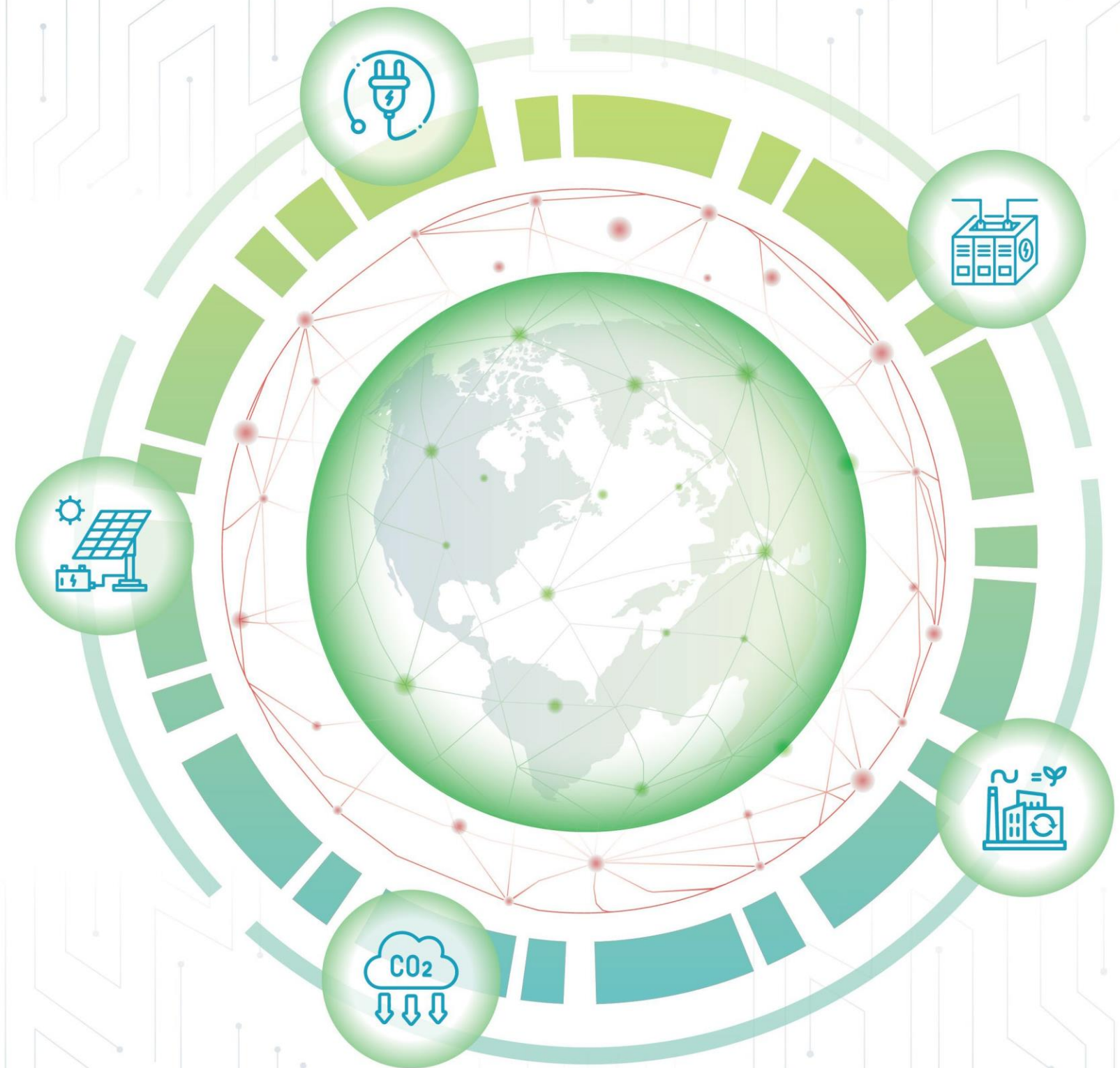


2024

Sustainability Report



Contents

Introduction	About This Report	1
	Message from the President	2
	About Delixi Electric	3
	Delixi Electric 2024 Sustainability Key Performance Indicators	6
01	Sustainability Governance	8
	Sustainability Strategy	9
	Sustainability Governance	11
	Stakeholder Engagement and Material Topic Management	12
02	Lead the Way to Zero Carbon, Drive the Green Transition	14
	Climate Change Response	15
	Building a Green Ecosystem	21
	Resource and Energy Utilization	26
	Environmental Management	31
03	People-Oriented Development and Shared Care	34
	Talent attraction and development	35
	Employee Care and Well-being	39
	Protection of Employee Rights	41
	Occupational health and safety	43

04	Giving Back with Compassion	45
	Advancing Public Welfare Expanding the Social	46
	Responsibility Ecosystem	48
05	Virtue-Driven, Robust Governance	49
	Enhancing Corporate Governance	50
	Business Ethics and Compliance Management	51
	Information Security and Privacy Protection	54
	Sustainable Procurement	55
06	Smart Manufacturing, Safeguarding Electrical Safety	56
	R&D Innovation	57
	Digital Empowerment for Intelligent Manufacturing	59
	Pursuit of Excellent Quality	60
	Boosting Industry Advancement	63
Outlook		64
Appendix	ESG Data Table	65
	GRI Index	68



About This Report

This is the 12th Sustainability Report (formerly titled Social Responsibility Report) published by Delixi Electric Co., Ltd. Starting from this edition, the report name has been changed from Social Responsibility Report to Sustainability Report. The purpose is to disclose to all stakeholders the Company's philosophy, management practices, implemented initiatives, and achieved results related to ESG topics in its operations.

Report Scope

This report covers six manufacturing bases of Delixi Electric Co., Ltd. (hereinafter referred to as "Delixi Electric" or the "Company") located in Wuhu, Puyang, Wenzhou, Hangzhou, Shenzhen, and Shanghai. Unless otherwise specified, the report scope is consistent with the scope of the consolidated financial statements for the same period.

Covered Companies and Abbreviations

Abbreviation	Company Name
Wuhu Base	Delixi Electric (Wuhu) Co., Ltd. Wuhu Schneider Power Distribution Apparatus Manufacturing Co., Ltd. Delixi (Wuhu) Network Technology Co., Ltd. Shanghai Tianyi Electric Co., Ltd. Wuhu Branch
Puyang Base	Delixi Electric (Puyang) Co., Ltd.
Wenzhou Base	Delixi Electric Co., Ltd. Delixi Group Instruments & Meters Co., Ltd. Delixi Electric Sales Co., Ltd. Shenzhen Easydrive Electric Co., Ltd. Wenzhou Branch
Hangzhou Base	Zhejiang Delixi International Electric Co., Ltd. Delixi (Hangzhou) Inverter Co., Ltd.
Shenzhen Base	Shenzhen Easydrive Electric Co., Ltd. Shenzhen Easydrive Electric Co., Ltd. Longhua Branch
Shanghai Base	Delixi Electric Co., Ltd. Shanghai Branch Shanghai Tianyi Electric Co., Ltd.

Reporting Period

The reporting period covers January 1, 2024, to December 31, 2024. Unless otherwise specified, all data in this report pertains to this period.

Basis of Preparation

This report is prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 edition), the International Sustainability Standards Board (ISSB)'s IFRS Sustainability Disclosure Standards—IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures—as well as the United Nations Sustainable Development Goals (SDGs).

Data Explanation

Data and case studies in this report are derived from original records of the Company's actual business operations. Unless otherwise specified, all monetary amounts are denominated in Chinese Yuan (RMB).

Report Access

The electronic version of this report is available on the Company's official website: www.delixi-electric.com.

Report Preparation Principles

Sustainability Context

The Company identifies material topics that are of concern to stakeholders and relevant to business operations as the focus of this report. The reporting of these material topics takes into account the characteristics of the Company's industry and business operations. For details on the topic materiality analysis process and results, please refer to the section "Stakeholder Engagement and Material Topic Management."

Accuracy

This report strives to ensure the accuracy of all disclosed information. Quantitative information is accompanied by definitions of data criteria, calculation methods, and underlying assumptions to ensure that potential margins of error do not mislead users. For quantitative and supplementary information, refer to the section "ESG Data Table."

Balance

This report provides an objective and truthful account of the Company's performance, presenting both positive and negative information in an unbiased manner. No undisclosed negative events requiring disclosure were identified during the reporting period.

Clarity

Tables, diagrams, and images are included to complement the written content and help stakeholders better understand the report. To improve accessibility for stakeholders, the report also provides a table of contents and a GRI Content Index.

Quantifiability

Key quantitative metrics are disclosed, along with historical data for comparison wherever possible.

Completeness

The scope of information disclosed in this report aligns with that of the Company's consolidated financial statements.

Timeliness

This is an annual report, covering the period from January 1, 2024, to December 31, 2024.

Verifiability

All case studies and data in this report are derived from original records of the Company's actual operations. The sources and calculation processes of the disclosed data are fully traceable and can support external assurance and verification processes.



Message from the President

The year 2024 was one of both challenges and opportunities, as well as a year of steadfast progress and abundant achievements for Delixi Electric. We have consistently upheld the philosophy of "strengthening our foundation to reach further," focusing on a green core and establishing a sustainability strategy based on "people-oriented development, promoting carbon neutrality, and building a green ecosystem," with the aim of empowering sustainable business growth. Thanks to our contributions in fostering new quality productive forces, advancing green sustainable development, and building an ecological brand, we became the first low-voltage electrical company invited to be included in the 2024 Yearbook of the People's Republic of China.

In 2024, our three main manufacturing bases (Wuhu, Wenzhou, and Puyang) received national-level "Green Factory" and "Zero Carbon Factory" certifications from the Ministry of Industry and Information Technology (MIIT). Six manufacturing bases have achieved 100% carbon neutrality. The Wuhu base has implemented an integrated system of "PV power generation + energy storage stations + new energy vehicle charging," effectively achieving "peak shaving and valley filling." This initiative has further accelerated the transformation toward green energy and set a benchmark for sustainable development within the industry.

We were also honored with the "National Green Supply Chain Certification" from the MIIT and supported suppliers in successfully establishing "Zero Carbon Factories." We actively empowered our ecosystem partners by using environmentally friendly raw materials to create green products, launching supply chain carbon reduction initiatives, building intelligent vertical warehouses, promoting new energy transport vehicles, and implementing digital logistics management systems — all of which expanded the influence of our green ecosystem.

In embracing new quality productive forces, we established the New Productive Forces Innovation Institute, driven by the dual engines of innovation and transformation, to build an innovation ecosystem that is vertically integrated and horizontally connected. Our company successfully passed

the CMMI Level 5 certification, and our self-developed digital power distribution cloud system obtained the "Classified Protection Level 3 Certification," which represents the highest international standard for software development maturity and project management capabilities. Our laboratories in Wenzhou, Shanghai, and Wuhu became the industry's first green-certified enterprise laboratories.

For the 5th consecutive year, we were named one of China's Top Employers. We have consistently embedded a "caring and high-performance" corporate culture into our human resources management system. We launched the "Little Migratory Birds Summer Care Program" to support our employees' families and established a Sustainability Training and Research Center to meet employees' diverse needs for knowledge, skills, and professional development at different stages.

In 2024, together with our employees, ecosystem partners, and compassionate individuals from all sectors of society, we promoted a public welfare model focused on the traditional culture of "Caring for the Elderly and Children." We actively supported early childhood education, continued to care for the elderly, and contributed to the inheritance of traditional culture. We offered the "Little Electrical Engineer's Journey" program free to the public, leveraging our expertise to infuse educational philanthropy with greater warmth. Through our "Do Good for the Earth" charity fund month, we spread the seeds of low-carbon, eco-friendly living to every corner of society.

Dreams may seem distant, but pursuit leads to achievement; challenges may be tough, but perseverance brings fulfillment. As we move into 2025, Delixi Electric will remain true to our original mission, energizing our internal drive as an "innovator, changemaker, and leader." We will seize strategic opportunities, embrace change with an open and inclusive mindset, drive industry progress through technological innovation, win market trust with excellent products and services, and work hand-in-hand with our ecosystem partners to create an even more brilliant future for Delixi Electric.



January
2025

About Delixi Electric

Corporate Profile

As one of the outstanding first-generation private enterprises emerging from China's reform and opening-up, Delixi Group has persevered through nearly four decades of dedicated effort. With the long-term trust and support of our extensive customers and partners, in 2007 we formed a strategic joint venture with Schneider Electric, a Fortune Global 500 company, establishing Delixi Electric Co., Ltd. (hereinafter referred to as "Delixi Electric" or the "Company").

Delixi Electric's business spans three major fields: power distribution electrical equipment, industrial control and automation, and residential electrical products. We are committed to creating professional, safe, reliable, efficient, and aesthetically pleasing industrial automation and residential electrical environments for customers in emerging markets worldwide, through high-quality and superior products and services. We continue to explore new development models for enterprises in China's low-voltage electrical industry.



Delixi Electric at a Glance



Company Name

Delixi Electric Co., Ltd.



Headquarters Address

Delixi High-Tech Industrial Park,
Liushi Town, Leqing City, Wenzhou
City, Zhejiang Province



Main Business

Power distribution electrical equipment,
industrial control and automation, and
residential electrical products



Manufacturing Bases

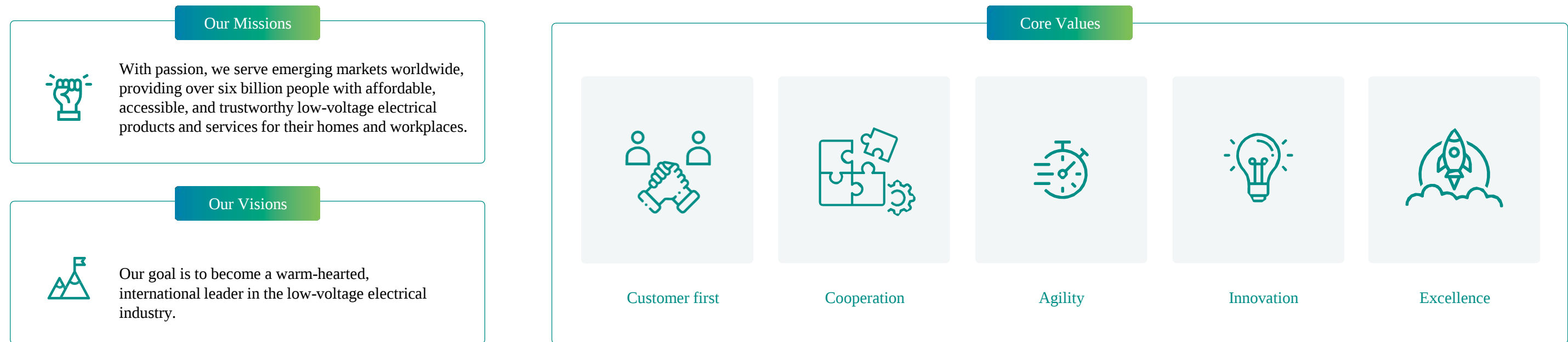
Wuhu, Puyang, Wenzhou,
Hangzhou, Shenzhen, Shanghai



Total Employees

9,500

Delixi Electric upholds the public welfare philosophy of "Caring for the Elderly and Children," and has integrated the spirit of the dragon boat into its core values. We always put customers first and adhere to the business philosophy of "green zero carbon, technological innovation, brand-driven, quality assurance, and five-star service." We continuously deepen our exploration in intelligent manufacturing, innovative R&D, ecological construction, and product experience, innovating and advancing with the times. As an "innovator, changemaker, and leader," we strive to drive green and sustainable development in the industry.



Business Scope

Delixi Electric's business spans three major fields: power distribution electrical equipment, industrial control and automation, and residential electrical products. We are committed to creating professional, safe, reliable, efficient, and aesthetically pleasing industrial automation and residential electrical environments for customers in emerging markets worldwide, through high-quality and superior products and services. We continue to explore new development models for enterprises in China's low-voltage electrical industry.

Product Structure

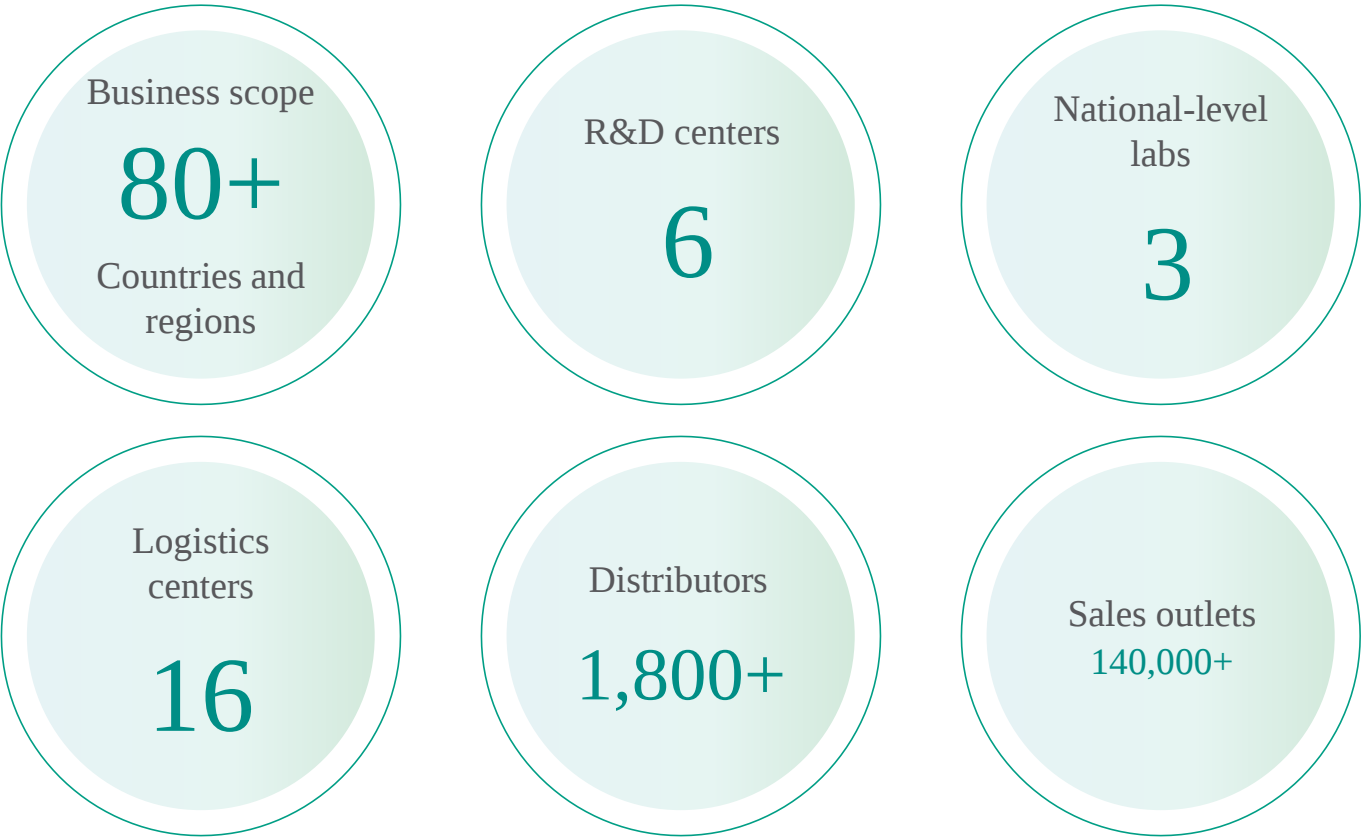
Primary Products	Secondary Products
Power distribution electrical equipment	Terminal devices, power distribution devices, power supply products, energy management, electrical components
Industrial control and automation	Motor control and protection, relay series, industrial equipment and switches, inverters and soft starters
Residential electrical products	Panel switches, track sockets, LED lighting, converters, intelligent heating control, terminal power distribution, smart home

Customer Base

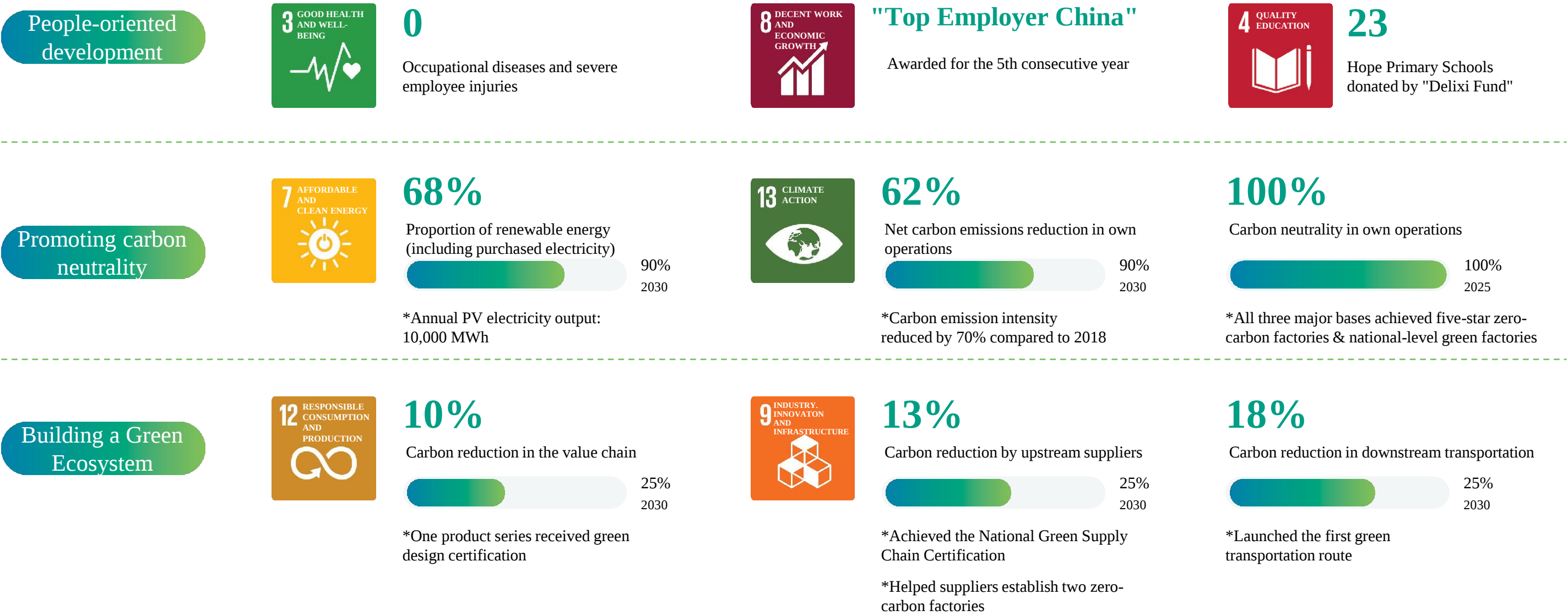
Panel factory customers	Power industry customers	Construction industry customers	Instrumentation customers
OEM customers	Residential customers	Design institutes	Electrical workers

Industrial Layout

To date, the Company has established over 1,800 distributors, more than 140,000 sales outlets, multiple online sales platforms and partners, 6 R&D centers, 3 national-level laboratories, 6 major automated industrial manufacturing bases, a five-star customer support team, and 16 logistics centers. With business operations in China and over 80 countries and regions worldwide, the Company is dedicated to delivering a seamless and superior customer experience on a global scale.



