

WUXI PUTIAN IRON CORE CO., LTD.
**THE 2024 ENVIRONMENTAL, SOCIAL
AND GOVERNANCE (ESG) REPORT**

2024



About This Report

01 Report Overview

This report provides a comprehensive overview of the environmental protection, social responsibility, and corporate governance performance of Wuxi Putian Iron Core Co., Ltd. (“Putian Iron Core,” “the Company,” or “we”), and aims to enhance communication with stakeholders.

02 Reporting Period

The report covers information from January 1 to December 31, 2024, with historical context from previous years included where relevant.

03 Scope

The scope includes Wuxi Putian Iron Core Co., Ltd. and its key subsidiary, Anqing Xinpu Electrical Equipment Co., Ltd.

04 Reporting Standards

This report aligns with the *Global Reporting Initiative (GRI Standards)* and the *Chinese CSR Reporting Guidelines CASS-CSR 6.0*.

05 Data Sources & Reliability

Data is sourced from the *2024 Annual Report* and internal records and verified by relevant departments. The Company assures that this report contains no false records or misleading statements, and guarantees the authenticity, accuracy, and completeness of its content.

06 Access

The report is available in digital format on our official website: www.pttx.com.



General Manager's Address

Forging Ahead, Charting a New Chapter in Sustainable Development

2024 will be a year of challenges and opportunities for PTTX. Amid profound global economic transformations, accelerating green transitions, and rapid technological advancements, we remain steadfast in our vision of "Green, Innovation, Responsibility, and Win-Win," driving high-quality development through sustainable strategies. Over the past year, breakthroughs in green manufacturing, technological innovation, supply chain collaboration, and social responsibility have strengthened our industry leadership and demonstrated our resilience and sustainable growth capabilities. Let us reflect on our progress and outline future directions.

Embracing Trends, Shaping a Sustainable Future

As global energy restructuring intensifies and climate challenges escalate, green and low-carbon development has emerged as the central theme of economic progress. As a core enterprise in China's transformer core industry, PTTX pioneers green practices through energy efficiency, smart manufacturing, and digital transformation, striving to become a global leader in green electrical materials.

Guided by our "Three-Phase Sustainability Strategy," we:

Step1: Continuously optimize production through technology upgrades and process innovation to enhance resource efficiency and reduce emissions.

Step2: Strengthen green supply chain management to build a highly efficient, low-carbon, and transparent ecosystem.

Step3: Collaborate with industry partners to establish green standards, driving sustainable sector-wide growth.

Low-Carbon Leadership, Delivering Green Commitments

Under China's dual-carbon goals, we advanced green manufacturing systems in 2024, increasing renewable energy adoption and cutting production emissions. Enhanced wastewater treatment systems, resource recycling, and strict waste management further minimized environmental impact. We also co-developed industry carbon standards and fostered green supply chains, contributing to sector-wide sustainability.

Technology-Driven Excellence

Innovation fuels our high-quality growth. In 2024, we accelerated R&D in eco-friendly electrical steel, supporting global energy projects and building a green energy system. Digital upgrades optimized production efficiency and quality control, ensuring reliable, sustainable solutions for clients.

General Manager's Address

Robust Governance, Transparent Operations

A sound ESG governance framework underpins our sustainability. We enhanced transparency through annual reporting and stakeholder engagement, while reinforcing compliance and risk management to ensure operational stability.

People-Centric, Inclusive Culture

Talent is our primary driver. We launched "Skill Enhancement + Career Development" programs and fostered a diverse workplace, empowering employees to thrive. A dynamic, younger R&D team now drives innovation, reflecting our commitment to growth and inclusivity.

Tangible Achievements, Steadfast Progress

2024 marked milestones: joining the Science Based Targets initiative (SBTi), expanding global market share, and executing social initiatives like fire safety outreach, blood drives, and consumption assistance programs. Our ESG excellence and product quality earned global recognition, boosting brand influence.

Looking Ahead, Pioneering Sustainable Excellence

Moving forward, we will deepen green innovation, accelerate industry transformation, and strengthen supply chain collaboration. We remain dedicated to social responsibility, contributing to ecological and societal well-being.

To all employees, partners, and stakeholders: Thank you for your unwavering support. Let us innovate, collaborate, and lead in building a sustainable future.

Discover PTTX

Company Profile

Wuxi Putian Iron Core Co., Ltd. ("Putian Iron Core" or "PTTX"), established in 2004, is a national-level "Little Giant" enterprise certified under China's Specialized, Sophisticated, and Innovative initiative. With decades of expertise in the power energy sector, we are dedicated to advancing high-end electrical steel materials, transformer core manufacturing, and integrated smart factory planning. Through continuous technological innovation, we provide green, low-carbon products and comprehensive end-to-end solutions for the global energy industry.

