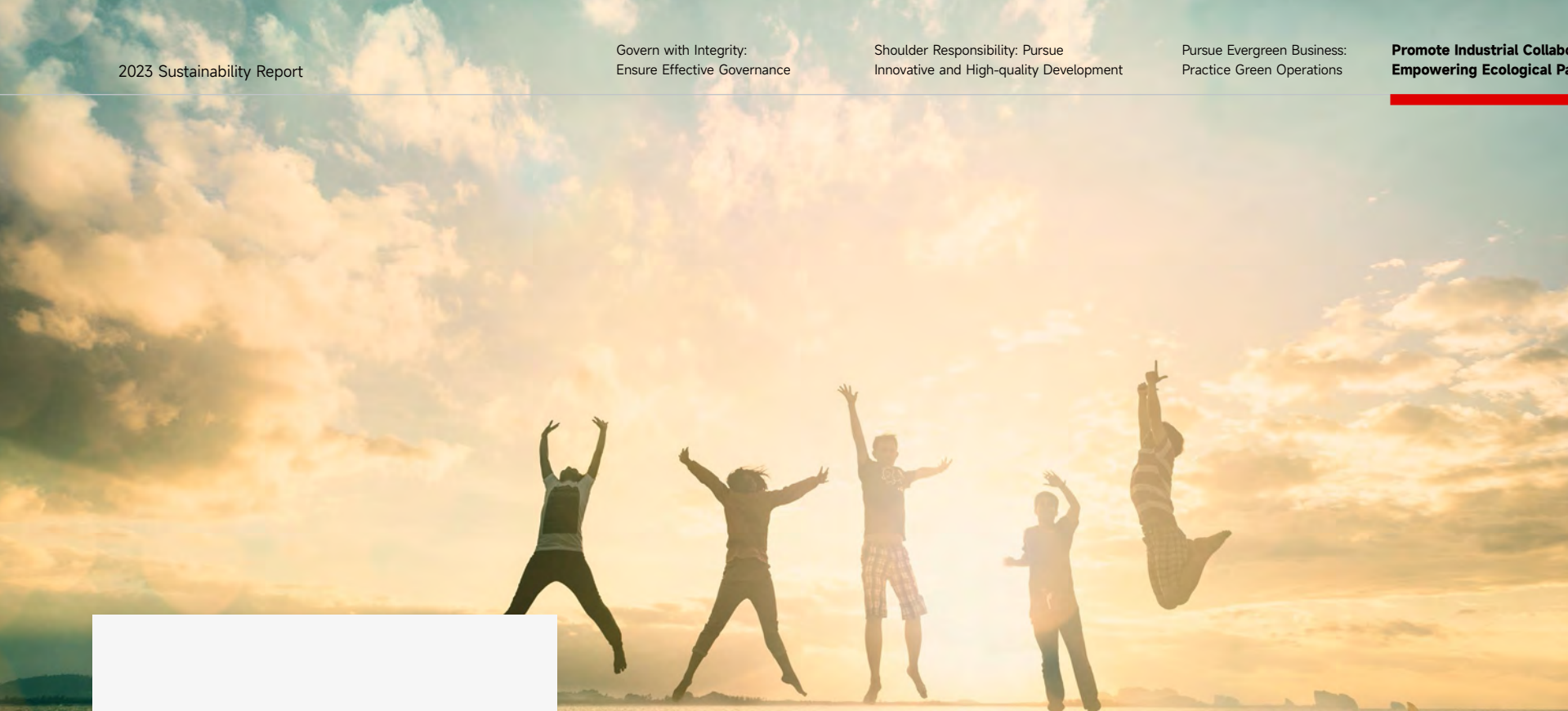
04

Promote Industrial Collaboration: Empowering Ecological Partners

As we pursue excellence in our development, the Company remains steadfast in upholding values of collaboration, innovation promotion, partnership, and mutual benefit across the entire industrial chain. We continuously refine our supply chain management practices, provide high-quality customer service, attentively listen to valuable feedback from our customers, and foster collaboration with partners to achieve win-win results.

UN Sustainable Development Goals:

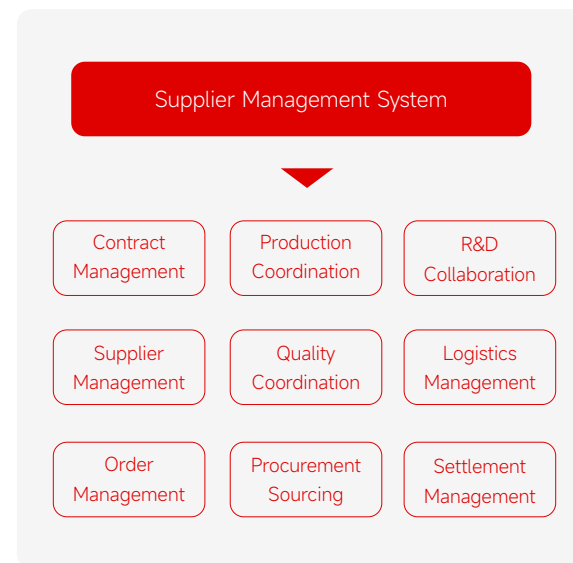




4.1

Establish Efficient Supply System

The Company is committed to nurturing mutually beneficial and close partnerships with exceptional suppliers. To achieve this, we have implemented a comprehensive set of robust supplier management mechanisms, which include the Procurement Control Procedures, the Supplier Quality Management Manual, and the Anti-Corruption Management Regulations. Additionally, we have established a digital supply chain management platform, developed a supplier access and evaluation system, expanded communication channels with suppliers, and established a healthy and organized supply chain structure.



Supplier management system

We classify our suppliers into three categories—strategic, leverage, and bottleneck—based on criteria such as R&D capabilities, product quality, and cooperation level. We employ tailored management approaches for each category to ensure the delivery quality and stability of our supplies.

Throughout the reporting period

The Company collaborated with a total of

852 suppliers

Which included

118 new additions

Local procurement expenditure accounted for

44%

indicating purchases made from suppliers within Guangdong province

Supplier Access

To enhance product quality, the Company initiates stringent controls from the source by rigorously managing the supplier admission process. We have implemented a comprehensive, rigorous, and standardized supplier admission procedure, mandating suppliers to sign a series of documents including the *Purchase Agreement*, the *Confidentiality Agreement*, the *Anti-Corruption Agreement*, the *Intellectual Property Protection Commitment*, and the *Quality Assurance Agreement*.

In evaluating supplier qualifications, the Company integrates environmental, social, and governance performance criteria, continually updating control standards for suppliers. Since 2023, newly onboarded suppliers have been required to ensure that supplied materials comply with RoHS requirements.

Environmental

Environmental management system, environmental performance, and RoHS certification

Social

Quality management system and certification, after-sales service, personnel training, safety regulations, and supply chain management

Governance

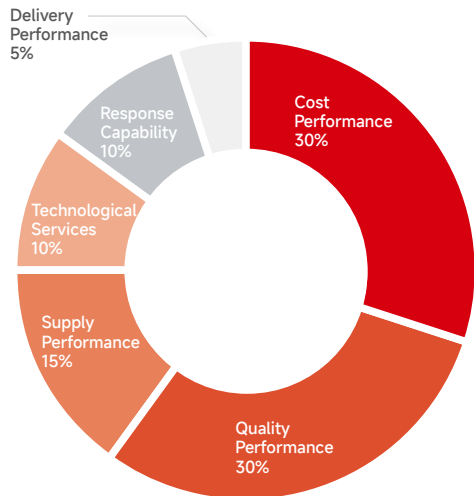
Integrity management, intellectual property protection, and regulatory compliance in operations

ESG assessment criteria for supplier access

Supplier Assessment

To bolster the quality and delivery capabilities of our suppliers, the Company has implemented a rigorous supplier assessment system. For suppliers with established partnerships, we conduct an annual performance evaluation led by our Procurement Department, with input from our R&D Department, Quality Department, and Planning Management Department. This assessment

encompasses a comprehensive evaluation of supplier performance. Based on the evaluation results, suppliers are categorized as excellent, qualified, substandard, or unacceptable. Corresponding management methods are then applied to suppliers at different performance levels to enhance our supply chains.