Delixi Electric 2024 Sustainability Key Performance Indicators



*Promoting carbon neutrality (baseline year: 2018)

*Building a green ecosystem (baseline year: 2023)

*Delixi Electric actively responds to the United Nations Sustainable Development Goals (SDGs). The SDGs, adopted by the UN in 2015, address global socioeconomic and environmental challenges. Delixi Electric continuously improves its ESG management system to fully support the achievement of these global goals.

Honors and Awards

Award Category	Award Name	Issuing Authority
ESG	2024 Green Sustainable Development Contribution Award	syobserve.com
	Ram Charan Management Practice Award – Corporate ESG Practice Award	Harvard Business Review
	Dual Carbon Goal and Climate Change Contribution Award	CCM CSR Promotion Center
	China Energy Conservation Association Innovation Award – Energy Saving & Emission Reduction Technology Progress Award	China Energy Conservation Association & China Quality Certification Center
	Best Sustainability Award	Employer Branding Institute
	Golden Key – Excellent SDG Solution	Xinhua Publishing House et al.
	Ecological Brand Evaluation 2024	Sustainable Development Guide
	Outstanding Zhejiang Enterprise ESG Case Studies	Zhejiang Provincial Association For Promoting Corporate Social Responsibility
Technological Innovation	Special Contribution Enterprise in China Electrical Industry	Mechanical Industry Information Research Institute
	Top 10 Digital Intelligence Innovation Solutions in China Electrical Industry 2024	
	Top 10 Leading Enterprises in China Electrical Industry 2024	
	Top 100 Enterprises in China Electrical Industry	Zhejiang Provincial Department of Economy and Information Technology
	Provincial-level New Industrial Product Certificate	
	Influential PV Components and Electrical Supporting Brand	Polaris Power Grid et al.
	Annual Automation and Digitalization Innovation Award	China Industrial Control Network
	First Prize of Scientific and Technological Progress Award	China Electrotechnical Society
	Platinum Partner	Electrical Branch of China Engineering & Consulting Association
	Technology Innovation Leading Award	13th CFS Finance Summit

Award Category	Award Name	Issuing Authority
Supply Chain	National Green Supply Chain Certification	MIIT
	Pioneer in the Centralized Procurement Supply Chain of Central Enterprises	Promotion Committee for the Centralized Procurement Supply Chain of Central Enterprises, Commercial Chamber of the China Chamber of International Commerce
	Quality Supplier in the Centralized Procurement Supply Chain of Central Enterprises	
Employee	2024 Shanghai Extraordinary Employer	Liepin.com
	China Annual Best Employer – Most Promising Employer	Zhaopin.com
	2024 OneFLAG Award for Best Human Resources Management Team	Zhongqi
	2024 OneFLAG Award for Best Human Resources Management Project	
	2024 OneFLAG Award for Best Human Resources Executive	
	Best DEI Project Award	Employer Branding Institute
	Best Innovative Recruitment Award	
	Best Employee Experience Award	
Public Welfare	2024 Annual Special Contribution to Public Welfare Award	syobserve.com et al.
	2024 Annual Responsibility Gold Award	Social Responsibility Conference
	Wuhu Charity Star	Wuhu Charity Federation
	Corporate Social Responsibility Model Award	13th CFS Finance Summit
	Annual Responsibility Brand Award	Public Welfare Festival



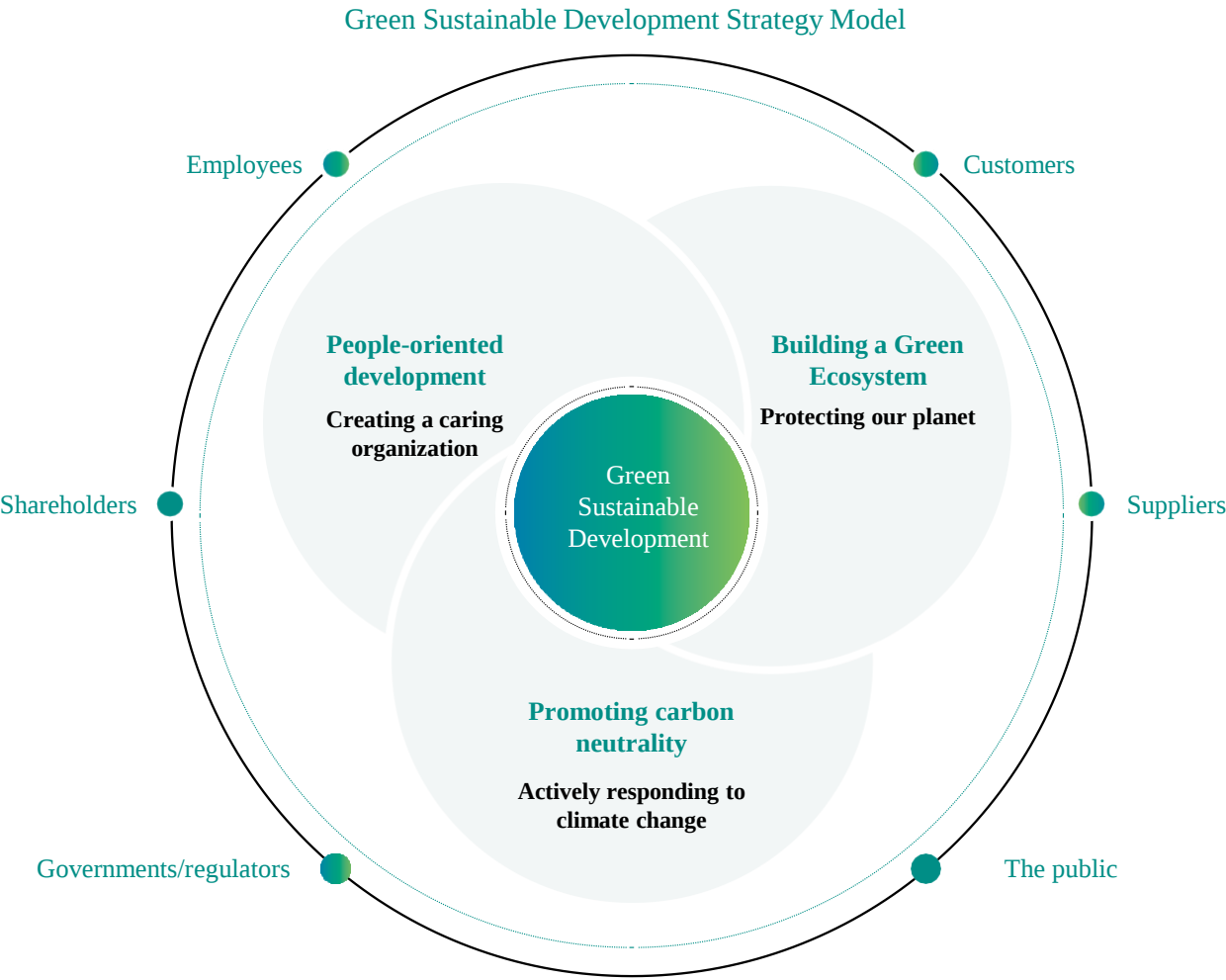
01

Sustainability Governance



Sustainability Strategy

Delixi Electric's core sustainability strategy is built on three pillars: people-oriented development, promoting carbon neutrality, and building a green ecosystem. These pillars emphasize the individual, organization, and ecosystem levels, respectively. The company views all partners as essential to strategy implementation, working closely with stakeholders—including employees, customers, shareholders, suppliers, governments/regulators, and the public—to share responsibility across the value chain and advance toward a greener future.



In 2024, guided by its three-pillar strategy, Delixi Electric continues to explore new models of green development and adopts forward-looking management practices. The company places employee health and well-being at the foundation of its growth, views the promotion of carbon neutrality as a key pathway to fulfilling its net-zero commitment, and takes it upon itself to drive energy conservation and emissions reduction among suppliers and across the industry. These efforts have led to major breakthroughs in building a green ecosystem and continue to expand the blueprint for sustainable development.

Pathways to Achieving Green Sustainable Development

Strategic Vision	Key Actions
People-Oriented Development	- Build a public welfare model focused on the traditional culture of "Caring for the Elderly and Children" - Launch the "Little Migratory Birds Summer Care Program" to support our employees' families - Support employees in need - Sponsor Hope Primary Schools and visit elderly care homes - Focus on risk management and drive the transformation toward a self-driven safety culture that fosters an atmosphere of universal participation, mutual care, and personal fulfillment
Promoting Carbon Neutrality	- Achieve carbon neutrality at all six manufacturing bases - Build PV power stations at all major bases - Implement integrated PV-storage-charging systems - Adopt digital management to improve energy efficiency of production equipment and processes - Achieve "Zero-Carbon Factory" certification at all three major manufacturing bases
Building a Green Ecosystem	- Reduce product carbon footprints through green design, manufacturing, recycling, and procurement - Launch the "Do Good for the Earth" charity fund month - Empower upstream suppliers to obtain zero-carbon factory certifications - Develop green logistics and transportation routes

The Company focuses on green transition across "operations + value chain," with three major action frameworks — "green design, green manufacturing, and green services" — as its implementation pathway. These frameworks correspond to the upstream, its own operations, and downstream segments respectively, aiming to achieve "zero pollution, zero emissions, and zero negative social impact" throughout the entire industrial chain, while extending green and sustainable practices across the broader ecosystem.

Action frameworks: green design, green manufacturing, and green services



Green design



Green
manufacturing

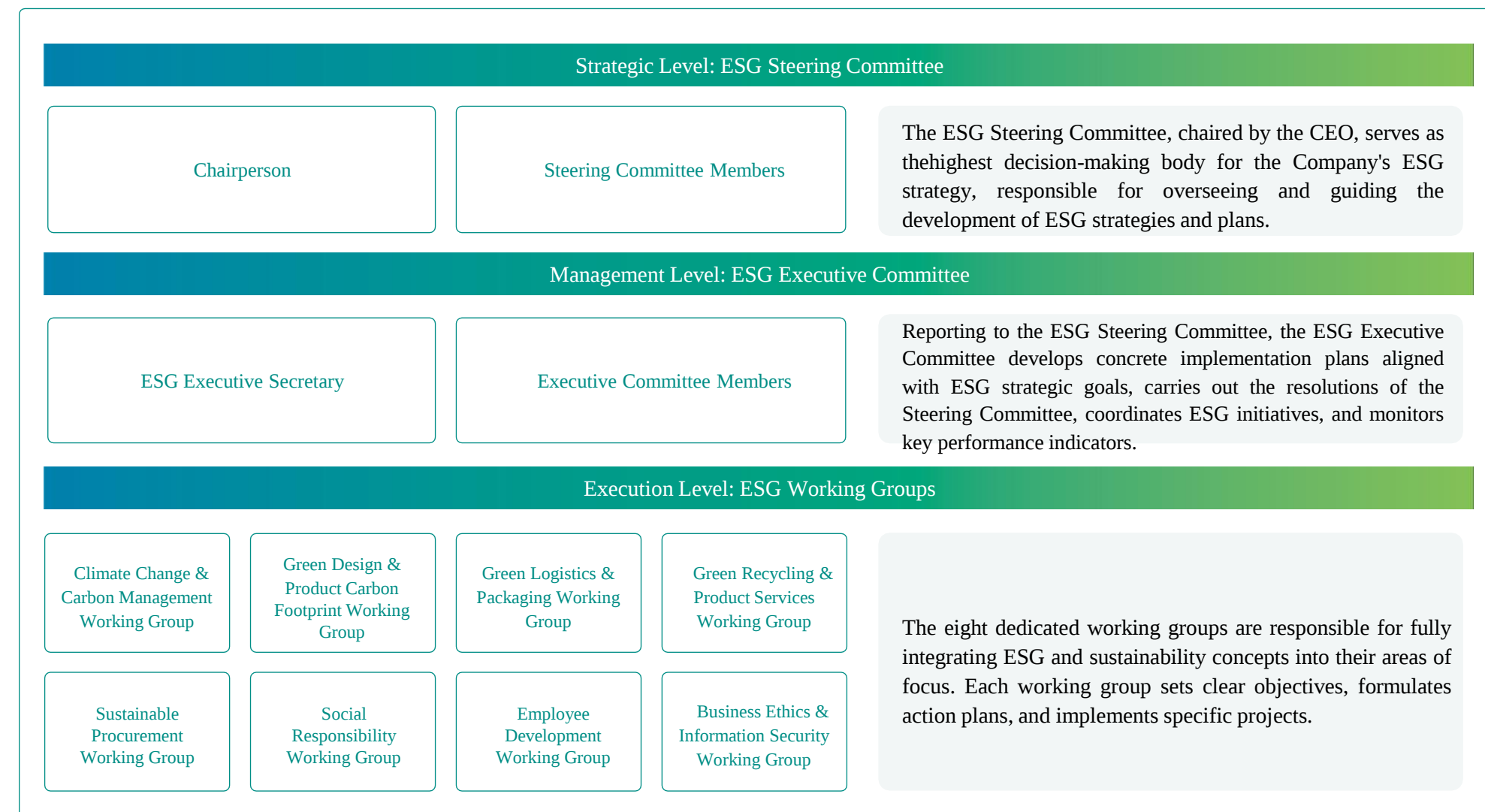


Green services



Sustainability Governance Framework

The Company has established a three-tier ESG governance structure consisting of the ESG Steering Committee, ESG Executive Committee, and ESG Working Groups. Through a top-down mechanism of decision-making, execution, and specialized implementation, the Company ensures the comprehensive advancement of its sustainability strategy.



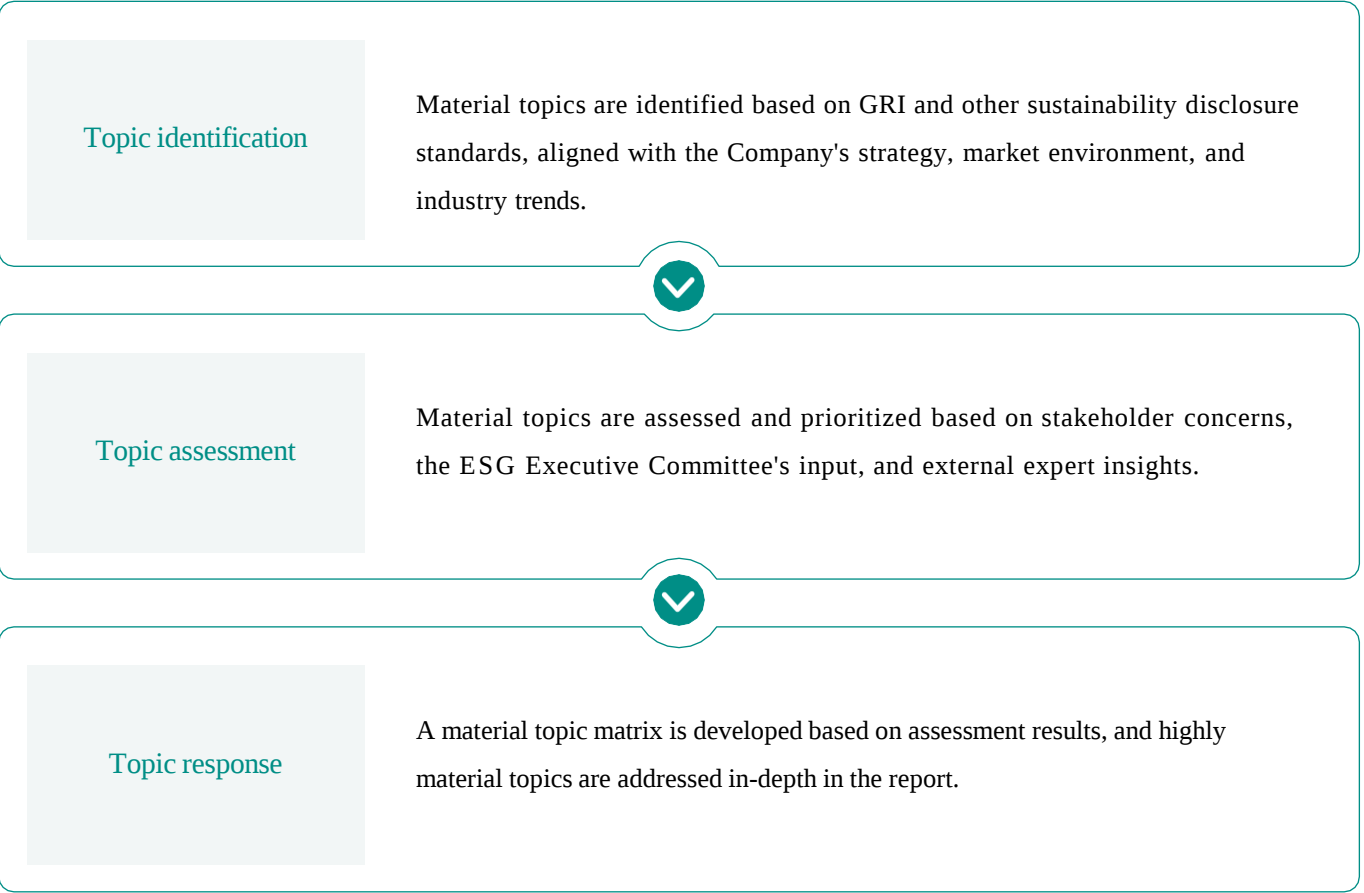
Stakeholder Engagement and Material Topic Management

The Company values effective communication with stakeholders and has identified six key stakeholder groups. We fully consider the impact of our operations on these stakeholders and engage with them through a variety of channels and formats, including our official website, WeChat official account, news media, industry summits, disclosure reports, and outreach activities.

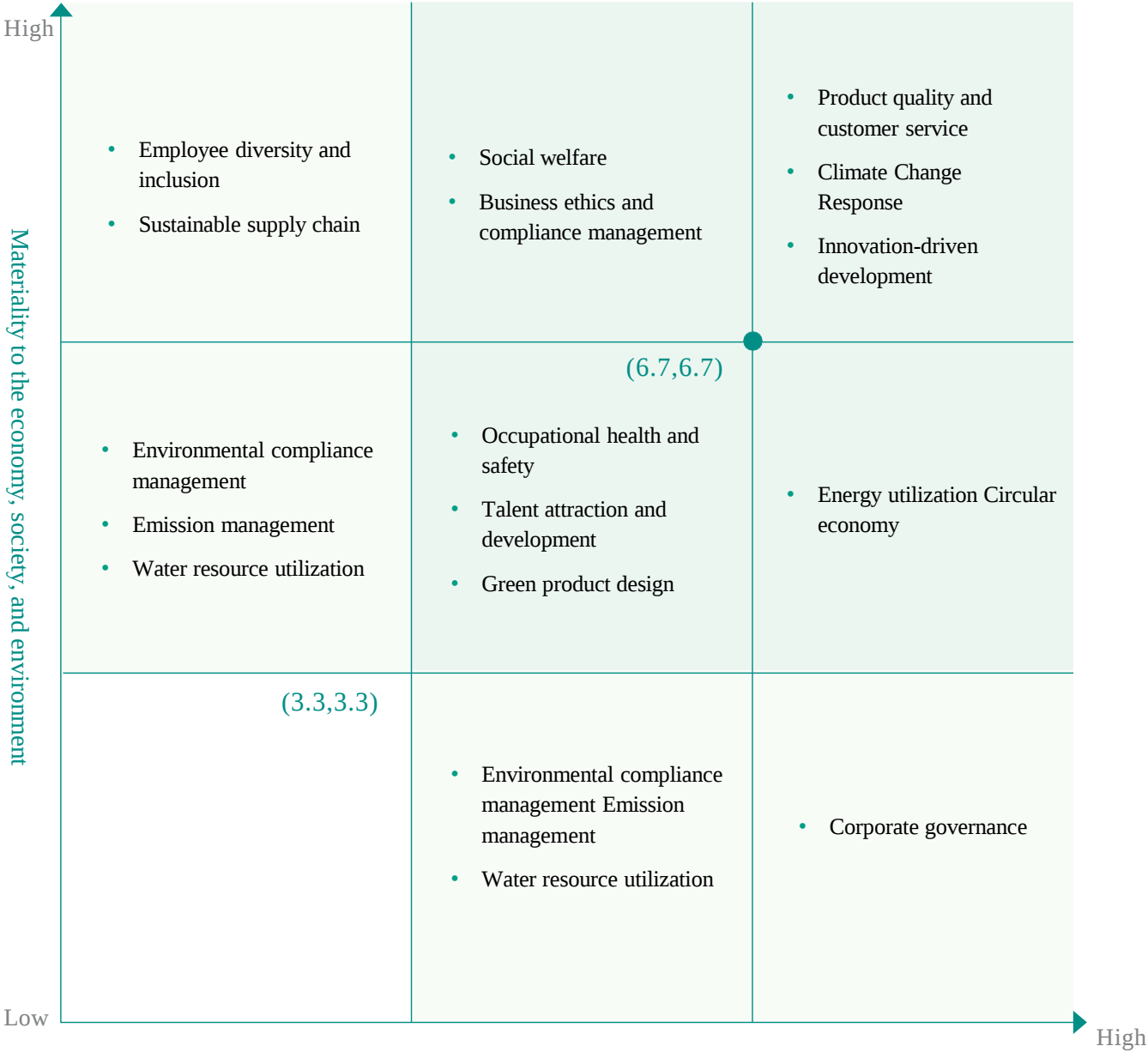
Key Stakeholders	Topics of Concern	Communication & Response	Key Stakeholders	Topics of Concern	Communication & Response
Shareholders	- Climate Change Response - Business ethics and compliance management - Corporate governance	- Publicly report progress on net-zero commitments - Report operational performance to shareholders - Receive visits from shareholders and investors - Share updates via the official website, WeChat official account, and news platforms	Employees	- Employee diversity and inclusion - Occupational health and safety - Talent attraction and development	- Convene employee representative meetings - Employee communication channels - Performance appraisal - Welfare, cultural, and sports activities - Training
Governments and regulators	- Business ethics and compliance management - Environmental compliance management - Emission management - Water resource utilization	- Cooperate with regulatory inspections - Attend government–enterprise dialogue meetings - Submit environmental information to government management systems - Handle certifications and filings with government departments	Suppliers and partners	- Innovation-driven development - Sustainable supply chain - Climate change response - Business ethics and compliance management	- Participate in industry exchanges and summits - Supplier qualification assessment and annual audits - Signing the "Corporate Social Responsibility Agreement" - Issue the "Delixi Electric Supply Chain Carbon Reduction Initiative" - Sign the "Integrity and Compliance Statement"
Customers	- Product quality and customer service - Innovation-driven development - Data security and customer privacy protection - Green product design	- Maintain smooth online and offline communication channels - Improve the customer complaint handling mechanism - Implement privacy protection terms - Conduct customer satisfaction surveys - Cooperate with customer audits and make improvements	Communities and the public	- Social welfare - Climate change response	- Host the "Do Good for the Earth" charity events - Promote electrical safety knowledge, visit elderly care homes, and carry out other charity activities - Donate to build Hope Primary Schools via the Delixi Fund

To better address the concerns and expectations of stakeholders, the Company conducted a materiality assessment from the dual perspectives of impact materiality and financial materiality, based on leading domestic and international sustainability disclosure standards, corporate strategic planning, market environment, and industry trends. A total of 18 material topics were identified, assessed, and prioritized for their significance to both the Company and its stakeholders. Highly material topics are highlighted and addressed in this report.