As a pioneer in high-end, low-carbon electrical steel and transformer core solutions, PTTX operates state-of-the-art intelligent manufacturing bases and R&D centers that spearhead industry advancements. Our global footprint spans China and over 50 countries worldwide, delivering tailored one-stop solutions and premium services to hundreds of energy enterprises. Consistently ranked among the top industry players in production output and operational scale, PTTX remains committed to setting new benchmarks for sustainable excellence.

Development Milestones



Discover PTTX

2024 Honors

Category	Level	Award name	Awarding unit
Honours (PTTX)	National-level	Key National-level Little Giant	Ministry of Industry and Information Technology of the People's Republic of China
	Provincial-level	2024 Jiangsu Province Manufacturing Power Province Special Project	Jiangsu Provincial Department of Industry and Information Technology
		2024 Jiangsu Province Enterprise-level Industrial Internet Platform	Jiangsu Provincial Department of Industry and Information Technology
		Jiangsu Province Electric Power Energy Steel Material Engineering Research Center	Jiangsu Provincial Development and Reform Commission
		Jiangsu Province High-profile Trademark	Jiangsu Provincial Trademark Association
	Municipal-level	Pilot Object for Digital Upgrade of Quality Management	Jiangsu Provincial Market Supervision Administration
		Wuxi Key Laboratory of Electric Power Energy Steel Material	Wuxi Municipal Bureau of Science and Technology
Wuxi Mayor's Quality Award Nomination		Wuxi Municipal Market Supervision Administration	
District-level	Wuxi "Key Technologies of Electric Power Energy Steel Material and Their Applications" Innovation Consortium	Wuxi Municipal Bureau of Science and Technology	
	Wuxi Best Talent Attraction Unit	Wuxi Municipal Leading Group Office for Talent Work of the Chinese Communist Party	
	Wuxi Taihu Talent - 1 Position	Wuxi Municipal Leading Group Office for Talent Work of the Chinese Communist Party	
	Wuxi Business Development Fund - International Bidding Demonstration	Wuxi Municipal Bureau of Commerce	
Association-level	Xishan Talent Plan - 3 Positions	Xishan District Bureau of Human Resources and Social Security	
	Overseas Students' Xishan Social Practice Base	Xishan District Bureau of Human Resources and Social Security	
	Nanjing University of Information Science and Technology Graduate Practice and Innovation Base	Xishan District Bureau of Human Resources and Social Security	
Corporate-level	2024 Jiangsu Province Science and Technology Innovation Association Science and Technology Innovation Award	Jiangsu Provincial Science and Technology Innovation Association	
	Digital Light · 2023 Wuxi Digital Transformation Pioneer Award	Wuxi Municipal Information Technology Association	
	51job 2024 Outstanding Employer	51job	
Certifications (PTTX)	International -level	Validated by the Science-Based Targets initiative (SBTi)	Science-Based Targets initiative
	National-level	China National Accreditation Service for Conformity Assessment (CNAS) Accredited Laboratory	China National Accreditation Service for Conformity Assessment
	2024 Excellent Happy Workplace Growth and Win-win Award	αi Quality Workplace	
Honours (Xinpu)	Provincial-level	2024 Human Resource Digital Transformation Leading Enterprise Award	Beisen
	Municipal-level	Anhui Province Digital Workshop	Anhui Provincial Department of Industry and Information Technology
		2024 Anhui Province Manufacturing Powerhouse Digital Transformation Loan Interest Subsidy Program	Anhui Provincial Department of Industry and Information Technology
	Top 30 Industrial Enterprises in Anqing City, 2024	Anqing Municipal Committee of the Chinese Communist Party	
	Anqing City Industrial Internet Pilot Demonstration	Anqing Municipal Bureau of Industry and Information Technology	

Discover PTTX

Corporate Culture

Mission and Vision

Efficiency Technology in Silicon Steel Materials , Chinese Wisdom for the Power and New Energy World

Behavioral Values

Be Simple in Character, Be Thorough in Action

Core Values

Focus, Perfection, Standardization

Brand Slogan

PT Silicon Steel , Equip wisdom

Cultural Totem



ESG Management

PTTX has always adhered to high standards of Environmental, Social, and Governance (ESG) principles and is committed to building a comprehensive, transparent, and efficient sustainable development management system. By strengthening corporate governance, optimizing internal processes, enhancing information disclosure quality, and deepening stakeholder engagement, we continuously improve our ESG management capabilities. These efforts lay a solid foundation for the company's long-term, stable growth.