Points Excellent Supplier ≥ 80	Award an Excellent Supplier Certificate
Qualified Supplier 60 to 79 points	Award prizes to suppliers with outstanding performance in individual assessment items, such as Quality Performance Award, Technological Service Award, and Best Partner Award
Substandard Supplier 50 to 59 points	Conduct necessary rectification, and if the rectification still does not meet the requirements, then assess for vendor disqualification
Unacceptable Supplier 1 to 49 points	Terminate supplier access

- Supplier quality improvement measures**
- Supplier Flight Inspection
 - Supplier Meetings
 - Supplier Audit
 - Supplier Inspection
 - Supplier Annual Audit
 - Supplier Supervision

The Company places high importance on supplier quality management and has implemented a series of measures to enhance supplier quality. During the reporting period, we conducted a total of 473 supplier quality improvement activities, using methods such as supplier meetings, inspections, visits, supervision, annual audits, and spot checks to encourage suppliers to continuously improve their quality performance, meeting the Company's supply requirements.

Supplier Communication

To enhance supplier collaboration efficiency, the Company has implemented various communication channels to foster stronger connections and enhance supplier capabilities through close communication.

During the reporting period, we successfully gathered supplier opinions and feedback via communication initiatives such as supplier conferences, ensuring prompt dissemination of the Company's requirements and expectations. This facilitated more efficient collaboration between both parties.

Supplier Communication

Activities	FY2021	FY2022	FY2023
Quality Meeting	150	270	241
Supplier Inspection	81	118	86
Supplier Audit	46	51	64
Supplier Monitoring	9	33	59
Annual Inspection	/	/	19
Supplier Training	/	/	3
Unannounced Inspection	4	2	1
Total Sum of Activities	286	472	473

The Company actively promotes mutual growth with suppliers by organizing training activities through a blend of online and offline methods. Tailored training sessions are provided based on the materials supplied by each supplier, aimed at enhancing product quality and fostering growth together as ecological partners.



On-site supplier quality coaching

4.2

Enhancing Customer Service Assurance

The Company adheres to a customer-centric approach, consistently expanding its global service management system, and establishing a reliable after-sales network. We consistently deliver comprehensive and attentive services, adhering strictly to responsible marketing standards, and meticulously safeguarding customer privacy and data security. This commitment effectively protects customers' legitimate rights and interests, ensuring a consistently satisfying customer experience, and cultivating a trustworthy brand image.

Customer Service Management

Global Service Network

The Company has established a global customer service management system, committed to serving customers both domestically and internationally. Leveraging our own R&D capabilities, we offer a comprehensive customer service support system that includes professional technical assistance and comprehensive services. In addition to providing routine services, we closely monitor market demands and industry trends, striving to tailor our services to meet the specific needs of our customers.

Domestic Service Station

The Company has actively expanded its presence in ten major regions including Northeast China, Northwest China, North China, Central China, Western China, East China, South China, Southwest China, Southeast China, and Southern China.

Overseas Service Station

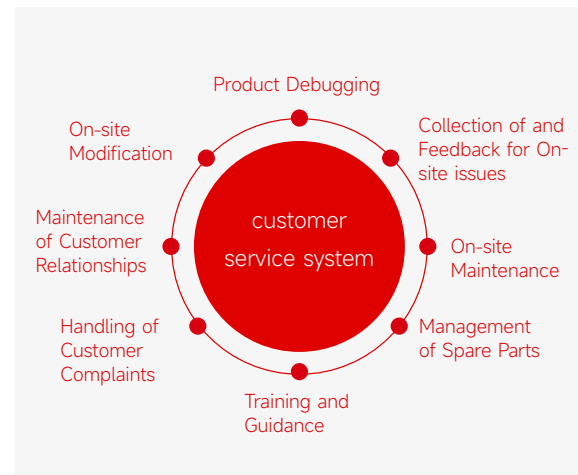
The Company's service bases have expanded to countries and regions including Vietnam, South Korea, Brazil, India, Turkey, the Netherlands, Pakistan, and others.



Global Service Network

Customer Service System

The Company has established a series of internal policies and regulations such as the *Customer Service Control Procedures* and the *Post-Market and After-sales Center Management Regulations* to ensure the provision of high-quality and professional services to our customers. We have devised standardized processes encompassing various stages, including product sales, installation, commissioning, maintenance, complaint handling, and product upgrades, with the goal of creating a comprehensive, diversified, and attentive customer service system.



Hopewind's customer service system

Improving Customer Satisfaction

To better understand customer needs and continuously improve the level of customer service, the Company provides customers with user manuals tailored to their products and offers on-site training sessions. Additionally, we have established diverse communication channels to ensure prompt responses to customers and provide the best service support. During the reporting period, we conducted over 300 customer training sessions.



Providing customers with inverter training to enhance their proficiency in using the products

In March 2023, we conducted inverter training sessions and exchanges with several key customers. The training covered aspects such as product principles, control logic, wiring diagrams, and case studies of faults to enhance customer proficiency in using the Company's products. This initiative aimed to improve the stability of on-site product operations, fostering a cooperative and mutually beneficial customer service system.



Inverter Training

The Company highly values customer feedback and regularly conducts customer satisfaction surveys. In 2023, we conducted online surveys to gather feedback from customers who purchased products such as wind power, solar power, drive equipment, SVG, and energy storage systems. The survey covered aspects such as product satisfaction, service quality, delivery experience, and the sales process, with 14 sub-rating items under the four main aspects. Based on the survey results, the Company implemented targeted improvement measures to enhance customer satisfaction.

In the 2023 annual satisfaction survey, a total of valid questionnaires were collected

390

resulting in an overall customer satisfaction score of

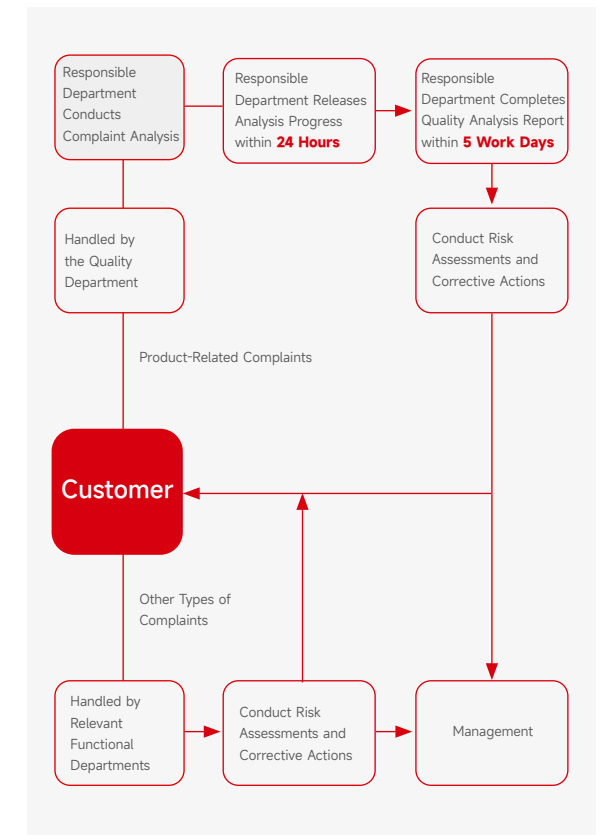
94.2_{points}

service satisfaction score of

95.2_{points}

Handling Customer Complaint

We place great importance on customer feedback and complaints, and have established internal policies such as the *Customer Service Control Procedures*. We have set up multiple channels for customer complaints, constructing a comprehensive customer complaint management system. Our employees are mandated to adhere strictly to customer service guidelines, ensuring that "every complaint is recorded, every record is verified." Our professional customer service staff diligently and accurately document customer issues, facilitating swift resolution and ensuring customer satisfaction. During the reporting period, there were a total of 5 customer service complaints, with a 100% response and resolution rate for customer complaints.