Delixi Electric's Material Topic Analysis Process



Delixi Electric's Material Topic Matrix



Materiality to Delixi Electric's financial performance

02

Lead the Way to Carbon Neutrality, Drive the Green Transition

Sustainability Performance

- 100% of manufacturing bases certified as "Zero-Carbon/Carbon Neutral Factories"
- All three major manufacturing bases have obtained national-level green factory certification awarded by the MIIT
- Received the "National Green Supply Chain Certification" from the MIIT
- Achieved a 62% net reduction in carbon emissions from own operations, realizing carbon neutrality in own operations
- Established one green transportation route
- Helped two suppliers obtain "Zero-Carbon Factory" certification
- Green energy (including purchased green electricity) accounts for 68% of energy use
- Reduced value chain carbon emissions by 10% (compared to 2023)

Response to the SDGs



Material Topics

- Climate change response
- Green product design
- Circular economy
- Environmental compliance management
- Energy utilization
- Emission management
- Water resource utilization

With the power system transformation driven by the national "Dual Carbon" strategy, Delixi Electric analyzes the development stages and key characteristics of the new power system. It develops pioneering products and comprehensive power industry solutions to support the renewable energy industry chain, providing customers with full-scenario digital energy applications to jointly build a "zero-carbon"future. The Company actively advances its green sustainable development strategy: Type I five-star zero-carbon factories have been built at three major manufacturing bases, and six manufacturing bases have achieved full carbon neutrality.

Climate Change Response

Net-Zero Commitment

According to the Corporate Net-Zero Standard issued by the Science Based Targets initiative (SBTi), companies are required to set both short-term (5–10 years) and long-term (by 2050) science-based targets to limit temperature rise to within 1.5°C above pre-industrial levels. In 2021, China's State Council released the Action Plan for Carbon Dioxide Peaking Before 2030, aiming to reduce carbon dioxide emissions per unit of GDP by more than 65% from 2005 levels by 2030 and peak carbon emissions before 2030.

Climate change has intensified energy supply volatility and the threat of extreme weather to infrastructure. As an innovator, changemaker, and leader in China's low-voltage electrical industry, Delixi Electric took the lead globally in 2023 by releasing the industry's first Guide for the Strategic Practices of Green Sustainable Development. The Company shared its strategic practices and announced a net-zero commitment to achieve end-to-end value chain net-zero carbon emissions by 2050. It aims to promote green energy transitions across the industry value chain, accelerate the low-carbon transformation of industrial technologies, and serve as a reference for enterprises exploring sustainable development.

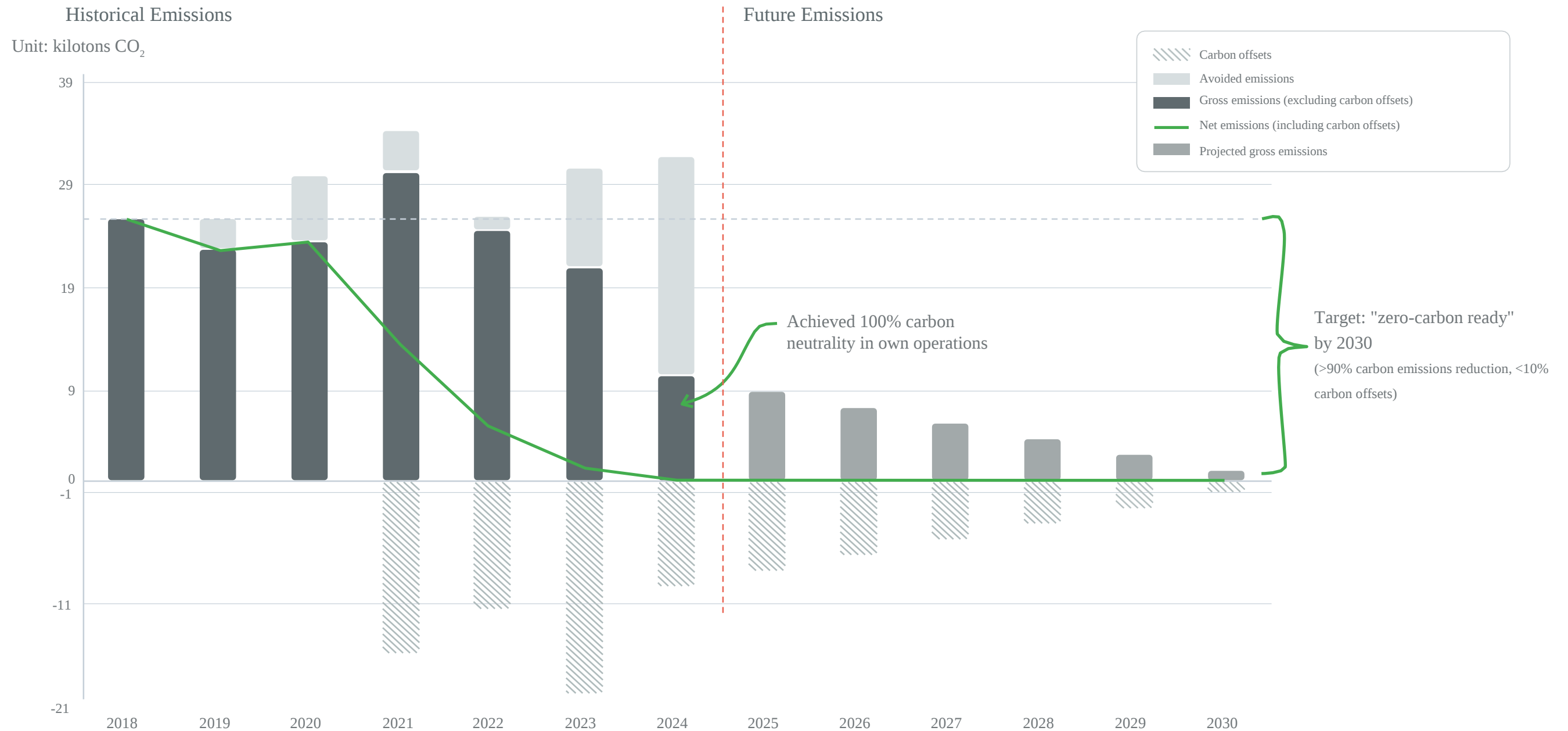
In 2024, the Company achieved its 2025 carbon neutrality goal ahead of schedule—all six manufacturing bases have been certified as carbon-neutral factories. The Company has fully achieved carbon neutrality in its own operations.

Delixi Electric's 2025–2050 Net-Zero Commitment

	Suppliers Scope 3 Upstream	➤	Operations Scope 1 and Scope 2	➤	Customers Scope 3 Downstream
2025	Carbon neutrality (including carbon offsets)				
2030	Zero-carbon ready (90% carbon emissions reduction, <10% carbon offsets)				
2040	Carbon neutrality across the end-to-end value chain (including carbon offsets)				
2050	Net-zero emissions across the end-to-end value chain (compliant with SBTi Corporate Net-Zero Standard)				

Delixi Electric is committed to aligning with the SBTi Corporate Net-Zero Standard to steadily advance its net-zero journey. On one hand, the Company implements scientific carbon reduction within its own operations by promoting the use of clean energy and energy-saving upgrades, advancing toward being zero-carbon ready by 2030. On the other hand, it actively drives low-carbon transition throughout the upstream and downstream sectors across the value chain, sharing its experience in building zero-carbon factories with suppliers, reducing energy consumption in raw materials and transportation, and striving to achieve the end-to-end value chain net-zero goals by 2050.

Carbon Reduction Pathway for Own Operations by 2030

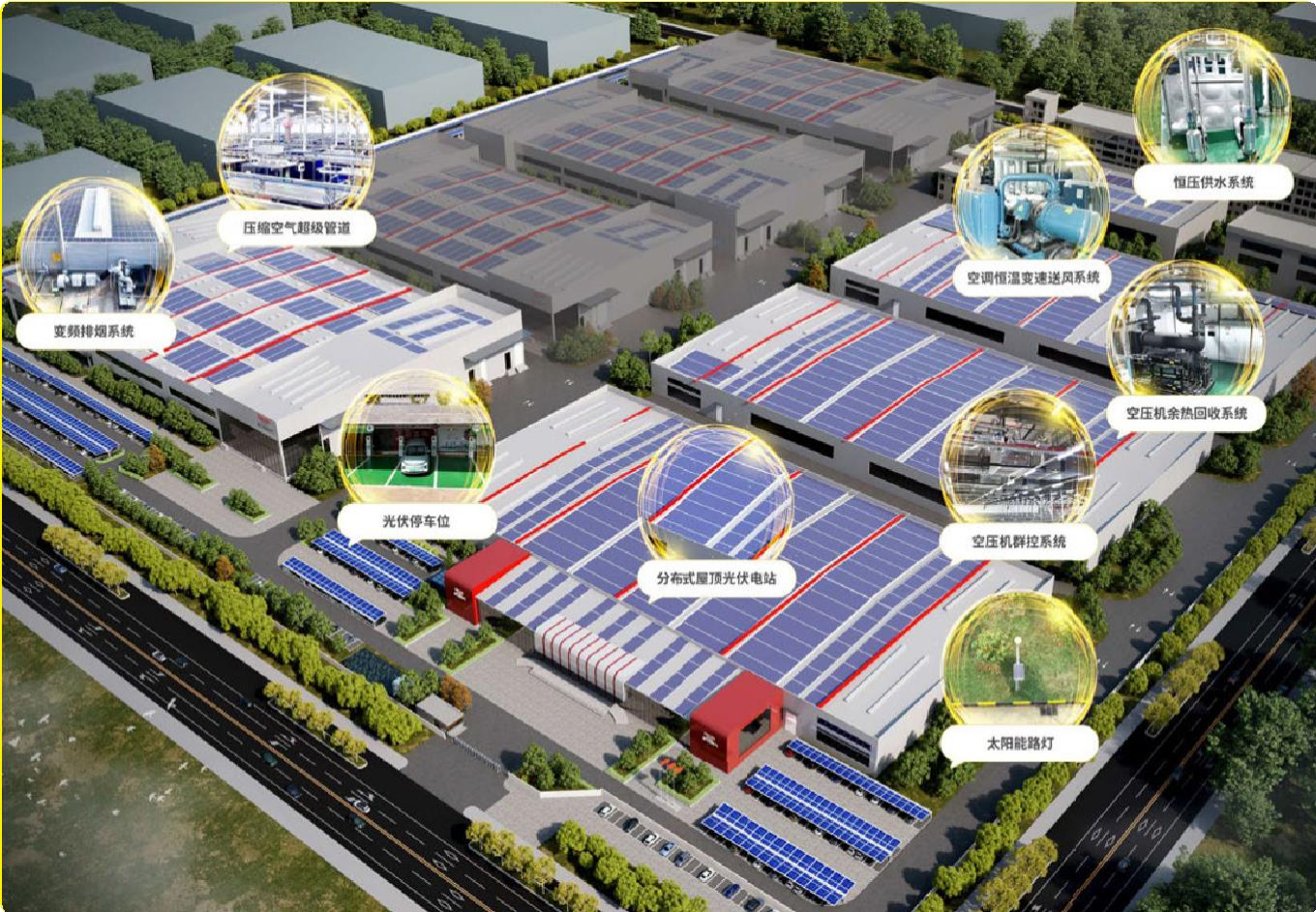
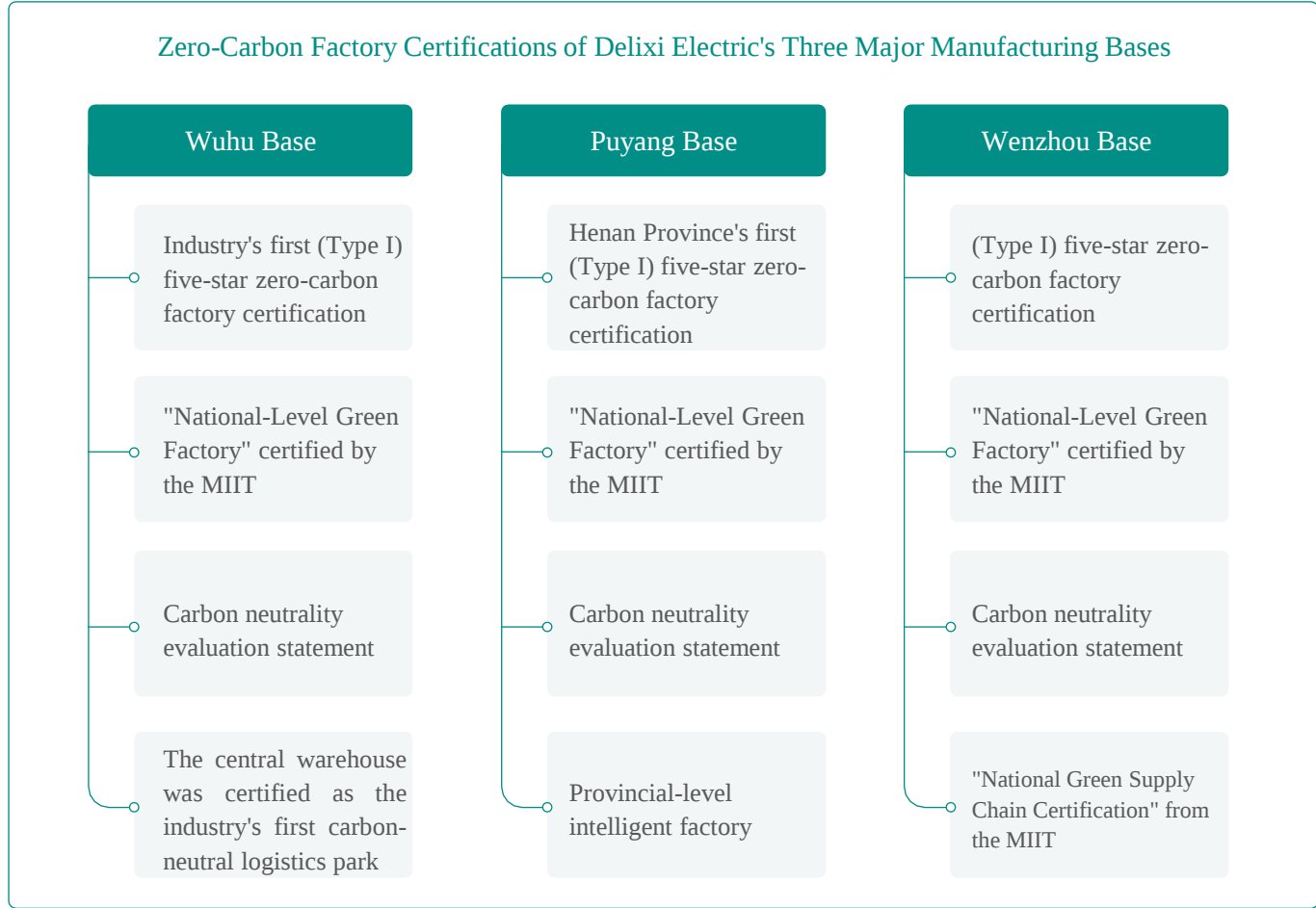


2024 Value Chain Carbon Reduction Results

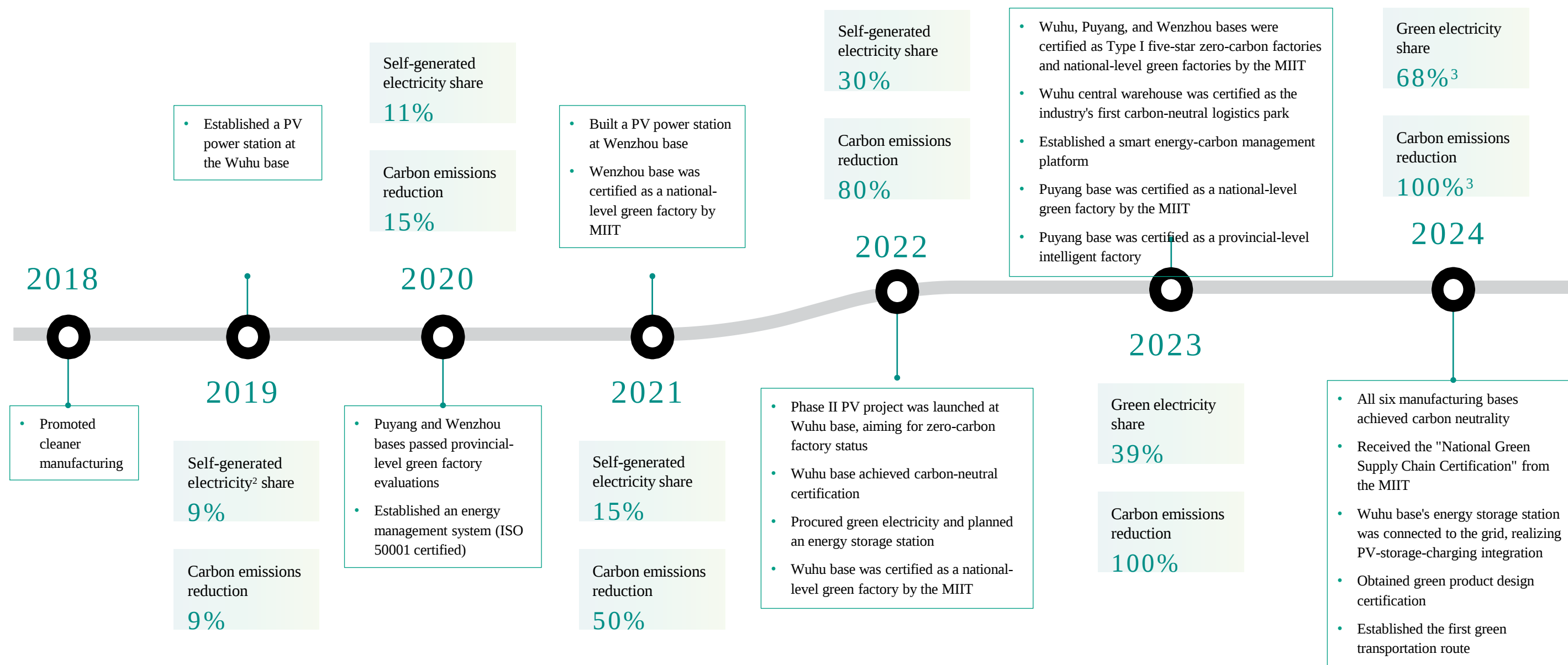


Zero-Carbon Factories

"Promoting carbon neutrality" is a key pathway to fulfilling our net-zero commitment. Delixi Electric continuously advances its management level in green manufacturing and energy utilization by implementing integrated PV-storage-charging systems and equipment energy-saving upgrades, steadily progressing toward a "zero-carbon" future. Our three major manufacturing bases have been certified as (Type I) five-star zero-carbon factories¹, and all six manufacturing bases have achieved carbon neutrality, setting a benchmark for green upgrades and high-quality development across the industry.



¹The certification standard for the three major manufacturing bases' (Type I) five-star zero-carbon factory is based on the China Energy Conservation Association's *Zero-Carbon Factory Evaluation Specification*.



²Share of self-generated electricity = Self-generated PV electricity / Total electricity consumption

³In 2024, following the acquisition of a subsidiary, the Company expanded its annual green electricity and carbon emissions accounting scope from the three major manufacturing bases to all six bases.

Delixi Electric has established a climate change response management system aligned with the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB). The system is structured around four dimensions: governance, strategy, risk management, and indicators & targets.

Delixi Electric's Climate Change Response Management System

Governance

- Established an ESG Executive Committee to provide unified leadership and guidance for phased progress in mid-to-long-term planning; set up an ESG Climate Change & Carbon Management Working Group responsible for setting specific goals and implementing action plans.
- Introduced a zero-carbon factory management and assessment mechanism, using zero-carbon factory assessment indicators as the basis to comprehensively upgrade internal management systems, including development strategy, planning objectives, and operational management.

Strategy

- Positioned green and low-carbon development as a strategic direction, building zero-carbon factories from four key dimensions—green energy, energy conservation & carbon reduction, recycling & reuse, and cultural advocacy—to achieve zero emissions.
- Summarized the experiences and challenges of zero-carbon factory construction and operation to continuously enhance performance.

Risk Management

- Deployed a closed-loop system combining "PV power generation, energy storage stations, and new energy vehicle charging," improving the proportion of clean energy use. This allows the Company to control operational costs while preparing for regulatory and market carbon emission expectations, thereby mitigating policy risks.
- Explored circular economy opportunities throughout the entire product lifecycle, including using recyclable materials, reusing idle inventory, energy recycling,
- as well as product recycling and reuse, to create green products and address market risks stemming from customer preference for green products.