ESG Philosophy

PTTX embraces green manufacturing practices, upholds social responsibility, and reinforces robust corporate governance. Through innovation-driven strategies, we advance sustainable development while contributing to industrial progress and societal well-being.

ESG Policy

As sustainable development has become pivotal for corporate longevity, ESG management competence serves as a critical benchmark for evaluating sustainable growth potential.

PTTX actively incorporates global ESG best practices, embedding sustainability principles into core business strategies and operations. By systematically enhancing our ESG framework, we not only propel high-quality organizational development but also generate substantial value across economic, social, and environmental domains. This holistic approach fosters balanced growth across all three dimensions, enabling the company to secure enduring market competitiveness while earning trust from capital markets, consumers, and broader society.

Discover PTTX

Stakeholder Identification and Engagement

PTTX consistently adheres to a sustainable development management philosophy, remains committed to strengthening ESG governance frameworks, and proactively addresses stakeholder expectations through dynamic strategic alignment.

The company has identified seven material stakeholders with significant decision-making influence. A structured engagement mechanism has been established to systematically collect input across stakeholder groups and deliver timely responses via diversified channels. During the reporting period, tailored engagement initiatives were implemented to address priority concerns raised by respective stakeholders:

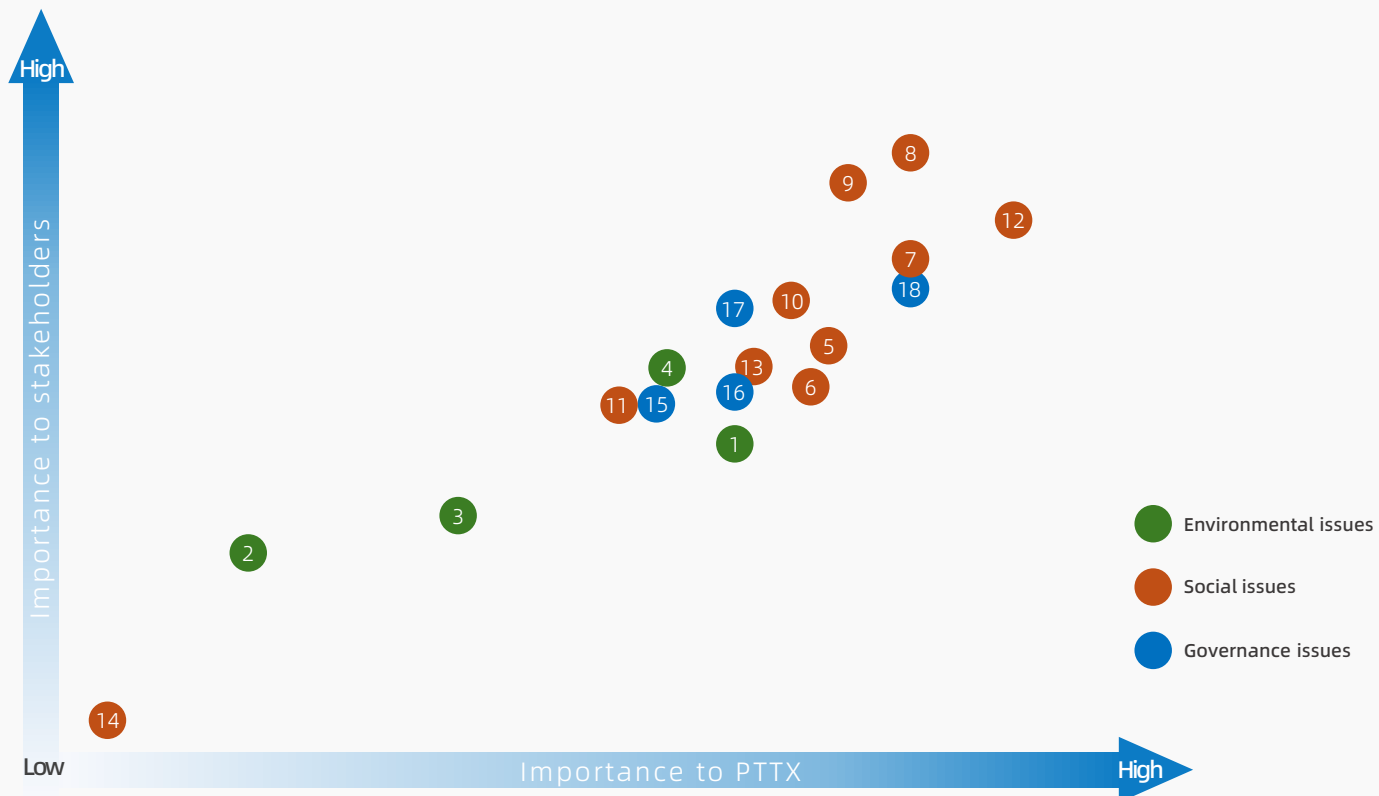
Stakeholder Groups	Key Issues	Communication Channels
Government and Regulatory Bodies	Energy utilization, Carbon emission reduction, Waste management, Pollution management, Safety production	Site visits, Official correspondence, Third-party certification and verification
Shareholders and Investors	Corporate governance, Compliance, Risk and crisis management, Economic performance and financial results	Shareholders' meetings, Surveys, Corporate WeChat account
Customers	Innovation-driven, Product quality and safety, Customer service, Information security	Customer satisfaction surveys, Regular needs assessment, Strategic long-term agreements, Technical exchanges
Employees	Occupational health and safety, Talent development and retention	Employee cultural and sports activities, Internal media promotion, Performance evaluations
Suppliers	Sustainable supply chain management	Supplier audits and assessments, Mutual visits
Media	Brand building, Information disclosure	Press releases/Announcements, Official media platforms
Community and Public	Philanthropy and charity	Organization and participation in public welfare activities