Customer complaint management process

Customer Rights Protection

The Company places utmost priority on safeguarding customer rights, and ensuring compliance with local laws and regulations in all business activities, marketing and sales endeavors. Furthermore, we hold information security and customer privacy in high regard, implementing comprehensive measures to protect customer rights across all fronts.

Responsible Marketing

The Company upholds the responsible marketing concept, refraining from false or exaggerated advertising practices. We strictly adhere to laws and regulations such as the *Advertising Law of the People's Republic of China* and have implemented internal policies like the *Sales Information Management Measures*. To further reinforce responsible marketing practices, we have instituted an internal mechanism for the continual review and supervision of marketing materials. All external promotional content undergoes meticulous scrutiny by relevant departments to ensure the transparency of product information and eliminate any instances of false or exaggerated advertising. During the reporting period, there were no violations related to marketing communications.

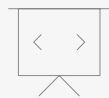
To enhance the awareness and capabilities of our marketing staff in responsible marketing, we regularly conduct marketing promotion and training activities. These initiatives aim to deepen sales personnel's understanding of products and enhance their awareness of responsible marketing risks, thereby ensuring compliance with promotion and sales activities.

Customer Privacy Protection

The Company places a strong emphasis on protecting customer privacy information and continuously strengthens its privacy protection system and information security technology infrastructure. We strictly adhere to the *Law of the People's Republic of China on Protection of Consumer Rights and Interests* and the *Cybersecurity Law of the People's Republic of China*. We have also established a series of management systems, including the *Information Exchange Control Procedures*, the *Sales Information Management Measures*, and the *Sensitive Document Management and Regular Clearing Regulations*, building a comprehensive customer privacy protection system. Furthermore, we ensure thorough protection of customer privacy information through standardized offline management processes and online system support.



During the reporting period



The Company organized marketing training sessions

27



Attended individuals

857



Achieving a training coverage rate for marketing staff

100%

Throughout the reporting period



The Company experienced **no** incidents of customer data leakage or privacy breaches

4.3

Driving Industry Collaboration and Win-Win Cooperation

The Company remains steadfast in fostering talent innovation, technological advancement, and industrial innovation, consistently pioneering efficient development within the industry. Leveraging our corporate strengths, we engage in collaborative efforts with various domestic universities to cultivate talent. Additionally, we partner with research institutes to drive technological advancements and actively participate in industry associations and events. Moreover, we contribute to the formulation of numerous national and industry standards, thereby propelling industrial progress through collaboration.

University-Enterprise Collaboration

The Company actively participates in university-enterprise collaboration projects with domestic universities. These initiatives involve combining the Company's professional practical knowledge with the student resources of universities to cultivate talent equipped with high-level R&D and practical capabilities.

Partnerships with domestic universities (partial)

- Tsinghua Shenzhen International Graduate School
- Shanghai Jiao Tong University
- Huazhong University of Science and Technology
- Harbin Institute of Technology, Shenzhen
- Hunan University
- Shandong University
- Wuhan University

Research Institutes

The Company collaborates closely with major research institutes on research and innovation, actively participating in various national key R&D projects and significant initiatives such as the Shenzhen Municipal Science and Technology Major Projects. Through these partnerships, we contribute to the formulation of national and industry standards, release invention patents, and publish high-quality research papers, thereby advancing technological development in China.

Partnerships with research institutes (partial)

- China Electric Power Research Institute
- State Grid North China Electric Power Research Institute
- State Grid Fuiian Electric Power Research Institute

Industry Associations

The Company actively engages in industry associations and events within the new energy sector, expanding communication channels and collaborating with esteemed peers. Together, we explore avenues to advance industrial intelligent manufacturing and drive the transformation toward intelligent drive. By remaining attentive to industry trends, we collectively seek pathways for industry development. Throughout the reporting period, we participated in 26 exhibitions and 66 industry conferences.

Partnerships with industry associations (partial)

- ABSOLAR in Brazil
- Solar Prosumer Association in Turkey
- Asian PV Industry Association (APVIA)
- China PV Industry Association (CPIA)
- China Power Supply Society

Standard Formulation

To further drive the development of the new energy industry, the Company harnesses its technical expertise in wind power, solar power, and other domains to establish multiple national and industry standards.

As of the end of the reporting period



Formulating the Technical Specifications for Parallel Wind Power Converter Control Systems to lead the industry's efficient development

The Company consistently values technological and product innovation as well as industry standards. We took the lead in drafting the technical content of the *Technical specifications for parallel wind power converter control systems* and conducted working group meetings specifically for this standard. The meetings confirmed the standard scope, framework, and key technical content, acknowledging our outstanding contributions.



On-site image of the working group meeting on the Technical Specifications for Parallel Wind Power Converter Control Systems

05

Attract Talents: Jointly Build a Better Future

The Company prioritizes its employees, dedicating significant efforts to attracting industry-leading talent and continuously nurturing them. This commitment serves as a steady source for the Company's innovative development. With the aim of fostering a fair, diverse, and inclusive working environment, we invest extensively in enhancing our internal benefits system to safeguard the rights and interests of our employees. We offer multiple development channels and continually strengthen our training platforms to empower our workforce. Additionally, the Company intensifies its commitment to employee health and safety by implementing workplace safety policies to ensure the physical and mental well-being of our employees.

UN Sustainable Goals:



5.1

Improving the Talent Recruitment System

The Company has established an open and transparent recruitment process and evaluation standards to ensure that every applicant can showcase their abilities and potential under equal conditions. We also prioritize creating a diverse and inclusive employment environment, actively encouraging talents from various backgrounds, genders, ages, cultures, and professional skills to join our team. We implement various measures to attract outstanding talent, utilize high-quality talent effectively, and retain key personnel, thereby providing robust human resources support for maintaining the Company's industry-leading position and sustainable development.

Compliant Hiring

Upholding a fair and compliant employment system has always been a cornerstone of our Company's commitment. We rigorously adhere to relevant 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 *Employment Promotion Law of the People's Republic of China*, and the *Law of the People's Republic of China on Choice of Law for Foreign-related Civil Relationships*. Internally, we have established comprehensive rules and regulations such as the *Employee Handbook*, the *Recruitment Management System*, the *Internal Referral Management System*, and the *Internal Rotation Management System* to ensure a fair and transparent hiring, promotion, performance evaluation, and dismissal process.

The Company strongly prohibits the use of child labor and forced labor. We are resolutely dedicated to respecting and safeguarding the lawful rights and interests of all our employees. For instance, our *Human Resources Control Procedures* explicitly stipulate that we do not hire individuals under the age of 16, and we eliminate related risks through means as ID verification. During the reporting period, the Company reported no incidents related to the use of child labor.