Indicators and Targets	KPI	2024 Performance	2025 Target	2030 Target
	Coverage rate of zero-carbon/carbon-neutral factories	100%	100%	100%
	Proportion of green electricity (including purchased electricity)	68%	50%	90%
	Reduction rate of energy carbon emission intensity compared to 2018	70%	—	90%

The Company continuously advances in four core areas: green energy, recycling & reuse, energy conservation & carbon reduction, and cultural advocacy. It has deployed an integrated "PV-storage-charging" power grid to enable energy recycling and digitalized energy monitoring and management. Delixi Electric has also participated in drafting standards for carbon emission management systems, steadily advancing toward becoming a "zero-carbon ready" enterprise.

Delixi Electric's Zero-Carbon Factory Development

Category	Measures	Results
Green Energy	- Rooftop distributed PV power stations - Energy storage and smart microgrids - Solar street lights - PV parking spaces - Electric vehicle charging stations - Direct purchase of green electricity	Annual carbon reduction: 7,000 tons
Recycling & Reuse	- Heat recovery from air compressors for heating - Condensate water recovery and reuse - Rainwater harvesting and reuse	Annual carbon reduction: 700 tons
Energy Conservation & Carbon Reduction	- Deployment of MCB and terminal intelligent power distribution systems - Equipment such as variable frequency retrofits, automatic controls, group control management, and constant-pressure systems - Digital simulation experiments to reduce energy consumption	Annual carbon reduction: 3,000 tons
Cultural Advocacy	- Management participation in Earth Day, Energy Scarcity Experience Day, and Earth Hour - Organization of the "Do Good for the Earth" Charity Fund Month - Participation in drafting the Guidelines for the Construction and Evaluation of Carbon Emission Management Systems	Promoting scientific and standardized energy conservation and carbon reduction, while advocating the concept of sustainability

Building a Green Ecosystem

Green Products

In accordance with the 14th Five-Year Plan for Circular Economy Development issued by the National Development and Reform Commission of China, by 2025, the country will have fully implemented circular production models, promoted green design and cleaner production, and significantly enhanced the overall efficiency of resource utilization. Delixi Electric applies the 10R principles of circular economy throughout the entire product lifecycle—from design, raw materials, and manufacturing, to products and services, and finally to disposal and recycling—to maximize the value of energy and resource use. The Company has achieved full carbon neutrality from factories to the central logistics warehouse.

Delixi Electric Green Products Life Cycle Action Plan

DE's Upstream Suppliers

Green raw materials

- Reduction and substitution of hazardous substances (e.g., using silicone rubber components instead of nitrile rubber).
- Use of materials with lower carbon emission factors, such as polybutylene terephthalate (PBT) and polycarbonate (PC) plastics, provided product performance requirements are met.
- Adoption of recyclable and biodegradable plastics.

Green supply chain

- Support for suppliers in developing zero-carbon projects.
- Issuance of the Delixi Electric Supply Chain Carbon Reduction Initiative to encourage suppliers to conserve energy and reduce consumption.
- Preferential collaboration with suppliers that implement carbon reduction programs.

DE's Own Operations

Green design

- R&D focus on compact, material-saving, modular, and highly integrated design solutions.
- Use of simulation tools and AI to enhance forward design, ensuring high reliability and low power consumption.
- Establishment of a green design database to prioritize the use of materials and processes with lower carbon emission factors and higher recyclability; product design optimization through Life Cycle Assessment (LCA).

Green manufacturing

- Use of green energy.
- Equipment refurbishment and energy-saving upgrades.
- Reuse of idle materials.
- Recycling and reuse of packaging materials.
- Recycling of waste.

Green warehousing

- Reuse of logistics turnover boxes and other transport materials.
- Deployment of intelligent vertical warehouses and efficient use of storage space.

DE's Downstream Customers

Green logistics

- Use of eco-friendly fillers, reusable packaging, and containers made from renewable materials.
- Promotion of new energy transportation vehicles.
- Implementation of intelligent logistics systems to automatically generate optimal transport routes.

Green recycling

- Repackaging and redistribution of non-electrified products.
- Collection, repair, refurbishment, and remanufacturing of electrified products.
- Return of used resources to different stages of the value chain.

The Company actively develops low-carbon intelligent power distribution products, introducing low-carbon product certification and conducting Type III Environmental Product Declarations (EPD). Carbon footprint analyses are performed across all stages—from material selection, development, production, transportation, and usage to end-of-life recycling—to achieve reductions in hazardous substances, conserve energy, and maximize resource utilization, thereby comprehensively lowering carbon emissions.

Case

Key Product Life Cycle Assessment

The Company has implemented carbon emission analysis tools for raw and auxiliary materials, deeply evaluating each phase of the product life cycle to identify major carbon emission sources and take targeted measures to reduce the carbon footprint. In 2024, the Company conducted Life Cycle Assessment (LCA) on key products, with evaluation boundaries covering the entire process from raw material production to product disposal.

CDMNEZ Product Carbon Footprint Evaluation Boundary

Facing macro challenges such as market contraction, product homogenization, and industry price wars, the Company positions "green products" as a key competitive advantage and highlight. By leveraging a portfolio of green products, it aims to seize market opportunities. Adhering to principles of environmental compliance and information transparency, the Company incorporates green design concepts at every stage—from raw material selection and production process optimization to end-of-life recycling—to reduce energy consumption, pollutants, and waste emissions.

Case

Non-polarized DC Miniature Circuit Breaker Awarded Green Design Product Certification

Delixi Electric's core product in the PV energy storage field—the CDB9ZW non-polarized DC miniature circuit breaker—has received green product design certification. The design process of this product fully considers its entire life cycle, from raw material selection and production process optimization to product usage and end-of-life recycling, incorporating green design concepts at every stage. For example: The product complies with RoHS and related environmental standards, and its energy consumption is 35% lower than the requirements of green design standards. Environmentally friendly and recyclable materials are prioritized, with 99% of the materials used being renewable, effectively minimizing environmental pollution. Advanced technologies are employed to reduce carbon emissions from raw material sourcing and production stages by 18% year-over-year, while generated waste is reduced by 23%.

Non-polarized DC Miniature Circuit Breaker

Green Design Product Certification

Supplier Carbon Reduction

The Company not only actively promotes its own low-carbon transition but also, as an ecological brand, is committed to driving carbon reduction throughout the entire industry chain. It helps suppliers identify energy-conservation and consumption-reduction potential, continuously innovates and optimizes the green ecosystem, explores new win-win cooperation models, and pushes the industry toward the "net-zero" goals.

In November 2023, the Company released the Green Sustainable Development Strategy Practice Guide, providing suppliers with practical experience and actionable transformation paths to shift from traditional manufacturing models to green, low-carbon models.

The Company has also established the Supplier Zero-Carbon Project (TZCP) Steering Team, which, through on-site carbon reduction guidance, promotion of clean energy, and energy management systems, has successfully assisted suppliers Yabo Electric and Deyuan Packaging in achieving zero-carbon factory certification. Leveraging brand influence, the Company works with upstream and downstream partners to jointly reduce carbon emissions and build a green, zero-carbon ecosystem.

Delixi Electric's Key Supplier Carbon Reduction Initiatives in 2024

On-site Empowerment

In June 2024, the Company conducted on-site communications and guidance at 17 suppliers, reviewing their energy consumption and carbon emissions, promoting the use of eco-friendly materials, identifying energy-saving potential, and sharing best practices in energy saving and carbon reduction.

Clean Energy

The Company encouraged suppliers to prioritize the use of clean energy, supported by energy storage devices, to maximize the proportion of clean energy in total energy consumption. By the end of 2024, one-third of the Company's top 100 suppliers by procurement volume had adopted clean energy.

Energy Management System

To promote supply chain digitalization, the Company had helped 13 suppliers install Delixi Electric's self-developed digital power distribution cloud service system. This system covers smart monitoring, data analysis, energy efficiency optimization, fault warning, and rapid diagnosis, providing precise energy monitoring and management decision-making, and identifying energy waste points.



Delixi Electric has set clear overall targets for supplier energy conservation and carbon reduction, and issued the Delixi Electric Supplier Carbon Reduction Initiative to call on suppliers to jointly achieve net-zero goals:

- By 2030: Reduce end-to-end net carbon emissions (excluding carbon offsets) by 25%, with a 50% reduction in overall emissions.
- By 2040: Achieve 100% end-to-end carbon neutrality with a 50% reduction in net emissions (excluding carbon offsets).
- By 2050: Achieve net-zero emissions across the entire end-to-end value chain.



Delixi Electric plans to achieve a green procurement transformation by 2030:

- Prioritize cooperation with zero-carbon or low-carbon suppliers under equal quality and price conditions.
- Cooperate exclusively with zero-carbon or low-carbon suppliers on specific zero-carbon and green product projects.
- Evaluate suppliers during annual supplier audits based on whether they have formulated carbon reduction plans, established energy management systems, and effectively advanced their carbon reduction efforts.



Suppliers Yabo Electric and Deyuan Packaging achieved "Zero-Carbon Factory" certification and were awarded the title of "Best Green Partner" by Delixi Electric.



In June, during the Sustainability Month, Delixi Electric conducted on-site empowerment visits to 17 suppliers.

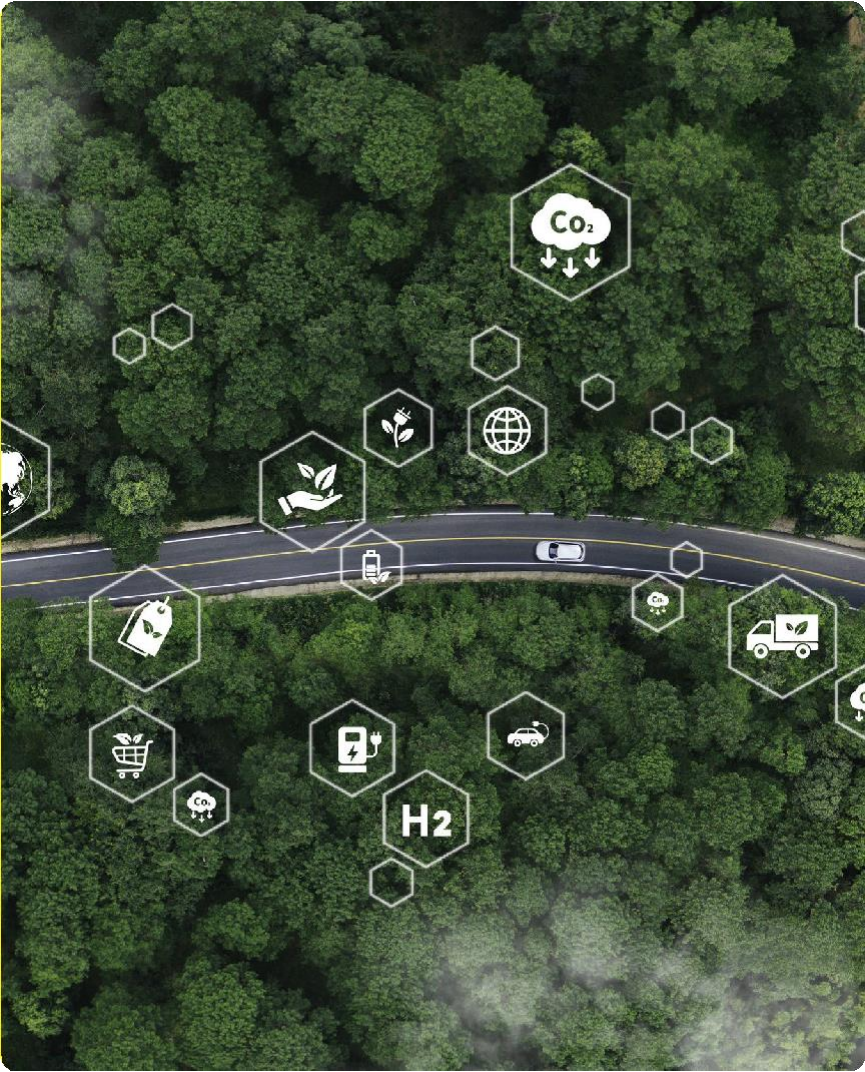


In September, 29 suppliers were invited to the energy storage power station grid connection celebration.

- In 2024, Delixi Electric received the "National Green Supply Chain Certification" from the MIIT.
- In 2024, Delixi Electric's top 100 upstream suppliers achieved a 13% carbon reduction, advancing the green transformation of the ecosystem.
- In 2024, Delixi Electric empowered Yabo Electric and Deyuan Packaging to achieve "Zero-Carbon Factory" certification.

Green Logistics

The Company addresses multiple links in the supply chain by optimizing logistics networks, adopting eco-friendly means of transport, promoting green packaging materials, enhancing logistics informatization, and building intelligent vertical warehouses to establish an efficient, eco-friendly, and sustainable logistics system.



Stage	Measures	Results
Eco-friendly Means of Transport	- Utilize new energy logistics vehicles powered by clean energy sources such as electricity and hydrogen to reduce emissions of CO₂, nitrogen oxides, and other pollutants. - Promote electrification of urban short-distance shuttle vehicles in scenarios such as city deliveries and factory-to-warehouse transport. - New energy vehicles are easy to operate, low-noise, and cost-efficient.	By promoting new energy logistics vehicles, the first green transportation route was established at the Puyang manufacturing base.
Logistics Informatization	- Use advanced logistics management technologies and data analysis methods to optimize delivery routes, minimizing transportation distances and times while improving timeliness and accuracy. - Employ Geographic Information System (GIS) and Global Positioning System (GPS) technologies to monitor vehicle operation data and traffic conditions, enabling real-time route adjustments to avoid congestion. - Implement intelligent scheduling systems to allocate and schedule logistics tasks efficiently based on vehicle location, load capacity, speed, and other factors, generating optimal delivery routes.	Average transportation distance shortened byover 20% Downstream transportation carbon emissions reduced by5%
Green Packaging Materials	- Use biodegradable materials for packaging boxes. - Simplify packaging design while ensuring transportation quality.	Reduce packaging material usage.
Intelligent Vertical Warehouse	- Construct high-rise shelving structures to maximize vertical space utilization, equipped with automated storage and retrieval systems that enable fast and accurate handling of goods based on instructions. - Utilize the warehouse management system (WMS) to track real-time data on inbound, outbound, and storage locations, thereby providing reliable support for production planning and sales decisions. - Integrate logistics systems with enterprise ERP to automatically assign inventory tasks, handle and transmit data online, track and notify discrepancies, and perform automatic aggregation and calculation. - Adjust target inventory levels based on customer demand to improve space utilization and enable lean logistics management.	Storage capacity increased by over 50% Operational efficiency improved by over 30%

Resource and Energy Utilization

Energy Utilization

The Company's main energy sources include natural gas, electricity, diesel, and gasoline, which are primarily used in factories, canteens, office buildings, and dormitories.

The Company strictly complies with laws and regulations such as the Energy Conservation Law of the People's Republic of China, and has established institutional documents, including the Energy and Resource Conservation Management Regulations. It has implemented an energy-saving target responsibility system, breaking down energy-saving goals and assigning them to responsible personnel to continuously improve energy utilization efficiency.

The Company has set up an energy management structure consisting of the "top Management – management representatives – departments," clearly defining governance levels and functions to achieve efficient and scientific energy management. The top management role is held by the general managers of each base, who are responsible for overseeing energy management work. Management representatives are department managers, responsible for formulating specific measures and plans according to energy management strategies set by top management. Department specialists and safety officers are responsible for implementing these measures.

Delixi Electric's Energy Management Structure and Functional Responsibilities

Top Management General Managers of Each Base	- Formulate and integrate energy management strategies. - Provide resources for energy management execution. - Coordinate the energy management team to ensure effective operation and advance the implementation of the Company's energy management plans.
Management Representatives Department Managers	- Implement energy management policies and plan effective energy management activities. - Coordinate and allocate related resources and guide energy management activities. - Conduct energy management training and energy data analysis tailored to departmental functions.
Departments Relevant Specialists and Safety Officers	- Equipment Department: Ensure proper operation of energy-consuming production equipment. - Technology Department: Consider energy efficiency during product design and development. - Process Department: Optimize production line layout to improve energy efficiency. - Procurement Department: Procure energy-consuming equipment and energy-related services. - Other departments (Electrical Appliance Plant, Head of Control, Testing Center): Develop departmental energy-saving plans and handle the collection, compilation, and analysis of relevant data.

Case

Grid Connection of the Energy Storage Station at the Wuhu Manufacturing Base

In September 2024, the energy storage station at the Wuhu base was officially connected to the grid. As a key initiative following the PV power station, it marks another milestone in the Company's transition toward a cleaner energy structure, forming a closed-loop system of "PV power generation + energy storage + new energy vehicle charging." The total installed capacity of the energy storage station at the Wuhu base is 3.35 MWh, with an annual electricity output of approximately 1.5 million kWh.

The station is equipped with an intelligent microgrid, which integrates the energy storage system, distributed power sources, and loads. Through precise control of the charge-discharge process and intelligent microgrid scheduling, it effectively achieves "peak shaving and valley filling," improving the stability and flexibility of electricity use and enabling a more efficient, clean, and sustainable energy configuration.



Wuhu Manufacturing Base – Energy Storage Station Grid Connection Ceremony

Delixi Electric's "PV-Storage-Charging" Power Grid Development

Type	Project	Results
PV	100% Rooftop PV Coverage	Installed capacity: 10 MW; annual electricity output: over 10,000 MWh; covers over 90% of the park's electricity demand
Energy Storage	Energy Storage Station andMicrogrid System	Installed capacity: 3.35 MWh; estimated annual electricity output: 1,500 MWh
Charging	Supporting infrastructure includes: 560 solar-covered parking spaces, 1,200 two-wheeler EV charging spaces, Charging Facilities for New Energy Vehicles	Annual charging output: Approx. 40 MWh

Through the establishment of an integrated "PV-storage-charging" power grid, and by purchasing green electricity, the proportion of green energy at Delixi Electric's three major bases increased to 68%.



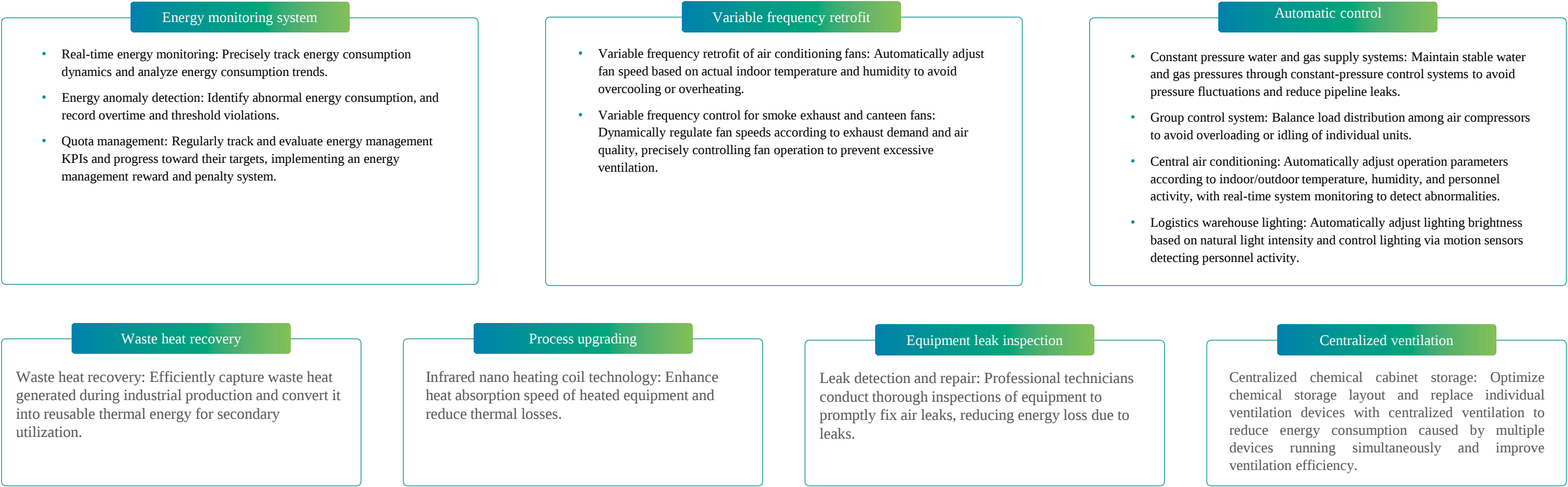
Rooftop PV



Energy Storage Station

Delixi Electric applies digital monitoring and control technologies to achieve precise energy saving. By deploying energy monitoring systems, variable frequency retrofits, automatic controls, waste heat recovery, group control systems, and constant-pressure systems, the Company comprehensively improves energy utilization efficiency and reduces energy waste.

Delixi Electric's Major Energy Saving Measures in 2024



Water Resource Utilization

Delixi Electric's primary water source is purchased municipal water, used exclusively for employee living needs and not involved in production processes. According to the World Resources Institute's "Global Water Risk Map," among the Company's three major manufacturing bases, the Wuhu base is located in a low-to-medium water risk area, while the Puyang and Wenzhou bases are in medium-to-high and high-risk water areas, respectively.

The Company strictly complies with the Water Law of the People's Republic of China and other relevant laws and regulations. It has established policies such as the "Energy and Resource Conservation Management Regulations" and the "Water Use Reward and Punishment System" to regulate lawful water intake, use, and discharge, clearly defining rules to prevent water resource waste.

To comprehensively promote water conservation and effectively improve water resource utilization efficiency, the Company has established a Water Conservation Working Group. The group is led by the general managers of each base, with deputy leaders and members from the Safety & Sustainability Department, Equipment Department, Production Department, and other relevant units responsible for specific water-saving work.

Delixi Electric places great emphasis on water resource protection through facility upgrading, water recycling, water conservation awareness training, regular inspections, and the development of emergency water supply plans, achieving efficient water utilization and ensuring the stable operation of the water supply system.



Delixi Electric's Major Water Resource Management Measures and Outcomes in 2024

Facility Upgrading	
Pulse water outlets were replaced with shower-type outlets in office areas, production workshops, and living facilities.	Water savings of up to 40%, with the Wenzhou base saving 1,500 tons per month.
Cooling tower water-saving retrofit	Before the retrofit, 4 tons of water were added daily; after the retrofit, only 1 ton is needed per day, saving 3 tons of water each day.
Installation of rainwater, steam condensate, and domestic wastewater collection and reuse systems	The annual volume of reused rainwater has reached 1,000 tons.