Discover PTTX

Key Issues Analysis

Based on the company's sustainability strategic roadmap and aligned with stakeholder expectations across environmental stewardship, social responsibility, and governance excellence, we have materiality-mapped 18 critical sustainability priorities through rigorous benchmarking against sector-specific material issues.

Structured around three priority dimensions, this report conducts granular disclosure aligned with TCFD recommendations, focusing on: Governance architecture enhancement, Client-centric service innovation, and Energy transition road mapping.



Category	NO.	Key Issues
Environmental issues	1	Energy Utilisation
	2	Carbon Reduction Response
	3	Waste Management
	4	Pollutant Management
Social issues	5	Occupational Health & Safety
	6	Talent Development & Retention
	7	Driving Innovation
	8	Product Quality & Safety
	9	Customer Service
Social issues	10	Information Security
	11	Sustainable Supply Chain
	12	Management
	13	Safe Manufacturing
Governance issues	14	Brand Building Philanthropy
	15	Corporate Governance
	16	Compliance
	17	Risk and Crisis Management
	18	Economic and Financial Performance

Optimizing Governance Structure

Corporate Governance

Fourth Board of Directors of the Company

6 directors (including 1 outside director)

Fourth Supervisory Board

3 supervisors (including 1 employee representative supervisor)

2024

1 general shareholders' meeting

3 board of directors

2 supervisory boards

10 issues for consideration

Operation of the Three Committees

A sound modern corporate governance structure and well-developed governance system are critical pillars for an organization's sustainable value creation. In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other relevant laws, regulations, and regulatory requirements, Wuxi Putian Tixin Co., Ltd. (the "Company") has established a governance framework comprising the Shareholders' Meeting, the Board of Directors, the Supervisory Board, and senior management. This framework forms a well-defined, standardized, and mutually coordinated system of checks and balances among the power body, decision-making body, supervisory body, and management, providing organizational assurance for the Company's efficient and stable operations.

The "Three Committees and One Management Level" (Shareholders' Meeting, Board of Directors, Supervisory Board, and senior management) perform their respective duties and exercise their authority within defined scopes. They operate in a coordinated and balanced manner, ensuring standardized operations, safeguarding the legitimate rights and interests of all stakeholders, and promoting the Company's sustainable development.

Shareholders' Meeting: As the supreme authority, its key responsibilities include determining business policies and investment plans; electing or replacing non-employee representative directors and supervisors; approving reports of the Board and Supervisory Board; reviewing annual financial budgets, profit distribution plans; approving major transactions such as mergers, spin-offs, dissolution, liquidation, or restructuring; and reviewing significant related-party transactions, external guarantees, and financial assistance.

Board of Directors: As the decision-making body, its key responsibilities include convening Shareholders' Meetings, executing Shareholders' Meeting resolutions, and determining business plans and investment strategies.

Supervisory Board: As the oversight body, its key responsibilities include reviewing financial operations, supervising directors and senior management's execution of duties, and proposing dismissals for violations of laws, regulations, or corporate bylaws.