The Company upholds the fundamental rights of every applicant and employee, vehemently opposing discriminatory practices in recruitment and employment. We have implemented the *Anti-Discrimination Management Rules*, which clearly prohibit all forms of discrimination, regardless of gender or age, during the recruitment and employment process. We maintain a

zero-tolerance stance towards workplace discrimination, advocating for every employee's right to equal development opportunities.

Building on our commitment to legal and compliant employment practices, we are actively fostering a diverse and inclusive workplace environment. We actively recruit outstanding talents from various nationalities both domestically and internationally to cultivate a harmonious and inclusive corporate culture. As of the end of the reporting period, the total number of employees and their distribution by gender and employment type is as follows.

As of 2023

The number of newly hired minority employees reached

117



Indicator	Unit	Data
Overall situation	Total number of employees	Person 2,384
Number of employees by gender	Male employees	Person 1,794
	Female employees	Person 590
Number of employees by age	Below 30	Person 1,168
	30 to 49	Person 1,204
	Above 50	Person 12
Number of employees by rank	Senior management	Person 18
	Middle management	Person 209
	Staff	Person 2,157
Number of employees by education	Ph.D.	Person 3
	Master's	Person 224
	Bachelor's	Person 946
	Junior college	Person 458
	Technical secondary school or below	Person 753

Talent Acquisition

The Company places significant emphasis on its human resources, recognizing them as a vital driving force for our success. Our primary goal is to consistently attract, utilize, and retain top talent, thereby ensuring continuous business growth and advancement. To achieve this, we have implemented various internal policies and systems, such as the *Internal Referral Management System* and the *Notice on Adjustment of Incentives for Internal Referrals for Research and Development Positions*, aimed at expanding our talent recruitment channels.

The Company has diversified its recruitment channels and increased its investment in technical talent. We maintain strategic partnerships with external professional headhunters and recruitment platforms while also offering scholarships and incentives to attract exceptional graduates. Internally, we encourage internal referrals and job competitions to tap into our existing talent pool, thereby enriching our workforce.

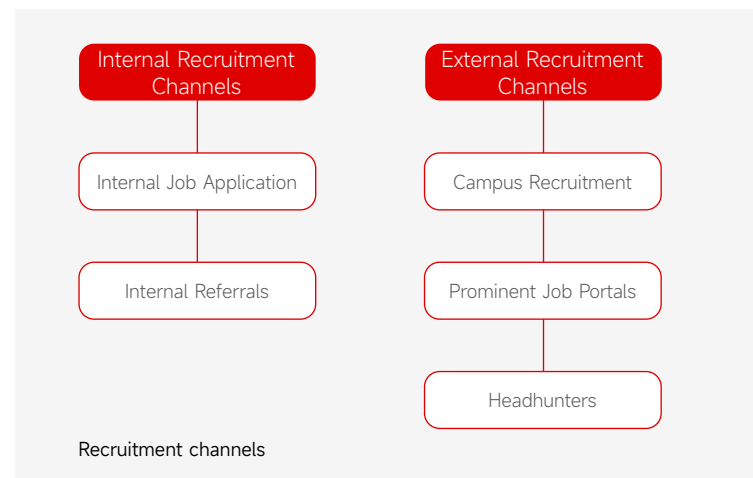
We prioritize the development and enhancement of our internal recruitment channels. Through initiatives such as the *Notice on Adjustment of Incentives for Internal Referrals for Research and Development Positions* and the *Internal Referral Management System*, we incentivize successful internal referrals with bonuses. This approach is aimed at continuously attracting top talents and fostering a culture of technological innovation within the organization.

Throughout the reporting period

We successfully onboarded

209

individuals through internal referral channels



5.2

Empowering Employees' Occupational Development

The Company has established a comprehensive talent development system, leveraging a combination of online and offline training platforms to customize career development plans for employees. Through offering fair and transparent promotion and development pathways, we empower our employees to access high-quality, diverse, and extensive development opportunities.



Employee Nurturing

To ensure the long-term stability, consistency, and standardization of our employee training initiatives, the Company has implemented the *Training Management System*. This system is designed to improve training quality, regulate training practices, and ultimately establish a training framework capable of nurturing a team of high-quality talents. Through this approach, we aim to facilitate mutual growth for both employees and the Company.

The employee training sessions conducted in 2023 are outlined below.

Indicator		Number
Overview of employee training	Number of employees participating in training	2,567 person
	Total length of online and offline training	41,455 hour
	Average length of training for every employee per year	16.15 hour
	Percentage of employees who regularly receive performance and career development evaluations	100%
Number of trained employees by gender	Trained male employee	1,951 person
	Trained female employee	616 person
Number of trained employees by rank	Trained senior management	14 person
	Trained middle management	194 person
	Trained staff	2,359 person

Training Courses

Hopewind provides a diverse array of professional training courses, offering multiple channels for knowledge acquisition through both online and offline platforms. We customize different training content to suit various types of employees.

Categories	Contents
Business training	552 training courses in functional system, R&D system, marketing system, overseas business, after-sales center and production system
Professional skills development	Overseas learning opportunities for high-potential employees, PMP Certification Training, Specialized Operation Certification Training, Seafarer's Certificate Training
Management training	<i>BLM Strategic Planning Training, Key Account Management Training, Management Accounting Training for Corporate Executives</i> and other training programs
Talent development	Voyage Plan - Reserve Cadre Talent Class, Pilot Plan - Management Cadre Talent Class, Leadership Plan - Management Cadre Talent Class
New hires onboarding guide	Quarterly orientation program for new hires
Fresh graduate cultivation	<i>Hopewind seedling Training Camp</i> : a targeted training program for fresh graduates

Management Reserve Training

The Company has established the "Voyage Plan", "Pilot Plan", and "Leadership Plan" for reserve talents, middle management talents, and senior management talents respectively.

Voyage Plan

The program focuses on business scenarios, systematically enhancing the comprehensive and managerial abilities of talent reserves, aiming to cultivate 99 outstanding reserve management talents for the Company.



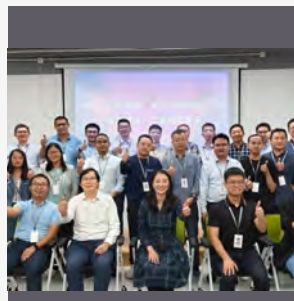
Pilot Plan

The program focuses on enhancing employees' managerial capabilities and leadership skills, cultivating 136 outstanding management talents for the Company.



Leadership Plan

The program provides systematic management knowledge to enhance the comprehensive abilities and management skills of middle to senior-level management talents, aiming to cultivate 40 outstanding talents for the Company.



Educational Certification Support

The Company actively supports employees in pursuing educational advancements and obtaining certifications. Employees who engage in self-study and acquire specialized operation certificates (such as high voltage, low voltage, work at heights), PMP certification, seafarer's certificates, and other professional qualifications are eligible for full reimbursement of training and exam fees. During the reporting period, a total of 60 employees obtained professional certificates, and 12 employees achieved educational advancements. Additionally, the Company provided corresponding benefits for educational upgrades and certifications for these individuals.

During the reporting period

A total of

60

employees obtained professional certificates

12

employees achieved educational advancements

Employee Promotion

Hopewind has established a *Performance Management System*, encompassing performance assessments and a job promotion framework applicable to all employees. Performance evaluation results directly influence employee salaries and advancement opportunities. The Company ensures transparency, fairness, and impartiality throughout the performance assessment and job promotion processes, fostering healthy competition among employees and creating a dynamic work environment.

We have established a dual-track career progression system, allowing employees to advance vertically within their specific professional paths and horizontally into management roles.