Water Recycling	
A rainwater harvesting system was used to collect rainwater from rooftops, paved areas, and other surfaces.	After filtration and sedimentation treatment, the collected rainwater was reused for landscape irrigation and road cleaning.
A steam condensate recovery system was used to capture large volumes of condensate generated during industrial processes.	The collected condensate was conveyed through pipelines, appropriately treated, and reused for boiler feedwater and cooling systems.
A domestic wastewater recycling system was used to collect internal wastewater such as canteen effluent.	After biochemical treatment and disinfection, the recycled water was used for toilet flushing and landscape irrigation.

Water-saving Awareness Training	
Water-saving training programs were conducted. Professional trainers were invited to educate employees on the importance of water conservation, practical daily water-saving techniques, and the correct usage of company water-saving devices.	Strengthened employee awareness and encouraged the development of water-saving habits

Regular Inspections	
Daily inspections were conducted on key water-consuming equipment and pump rooms. Weekly inspections were performed on submersible pumps and drainage systems. Quarterly, the Safety Supervision Committee and Security Department jointly inspected the fire water supply facilities.	Enabled timely detection and repair of leaks and drips, reducing water waste.

Emergency Water Supply Plans	
An emergency response command center was established, responsible for forming specialized rescue teams, and organizing training and drills.	Enabled prompt and effective repair and response in the event of water supply incidents.

Delixi Electric's Water Resource Management Indicators and Targets

Indicator	2024 Target	2024 Progress
Water consumption per unit of output	2% year-on-year reduction	2% year-on-year reduction

Environmental Management

Environmental Compliance Management

Delixi Electric strictly complies with the Environmental Protection Law of the People's Republic of China and other applicable laws and regulations. The Company has developed the Environmental Standardization Manual to manage wastewater, waste gas, noise, and solid waste generated during its operations, ensuring that pollution control facilities operate efficiently and that waste storage and disposal methods meet emission permit requirements. An annual environmental aspect identification is conducted to systematically review all stages of operations that may impact the environment. The Company has also established the iTrack compliance cloud platform to conduct regular compliance inspections against relevant environmental laws and regulations.

Delixi Electric continues to strengthen its environmental management system and has been certified under ISO 14001:2015. Regular monitoring of waste gas, wastewater, and noise emissions is carried out. Results show that the concentration and emission rates of pollutants in waste gas and wastewater meet regulatory standards, and noise emissions comply with permissible limits. In 2024, no major environmental incidents occurred, and the Company was not subject to any major administrative penalties or criminal liability imposed by environmental authorities.

Case Chemical Spill Emergency Drill

On July 21, 2024, the Company organized a chemical spill emergency drill to strengthen the expertise and emergency response capabilities of hazardous chemical management personnel, and to enhance the responsiveness and coordination skills of managers in handling incidents. The drill simulated an accidental chemical spill scenario to improve employees' ability to respond to chemical exposure to the eyes, enhance their emergency response speed and rescue capabilities in unexpected incidents, and further raise their environmental and safety awareness.



Emergency Drill Site for Chemical Spill

|| Pollutant Emissions

Delixi Electric strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, and other relevant regulations. The Company has developed internal documents such as the Environmental Management Standardization Manual, and has installed wastewater and waste gas treatment facilities in accordance with the law. Designated personnel conduct regular inspections to ensure the proper functioning of environmental protection equipment. This ensures that pollutant treatment efficiency meets discharge permit requirements and that pollutant discharges comply with regulatory standards.

The Company's air emissions primarily include non-methane hydrocarbons, particulate matter, cooking fumes, nitrogen oxides, and sulfur dioxide, mainly generated from processes such as glue application during assembly, ethanol evaporation, pad printing, welding, and canteen operations. Wastewater mainly contains chemical oxygen demand (COD), ammonia nitrogen compounds, and suspended solids, which are primarily generated from daily work and living activities of employees.

Delixi Electric's Types of Pollutants and Treatment Methods

Pollutant	Type	Emission Factor	Emission Standard	Treatment Method
Waste gas	Welding waste gas	Non-methane hydrocarbons, particulate matter, nitrogen oxides, sulfur dioxide	Integrated Emission Standard for Air Pollutants	Collected and treated via activated carbon adsorption, then discharged at high altitude.
	Assembly waste gas			
	Pad printing waste gas			
	Canteen cooking fume	Cooking fume	Emission Standards for Cooking Fumes	Treated by fume purification device before discharge.
Wastewater	Domestic sewage	COD, ammonia nitrogen compounds, suspended solids, etc.	Integrated Wastewater Discharge Standard	Treated by septic tanks, then discharged into the municipal sewage pipe network.
	Canteen wastewater			Treated by grease tanks and septic tanks, then discharged into the municipal sewage pipe network.

Case

Delixi Electric's Self-Developed Spray-Free Process

Delixi Electric has independently developed a spray-free process to replace traditional painting processes, eliminating volatile organic compounds (VOCs) and dust at the source. This innovative process has overcome multiple technical challenges in materials, molding, and tooling, resulting in four raw material management specifications and one corporate standard. Since its launch, the spray-free product line has achieved strong market performance and has received industry recognition, including the Kapok Design Award and shortlisting for the iF Design Award.

Spray-Free Product Line

Waste Management

Delixi Electric categorizes its waste into hazardous and general waste. Hazardous waste includes used packaging drums contaminated with raw materials, waste engine oil, spent activated carbon, waste saponification liquid, and discarded circuit boards. General waste includes welding slag, non-conforming products, waste packaging materials, and domestic waste.

The company strictly complies with the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes, the Technical Specifications for the Collection, Storage, and Transportation of Hazardous Waste, and other related regulations. It regulates the temporary storage locations and disposal methods of waste accordingly.

Delixi Electric's Waste Categories, Sources, and Disposal Methods

Waste Category	Subcategory	Source	Disposal Method
General waste	Welding slag	Welding process	Collected by the Company and sold to third parties for recycling
	Non-conforming products	Quality inspection process	
	Waste packaging materials	Packaging and transportation	
	Domestic waste	Daily life of employees	Collected and disposed of by the local sanitation department
Hazardous waste	Used packaging drums contaminated with raw materials	Packaging and transportation	Collected and periodically disposed of by qualified third-party service providers
	Waste engine oil	Machining process	
	Spent activated carbon	Waste gas treatment	
	Waste saponification liquid	Machining process	
	Discarded circuit boards	Production operations	

Case

Recycling of Spent Activated Carbon at Delixi Electric

Delixi Electric has recently adopted regenerated granular activated carbon and outsourced the regeneration treatment of spent activated carbon to third-party companies. After treatment, the activated carbon can be reused, reducing the annual generation of spent activated carbon by 1.4 tons. Based on the estimation that each ton of spent activated carbon generates 21.28 kg of CO₂, this project helps reduce carbon emissions by approximately 30 kg per year.



Regenerated Granular Activated Carbon

03

People-Oriented Development and Shared Care

Sustainability Performance

- Zero occupational diseases among employees; zero serious injuries and above among employees
- Awarded "Top Employer China" title for five consecutive years
- Employee Engagement Index (EEI) at 90%
- EHS corrective action timely completion rate at 99.5%

Response to the SDGs



Material topics

- Employee diversity and inclusion
- Occupational health and safety
- Talent attraction and development

Delixi Electric firmly upholds the "people-oriented" philosophy, incorporating an "inclusive development and high performance" corporate culture into its human resource management system. The Company creates a warm and safe "Delixi Family," acting as a guardian and trusted companion for employees, enhancing their sense of belonging.

Talent attraction and development

Employee Training

Delixi Electric places great emphasis on employee training as a catalyst for talent development. The Company has established a Learning and Development Department as the centralized management unit for employee training. It has also formulated a Training Management System as the foundation for training implementation and management across all levels.

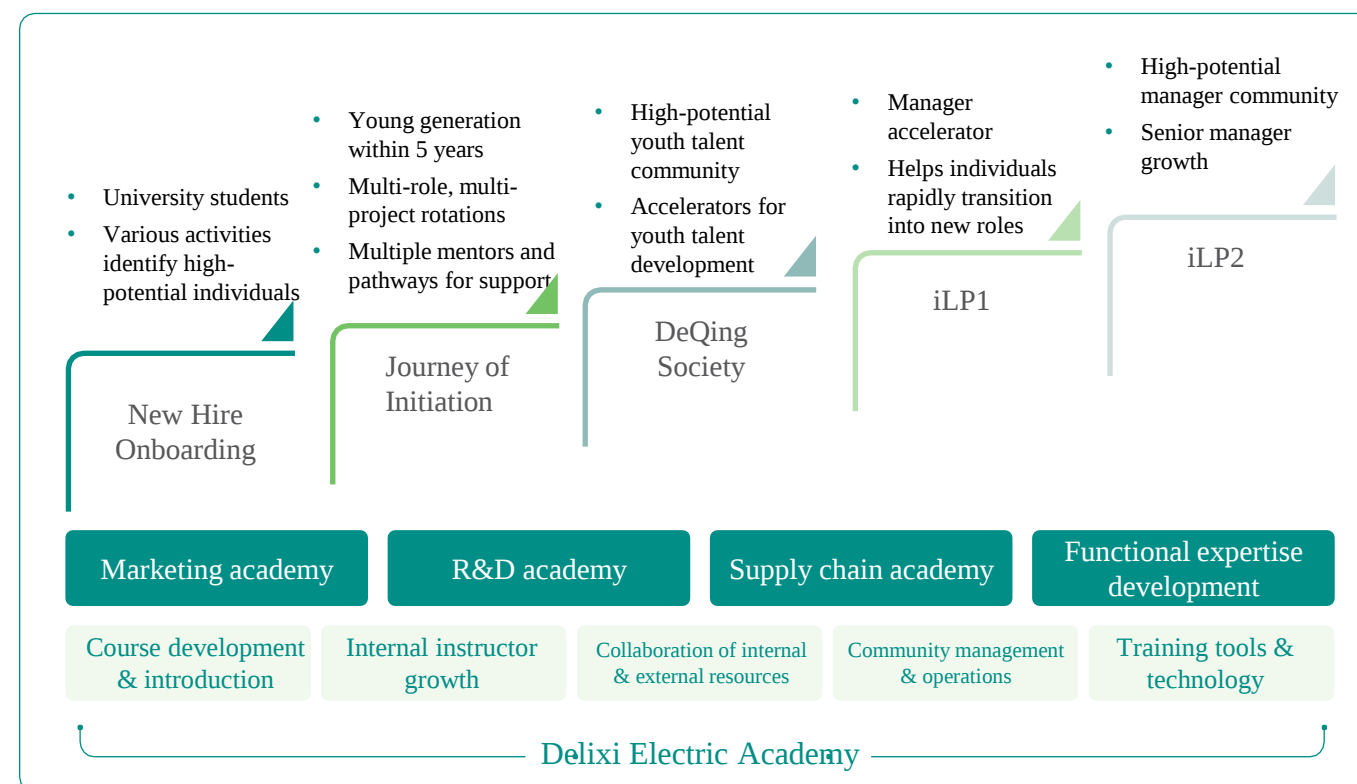
Routine training mainly consists of two parts: onboarding training for new employees and on-the-job training for existing staff. The former focuses on helping new hires quickly understand the company culture, become familiar with workflows, and master basic skills, ensuring smooth integration into teams and competent performance in their roles. The latter centers on enhancing professional skills, managerial capabilities, and overall competencies, supporting employees' continuous growth in their current positions and cultivating more specialized talent for the Company.

Delixi Electric has built a comprehensive, progressive training system tailored to employees at different career stages. The system is designed to meet their diverse needs for knowledge, skills, and professional qualities throughout their development.

Delixi Electric Academy



Delixi Electric's Progressive Training System



New Hire Onboarding

New Hire Onboarding is a tiered training program for recent campus recruits, designed to support a smooth transition from school to the workplace. The program consists of three stages. Iron Rookie (Internship Stage): Focuses on onboarding and integration through online welcome sessions, gamified learning, and club activities to foster a sense of belonging. Bronze Rising Star: Centers on core trainings with themes such as "Customer First" and "Innovation and Excellence," supported by two offline boot camps and six months of online learning to facilitate probationary period adaptation. Silver Elite: Includes MINI action learning projects, independent capability training, and a final presentation to cultivate business-ready talent.



iLeadPeople1

iLP1 is a 6-month leadership development program for newly appointed managers. Adopting a blended learning model that combines online knowledge acquisition with offline practical application, the program centers on eight core modules, including role transition, goal achievement, problem solving, and team building. It leverages case studies, hands-on exercises, coaching from supervisors (using the KISS feedback model), and peer learning communities to systematically enhance new managers' business acumen, team management skills, and strategic thinking.



DeQing Society

DeQing Society is a one-year development program for young talents. It follows an "assessment – planning – practice – evaluation" framework, progressing through four stages: self-awareness, collaborative alignment, result orientation, and continuous growth. Core elements include assessment interpretation, IDP creation, mentorship (e.g., N+2 support), challenging assignments (e.g., solving real business problems), and team-based activities (e.g., project teams, case sharing). Through a blended approach of 10% knowledge input, 20% exposure learning, and 70% hands-on reinforcement, combined with IDPs and continuous monitoring by HRBPs, the program accelerates participants' growth in career advancement, job rotation experiences, and taking on key projects.



iLeadPeople2

iLP2 is a structured development program designed for mid-level managers. Centered on executive-led courses, the program distills senior leadership experience into internal learning content and delivers phased training around topics such as organizational leadership, strategic marketing, and digitalized supply chains. By integrating individual development plans (IDPs), monthly KISS/STAR reviews, and behavioral tracking, the program helps managers apply tools and methods to drive performance improvements. A learning community supports continuous learning through a closed-loop approach: pre-class assignments, post-class application, and peer learning communities. A comprehensive evaluation system (30% learning assessments, 30% IDP performance, and 40% feedback reviews) is employed to improve the development rate of mid-level managers.



Building a Talent Development Ecosystem

The Company collaborates with distributors, suppliers, and partners to create a comprehensive talent development ecosystem across the entire industry chain. This is achieved through various training courses, team co-creation, business reviews, and case sharing.

Case Ongoing Empowerment of Distributors

Delixi Electric empowers distributors through multi-level initiatives, offering an online learning platform combined with offline practical courses. Customized courses, such as "Crash Course for Order Rookies" and "Warehouse Management Practice 2.0," are continuously updated to help distributors quickly master new skills. Online activities like "Safety Risk Elimination Game" and "Product Expert Certification" enhance distributors' safety awareness and product knowledge.

Delixi Electric also leverages its internal instructor resources to promote peer learning among distributors, offering training courses such as "Digital Financial Management for Distributors" and "Extracting Best Practices in Management" to facilitate experience sharing and business knowledge transfer.

For key customers, the Company provides customized one-on-one support, organizing specialized workshops to address common challenges. Additionally, recognition programs are held to reward outstanding management practices, motivating distributors to continuously improve their management capabilities.

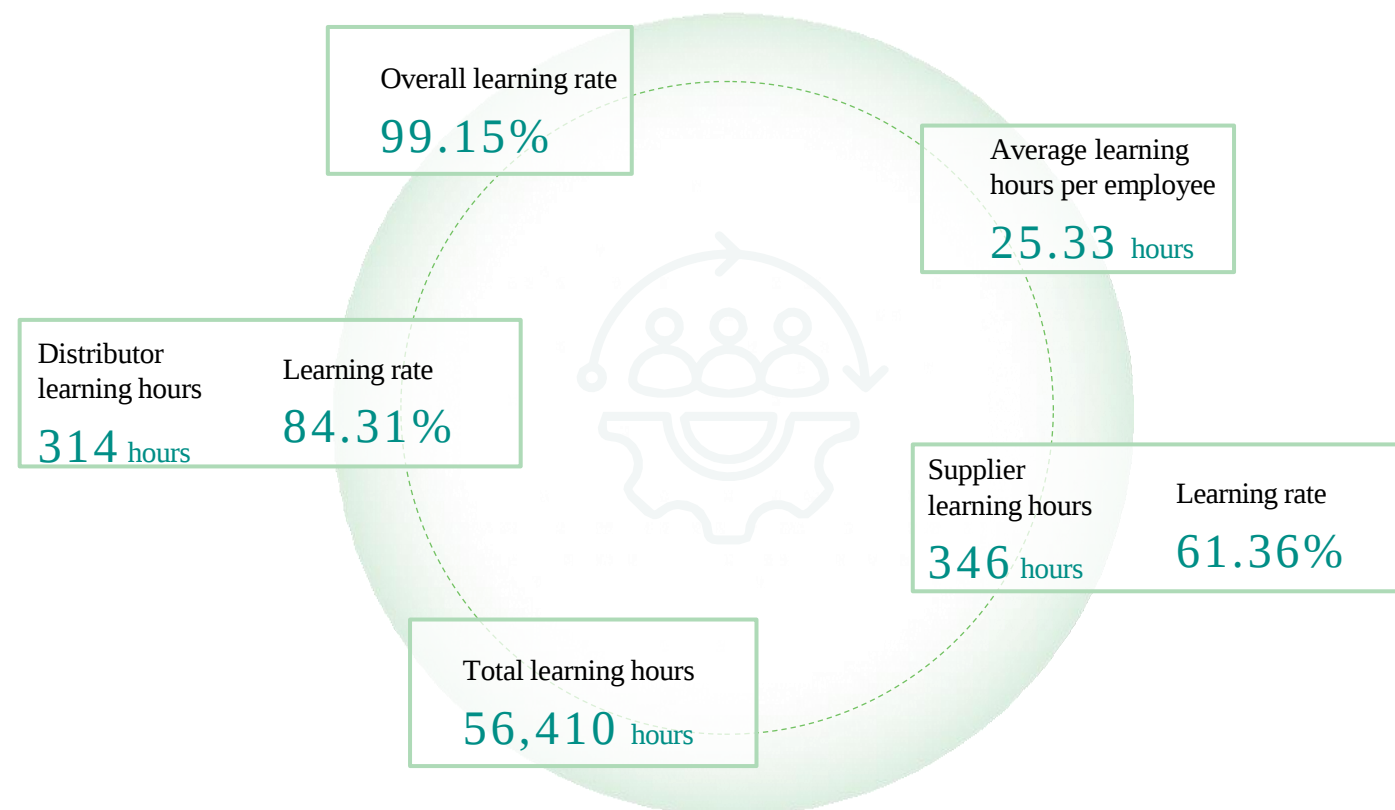
Case Establishing a Sustainability Training and Research Center

To thoroughly implement the Company's green sustainable development strategy, a Sustainability Training and Research Center has been established to deliver face-to-face training on sustainability topics. At the beginning of the year, the Company developed a course roadmap and training plan, providing instructor resources, training venues, and funding support. Incentives are also offered to instructors and outstanding learners to encourage their growth.

Courses are divided into Professional Advancement Classes and Business Expansion Classes, covering topics such as safety, environmental protection, social responsibility, and corporate governance. ESG knowledge, carbon management, and safety risks are explained to all employees. For personnel involved in sustainable development roles, foundational courses introduce safety hazard identification, the six-step communication method, the 10R circular economy framework, and green design principles. For professional management staff, specialized courses focus on safety management in six key scenarios, precautions, and carbon emission accounting methods.



Delixi Electric – 2024 Employee Training Performance



Employee Development

At Delixi Electric, we attract and retain talent through competitive benefits and a well-established career development system, maintaining strong competitiveness in human resources.

The Company has established systems such as the Position System Management Guidelines to align its development with employees' career growth, providing a clear career development pathway for employees. Positions are divided into two main categories: professional tracks (including general and R&D tracks) and management tracks. Employees may choose their development path based on their individual strengths and the company's position system. We encourage employees to deepen expertise in their own fields, as well as explore opportunities for cross-functional or cross-domain rotations.

Delixi Electric upholds the principles of openness and fairness in employee promotions. The Company openly shares the job competency evaluation procedures and criteria with all employees and treats everyone equally during the assessment process.

In addition, we have launched the OneVoice survey to identify drivers of employee engagement and formulated the OneVoice action plan. Actions were taken across multiple dimensions such as efficiency, work modes, recognition, and development, aiming to enhance the Company's attractiveness and improve employee engagement and participation. In 2024, Delixi Electric achieved an EEI of 90%.

Employee Care and Well-being

Delixi Electric remains committed to its employer brand philosophy of "Shared Care, Joint Growth," and has introduced policies such as the Welfare Management System to foster a warm, healthy, and sustainable work environment.

The Company provides regular health checkups and organizes mental health seminars to safeguard employees' physical and mental well-being. It has also established over 20 employee clubs—such as the basketball club, badminton club, book club, and running group—with nearly 1,000 members in total, offering employees opportunities to relax and unwind outside of work. The Company continues to improve office, dining, and accommodation conditions to enhance employee satisfaction in both work and life.

Delixi Electric has established a comprehensive employee welfare system that offers competitive non-salary benefits. These include holiday allowances, mobile phone reimbursements, team-building activity budgets, annual health checkups, commercial insurance, long-service awards, housing benefits, meal subsidies, mileage incentive plans, and travel allowances for home visits. The Company upholds the principle of equal benefits, ensuring that all types of employees—including dispatched workers and re-employed retirees—are covered under the non-salary benefit system.

In 2024, the Company launched a series of vibrant employee care activities, such as summer cooling programs, Children's Day family events, fun sports games, and networking activities for young employees. These activities help employees experience both the joy of work and the warmth of home at Delixi Electric, achieving personal and corporate growth together.

2024 Employee Care Highlights at Delixi Electric

Activity Name	Activity Contents	Results
Summer Cooling Program	Provided employees with cooling items like sun protection kits and hydration supplies. Each year, the Company adjusts the "Cooling Program" supplies based on employee feedback and actual conditions to better meet the specific needs of employees in different regions and roles.	Delivered tailored cooling supplies to 800 employees working in high-temperature conditions, demonstrating continuous attention to employee health.
Children’s Day Family Event	Organized a family-friendly day filled with fun and education on the Company's values and history.	Engaged 25 families, strengthening their sense of connection and identification with the Company.
Support for Employees in Need	Applied for employee subsidies for employees facing difficulties and provide flexible working hours, allowing employees to truly feel the warmth of the "Delixi Family."	Coordinated with the labor union to secure external support, providing tangible assistance to employees in need and conveying the positive spirit of Delixi's culture.
Fun Sports Games	Hosted fun activities such as the ONEDE basketball game, tug-of-war, and relay races, allowing employees to relax and unwind in a joyful atmosphere while improving their physical fitness.	Attracted over 1,000 employees to participate, fostering teamwork and communication.
Young Employees Networking	Organized team-building, outdoor development, and interest group activities.	Created a communication platform for young employees; 40 participants deepened their personal connections.