The 4th Board of Directors comprises 6 directors, including 1 external director, while the 4th Supervisory Board consists of 3 supervisors, including 1 employee representative supervisor. In 2024, the Company convened 1 Shareholders' Meeting, 3 Board meetings, and 2 Supervisory Board meetings, deliberating over 10 proposals.

Organizational Restructuring

In 2024, to better align with business development needs, enhance management efficiency, and refine governance structures, the Company adjusted its organizational framework in compliance with applicable laws, regulations, and the Articles of Association.

Existing Governance Systems

During the reporting period, the Company strictly adhered to established governance systems, ensuring compliance with laws, regulations, and industry standards. Key existing systems include: *Rules of Procedure for Shareholders' Meetings*, *Rules of Procedure for the Board of Directors*, *Rules of Procedure for the Supervisory Board*, *General Manager Work Guidelines*, *Board Secretary Work Guidelines*, *External Investment Management System*, *External Guarantee Management System*, etc.

Investor Relations

The Company prioritizes building long-term, stable relationships with investors. In addition to ensuring effective Shareholders' Meetings, it engages investors through conferences, research meetings, phone communications, and its official WeChat account to communicate corporate value, strengthen investor confidence, and protect stakeholders' legitimate rights.

Optimizing Governance Structure

Compliance Management

Internal control management systems **120⁺**

Internal control module **22**

Internal control risk point management **1000⁺**

Organized multiple risk - control trainings

Compliance Training on Internal Controls

Anti-bribery Training on Business Ethics

Training on Corporate Employee Code of

Conduct and Standards

Internal audit investigation **10⁺**

Identify issues and risk vulnerabilities **30⁺**

Building Internal Control Systems & Strengthening Compliance

The company established an internal control management system in accordance with the Basic Standards for Enterprise Internal Control and its 18 supporting guidelines. By continuously refining processes and institutional governance, the company enhanced its compliance capabilities. In 2024, the Audit Department spearheaded a comprehensive review of over 120 internal control procedures across 22 modules, achieving company-wide coverage. Through questionnaires, departmental interviews, process evaluations, and risk identification, the department addressed policy gaps, updated controls, and integrated all policies into the new OA system for transparent access. This initiative standardized policy classification and centralized management, thereby solidifying the foundation of compliance.

Streamlining Approval Processes & Mitigating Risks

To support rapid growth, the Audit Department optimized inefficient approval workflows in 2024. By collaborating with stakeholders, redundant steps were eliminated, approval authority was tiered based on transaction amounts and project types, and manual interventions were minimized. Leveraging the upgraded OA system and mobile applications, the company reduced approval processes from 130+ redundant steps to 80 streamlined ones, addressing over 1,000 internal control and compliance risk points. This overhaul significantly improved operational efficiency while ensuring accountability. The company commits to continuous evaluation and agile adjustments to maintain process effectiveness.

Enhancing Audit Oversight & Effectiveness

The company integrates audit, internal control, legal, and finance functions to maximize oversight through the Three Lines of Defense framework. In 2024, the Audit Department completed 10+ audits covering production, IT systems, supply chain, and asset management, identifying over 30 risks. Findings were analyzed through risk severity assessments, reported to senior leadership, and linked to corrective actions. Regular training programs including *Internal Control and Compliance Training*, *Anti-Bribery and Business Ethics Training*, and *Employee Code of Conduct Training* were conducted to foster a risk-aware and integrity-driven culture.



Optimizing Governance Structure

Information Security

Information Security Commitment

Objective: To fully implement high-standard information security management, safeguarding business operations and stakeholder interests against risks.

Governance: The Information Department centrally manages cybersecurity risks, while senior leadership oversees strategic planning, implementation, and annual budgeting.

Information Security Philosophy

Importance: As data and IT capabilities advance, information security is critical for the core manufacturing industry, addressing multilayered complexities in data protection.

Role: Cybersecurity and data protection not only secure core assets but also demonstrate social responsibility and uphold user trust.

Information Security Policies

Framework: Established a comprehensive policy system compliant with laws and international standards (e.g., ISO/IEC 27001), including *Information System Control Procedures*, *Security Risk Identification & Evaluation Protocols*, and *Personal Data Protection Policies*.

Focus: Strengthened process controls, technical safeguards, and personnel management to maintain industry-leading cybersecurity.

PTTX ensures end-to-end information security through robust policies, advanced technical defenses, stringent document controls, and proactive employee engagement. These measures underscore its governance excellence and unwavering commitment to protecting stakeholders' interests.

Process Control

Reporting Channels: Established efficient communication mechanisms for timely threat reporting and response.