Furthermore, we prioritize the breadth of employees' career development by offering job rotation opportunities. Through the introduction of the *Internal Job Rotation Management Regulation*, we provide employees with the chance to explore different roles and expand their skill sets. Dedicated mentors are assigned to employees undergoing job rotations to support them in navigating new job opportunities and adapting to new positions. To enhance internal staff mobility, the Company launched the competitive internal transfer program known as the "Pathfinder Program".



Employee promotion ceremony

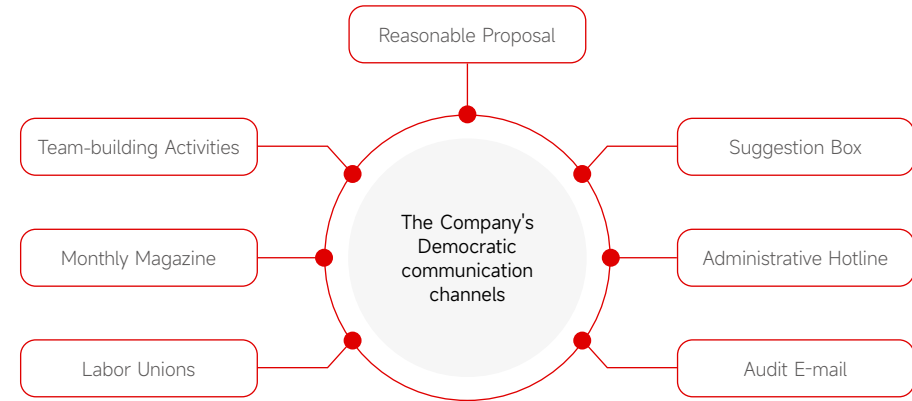
5.3 Employee Care

Hopewind is dedicated to prioritizing the well-being of its employees, fostering a warm and harmonious work environment, and actively addressing their concerns. We have established open and democratic communication channels and a comprehensive employee welfare system, organizing various activities to care for and support employees in all aspects of their lives.

Democratic Communication

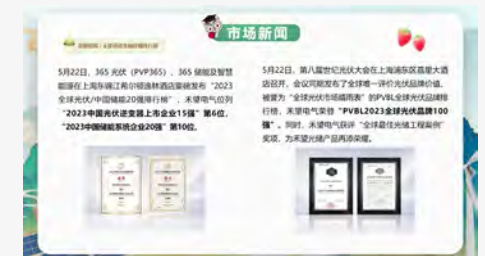
Hopewind actively encourages employees to contribute meaningful suggestions for the Company's management and development. We've implemented various democratic communication channels, including the monthly magazine for top-down communication, and platforms such as the President's suggestion box and administrative hotline for bottom-up feedback. Our dedicated team diligently follows up on employees' suggestions and feedback to ensure responsive communication and continually enhance the workplace environment.

We encourage employees to provide feedback and complaints using their real names, ensuring a safe and effective channel for expressing suggestions and concerns. Throughout the complaint process, we prioritize confidentiality, safeguarding all senders' personal information and the content of their messages.



The Voice of Hopewind

To enhance cohesion and help employees understand industry trends and company events, we regularly publish an internal electronic magazine called "The Voice of Hopewind", which is also presented in videos in the Company's public areas. The publication includes sections dedicated to market news and company updates, aimed at keeping employees informed about industry developments. Furthermore, the newsletter features sections such as "Close-up with Our Employees" and "Star of the Month", actively showcasing employee achievements, thereby fostering an innovative and upward culture.



Inner poster of the Voice of Hopewind

Compensation and Benefits

Hopewind has established a comprehensive welfare system for its employees, dedicated to promoting their well-being. We uphold strict compliance with labor laws such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, along with other relevant regulations and policies. Our commitment includes providing competitive salaries and benefits, implementing performance-oriented incentive systems, recognizing employees' efforts, offering diverse benefits, and aiming to enhance their sense of achievement and happiness.

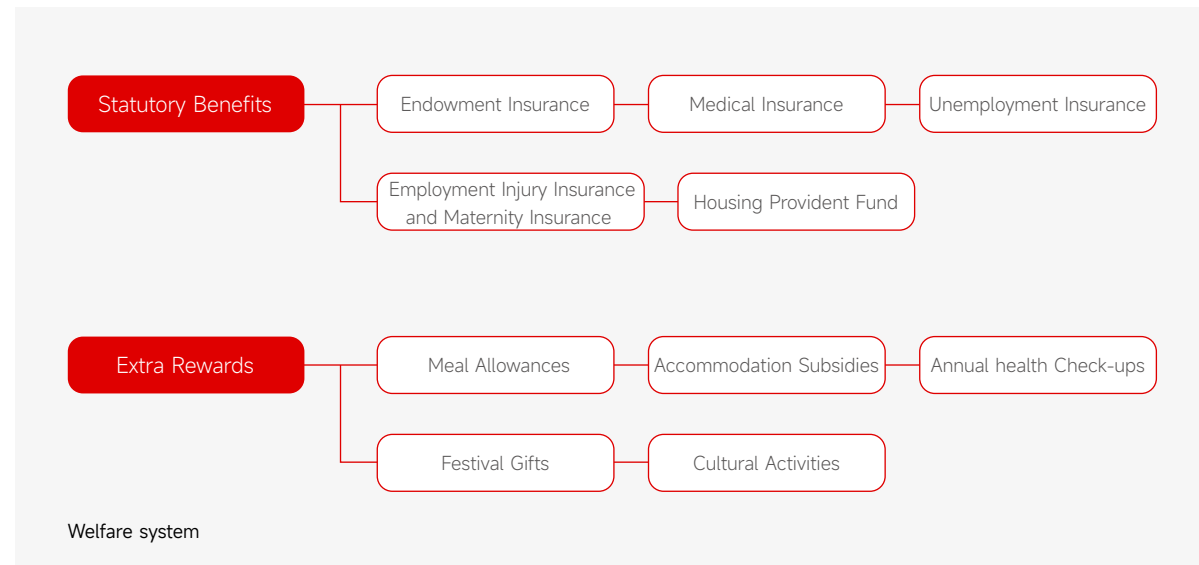
During the reporting period

The labor contract signing rate was

100%

The social insurance coverage rate was also

100%



In our efforts to fully motivate employees, boost their enthusiasm and initiative, and share the Company's success with outstanding talents, Hopewind has introduced a comprehensive equity incentive plan. This plan includes the formulation of the *Shenzhen Hopewind Electric Co., Ltd. 2023 Stock Option Incentive Plan (Draft)*, which standardizes methods for employee equity incentives. We offer equity

incentives in the form of restricted stock and options, with eligibility extending to employees who have completed a tenure of at least two years with the Company.

We strive to provide employees with competitive salaries and uphold the principle of equal pay for equal work. Through regular analysis of employee salary data, we actively work to reduce gender pay gaps and foster a workplace culture that promotes wage equality.

Employee Activities

Hopewind remains committed to fostering the cultural development of its employee community, emphasizing the importance of achieving a healthy work-life balance. We organize a diverse range of activities aimed at promoting a positive and thriving workplace atmosphere.

Cultural and Physical Activities

We focus on fostering a sense of belonging among employees during holidays. To enrich their cultural experiences, we organize activities during festivals such as the Dragon Boat Festival, Christmas, and Winter Solstice. The Company also prioritizes the physical and mental health of employees by organizing sports events such as sports days, basketball games, badminton tournaments, and other sports-related activities to actively promote a healthy and positive work environment.



Winter Solstice



The Dragon Boat Festival



The Mid-Autumn Festival



Women's Day



Christmas



Halloween



Basketball Game



Marathon



Sports Day



Badminton Tournament

Helping Employees in Need

Hopewind upholds the concept of "caring for employees" and demonstrates genuine concern for those facing difficulties, offering warmth and attention. We implement comprehensive efforts from top to bottom to provide assistance within our capabilities, supporting employees in returning to normalcy in their lives. During the reporting period, we assisted two employees in need.