Case

Little Migratory Birds Summer Care Program

Since 2011, Delixi Electric has launched the "Little Migratory Birds Summer Care Program" for the children of migrant workers employed by the Company. Each year before the program starts in July and August, invitations are sent to employees to collect information on their children attending the summer care program. Children are grouped according to age and other factors.

The program offers comprehensive care beyond summer homework tutoring, covering six major themes including physical and mental health, moral education, intellectual development, physical fitness, arts, and labor skills. Since its inception, the program has been widely praised within the Company and recognized by governments at various levels and social organizations. Delixi Electric has received honors such as "Outstanding Moral Education Base for Minors in Yueqing City," the "Chunni Plan" model enterprise, and "Advanced Enterprise in Labor Relations and Dual-Love Activities in Zhejiang Province." It has also attracted media attention from platforms such as Zhejiang Learning Power, China Daily, Tencent, and Sina.

In 2024, the Company provided a safe and engaging learning environment for 400 employees' children. Over the past 14 years, the program has supported more than 5,000 children by offering spaces for learning, exercise, and play. Functional areas include the "Little Migratory Birds Summer Classroom," "Little Migratory Birds Reading Corner," and "Little Migratory Birds Fun Zone." Free lunch and afternoon snacks are provided daily, solving the childcare needs of employees and making the children's summer vacation more meaningful.



Protection of Employee Rights

The Company adheres to the principle of equal employment and strictly complies with the Labor Law of the People's Republic of China, the Labor Protection Law of the People's Republic of China, and other relevant laws and regulations. It has established systems such as the Recruitment and Employment Policy, Salary Management Policy, Attendance Management Policy, and Performance Management Policy to standardize management throughout employee recruitment, employment, promotion, and development.

Employee Recruitment and Employment

The Company's employment types mainly include labor contract employees, dispatched labor employees, and re-employed retirees. The Company enforces standardized management mechanisms and measures to protect and respect employee rights during recruitment and employment. In 2024, the Company had no labor disputes or penalties related to employment issues.

Delixi Electric – Employee Recruitment and Employment

Equal Recruitment	Following the Recruitment and Employment Policy, the Company upholds fairness, openness, and justice in recruitment and prohibits any discrimination against applicants or employees based on age, ethnicity, gender, religious beliefs, disability, sexual orientation, social affiliations, pregnancy status, health history, political stance, marital status, or other factors.
Compliance in Employment	The Company strictly abides by all relevant laws and regulations throughout the employment process, including timely payment of social insurance and housing fund contributions. All labor contracts are signed, performed, modified, terminated, or ended in accordance with legal procedures.
Protection of Employee Rest and Leave Rights	Employees are provided with statutory holidays, annual leave, marriage leave, maternity leave, paternity leave, prenatal checkup leave, and other legally mandated holidays. Employees required to work on statutory holidays receive overtime pay as stipulated by law.
Protection of Vulnerable Groups Against Labor Exploitation	The Company strictly forbids the employment of child labor and opposes forced labor. It provides employees with safe and comfortable working conditions, reasonable working hours, and wages above the minimum living standard. The Company also requires suppliers, subsidiaries, and customers to meet the same standards and conducts due diligence as necessary.

Delixi Electric adheres to a management philosophy of "diversity, inclusion, and individual development," providing equal opportunities for all employees. The Company is committed to fostering a diverse and inclusive environment to enhance employee engagement, unlock their innovation potential, and drive high performance. The Company maintains a zero-tolerance policy toward workplace sexual harassment, with established reporting and complaint channels. Confidentiality is strictly maintained throughout the investigation and resolution process, and timely feedback is provided to the complainant regarding the outcome.

Delixi Electric is committed to building a fair, diverse, and incentive-driven total rewards system that supports employees' career development and work-life balance. Employee compensation consists of three components: base salary, cash allowances, and variable bonuses, ensuring that employees' contributions are fairly rewarded while reflecting the Company's commitment to their well-being.

Delixi Electric – Employee Compensation Structure

Base Salary

Compensation paid during statutory working hours as per the Labor Contract or Offer Letter, reflecting respect for the fundamental value of labor.

Cash Allowances

Compensation for additional labor demands or living expenses under special working conditions. For example, high-temperature allowances are provided to employees working in extreme heat, reflecting the Company's care and commitment to safeguarding their health and rights.

Variable Bonuses

Rewards for overtime work, cost-saving contributions, and outstanding performance, including merit bonuses, contest awards, and government incentives, designed to recognize outstanding contributions and drive shared growth between employees and the Company.

Employee Communication

Delixi Electric actively promotes a collective bargaining system. On major matters concerning the interests of both the Company and employees, collective agreements are signed annually, including the General Collective Agreement, Collective Wage Agreement, and Special Collective Agreement on the Protection of Female Employees' Rights. This approach has established a labor relations mechanism that empowers employees to coordinate autonomously.

The Company continuously improves long-term communication mechanisms by leveraging channels such as employee representative conferences, staff forums, the Delixi hotline, Chairperson Reception Days, and the practice of the union chairperson working on the workshop. These initiatives aim to strengthen communication and interaction with employees, address real concerns in work and daily life, protect employees' lawful rights, and foster mutually beneficial and stable labor relations.



Occupational Health and Safety

Delixi Electric adheres to the philosophy of "Safety Safeguards Life" and firmly believes that "Safety is Part of the Business." The Company strictly complies with the Production Safety Law of the People's Republic of China, the Law of People's Republic of China on Prevention and Control of Occupational Diseases, and other applicable laws and regulations. By operating and maintaining production equipment to the highest safety standards, Delixi Electric is committed to creating a safe and comfortable working environment for all employees.

Delixi Electric – Occupational Health and Safety Management System

Governance

Establishment of the Safety Supervision and Management Committee as the leadership and decision-making body for safety, implementing the "territorial leadership responsibility system."

Strategy

Upholding the "Safety Safeguards Life" philosophy and treating safety as an integral part of business operations, continuously improving workplace safety to protect employees' health and safety.

Risk Management

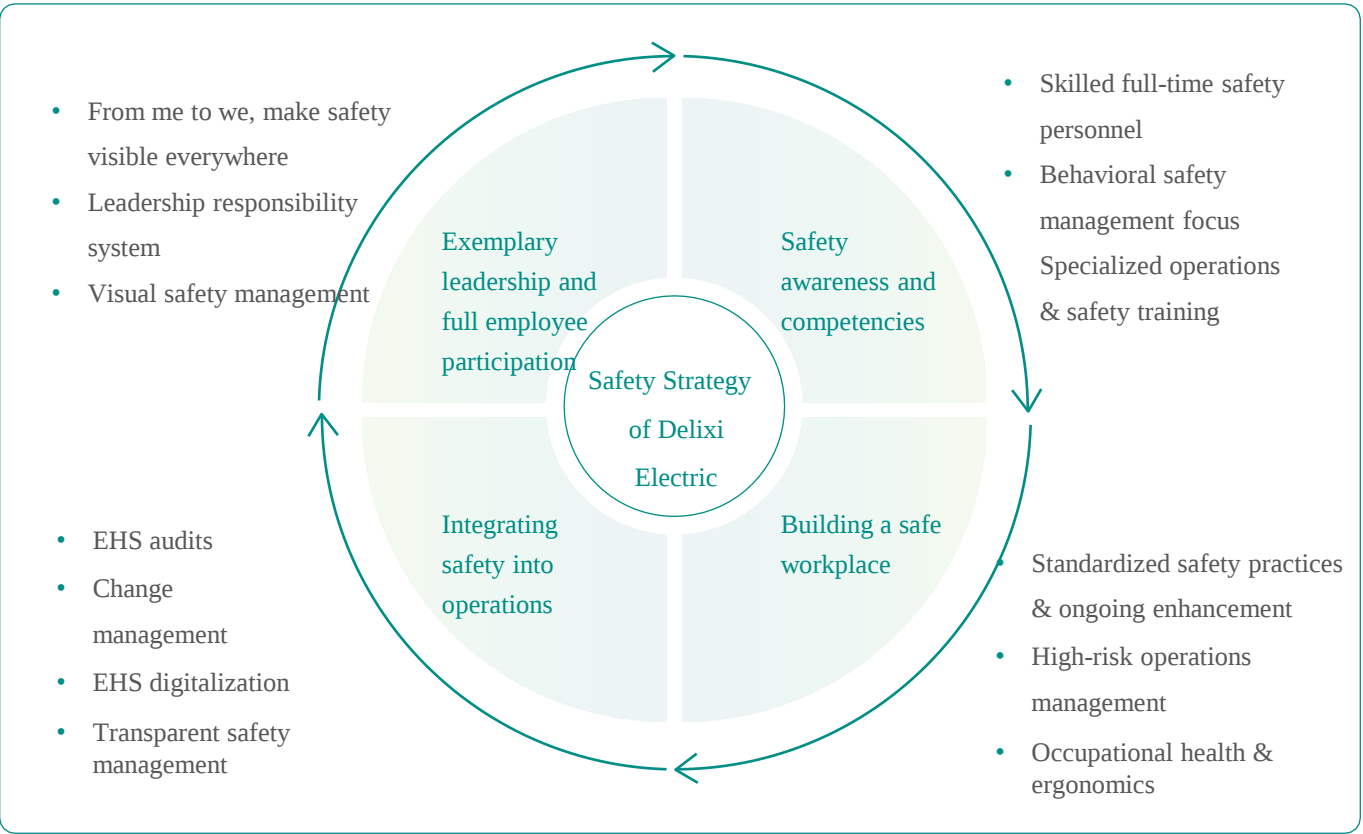
Promoting the principle of "I am responsible for my safety, and I am also responsible for others' safety," adhering to the Five Basic Safety Management Principles⁴, and focusing on the Five Major Risks⁵ to prevent accidents.

Indicators and Targets

KPI	2024 Progress	2024 Target
Medical Incident Rate (MIR) per Million Work Hours ⁶	0.05	≤ 0.09
Average Safety Training Hours per Employee (hrs/month)	1.75	>1.7
Safety Hazard Rectification Rate (%)	99.5	98.5

The Company has established a Safety Supervision and Management Committee as the leading and decision-making body for safety production. It implements a "territorial leadership responsibility system" and has built a comprehensive and effective EHS management framework. Guided by its safety strategy and through exemplary leadership and full employee participation, the Company continues to strengthen safety awareness and competence across the organization, integrating safety management deeply into business operations to create a safe workplace.

Safety Strategy of Delixi Electric



⁴Five Basic Safety Management Principles: stop work if it's unsafe; we are certified; we look out for each other; we solve problems and share solutions; we report improvement opportunities.

⁵Five Major Risks: mechanical safety, electrical safety, traffic safety, industrial vehicles, fall protection.

⁶Medical incident rate (MIR) per million work hours = (Number of recordable medical incidents requiring hospital visits / Total work hours) × 1,000,000.

Delixi Electric is certified under the ISO 45001:2018 Occupational Health and Safety Management System and conducts regular internal and external audits to ensure the management system's effectiveness and continuous improvement. The Company regularly performs hazard identification and risk assessments to address safety issues in a timely manner. In 2024, a total of 115 safety hazards were rectified, with a timely EHS rectification rate of 99.5%.

The Company has established a goal-oriented safety production management strategy aimed at enhancing workplace safety and employee health through systematic approaches. Core objectives include improving workplace safety, fostering a safety culture, and continuously advancing occupational health and safety performance.

Regarding occupational health protection, employees in roles such as spot welding, soldering, pad printing, and assembly may be exposed to occupational hazards such as metal dust, noise, stannic oxide, toluene, and copper fumes. Delixi Electric employs multiple integrated measures to strengthen occupational health and safety protections, providing a safe, healthy, and comfortable working environment.



Occupational Health Protection Measures for At-Risk Employees

Occupational Health Examinations

- Regular health screenings are conducted to detect and address potential occupational diseases early.
- Health records are digitized and integrated with hospital systems, providing automated reminders for upcoming checkups.
- Digital tools are used to monitor occupational exposure, enabling precise data collection, efficient analysis, and scientific health management.

Protective Equipment & Facilities

- Employees are provided with appropriate personal protective equipment (PPE) to reduce exposure to harmful substances.
- Standards are in place for the operation and maintenance of occupational hygiene facilities, and engineering controls—such as industrial automation—are applied to mitigate health risks in the working environment.

Standardized Management

- A red-line standard for occupational hazard control is implemented to define tolerable exposure levels and ensure a safe working environment.
- Compliance with legal and regulatory requirements is ensured during onboarding, offboarding, and role transfers of employees in occupational health-risk positions.
- PPE management adheres to the "write what you do, do what you write" principle to ensure consistency between standards, procedures, and practice.

Delixi Electric's Occupational Health and Safety Indicators and Targets

Indicator	2024 Target	2024 Progress
Pass Rate of Occupational Health Examinations for Hazard-Exposed Positions	> 98%	100%

04

Giving Back with Compassion

Sustainability Performance

- The "Delixi Fund" has cumulatively funded the construction of 23 Hope Primary Schools, with donations exceeding 10 million RMB.
- On average, the Company has organized one public welfare activity per week throughout the year.
- The Company has conducted 22 events themed "Protecting Children's Electrical Safety" during the year.
- The "Do Good for the Earth" charity fund month has raised 278,644 RMB.

Response to the SDGs



Material Topics

▪ Social welfare

Delixi Electric is committed to spreading hope and warmth through philanthropy, continuously developing a "Caring for the Elderly and Children" traditional culture public welfare model to preserve cultural heritage. Through the "Wuhu Delixi Fund," it vigorously supports education development in central and western China. Each year, the Company visits nearly 100 elderly care homes and, together with its partners, builds a socially responsible ecosystem united by shared values. These efforts reflect the Company's practical commitment to becoming a warm and internationally leading low-voltage electrical enterprise.

Delixi Electric is committed to becoming a socially compassionate enterprise, actively contributing to public welfare, education, and disaster relief efforts in the regions where it operates. Through its charity fund — the "Delixi Fund" — the Company has built a strong charitable brand and cultivated distinctive public welfare projects as part of its broader effort to fulfill social responsibilities.

As a 4A-level social organization in Wuhu, the Delixi Fund has established a robust governance system, including internal management rules such as the Delixi Fund Financial Management Regulations, Delixi Fund Daily Operations Regulations, Delixi Fund Reward and Penalty Regulations, and Delixi Fund Information Disclosure Policy. It has built a clear and accountable council-led structure, guided by the mission: "With virtue for humanity, alleviating poverty and hardship, prioritizing ethics, uniting small contributions, and compassionately giving back to society." Delixi Fund continues to promote a unique public welfare model centered on "Caring for the Elderly and Children" and aims to build a value-aligned ecosystem for social responsibility.

Advancing Public Welfare

The traditional Chinese virtue of "respecting the elderly and caring for the young" embodies the spirit of "honoring others' elders as one's own, and others' children as one's own." Elderly people have made significant contributions to social development, while children represent the future and hope of society. Delixi Electric has long focused on these two vulnerable groups—the elderly and children—actively providing them with tangible support through its actions. The Company strives to help build a warm and harmonious society.

Case

Protecting Children's Electrical Safety

Delixi Electric, leveraging its industry expertise, has worked to raise children's awareness of electrical safety and clean energy. The Company invested over one million RMB to produce the world's first bilingual (Chinese-English) animated series on children's electrical safety — *Ade' Wonderful Journey into Electrical Safety*. This series has been publicly screened in numerous primary schools and kindergartens in Shanghai, Liushi, Anhui, and other locations. During the National Primary and Secondary School Safety Education Day, Delixi Electric partnered with NGOs in Chengdu, Wenzhou, Wuhu, and other cities to carry out seven "Ade Goes to School" activities.

During the summer, the Delixi Fund partnered with the Wuhu Civil Affairs Bureau, Wuhu Children's Welfare Institute, and Adream Foundation to host "Little Electrical Engineer Journey" activities at the Wuhu base and Shanghai branch. These events involved over 100 children from welfare institutions and from regions such as Yuncheng in Shanxi and Barkam in Sichuan, spreading knowledge about electrical safety through multiple channels and approaches. In 2024, Delixi Electric carried out 22 events under the theme "Protecting Children's Electrical Safety," with a total investment of 44,000 RMB.



Delixi Electric's "Protecting Children's Electrical Safety" Campaign

Case Improving Education in Central and Western China: Lighting the Way with Knowledge

Delixi Electric has long regarded education-focused philanthropy as a key aspect of fulfilling its corporate social responsibility. Since 2013, the Company has supported the development of education in underprivileged areas through various initiatives. To date, it has funded the construction of 23 Hope Primary Schools across 14 provinces, with total donations exceeding 10 million RMB, providing children with improved learning environments. Delixi Electric also offers ongoing sponsorship for 85 underprivileged students, having supported a total of 146 students, helping them pursue their academic dreams. In addition, the Company participates in the 99 Charity Day campaign, donating learning materials and art supplies to students in Hope Primary Schools, bringing them more opportunities for learning and joy. All this has reflected Delixi Electric's compassion and sense of responsibility as a corporate citizen.

Delixi Electric's 2024 Education Philanthropy Initiatives

April: In collaboration with the China Youth Development Foundation, Delixi Fund supported the construction of 2 new Hope Primary Schools in Fushun (Sichuan) and Wuhai (Inner Mongolia), donating 1,000,000 RMB.

June: Hosted the 6th "Delixi Electric Cup – Painting the World of Love" campaign, where children from 16 Hope Primary Schools and employees' children jointly created themed artworks. Delixi Fund donated over 60,000 RMB in school and living supplies to the participating schools.

September: Three new Hope Primary Schools in Pishan (Xinjiang), Linyi (Shandong), and Zuogong (Tibet) were officially inaugurated. Delixi Electric launched its 6th fundraising initiative, raising over 120,000 RMB to provide art supplies for the remaining six schools pending inauguration.

September: The Company held a "Hand in Hand" charity event, adding 17 new sponsored students to its ongoing support program for underprivileged students at Hope Primary Schools, ensuring financial challenges do not hinder their education.



Delixi Electric Contributes to Improving Educational Conditions in Central and Western China through Concrete Action

Case Caring for the Elderly: Honoring the Virtue of Respect and Compassion

Delixi Electric, together with Delixi Fund volunteers, distributors, and the "Little Migratory Birds" program, visited elderly care homes in 17 regions including Zhejiang, Anhui, Hainan, Fujian, Shanghai, Hebei, Shandong, Guangdong, and Jiangxi. Volunteers delivered daily necessities, organized birthday celebrations, repaired electrical wiring, and spent time chatting and playing games with the elderly. In 2024, the Company organized 32 visits to elderly care homes, with a total contribution exceeding 64,000 RMB.



Delixi Electric Organizes Visits to Elderly Care Homes

Expanding the Social Responsibility Ecosystem

As a warm-hearted practitioner of public welfare, Delixi Electric has always stayed true to its original mission. The Company not only actively participates in public welfare but also collaborates with distributors, suppliers, and partners to jointly fulfill corporate social responsibilities and give back to society. Each year, a dedicated public welfare segment is incorporated into major distributor meetings and sales conferences to promote the "One Person, One Good Deed" initiative. Through these efforts, Delixi Electric spreads love and recognition for social responsibility, working hand-in-hand to build a greener, more harmonious, and sustainable social responsibility ecosystem.

Case

Delixi Electric Successfully Held the 13th "Do Good for the Earth" Charity Fund Month Event

Comprehensively Advancing Green and Sustainable Strategies: Delixi Electric actively engaged employees, partners, and the wider public in Charity Fund Month activities. In 2024, the 13th "Do Good for the Earth" Charity Fund Month attracted 9,043 participants and raised 278,644 RMB in donations, demonstrating the Company's strong sense of social responsibility through concrete action.

- Love in Art – Touring Exhibition of Paintings for Wildlife Conservation: As a prelude to the 13th "Do Good for the Earth" Charity Fund Month, a touring art exhibition showcasing 35 paintings by students from the Hope Primary Schools sponsored by Delixi Electric was held across Delixi Electric's Wenzhou base, Wuhu base, Hangzhou base, Puyang base, EasyDrive, Shanghai Tianyi, and the Shanghai Branch.
- Sustainable Charity Market: Sustainability-themed charity events were organized across various bases and communities to sow the seeds of low-carbon and environmentally friendly living throughout society. Delixi Electric creatively combined education with entertainment by hosting a unique sustainability exhibition, sharing knowledge about low-carbon lifestyles and environmental protection, and enhancing public awareness of sustainable development.
- Idle Items Recycling Program: The program encouraged the public to participate in the exchange and donation of unused stationery, toys, and books. These items were donated to Delixi Electric Hope Primary Schools, promoting love and care while advocating for recycling and reducing waste as part of a green lifestyle.
- Charity Health Run: Combining charity, health, and environmental values, the Company initiated a program where employees run and the Company matches donations accordingly. In support of the "zero-carbon travel" concept, cycling-powered donation stations were set up during the grid-connection ceremony of an energy storage power station. Each successful check-in generated a 10 RMB corporate donation, all of which went toward elderly care charities.



Join Hands with Distributors to Fulfill Social Responsibilities



Active Employee Participation in Charity Fund Month

Case

Carrying Forward the Dragon Boat Spirit and Promoting Traditional Culture

As a cultural symbol of Wenzhou and traditional Chinese customs, dragon boat racing has been supported by Delixi Electric since 2012, when the Company began sponsoring a local dragon boat team in Wenzhou. The team it sponsors is unique—not a professional lineup, but an amateur team made up of self-employed individuals, civil servants, entrepreneurs, and workers. United by passion, they train and compete rain or shine. Their perseverance and community spirit closely mirror Delixi Electric's core values.

In 2024, the Delixi Electric Yue Long Dragon Boat Team participated in 8 competitions, winning 2 gold, 3 silver, and 1 bronze medals. In a collaborative event between the DeQing Society and the Yue Long Dragon Boat Team, Delixi Electric trainees experienced the thrill of dragon boat racing and inherited its spirit. Outstanding employees, "Little Migratory Birds" children, and volunteer employees were invited to witness the excitement in person, soak up the vibrant culture, and carry forward the dragon boat spirit.