Threat Monitoring: Implemented a real-time cybersecurity threat tracking system.

Emergency Response: Developed *Network and Information Security Emergency Plan*, conducting annual drills such as the July 9, 2022 exercise simulating a power grid failure to test UPS activation and backup power duration.

Technical Defense

Multi-Layered Protection: Blocked 11,128 cyberattacks and 8 virus intrusions in 2024, with zero major cybersecurity incidents or data breaches reported.

Physical Security: Enforced strict access controls, deployed DCIM systems, and installed 24/7 surveillance to ensure data center integrity.

Internal Controls: Mandated VPN access for external connections, optimized firewall and bastion host policies, and encrypted workflows via the Green Shield system.

Document Security

Backups: Critical files stored on RAID 5 disk arrays with regular backups.

Encryption: Internal documents encrypted using Green Shield software with unique keys; external sharing requires decryption approval by department heads after confirming no confidentiality risks.

Employee Engagement

Training: Regular workshops on security awareness, technical skills, and legal compliance to cultivate a risk-aware culture.

Advancing Green Strategy

Carbon Reduction Initiatives

Philosophy and Planning

Conducting Low-Carbon Training: The company has established green and low-carbon practices as one of its core development philosophies. A comprehensive employee training program has been implemented, covering topics such as low-carbon factory design, ESG knowledge dissemination, and green factory construction and operations. These initiatives aim to deepen employees' understanding of green manufacturing principles, foster consensus on sustainability, and embed green and low-carbon values into both mindset and daily practices.



Setting Science-Based Carbon Reduction Targets:

In March 2024, the company formally submitted its carbon reduction commitment to the Science Based Targets initiative (SBTi). With guidance from the initiative's committee, near-term science-based carbon reduction targets were established to support the global climate goal of limiting temperature rise to 1.5°C.

Management and Supervision



Establishing an Energy Conservation and Carbon Reduction Team: In response to national energy-saving policies, the company formed an Energy Conservation and Carbon Reduction Team led by the General Manager. Composed of department heads and technical experts, the team is tasked with implementing energy-saving solutions, identifying and resolving energy waste in key operational areas, and laying a solid foundation for sustainable development.



Regular Energy Conservation Meetings: Throughout 2024, the company held dedicated workshops to analyze high-energy-consumption processes, propose improvement measures, and explore cutting-edge environmental technologies. These efforts ensure a balance between production efficiency and ecological responsibility while advancing the green transformation of putian.



Energy Efficiency Inspections: The Energy Conservation Team conducts monthly inspections of critical areas to verify the implementation of energy-saving measures. Inspections focus on equipment performance and identifying hidden energy waste, enabling continuous optimization of energy utilization and driving progress toward environmental sustainability.

Advancing Green Strategy

Carbon Reduction Initiatives

Green Certification and Data Disclosure



Green Certification: The company rigorously complies with ISO 14064 standards to map its carbon footprint, identifying key emission sources and lifecycle carbon intensity (cradle-to-gate) of core products. In March, 2025, a Greenhouse Gas Emissions Verification Statement was issued to ensure data accuracy and transparency. Additionally, ISO 14067 and PAS2050 compliant Product Carbon Footprint Certificates were obtained for iron cores and slit coils, providing clients with traceable carbon footprint data.

Data Disclosure: In the past year, the company released its inaugural ESG report, marking the beginning of systematic disclosure in environmental, social, and governance domains. The report details energy consumption data, environmental initiatives, social responsibility efforts, and governance improvements. Furthermore, related content has been promoted via media platforms to enhance transparency and enable stakeholders to stay informed about the company's sustainability progress.



Advancing Green Strategy

Energy Utilization

PTTX: Integrating Intelligence and Sustainability to Enhance Resource Efficiency

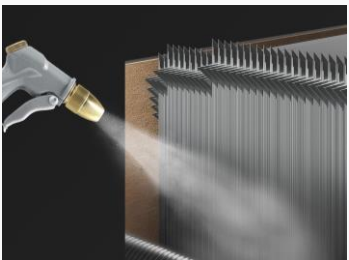


Rooftop Distributed Photovoltaic Power Project

PTTX has installed a distributed photovoltaic system on office and factory rooftops, operating under the "self-consumption with excess fed into the grid" model. In 2024, the system generated 3,000 MWh of green electricity, reducing carbon emissions by approximately 2,500 metric tons. This initiative maximizes idle rooftop space while lowering operational costs, achieving dual economic and ecological benefits.