5.4

Safeguarding Occupational Health and Safety

The Company adheres to the principle of "life first, safety foremost" through concrete actions, continuously improving work safety plans, and placing a high priority on the physical and mental health of employees. Our goal is to create a safe, healthy, and high-quality work environment.

Health and Safety System

Hopewind strictly adheres to laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Regulations on Emergency Response Plans for Work Safety Accidents*. In conjunction with our production practices, we have developed internal regulations to ensure workplace safety, including the *Management Regulations on Workplace Safety*, the *Responsibility System of Workplace Safety*, the *Risk Grading and Control System*, and the *Management System for Manufacturing Hazardous Chemicals*. These measures aim to enhance risk control throughout our product design, development, and manufacturing processes. We conduct regular internal and external audits to ensure the establishment of a safe and compliant production management system.

We continuously refine our work safety systems, strengthen occupational health supervision, and address potential safety hazards to comprehensively safeguard the safety and health of our employees. During the reporting period, we obtained ISO 45001 Occupational Health and Safety Management System certification, as well as Work Safety Standardization certification.



ISO 45001 Occupational Health and Safety Management System certification



Work Safety Standardization certification

Safeguarding Occupational Health

Hopewind recognizes that ensuring the occupational health of employees is not only a fundamental right but also essential for the Company's sustainable development. To safeguard the physical and mental well-being of our employees, we have set forth a series of occupational health management objectives and has largely achieved the set goals. Over the past three years, Hopewind has maintained a record of zero work-related fatalities. In 2023, the Company experienced 330 lost workdays due to work-related injuries.

To ensure the occupational health of employees, we have implemented a series of protective measures and provided employees with a range of protective equipment.

Protective measures for occupational health

Occupational health management objectives

Major injuries or fatalities	Major equipment accidents
0 case	0 case
Minor injury accidents	Occupational disease incidence rate
≤ 2 cases per site	0 %
Safety equipment integrity rate	Environmental pollution accidents
≥ 95 %	0 case
Qualification rate of general accident and major accident hidden danger rectification	The certification rate of special (equipment) operators for on-the-job work
100 %	100 %

Routing testing for occupational hazards

Signing risk notification letters

Conducting occupational disease-related medical check-ups

Providing protective equipment such as insulated shoes, insulated gloves, and safety helmets

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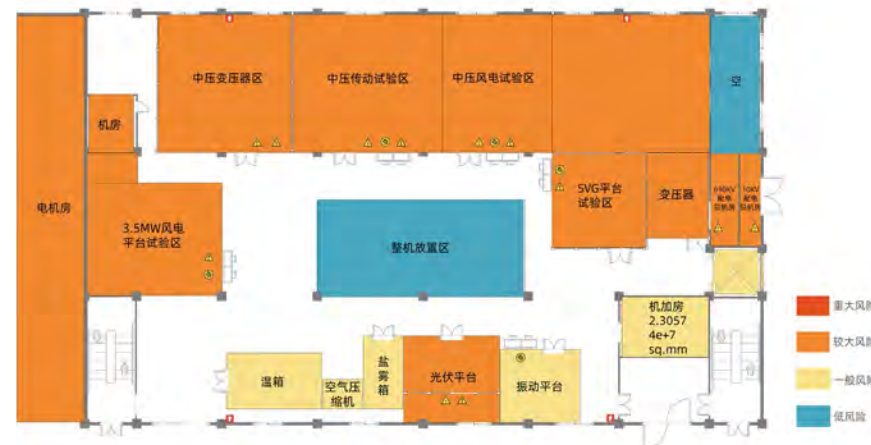
Safeguarding Work Safety

The Company continues to implement risk classification management, establishing a dual prevention system and forming working groups to conduct advanced assessments and classification of potential hazardous accidents. We consistently enhance corresponding control measures and summarize these achievements into hazard identification and risk assessment forms, which are shared with all employees to enhance overall risk prevention awareness. This proactive approach aims to reduce the probability of risks and create a safe production environment.

To cultivate employees' safety awareness and emergency response capabilities, as well as to better understand and address potential safety challenges, the Company has created the Four-Colored Safety Risk Map for each area to alert employees to potential production risks. In 2023, we incorporated safety risk classification management content and the Four-Colored Safety Risk Map into new employee training sessions to help them comprehend the safety risk levels and associated control measures in different areas, thereby ensuring the safe operation of production activities in the workplace.

序号	工作范围	危险源	事故类型	危险描述	L	E	C	D	总险评价	控制措施
1	货物运输	搬运工具(叉车、堆高车、搬运叉车、升降梯)	车辆伤害	1. 操作不当造成砸伤、压伤、撞击等事故。	3	6	3	54	4级	1. 对驾驶员进行岗位安全培训; 驾驶员持驾驶证上岗; 2. 按时保养维修车辆, 每日对叉车进行点检确认; 3. 加强对驾驶员的安全培训教育, 乘车必须系安全带; 4. 作业现场有安全管理人员到现场进行安全监管;
2			触电	2. 电动搬运车充电时操作不当会发生触电事故。	1	3	7	21	4级	1. 确认好电动搬运车线路绝缘良好; 2. 对驾驶员进行岗位安全培训;
4			起重伤害	3. 升降梯使用时违规操作可能导致高空坠落。	1	1	15	15	5级	1. 对驾驶员进行岗位安全培训 2. 升降梯又脚严禁站人作业
5	设备拆装	变频器、模块	物体打击	对变频器柜进行拆装时有可能造成机械性挫伤、刮伤、砸伤等。	3	6	3	54	4级	1. 选用合适的安装工具进行拆装; 2. 拆装时做好安全防护用品穿戴
		废板拆包	其他伤害	对木箱进行拆包时有可能造成刮伤、割伤等。	1	3	3	9	5级	1. 选用合适的安装工具进行拆装; 2. 拆装时做好安全防护用品穿戴
6		登高梯	高处坠落	登高作业时有可能导致摔伤	3	6	3	54	4级	1. 登高作业要有登高作业证; 2. 作业时选用牢固且合格的安全带, 采用三点双挂式进行; 3. 对登高作业人员进行安全培训教育
7		现场存放的待装物件	其他伤害	现场物件摆放杂乱可能导致操作人员摔伤、砸伤	3	3	3	27	4级	1. 对现场做好有序化管理; 2. 现场安全警示;
8		风扇	其他伤害	风扇外罩间隙过大有可能导致风扇叶打伤手指	1	2	3	6	5级	1. 对现场使用风扇人员进行安全培训宣导;
9		乙醇	火灾、中毒窒息	遇火源会导致火灾及爆炸发生。人员使用不当发生中毒窒息	3	3	7	63	4级	1. 严禁在存储乙醇酒精的地方吸烟, 并张贴安全标识牌; 2. 定期做好消防安全培训; 3. 职业健康安全培训;
10		电源	触电	电源裸露或电源设备操作不当造成触电事故。	1	2	15	30	4级	1. 对电源设备操作进行安全培训; 2. 做好相应的安全防护用品穿戴; 3. 定期进行安全检查及时督促整改; 4. 做到上电安全标识牌安全告知;

Hazard identification and risk assessment form



Four-Colored Safety Risk Map (partial)



Health and Safety Awareness

Hopewind prioritizes and actively preserves the health and safety of its employees. We consistently execute training programs centered around occupational health and work safety, integrating the principle of safety first into our corporate culture. This commitment ensures the stability and safety of the factory's production and operations, thereby significantly enhancing employees' safety awareness.