05

Virtue-Driven, Robust Governance

Sustainability Performance

- Held 12 compliance training sessions, with over 3,500 employee participants
- Successfully passed the AAA-level "Contract-Honoring and Credit-Reliable Enterprise" evaluation, becoming one of the first in the industry to receive this honor
- Achieved 100% coverage of integrity and compliance training
- 100% of operating sites certified under the ISO-27001 Information Security Management System

Response to the SDGs

16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS

Material Topics

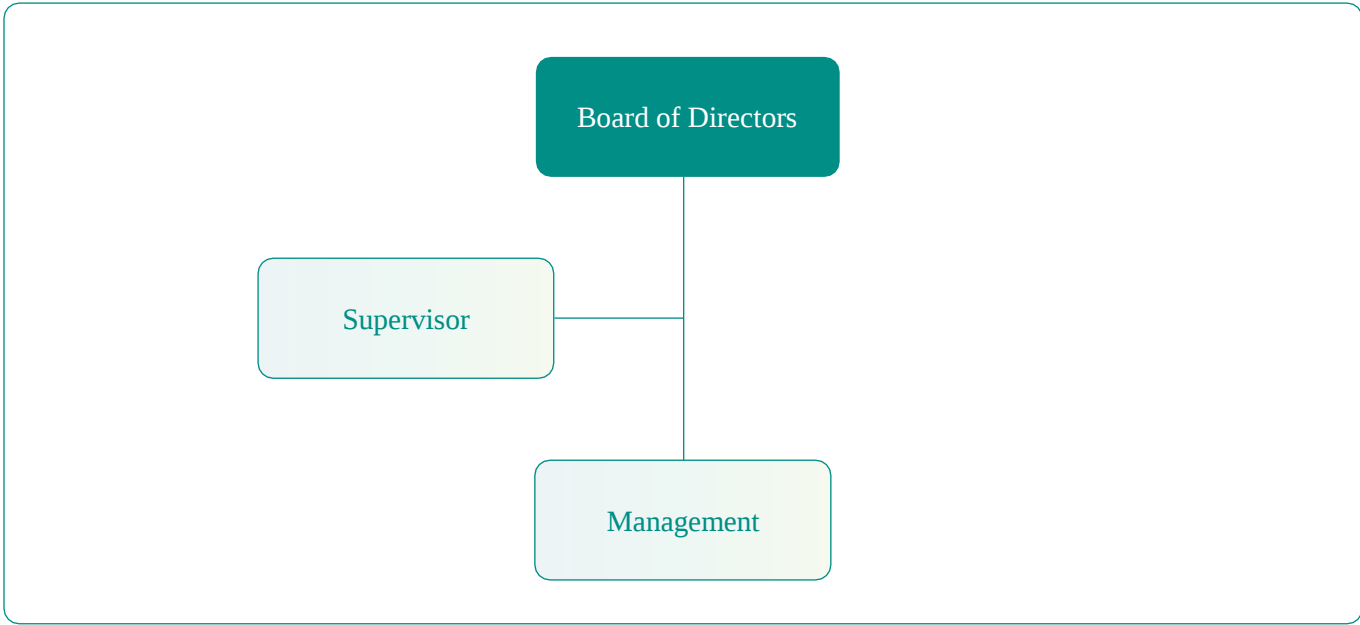
- Corporate governance
- Business ethics
- Compliance and risk management
- Data security and customer privacy protection
- Sustainable supply chain

Delixi Electric integrates sustainability into its operations and supply chain management, upholding high standards of business ethics. The Company is committed to building a trustworthy and compliant business environment, prohibiting commercial bribery, conflicts of interest, and trade secret leaks. It safeguards customer and employee information through data encryption, access control, and company-wide training, establishing a secure, compliant, and robust governance system.

Enhancing Corporate Governance

Delixi Electric strictly complies with the Company Law of the People's Republic of China and other relevant laws, regulations, and supervisory requirements. Based on the Company's actual conditions, it has established a corporate governance structure comprising the Board of Directors, the Supervisor, and Management. The Company has formulated the Articles of Association and other internal policies to continuously improve its governance system and enhance the level of corporate governance. In 2024, Delixi Electric held 3 Board meetings and reviewed 14 proposals.

Delixi Electric's Corporate Governance Structure



Roles and Responsibilities at Each Level

Board of Directors	Appointed by shareholders, the Board of Directors is responsible for the Company's strategic planning and major decision-making. It defines the positions, responsibilities, and authorities of the General Manager and other senior executives, and sets forth procedures for their appointment and removal, as well as the systems for compensation and performance evaluation.
Supervisor	Responsible for overseeing the Board of Directors and Management to ensure that their actions comply with laws, regulations, and the Articles of Association, and to safeguard the interests of the Company and its shareholders.
Management	The Management team is responsible for the Company's daily operations and business management.

Business Ethics and Compliance Management

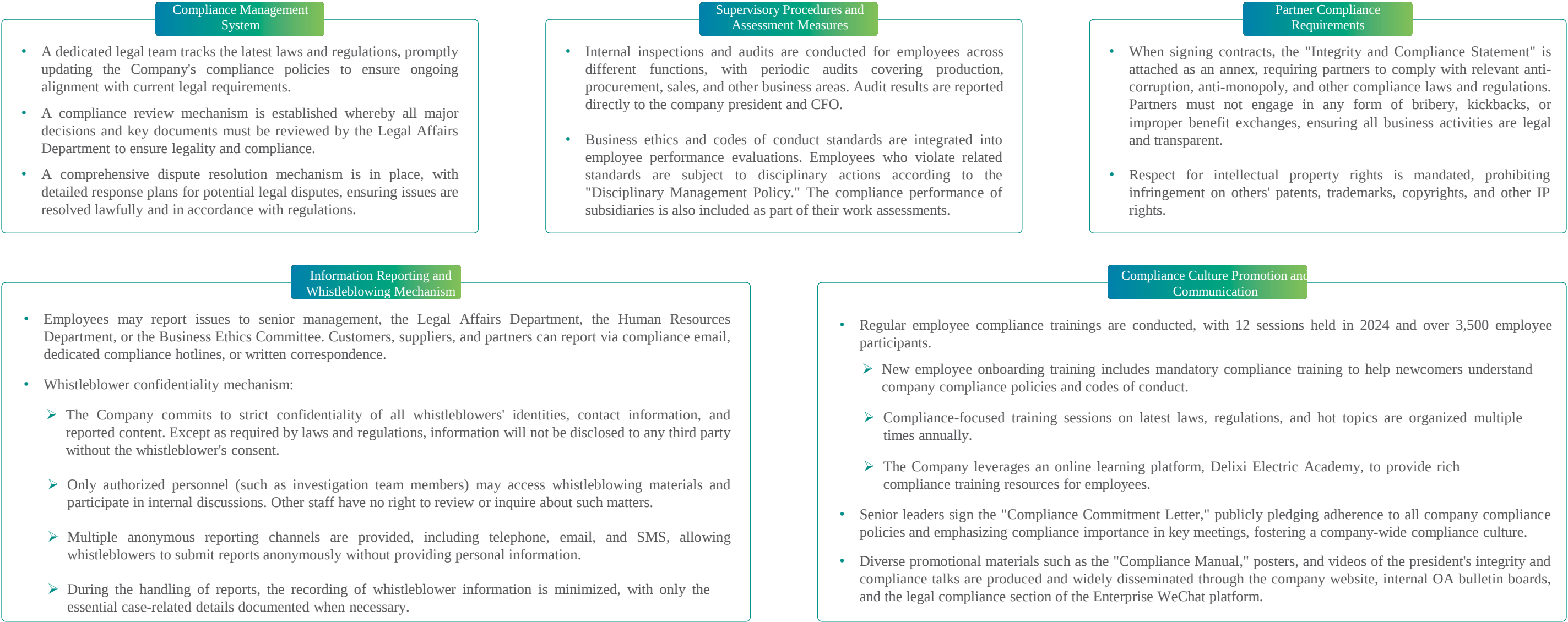
Delixi Electric promotes the compliance values of "compliance as the foundation, integrity as the core," and adheres to the guiding principles of "observing compliance and integrity, honoring contractual commitments, upholding fair competition, and maintaining cooperative partnerships." The Company strictly abides by the Civil Code of the People's Republic of China, Criminal Law of the People's Republic of China, Anti-Monopoly Law of the People's Republic of China, and Anti-Unfair Competition Law of the People's Republic of China, as well as other applicable laws, regulations, and relevant regional regulations where it operates. It has established a compliance management system that incorporates business ethics, and formulated policies such as the Compliance Manual, Anti-Corruption and Anti-Bribery Policy, Business Hospitality Policy, Conflict of Interest Policy, and Fair Competition Policy. Delixi Electric is committed to integrity, transparency, and ethical conduct, and maintains a zero-tolerance stance toward corruption, bribery, and other unethical behavior.

The Company has established a Business Ethics Committee as a key leadership body for executing and overseeing its compliance management system. This committee comprises the Company's President, CFO, Vice President of Human Resources, Head of the Legal Affairs Department, and Head of Internal Control. In addition, compliance liaisons are designated in each department to oversee departmental compliance affairs. Delixi Electric also engages a team of external professional compliance consultants to provide legal advice and compliance guidance, thereby strengthening the prevention of risks related to business ethics and other areas of compliance.

Delixi Electric continuously strengthens its business ethics and compliance management by improving its compliance management system, conducting periodic internal inspections and audits, integrating business ethics and codes of conduct into employee performance evaluations, maintaining open channels for reporting and whistleblowing, safeguarding the confidentiality of whistleblower information, and regularly promoting a culture of compliance. The Company also clearly communicates compliance expectations to its partners, ensuring stable and compliant operations while fostering fair, transparent, and sustainable business relationships.



Delixi Electric's Business Ethics and Compliance Management Measures



Case

Passing the Annual AEO Internal Audit

In 2024, the Company conducted its annual internal audit for Authorized Economic Operator (AEO) certification. The audit covered both compliance with AEO certification standards and import/export activities. It included audits of import/export operations, compliance reviews of overseas operations and related controls, as well as assessments of the EHS, Logistics, and Internal Control functions in alignment with AEO Advanced Certification requirements.

A total of 15 improvement opportunities were identified during the internal audit, involving the IT Department, EHS Department, Overseas Supply Chain Operations, Logistics Department, and Human Resources Department. In response to the audit findings, each department conducted in-depth analysis and implemented effective corrective actions. Upon verification by the internal audit team, all corrective actions were confirmed as completed and compliant with the requirements of the Advanced Customs Certification Standards.

Case

Enhancing Compliance Awareness Through Company-wide Training on Integrity and Compliance

In 2024, the Company organized an online training program on integrity and compliance for all employees across its headquarters and subsidiaries, including senior management, middle managers, and front-line staff. Approximately 2,500 participants attended, with the goal of strengthening compliance awareness and management capabilities across the organization and ensuring that every employee understands and adheres to the Company's compliance policies.

The integrity and compliance training program focused on interpreting the Compliance Manual, covering areas such as human rights and talent development, ethical standards in business conduct, export controls, and intellectual property. The training included real case studies to emphasize the Company's reporting and whistleblowing mechanisms, providing compliance guidance for both the Company and its employees.



Information Security and Privacy Protection

Delixi Electric's key areas involving information security and customer privacy in the course of operations include product R&D data as well as personal information of customers and employees. The Company strictly complies with laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China, as well as relevant regional regulations where it operates. An information security organizational structure has been established, led by the Information Security Officer under the Digital Development Department. The Company has formulated management policies such as the Data Classification and Protection Policy [and the Data Privacy and Cookie Policy](#) to regulate information security management.

In 2024, the Company did not identify any incidents involving breaches of customer privacy, loss of customer data, or verified complaints related to such issues.

To strengthen information security and privacy protection, the Company has enhanced system management involving employee, supplier, and customer information, provided privacy policy notices to users of its websites, and conducted regular information security training to improve employees' information security awareness and management capabilities.

Delixi Electric's Information Security and Privacy Protection Indicators and Targets

Indicator	2024 Target	2024 Progress
NDVC ⁷ employee information security training completion rate	>90%	90.9%
ISO 27001 information security certification coverage rate	100%	100%

⁷NDVC (Non Direct Variable Cost) refers to personnel other than those classified under DVC.

Delixi Electric's Information Security and Privacy Protection Measures

Enhancing System Management

- A data encryption system is used for the transmission of R&D data.
- When handling personal information of employees and suppliers, the Company has strengthened system security and confidentiality requirements. For example, in the case of facial recognition, employees are required to sign a voluntary facial data entry consent form; a minimum access control strategy is adopted; facial images are encrypted and stored; and information security and confidentiality addenda are signed with suppliers.

Including Privacy Notices

- Privacy protection notices have been added to the Company's official website, supplier platform, and online order system.
- 

Conducting Employee Training

- The Company provides annual company-wide information security training. In 2024, an online training session was conducted covering topics such as personal information protection and data security awareness, with 2,558 employees participating.

Sustainable Procurement

Delixi Electric is committed to building a green, environmentally friendly, and human-rights-respecting supply chain ecosystem by integrating the concept of sustainable development into supplier onboarding, monitoring, and training processes. The Company has established systems such as the Supplier Management System, Secondary Supplier Management Guidelines, and Supplier Reward and Punishment Management Guidelines to require suppliers to comply with environmental standards and protect labor rights.

In the new supplier onboarding and annual evaluation processes, ESG performance assessments are incorporated. For new suppliers who fail to meet requirements, corrective actions are requested. Suppliers who fail to rectify issues or refuse to rectify may face suspension of cooperation or reduced purchase volume. Labor rights and business ethics clauses are included in procurement contracts, and efforts are made to encourage suppliers and their upstream suppliers to enhance ESG management.

In 2024, the Company provided sustainable development training for procurement staff to familiarize them with the Company's labor rights, environmental standards, and carbon reduction requirements. Additionally, 2 employees were appointed to attend Vigilance auditor training to improve their supply chain management capabilities and better audit suppliers' social responsibility performance.

In 2024, the Company visited 17 key suppliers and identified over 100 opportunities for improvement in safety, environmental protection, and energy saving. Based on its own practical experience, the Company offered energy-saving and emission-reduction suggestions to suppliers, jointly fostering a green ecosystem.

Delixi Electric's Supplier ESG Management System

Type	Project	Management Measures
Environmental Standards	- Carbon reduction plans - Hazardous substances (RoHS, REACH) - Environmental permits	- Establish a RoHS Environmental Substance Supplier List, sign RoHS Quality Commitment Letters, and continuously audit and track improvements. - Supplier environmental certifications are assessed during annual audits.
Labor Rights	- Prohibition of child labor - Prohibition of forced labor - Working hours, wages - Anti-discrimination, anti-harassment	- Freedom of association and religious belief - Occupational health and safety - Conflict minerals
Business Ethics	- Intellectual property - Information security - Conflicts of interest and anti-corruption - Integrity and compliance	- Procurement contracts include intellectual property protection and privacy clauses - Sign the Integrity, Compliance, and Business Ethics Statements - Impose fines on suppliers violating agreements, providing false information, or lowering product standards

Delixi Electric's Sustainable Procurement Indicators and Targets

Indicator	Target	2024 Progress
Conduct on-site Vigilance audits for suppliers	At least 5 suppliers per year	Completed 5 on-site audits
Provide labor, human rights, and environmental training to purchasers	Cover over 50% of purchasers in 2024 Cover over 90% of purchasers in 2025	Covered 50% of purchasers



06

Smart Manufacturing, Safeguarding Electrical Safety

Sustainability Performance

- Achieved Capability Maturity Model Integration (CMMI) Level 5 certification.
- The project "Key Technologies and Applications for Leakage Fault Protection in Complex Electrical Scenarios" won the "First Prize of Scientific and Technological Progress Award 2024" from the China Electrotechnical Society.
- CNC equipment accounts for 45% of total equipment, the overall automation rate exceeds 50%, and key product lines reach 97% automation.
- Customer satisfaction survey results exceed 98%.
- By the end of 2024, the Company holds over 1,870 valid invention patents.

Response to the SDGs



Material Topics

- Innovation-driven development
- Product quality and customer service

Delixi Electric is deeply rooted in the power industry and committed to continuously providing high-quality products backed by strong R&D capabilities. Through efficient collaboration, precise response, and a comprehensive, multi-faceted, and systematic approach, the Company ensures the safe and reliable operation of power grid systems. Innovation is the core driving force, with active development of high-performance products and digital, intelligent power distribution systems. Delixi Electric is accelerating its deployment in emerging sectors such as new energy and new infrastructure, leading the electrical industry into a new era.

R&D Innovation

R&D Innovation

Driven by innovation, the Company strictly complies with laws and regulations including the Law of the People's Republic of China on Scientific and Technological Progress and the Requirements for Enterprise Intellectual Property Compliance Management Systems, as well as relevant regional regulations where it operates. It has established an innovation management organizational structure and formulated management policies such as the Product Planning, Design and Development Control Procedures and R&D Performance Assessment Measures to promote technology upgrading and product iteration, enhancing the Company's innovation capability and core competitiveness.

Against the national strategy background of "Dual Carbon" (carbon peak and carbon neutrality) and digital development, the Company leverages its strong R&D capabilities to take a leading position in emerging sub-sectors such as new energy and new infrastructure. It focuses on production processes such as equipment sensing and connectivity, data collection and monitoring, data analysis and optimization, actively exploring more reliable, intelligent, and compact products and solutions to support customers' high-quality development.

The Company continuously advances the construction of a global innovation network by establishing R&D process systems, improving resource support systems, regularly evaluating existing systems, promoting R&D innovation and cooperation, and strengthening innovation culture promotion, thereby further enhancing R&D innovation capabilities and efficiency.



In 2024, the Company's R&D investment accounted for approximately 3.5% of revenue, with R&D personnel constituting about 14%⁸ of its workforce.

In 2024, the Company achieved the Capability Maturity Model Integration (CMMI) Level 5 certification.

Delixi Electric's R&D Innovation Management System in 2024

Measures	Content
R&D Process	- Requirement Analysis: Define R&D objectives, gather product requirements, and conduct market research. - Project Initiation and Planning: Develop project plans, allocate resources, and set milestones. - Design and Development: Design technical solutions and develop prototypes or products. - Testing and Verification: Conduct functional and performance testing to ensure compliance with requirements.
Resource Support	- Human Resources: Build an R&D team with professional knowledge and skills. - Material Resources: Provide necessary R&D equipment, lab facilities, technical documentation, and other materials. - Financial Resources: Ensure sufficient funding, including R&D budgets and personnel salaries. - Information and Knowledge Resources: Utilize internal information and external knowledge as key support.
Regular Evaluation	Identify and analyze existing problems and deficiencies. Adjust and optimize R&D processes and resource support based on evaluation results. Encourage employees to propose improvements and draw on industry best practices and peer experience.
Cultural Promotion	- Organize annual innovation competitions to foster a positive atmosphere for innovation. - In 2024, 24 internal and external training sessions were conducted both online and offline, covering topics such as advanced Design of Experiments (DoE) analysis techniques and thermal simulation case studies.

⁸The R&D personnel ratio statistic pertains to Delixi Electric Co., Ltd.

Case

Establishment of Delixi Electric New Quality Productive Force Innovation Institute

In May 2024, the Delixi Electric New Quality Productive Force Innovation Institute was officially established. The institute is designed to guide the Company's transition toward an ecosystem-led and platform-driven model, accelerating the incubation of "new quality productive forces" in emerging fields and industries, and fostering a new landscape of tightly integrated upstream and downstream cooperation and interconnected value chains.

The Company actively builds a vertically integrated R&D system spanning from applied basic research to technological industrialization. Leveraging the Delixi Group Postdoctoral Research Workstation and engaging experts from universities and research institutions, the Company conducts joint visits and research to identify customer needs, develop new products and technologies, and address customer pain points.



Case

Recipient of the "First Prize of Scientific and Technological Progress Award" from the China Electrotechnical Society

Delixi Electric's project "Key Technologies and Applications for Leakage Fault Protection in Complex Electrical Scenarios" received the "First Prize of Scientific and Technological Progress Award 2024" from the China Electrotechnical Society. By leveraging cutting-edge sensor, electronic, digital, and AI technologies, the project addresses leakage safety protection challenges in complex electrical scenarios such as hybrid AC/DC power grids, EV charging stations, and 5G base stations.

In this project, the Company has primarily undertaken the engineering application of core technologies, customer validation, and market promotion, further enhancing the reliability, safety, and environmental adaptability of leakage protection products to safeguard electrical safety for users.



Certificate of Award

Delixi Electric's R&D Innovation Indicators and Targets

Indicator	2024 Target	2024 Progress
On-time launch rate of new products	100%	Completed
Completion rate of technology pre-research projects	100%	Completed
Qualification rate of new product testing	100%	Completed

Intellectual Property Protection

The Company strictly complies with the Requirements for Enterprise Intellectual Property Compliance Management Systems, as well as other applicable laws, regulations, and relevant regional regulations where it operates. It has established internal policies such as the Intellectual Property Acquisition and Maintenance Control Procedure and the Intellectual Property Risk Management Control Procedure to strengthen intellectual property management.

In 2024, the Company filed a total of 457 intellectual property applications, including 414 domestic patents, 35 computer software copyrights, and 8 overseas patents. Among the domestic patents were 59 invention patents, 313 utility model patents, and 42 design patents. As of the end of 2024, the Company held over 1,870 valid invention patents, with a total of 2,513 granted patents.

Delixi Electric's Intellectual Property Protection Management Measures

Measures	Content
Enhancing intellectual property compliance management	In 2024, based on the Requirements for Enterprise Intellectual Property Compliance Management Systems, the Company developed an intellectual property compliance management manual and procedures to strengthen risk control.
Talent development	Participate in internal and external intellectual property seminars and exchanges, such as digital intellectual property training and high-value patent mining programs, to strengthen the cultivation of intellectual property management talent.
Patent search and mining	Utilized patent databases to carry out in-depth patent searches and mining activities.
External collaboration	Facilitate implementation of high-value patent projects and cooperation for patent navigation initiatives.

Digital Empowerment for Intelligent Manufacturing

Digital transformation is a key pathway to high-quality enterprise development. Delixi Electric actively responds to national strategies and guidelines such as the 14th Five-Year Plan for the Development of Intelligent Manufacturing and the Implementation Guide for the Digital Transformation of Manufacturing Enterprises. The Company consistently upholds a management philosophy centered on digital and intelligent empowerment, leverages innovative information technologies, and develops cloud-based business models. Platforms such as DEGO and e-Electrician have been established to promote online digitalization, alongside investments in smart warehousing and automated production lines, propelling digital transformation, networked collaboration, and intelligent operations.