Intelligent Warehouse and Lean Production

The company developed a "three-warehouse integrated" smart storage system utilizing RFID, ERP, and MES technologies. This system automates the storage and precise distribution of raw materials, semi-finished, and finished products, significantly improving production efficiency, reducing resource waste, and addressing low utilization rates of silicon steel materials.



Green Production Processes and Material Innovation

PTTX has pioneered the replacement of traditional solvent-based paints with eco-friendly water-based alternatives in select products, effectively reducing volatile organic compound (VOCs) emissions. Additionally, vacuum packaging technology has replaced rust-proof oil coatings, eliminating environmental pollution from anti-corrosion agents.

Xinpu Electric: Fusing Digitalization and Sustainability to Optimize Resource Utilization

Intelligent Production Base for High-Performance Electrical Steel

Xinpu Electrical smart production lines and the adoption of energy-saving equipment and green processes, Xinpu Electrical achieves low-energy, low iron loss production of high-performance electrical steel. The project maintains annual energy consumption within optimal limits, with per-unit product energy efficiency reaching industry-leading standards.

Rooftop Distributed Photovoltaic Power Project

A 3.6 MW rooftop photovoltaic system was successfully grid-connected in 2024, leveraging factory roof space to generate clean energy, reduce electricity costs, and cut carbon emissions.

Industrial IoT Platform and Digital Management

Xinpu Electrical established the "Grain-Oriented Silicon Steel Smart Manufacturing IoT Platform", integrating IoT, MES, and ERP systems to enable full-process digitalized and intelligent production management. This platform substantially enhances resource efficiency while minimizing energy and material waste.

Energy-Efficient Equipment and Process Optimization

The company prioritizes procurement of high-efficiency equipment and implements detailed energy-saving measures at the design stage. Process optimizations for annealing furnaces and insulation coating systems further reduce energy consumption.



Advancing Green Strategy

Environmental Management

In 2024, Xinpu Electrical rigorously implemented green development principles, strengthening environmental management and achieving notable progress in pollution control, environmental awareness enhancement, and emergency response capabilities, setting a benchmark for industry-wide green transformation.

Strict Control of Pollutant Emissions with Continuously Optimized Environmental Metrics

Both companies strictly complied with national and local environmental regulations, establishing a comprehensive monitoring system for wastewater, exhaust gas, and noise emissions. All indicators consistently outperformed national standards, demonstrating their commitment to safeguarding clean air and water resources.



Exhaust gas treatment device



Wastewater treatment plant

Intensive Environmental Training to Elevate Employee Awareness

PTTX and Xinpu Electrical prioritized environmental education, conducting 8 specialized training sessions throughout the year with nearly 300 participants. Training topics included: Interpretation of updated environmental policies, Application of pollution prevention technologies and Environmental risk mitigation strategies. Through a combination of theoretical instruction and hands-on drills, employees significantly improved their environmental expertise and operational skills.

Enhanced Environmental Management Systems to Strengthen Green Development Foundations

Both companies upgraded their Environmental Management Systems (EMS), including: comprehensive revisions to environmental emergency plans; procurement and replacement of 11 categories of emergency response equipment to ensure preparedness for incidents; refinement of 15 environmental management protocols to standardize workflows and systematize environmental governance.

Thematic training	Trainee
8	300+
Added and replaced professional emergency supplies	Revised and improved environmental management system
11	15

Strengthened Emergency Response Capabilities to Safeguard Environmental Safety

Throughout the year, 5 large-scale emergency drills were conducted to: validate the practicality of contingency plans; improve employees' rapid response and coordination skills; build robust safeguards against environmental risks.



Practicing Social Responsibility

Innovation Driven Development

Amid intensifying global technological competition, PTTX remains committed to innovation-driven growth, significantly increasing R&D investments. In 2024, the company allocated nearly RMB 100 million to support technological innovation and product development. This initiative not only underscores the company's dedication to scientific advancement but also reinforces its industry leadership and unwavering commitment to sustainable development.



Talent
Cultivation
and Honors

PTTX recognizes talent as the core driver of corporate growth, prioritizing the cultivation and recruitment of innovative professionals. The company has earned prestigious accolades, including "Wuxi Best Talent Attraction Organization", "Overseas Scholars Xishan Social Practice Base" and "Nanjing University of Information Science & Technology Graduate Innovation Practice Base". These honors reflect its exceptional talent strategies and corporate culture, as well as its strong appeal to industry talent. Through deep collaboration with universities and research institutions, the company provides a robust platform for talent development and practical opportunities, solidifying its competitive edge in human resources.