Throughout the reporting period

We conducted a total of

38

health and safety-related training sessions and drills

Amounting to

92 hours



Forklift Safety Training



Safety Training on Resumption of Production



Three-tier Safety Training for New Hires



Mechanical Safety Training



First Aid Training



Safety Month Training



High Voltage Safety Training



Rescue Drill for Hazardous Chemical Spills



Fire Evacuation Drill



06

Contribute to the Community: Seek Common Development

Hopewind remains steadfast in its corporate mission of "promote technological progress in the industry and create a better life for everyone." We are committed to advancing rural revitalization construction, actively participating in volunteer service and social welfare activities, and fulfilling corporate social responsibility. Through these efforts, we aim to contribute to building a harmonious and prosperous society.



UN Sustainable Development Goals:



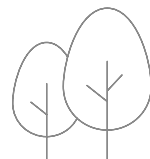
6.1

Upgrading Rural Industry

The Company actively promotes rural revitalization efforts, with a particular focus on the economic development of rural areas. We continuously explore energy solutions to support the upgrading of rural industries. Leveraging the local industrial foundation and natural resources, we integrate the technical advantages of our products and solutions. Through the deployment of numerous photovoltaic and other customized energy projects, we infuse green energy into local economic development initiatives.

Promoting Ecological Restoration

We embrace the concept of ecological civilization, leveraging our technical characteristics and advantages to their fullest extent. We actively engage in ecological construction projects, including fishery and photovoltaic complementarity, photovoltaic sand control, forestry and solar complementarity, and mountainous photovoltaics. Our goal is to improve the quality of natural ecosystems and contribute to the creation of a sustainable and green ecology.



160MW Fishery-PV Complementary Project in Xishui, Hubei Province

Hopewind actively responds to the call for green and beautiful countryside by collaborating with Xishui County, which is rich in water resources, on the Fishery-PV Complementary Project that involves generating electricity and cultivating fish. This project helps develop the local fisheries industry, increase land utilization efficiency, and effectively boost the income of local residents and village public sectors, contributing to creating a green, prosperous, and beautiful countryside. The total installed capacity of this project is 160MW, with an expected annual production of approximately 2.2 billion kWh of green electricity.



160MW Fishery-PV Complementary Project in Xishui, Hubei Province

2GW PV-Hydrogen Sand Control Project in Kubuqi Desert, Inner Mongolia

Hopewind is involved in the largest single-scale 2 million kw PV sand control project in the Kubuqi Desert, Inner Mongolia. This project implements a three-dimensional ecological PV sand control model including dual-sided electricity generation, underground double-layer model, and interlayer aquaculture. The project plays a role in windbreak and sand fixation, vegetation restoration, and biodiversity protection. Additionally, it promotes employment for farmers and herdsmen while driving local economic development.



On-site image of 2GW PV-Hydrogen Sand Control Project in Kubuqi Desert, Inner Mongolia

300MW Photovoltaic Composite Project in Lincang City, Yunnan Province

Adapting to the local agricultural structure, the Company constructed a 300MW ground-mounted PV power plant in Lincang, Yunnan. This project efficiently utilizes land resources through a three-dimensional development approach of "photovoltaic panels + crop cultivation". Successfully transforming the local solar energy advantage into industrial and economic benefits, it is estimated that upon full completion, the annual electricity generation of the project will be approximately 450 million kWh, with an annual revenue from electricity sales up to RMB 150 million.



On-site image of 300MW Photovoltaic Composite Project in Lincang City, Yunnan Province

100MW Forest-PV Complementary Project in Kelan County, Xinzhou City, Shanxi Province

The Company has launched a Forest-PV Complementary Power Station with a total capacity of 100MW in Kelan County. This project maximizes the forest land resources by deploying energy generation projects. It not only promotes local employment but also optimizes the region's energy structure, shifting towards diversified and high-quality sustainable development of energy structure.



On-site image of 100MW Forest-PV Complementary Project in Kelan County, Xinzhou City, Shanxi Province

6.2

Donating to Social Welfare

Hopewind is committed to the principle of giving back to society and actively participates in public welfare activities. We consistently support the development of education and undertake various charitable initiatives to contribute to the building of a compassionate society.

Throughout the reporting period

The Company made donations totaling RMB

420,000

Supporting Educational Development

To foster the robust development of the education sector and cultivate future talents, the Company directs its attention to the current needs of young people across different regions. We engage in charity donations targeting areas with limited educational resources, offering financial support to students from underprivileged backgrounds.

Educational donation at Zhaokalawan elementary school, Daying Town, Binchuan County, Dali, Yunnan Province

We conducted a donation campaign to support education in Zhaokala Village, Yunnan Province, helping 46 economically disadvantaged students successfully complete their studies.



On-site image of Educational Donation at Zhaokalawan Elementary School, Daying Town, Binchuan County, Dali, Yunnan Province

Initiating Charitable Activities

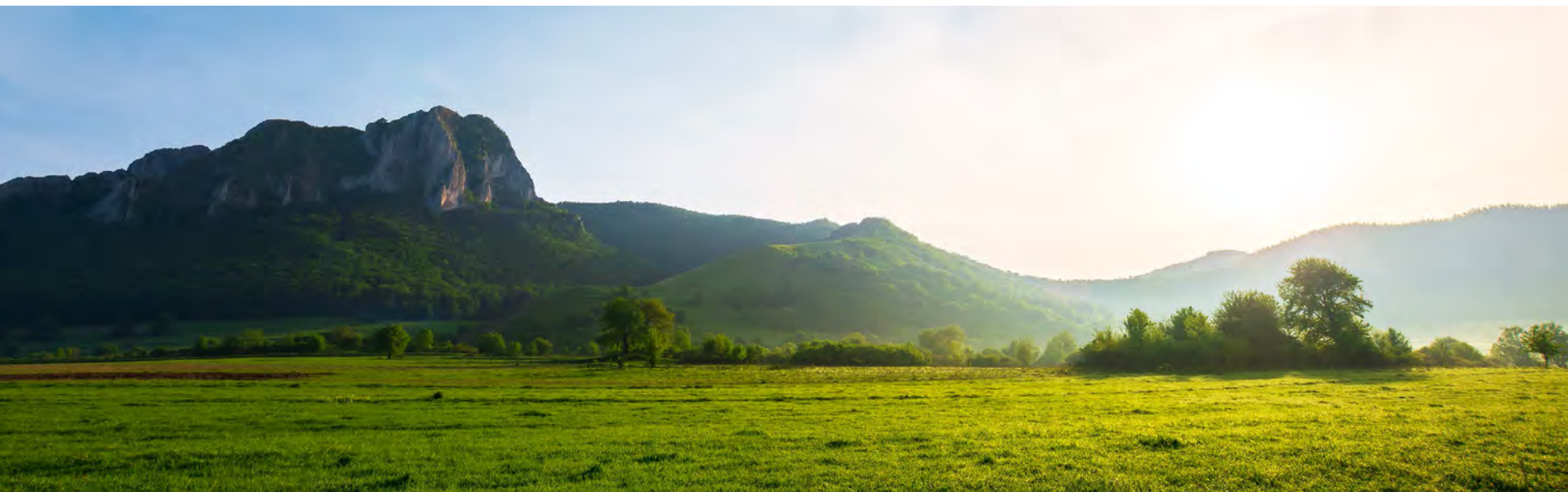
To promote the spirit of volunteerism characterized by "dedication, friendship, mutual assistance, and progress", the Company encourages employees to actively participate in community construction and development, working together to create a better future.