By the end of 2024, the Company had deployed over 3,000 automated production devices, with CNC equipment accounting for 45%, and an overall automation rate exceeding 50%. Key product lines had achieved an automation rate of 97%. In 2024, Delixi Electric was ranked among the Top 50 Brands at the China Automation + Digital Industry Annual Conference and won the 22nd Automation Innovation Award for its CDC8 AC contactor product.

Delixi Electric's Digital Transformation Management Measures

Intelligent online inspection

For scenarios involving complex processes, small components, and high assembly precision, Delixi Electric utilizes technologies such as laser inspection and machine vision inspection to automatically inspect incoming materials and semi-finished components. Combined with big data and AI tools, the system predicts indicator trends and automatically alerts for anomalies.

Launch of power distribution cloud system

Delixi Electric has independently developed a digital power distribution cloud service system, encompassing intelligent monitoring, data analysis, energy efficiency optimization, fault warning, and rapid diagnostics. Based on IoT technologies and big data analytics platforms, the system collects real-time data such as voltage, current, and power from the power distribution system. Through intuitive "drag-and-drop" setup and "QR code scanning" cloud integration, it provides enterprises with accurate energy monitoring and support for management decisions.

Case

Delixi Electric's Digital Factory

Delixi Electric's digital transformation is supported by intelligent control software and automated production hardware, enabling a comprehensive reengineering of manufacturing processes to enhance efficiency and ensure product safety and quality. Additionally, the Company promotes carbon reduction through digitalization, creating a positive cycle between green development and digital transformation via precise energy management.

Intelligent control system

- Delixi Electric has established software systems such as the EHS Intelligent Cloud Safety Management System and the E-MES Intelligent Manufacturing Execution System, enabling interconnectivity among production equipment and real-time collection and analysis of data, including equipment parameters and product quality metrics.
- By applying big data analytics and machine learning algorithms, the Company can automatically adjust production schedules and process parameters based on order requirements, which has greatly improved efficiency. These systems also predict equipment failures, proactively mitigating safety risks and enhancing equipment utilization and production stability.

Automated production equipment

- By integrating intelligent control software with automated production equipment, the factory operates efficiently even in "unmanned" states. Equipment includes robotic arms with vision sensors, AGV automatic transportation vehicles, and intelligent packaging machines, enabling high-efficiency operations across the facility.

Pursuit of Excellent Quality

Customer Service Quality

Delixi Electric adheres to the philosophy of "providing warm-hearted service to customers." The Company organizes customer visits to its zero-carbon factory, offers 24/7 technical support, improves automation and component stability on production lines, and adopts AI-based quality inspection and SPC digital monitoring technologies. Through lean digital management at the Wuhu Central Warehouse, the Company has reduced warehouse staffing by 30%, halved inventory turnover days, and significantly enhanced distributor warehousing efficiency.

With a "Customer First" approach, Delixi Electric is committed to delivering an exceptional customer experience across the entire product lifecycle, consistently creating value for customers. The Company strictly complies with the Law of the People's Republic of China on the Protection of Consumers' Rights and Interests and relevant regional regulations where it operates. It has formulated policies such as the Customer Complaint Management System, Return and Exchange Management Policy, and Customer Follow-up System to standardize service processes and better address customer needs.

Delixi Electric continues to strengthen its customer service management system by streamlining communication channels, refining complaint handling mechanisms, improving staff service capabilities, and conducting regular customer satisfaction surveys. These efforts help define clear customer service standards, enhance employees' service knowledge and skills, and boost overall customer satisfaction.

Delixi Electric's Customer Service Measures and Results in 2024

Measures	Measures and Results
Streamlining customer communication channels	- Remote Services: 400 hotline support, emergency response outside of business hours, online customer interaction, and intelligent chatbot services. In 2024, a total of 384,702 services were provided via telephone, with 10,015 emergency calls received. Online customer visits reached 189,372, and the AI customer service achieved a matching rate of 85%. - On-site Services: Addressing customer issues on-site, conducting customer training, providing technical support, and promoting solutions to common product issues. In 2024, a total of 8,870 customer complaints were handled, 142 customer training sessions were conducted, 872 instances of on-site technical support were provided, and 1,942 sessions were held to promote awareness of common product usage issues. - Feedback or voice of the customer (VOC) is collected from all service channels, analyzed, and used for improvement. In 2024, 829 VOC entries were collected.
Enhancing the customer complaint mechanism	Complaint handling process: Upon receiving product quality complaints via the 400 hotline, online service systems, customer WeChat groups, or phone calls, technical service staff gather detailed information and respond within 2 hours, confirming whether on-site service is needed. Complaint follow-up: The Technical Service Department summarizes and analyzes product quality complaints weekly, logging them into the Quality Management System (QMS) for tracking. The Operations Quality Department coordinates with R&D to investigate root causes and formulate corrective and preventive measures. The Supply Chain Quality Department is responsible for verifying the effectiveness of corrective and preventive measures for each customer complaint and supervising the implementation of action plans.
Improving staff service capabilities	- Capability enhancement training is conducted for the customer service team. In 2024, a total of 24 new product training sessions, 6 product knowledge empowerment sessions, and 5 centralized offline training sessions were held. Quarterly competency assessments were also carried out. - Differentiated services are provided to key industry customers, major industry customers, and PV-storage-charging customers. In 2024, services were delivered 1,694 times for 146 customers, including 397 on-site visits and 1,297 remote support sessions.
Conducting customer satisfaction surveys	- Customer service satisfaction surveys comprise satisfaction with on-site services, 400 hotline services, and online services. Improvement measures and follow-ups on survey results are recorded in the form of VOC. - In 2024, customer service satisfaction for power distribution and industrial control reached 98.00%, while satisfaction for residential customers reached 99.51%.

C a s e

Empowering the Customer Service Team Through Training to Enhance Service Efficiency

In August 2024, the Company conducted an empowerment training themed "Expertise-Driven, Innovation-led" for after-sales service engineers. The training focused on the application of company products in the new energy sector and intelligent digital power distribution systems, covering topics such as the new energy industry, intellectual power distribution systems, direct-to-State Grid meters, and infrared prepaid meters. The goal was to help engineers gain a thorough understanding of how the Company's products are applied in real-world scenarios and to build a capable after-sales service team with solid technical knowledge, forward-thinking service concepts, and rich practical experience.

In September 2024, senior after-sales engineers provided hands-on training on the wiring of switches, sockets, and bath heaters for customer service personnel. The training encouraged peer learning and knowledge exchange, empowered the service team, and effectively enhanced customer service efficiency and satisfaction.



Training in Action

Delixi Electric's Customer Service Indicators and Targets

2024 Target	2024 Progress
Improvement completion rate for power distribution & industrial control feedback: 95%	Collected 459 pieces of customer feedback, with a 96% improvement completion rate
Improvement completion rate for residential feedback: 95%	Collected 370 pieces of customer feedback, with a 98% improvement completion rate



Product Quality and Safety

Delixi Electric manufactures low-voltage electrical products, including miniature circuit breakers, molded case circuit breakers, AC contactors, instruments, meters, capacitors, switches, sockets, and power strips. Key safety and quality tests in the production process include instant voltage calibration, resistance testing, leakage current testing, withstand voltage testing, mechanical life testing, aging testing, and continuity checks.

Upholding the philosophy of "Safeguarding Electrical Safety and Enhancing Life Quality," the Company adheres to a "Quality Starts with Me" mindset. It strictly complies with relevant laws such as the Product Quality Law of the People's Republic of China and the Standardization Law of the People's Republic of China, as well as relevant regional regulations where it operates. It has formulated internal policies including the RoHS Product Management Regulation, the Quality Improvement Management System, the Control Procedure for Production and Service Provision, and the Control Procedures for Non-conforming Products, to ensure quality across design, procurement, production, inspection, warehousing, and logistics.

Delixi Electric is certified under the ISO 9001:2015 Quality Management System. In 2024, the Company received no regulatory penalties related to product or service quality and safety.

The Company implements a customer-oriented total quality management strategy, establishing a quality management system based on ISO 9001 standards and advancing its quality strategy through the policy of "a perfect balance between quality and cost," thereby effectively enhancing its quality management capabilities.

Case

Organizing Quality Training Courses to Develop Reserve Talent

In May 2024, the Company launched the 5th session of its "Quality Youth" training program to strengthen quality personnel capabilities and build a quality talent team. The 18-month program enrolled 24 participants, offering 21 courses and one-on-one mentorship. Courses included Total Quality Management, Quality Fundamentals, and The Seven QC Tools, combining theory and practice to help trainees quickly grasp and apply quality-related knowledge.



Group photo of the Quality Youth class

Delixi Electric's Product Quality Management Measures

Information Reporting Mechanism

- Quality inspectors input inspection data and quality issues into the system daily and report to quality engineers in a timely manner.
- Major quality incidents are reported immediately to upper management, and emergency response procedures are activated to ensure swift resolution and minimize losses.

Regular Supervision and Evaluation

- An Internal Audit Management Procedure is established to regularly audit the quality management system, reviewing nonconformities, corrective actions, and progress toward management objectives to drive continuous improvement.
- The Company has improved the full-process quality requirements and statistical indicator systems by developing the E-MES system, which monitors deviations through customer and process statistics, supported by daily, weekly, and monthly quality reports.
- Management monitors process deviations and sets improvement goals and KPI appraisal targets for each level. Outstanding departments and individuals are recognized during Quality Month activities.

Non-conforming Product Management

- Nonconforming products are categorized (critical, general, minor) and managed through targeted identification, labeling, storage, and disposal methods.
- Clear guidelines are established for reworking and reusing non-conforming products, which must pass reinspection before release.

Product Recall Procedure

- A Defective Product Recall Management System is implemented to recall products with serious defects (e.g., design flaws or safety hazards) delivered to customers.
- The recall process includes: issue reporting → investigation & evaluation → recall initiation → execution & handling → improvement & verification → ongoing supervision.

Quality Training Programs

- Regular quality knowledge and skills training is provided for employees in quality-related positions.
- Quality management training is conducted for suppliers.

Boosting Industry Advancement

Delixi Electric actively participates in industry exchanges and the formulation of industry standards, contributing to over 120 national and industry standards. In 2025, Delixi Electric jointly published "Towards Net Zero — A Practical Guide to Green and Sustainable Development Strategies" with Xinhua News Agency, driving the industry's green transformation and sustainable development.

As the first company in the low-voltage electrical industry to receive ecological brand certification, Delixi Electric leverages digitalization to continuously enhance product and service experiences. Collaborating with ecological partners, the Company builds a healthy and sustainable industrial chain ecosystem. Through these efforts, Delixi Electric aims to positively influence its partners, fostering shared success and revitalizing the entire supply chain's ecosystem.



July 2024: Awarded the 2024 Green Sustainable Development Contribution Award at the 3rd International Green Zero Carbon Festival & ESG Leadership Summit.



December 2024: Took part in the 4th Boao Carbon Neutrality Conference and received the China Energy Conservation Association Innovation Award – Energy Saving & Emission Reduction Technology Progress Award.



May 2024: Participated in the World Brand Mogao Mountain Conference's Eco-Brand Innovation Forum and launched the publication of "Towards Net Zero — A Practical Guide to Green and Sustainable Development Strategies" with Xinhua News Agency.



2025: Officially published "Towards Net Zero — A Practical Guide to Green and Sustainable Development Strategies" with Xinhua News Agency, marking the industry's first formally released handbook on green and sustainable development practices.

Outlook

The world is entering a critical phase of climate governance, with frequent extreme weather events underscoring the urgency of accelerating the low-carbon transition. As global consensus on green development continues to strengthen, green trade barriers are gradually emerging—posing both challenges and opportunities for Chinese enterprises. Domestically, green and low-carbon development has become an essential requirement for high-quality growth. Amid ongoing energy and economic restructuring, the electrical industry is undergoing a pivotal transformation. Delixi Electric is seizing this opportunity to leverage its technological strengths, focusing on key areas such as new energy. Through digital and intelligent transformation, innovation-driven R&D, and strategic partnerships, we aim to strengthen our core competitiveness and achieve breakthroughs in the midst of change—leading the industry toward a greener, smarter, and more efficient future.

For 40 years, Delixi Electric has progressed in step with the times. We understand that achieving carbon peaking and carbon neutrality goals requires a collective effort across society. To this end, we will continue to embrace an open ecological brand identity, working hand in hand with partners to build a green ecosystem and a community of shared responsibility. Through technological collaboration, resource sharing, and co-creation of value, we will drive sustainable development across the entire industry chain. We firmly believe that true harmony between enterprises and society, and between humanity and nature, can only be achieved through the deep integration of environmental responsibility, social responsibility, and corporate governance.

As we step into 2025, Delixi Electric will continue to move forward as an innovator, changemaker, and leader. We will actively respond to China's "Dual Carbon" strategy, promote green transition across the ecosystem, embrace change with openness and inclusivity, and drive industry progress with new quality productive forces. With outstanding products and services, we will earn market recognition. Let's work together to accelerate the industry's green transition, contribute to ecological civilization and the construction of a beautiful China, and write a new chapter in green development.



Appendix

ESG Data Table

Greenhouse Gas Emissions Management¹

Indicator	Unit	2024
Total Greenhouse Gas Emissions from Own Operations (Scope 1 + Scope 2)	tCO ₂ e	10,295.38
Total Greenhouse Gas Emissions Across Value Chain (Scope 1 + Scope 2 + Scope 3)	tCO ₂ e	199,533.40
Scope 1 Greenhouse Gas Emissions	tCO ₂ e	1,569.75
Scope 2 Greenhouse Gas Emissions	tCO ₂ e	8,725.63
Scope 3 Greenhouse Gas Emissions	tCO ₂ e	189,238.02
Category 1 – Purchased Raw/Auxiliary Materials	tCO ₂ e	174,800.71
Category 4 – Upstream Transportation and Delivery	tCO ₂ e	1,330.14
Category 5 – Waste Generated in Operations	tCO ₂ e	8.21
Category 6 – Business Travel	tCO ₂ e	192.43
Category 9 – Downstream Transportation and Delivery	tCO ₂ e	12,906.53

Note 1: The scope of statistics covers six manufacturing bases in Wuhu, Puyang, Wenzhou, Hangzhou, Shenzhen, and Shanghai. The Scope 1 greenhouse gas emission factors are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, while the Scope 2 emission factors are based on the national average CO₂ emission factor for power generation in 2022, as published in the 2022 announcement by the Ministry of Ecology and Environment.

Energy and Water Resource Management¹

Indicator	Unit	2024
Gasoline Consumption	Liters	15,291.11
Natural Gas Consumption	m ³	197,524.00
Diesel Consumption	Tons	3.53
Self-generated Renewable Energy	MWh	9,044.52
Total Purchased Electricity ²	MWh	40,021.01
Municipal Electricity Consumption	MWh	8,973.54
Purchased Green Electricity	MWh	31,047.47
Total Water Consumption ³	m ³	384,765.50
Recycled Water Consumption ⁴	m ³	4,680.00
Percentage of Recycled Water to Total Water Consumption	%	1.22

Note 1: The scope of statistics covers three major manufacturing bases in Wuhu, Puyang, and Wenzhou. Note 2: Purchased electricity = Municipal electricity consumption + Purchased green electricity. Note 3: Water sources include municipal water supply and directly collected rainwater, used for industrial production and employee needs. Note 4: Recycled water includes recirculated cooling water, reused process water, and steam condensate from industrial use.

Pollutant and Waste Management¹

Indicator	Unit	2024
Total Wastewater Discharge	m³	241,806.00
Industrial Wastewater Discharge	m³	100,948.00
Domestic Wastewater Discharge	m³	140,858.00
Total Water Pollutant Discharge	kg	1,367.01
Ammonia Nitrogen Emissions	kg	61.40
COD Emissions	kg	976.00
Suspended Solids Emissions	kg	326.00
Total Phosphorus Emissions	kg	3.61
Total Non-hazardous Waste	Tons	990.26
Total Hazardous Waste	Tons	234.87

Note 1: The scope of statistics covers three major manufacturing bases in Wuhu, Puyang, and Wenzhou.

Employee Training and Development

Indicator	Unit	2024
Average Training Hours per Employee ¹	Hours	6.66
Average Training Hours per Female Employee ¹	Hours	4.19
Average Training Hours per Male Employee ¹	Hours	8.99
Average Training Hours per Frontline Employee ¹	Hours	9.20
Average Training Hours per Middle Manager ¹	Hours	24.74
Average Training Hours per Senior Manager ¹	Hours	4.87

Note 1: Average training hours per employee = Total training hours received by employees / Total number of employees; Average training hours per employee type = Total training hours received by employee type / Total number of that employee type.

Employee Recruitment and Employment

Indicator	Unit	2024
Total Number of Employees	Persons	9,500
Number of Female Employees	Persons	4,470
Number of Male Employees	Persons	5,030
Number of Full-time Employees under Labor Contracts	Persons	7,940
Number of Full-time Dispatched Employees	Persons	1,395
Number of Employees under Other Forms of Employment ¹	Persons	165
Number of Employees Under Age 30	Persons	2,533
Number of Employees Aged 30–50	Persons	6,471
Number of Employees Over Age 50	Persons	496
Number of Employees with Disabilities	Persons	17
Number of Employees from Ethnic Minorities	Persons	487

Note 1: Other forms of employment include interns and re-employed retirees.

Intellectual Property and R&D Innovation

Indicator	Unit	2024
Number of R&D Personnel	Persons	357
Proportion of R&D Personnel ¹	%	14
Cumulative Number of Granted Patents	Pieces	2,513
Number of Patent Applications During the Reporting Period	Pieces	457
Number of Granted Patents During the Reporting Period	Pieces	303

Note 1: The proportion of R&D personnel is calculated based on the data of Delixi Electric Co., Ltd.

Supplier Management¹

Indicator	Unit	2024
Total Number of Suppliers	Suppliers	1,220
Number of Suppliers Assessed for Environmental and Social Impacts	Suppliers	196
Number of Suppliers Passed Environmental and Social Impact Assessments	Suppliers	196

Note 1: The scope of statistics covers three major manufacturing bases in Wuhu, Puyang, and Wenzhou.

Community Contribution

Indicator	Unit	2024
Amount of Charitable Donations	10,000 RMB	138.19
Community Public Welfare Investment	10,000 RMB	6.00
Total Volunteer Hours by Employees	Hours	1,609.50
Average Volunteer Hours per Employee	Hours	0.19
Number of Employee Volunteer Participations	Person-times	298

Anti-Corruption and Compliance Performance

Indicator	Unit	2024
Number of Employees Receiving Anti-Corruption Training	Persons	9,500
Proportion of Employees Covered by Anti-Corruption Training	%	100
Average Anti-Corruption Training Hours per Employee	Hour/person	1.00
Proportion of Operational Sites Assessed for Corruption Risk	%	100

Note 1: Proportion of employees covered by anti-corruption training = Number of employees receiving anti-corruption training / Total number of employees.

GRI Index

Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021)

GRI Standard	Disclosure Item	Position
GRI 2: General Disclosures 2021	2-1 Organizational details	About Delixi Electric
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency, and contact person	About This Report
	2-6 Activities, value chain, and other business relationships	About Delixi Electric
	2-7 Employees	ESG Data Table
	2-8 Workers who are not employees	ESG Data Table
	2-9 Governance structure and composition	Sustainability Governance
	2-11 Chair of the highest governance body	Sustainability Governance
	2-12 Role of the highest governance body in overseeing the management impacts	Sustainability Governance
	2-13 Delegation of responsibility for management impacts	Sustainability Governance
	2-17 Collective knowledge of the highest governance body	Talent attraction and development
	2-22 Statement on sustainable development strategy	Message from the President
	2-25 Processes to remediate negative impacts	Business ethics and compliance management
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Material Topic Management
	2-30 Collective bargaining agreements	Protection of Employee Rights
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Material Topic Management
	3-2 List of material topics	Stakeholder Engagement and Material Topic Management
	3-3 Management of material topics	Stakeholder Engagement and Material Topic Management

GRI Standard	Disclosure Item	Position
GRI 201: Economic Performance 2016	201-2 Financial impacts and other risks and opportunities related to climate change	Climate Change Response
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Advancing Public Welfare Expanding the Social Responsibility Ecosystem
GRI 205: Anti-corruption 2016	205-1 Operational sites assessed for corruption risks	ESG Data Table
	205-2 Communication and training on anti-corruption policies and procedures	Business ethics and compliance management
GRI 301: Materials 2016	301-2 Recycled input materials used	Building a Green Ecosystem
	301-3 Reclaimed products and their packaging materials	Building a Green Ecosystem
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Data Table
	302-2 Energy consumption outside the organization	Building a Green Ecosystem
	302-3 Energy intensity	ESG Data Table
	302-4 Reduction of energy consumption	Resource and Energy Utilization
	302-5 Reductions in energy requirements of products and services	Digital Empowerment for Intelligent Manufacturing
	303-1 Interactions with water as a shared resource	Resource and Energy Utilization
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Environmental Management
	303-3 Water withdrawal	ESG Data Table
	303-4 Water discharge	ESG Data Table
	303-5 Water consumption	ESG Data Table

GRI Standard	Disclosure Item	Position
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	ESG Data Table
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	ESG Data Table
	305-3 Other indirect (Scope 3) greenhouse gas emissions	ESG Data Table
	305-4 Greenhouse gas emission intensity	Delixi Electric 2024 Sustainability Key Performance Indicators Climate Change Response
	305-5 Reduction of greenhouse gas emissions	Delixi Electric 2024 Sustainability Key Performance Indicators Climate Change Response
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Management
	306-2 Management of significant waste-related impacts	Environmental Management
GRI 308: Supplier Environmental Assessment 2016	306-3 Waste generated	ESG Data Table
	308-1 New suppliers screened using environmental criteria	Building a Green Ecosystem / ESG Data Table
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement / ESG Data Table
GRI 401: Employment 2016	401-1 New employee hiring and employee turnover rates	ESG Data Table
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Employee Care and Well-being
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational health and safety
	403-5 Worker occupational health and safety training	Occupational health and safety
	403-6 Promotion of worker health	Occupational health and safety

GRI Standard	Disclosure Item	Position
GRI 404: Training and Education 2016	404-1 Average hours of training per employee per year	ESG Data Table
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent attraction and development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Protection of Employee Rights
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protection of Employee Rights
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pursuit of Excellent Quality
GRI 418: Customer Privacy 2016	418-1 Confirmed complaints concerning breaches of customer privacy and loss of customer data	Information Security and Privacy Protection



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Delixi Selection