Blood donation in Heyuan base

The Heyuan base actively responded to the call from the Heyuan Central Blood Station and organized a voluntary blood donation activity. The employees demonstrated the warmth through their actions, showing the sense of responsibility and commitment to selfless dedication. In this event, we received recognition from the Heyuan Central Blood Station and were awarded the title of "A Loving Enterprise for Voluntary Blood Donation".



On-site image of Blood Donation in Heyuan Base



Appendix: GRI Standards

Disclosure Item	Disclosure Title	Sections
Universal Standards		
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	Company Profile
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	There were no restatements of information for this year's report
2-5	External assurance	There were no external assurance obtained for this year's report
Activities and workers		
2-6	Activities, value chain and other business relationships	Stakeholder Engagement
2-7	Employees	5.1.1 Compliant Hiring
2-8	Workers who are not employees	Not applicable
Governance		
2-9	Governance structure and composition	1.1.1 Governance Structure
2-10	Nomination and selection of the highest governance body	1.1.1 Governance Structure
2-11	Chair of the highest governance body	1.1.1 Governance Structure
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.1 Governance Structure
2-13	Delegation of responsibility for managing impacts	1.1.1 Governance Structure

Disclosure Item	Disclosure Title	Sections
2-14	Role of the highest governance body in sustainability reporting	1.1.1 Governance Structure
2-15	Conflicts of interest	1.1.1 Governance Structure
2-16	Communication of critical concerns	1.1.1 Governance Structure
2-17	Collective knowledge of the highest governance body	1.1.1 Governance Structure
2-18	Evaluation of the performance of the highest governance body	1.1.1 Governance Structure
2-19	Remuneration policies	5.3.2 Compensation and Benefits
2-20	Process to determine remuneration	Omitted due to confidentiality constraints
2-21	Annual total compensation ratio	Omitted due to confidentiality constraints
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainable Development
2-23	Policy commitments	Not applicable
2-24	Embedding policy commitments	Not applicable
2-25	Processes to remediate negative impacts	Stakeholder Engagement
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement
2-27	Compliance with laws and regulations	1.1.1 Governance Structure
2-28	Membership associations	Not applicable
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021		

Disclosure Item	Disclosure Title	Sections
3-1	Process to determine material topics	Material Issues
3-2	List of material topics	Material Issues
3-3	Management of material topics	Material Issues
Topic Standards		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	2023 Performance Highlights
201-2	Financial implications and other risks and opportunities due to climate change	3.4 Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Not applicable
201-4	Financial assistance received from government	Not applicable
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable
202-2	Proportion of senior management hired from the local community	Not applicable
GRI 203: Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	Not applicable
203-2	Significant indirect economic impacts	Not applicable
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	4.1 Establish Efficient Supply System
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	1.2.2 Business Ethics Management
205-2	Communication and training about anti-corruption policies and procedures	1.2.2 Business Ethics Management
205-3	Confirmed incidents of corruption and actions taken	1.2.2 Business Ethics Management

Disclosure Item	Disclosure Title	Sections
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no relevant legal actions
GRI 207: Tax 2019		
207-1	Approach to tax	Not applicable
207-2	Tax governance, control, and risk management	Not applicable
207-3	Stakeholder engagement and management of concerns related to tax	Not applicable
207-4	Country-by-country reporting	Not applicable
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Information unavailable
301-2	Recycled input materials used	Information unavailable
301-3	Reclaimed products and their packaging materials	Information unavailable
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	3.2.1 Energy Management
302-2	Energy consumption outside of the organization	3.2.1 Energy Management
302-3	Energy intensity	3.2.1 Energy Management
302-4	Reduction of energy consumption	3.2.1 Energy Management
302-5	Reductions in energy requirements of products and services	3.2.1 Energy Management
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared Resource	3.2.2 Water Resource Management
303-2	Management of water discharge-related impacts	3.2.2 Water Resource Management
303-3	Water withdrawal	3.2.2 Water Resource Management
303-4	Water discharge	3.2.2 Water Resource Management
303-5	Water consumption	3.2.2 Water Resource Management

Disclosure Item	Disclosure Title	Sections
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.1.1 Environmental Management System
304-2	Significant impacts of activities, products and services on biodiversity	3.1.1 Environmental Management System
304-3	Habitats protected or restored	Not applicable
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	3.2.1 Energy Management
305-2	Energy indirect/Scope 2 GHG emissions	3.2.1 Energy Management
305-3	Other indirect/Scope 3 GHG emissions	Information unavailable
305-4	GHG emissions intensity	3.2.1 Energy Management
305-5	Reduction of GHG emissions	Information unavailable
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	3.3.2 Waste Gas Management
GRI 306: Effluents and Waste 2020		
306-1	Waste generation and significant waste-related impacts	3.3.3 Packaging Material and Waste Management
306-2	Actions taken to prevent waste generation	3.3.3 Packaging Material and Waste Management
306-3	Composition of waste generated	3.3.3 Packaging Material and Waste Management
306-4	Recovery operations used to divert waste from disposal	3.3.3 Packaging Material and Waste Management
306-5	Disposal operations	3.3.3 Packaging Material and Waste Management

Disclosure Item	Disclosure Title	Sections
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	4.1.1 Supplier Access
308-2	Negative environmental impacts in the supply chain and actions taken	4.1.1 Supplier Access
GRI 401: Employment 2016		
401-1	New employee hires and employee Turnover	5.1.2 Talent Acquisition
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3.2 Compensation and Benefits
401-3	Parental leave	5.3.2 Compensation and Benefits
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not applicable
GRI 403: Occupational Health and safety 2018		
403-1	Occupational health and safety management system	5.4.1 Health and Safety System
403-2	Hazard identification, risk assessment, and incident investigation	5.4.1 Health and Safety System
403-3	Guidance for Disclosure	5.4.1 Health and Safety System
403-4	Worker participation, consultation, and communication on occupational health and safety	5.4.1 Health and Safety System
403-5	Worker training on occupational health and safety	5.4.4 Health and Safety Awareness
403-6	Promotion of worker health	5.4.2 Safeguarding Occupational Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4.2 Safeguarding Occupational Health
403-8	Workers covered by an occupational health and safety management system	5.4.1 Health and Safety System
403-9	Work-related injuries	5.4.2 Safeguarding Occupational Health

Disclosure Item	Disclosure Title	Sections
403-10	Work-related ill health	5.4.2 Safeguarding Occupational Health
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	5.2.1 Employee Nurturing
404-2	Programs for upgrading employee skills and transition assistance programs	5.2.1 Employee Nurturing
404-3	Percentage of employees receiving regular performance and career development reviews	5.2.2 Employee Promotion
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	5.1.1 Compliant Hiring
405-2	Ratio of basic salary and remuneration of women to men	Omitted due to confidentiality constraints
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	5.1.1 Compliant Hiring
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.3.1 Democratic Communication
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1.1 Compliant Hiring
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1.1 Compliant Hiring
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable

Disclosure Item	Disclosure Title	Sections
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Material Issues
413-2	Operations with significant actual and potential negative impacts on local communities	3.1.1 Environmental Management System
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	4.1.1 Supplier Access
414-2	Negative social impacts in the supply chain and actions taken	4.1.1 Supplier Access
GRI 415: Public Policy 2016		
415-1	Political contributions	Not applicable
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	2.2.1 Product Quality Management 4.2.1 Customer Service Management
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2.1 Product Quality Management
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	4.2.2 Customer Rights Protection
417-2	Incidents of non-compliance concerning product and service information and labeling	4.2.2 Customer Rights Protection
417-3	Incidents of non-compliance concerning marketing communications	4.2.2 Customer Rights Protection
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2.2 Customer Rights Protection