Innovation
System
Development

To ensure efficient innovation, PTTX has established a comprehensive institutional framework covering intellectual property (IP) management, R&D project initiation, execution, and evaluation. The company introduced the *Intellectual Property Incentive Management Policy* to encourage patent applications and IP protection. Additionally, standardized procedures such as *R&D Project Initiation Guidelines* and *R&D Project Evaluation Standards* ensure scientific rigor and compliance in R&D activities. Supported by the *R&D Project Management System* and *R&D Management Regulations*, these measures enhance innovation efficiency, offering clear guidance and robust safeguards for researchers.



Fostering an
Innovative
Environment

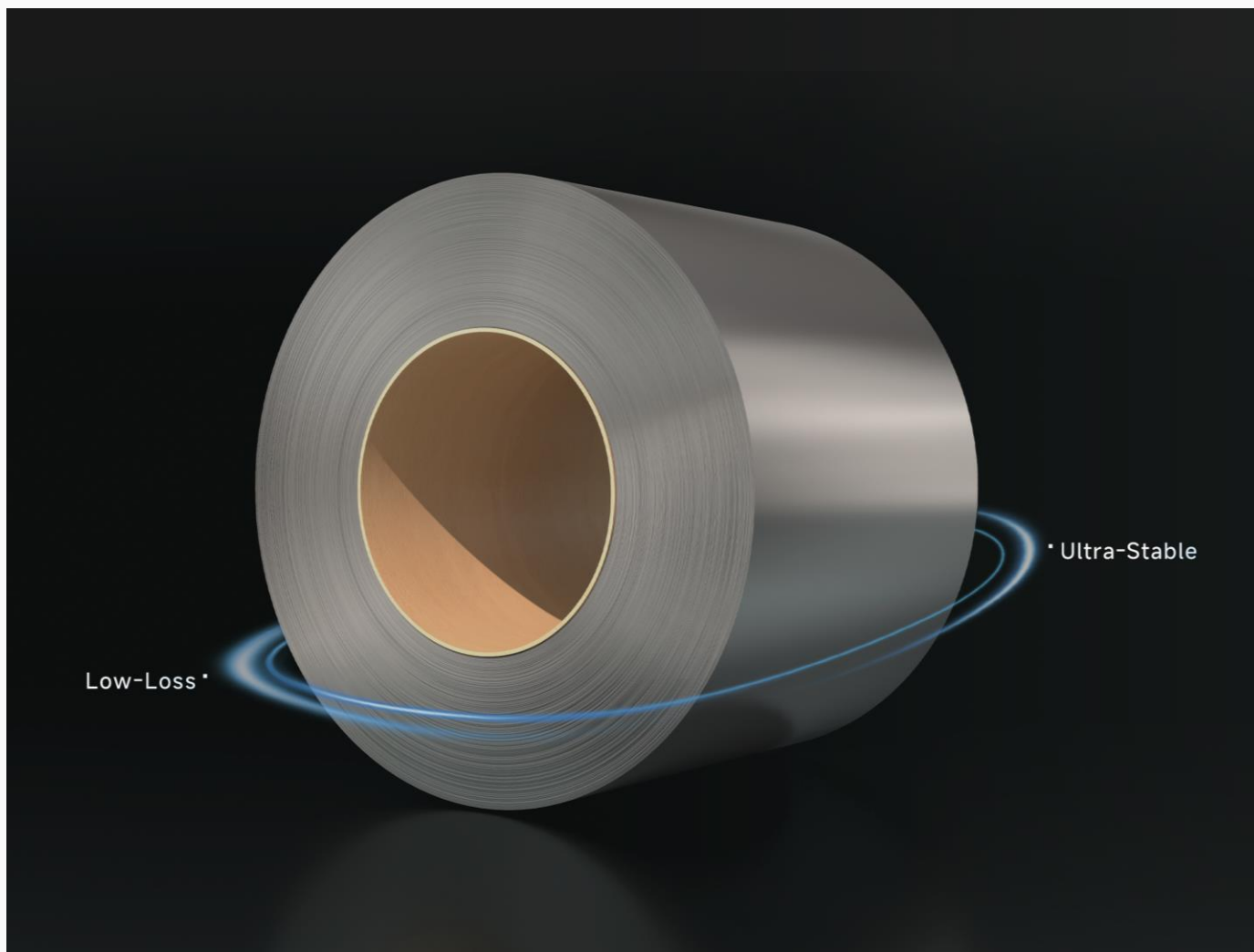
PTTX fosters a dynamic innovation ecosystem, providing cutting-edge R&D platforms and resources. The company has been honored as the "Wuxi Innovation Consortium for Key Technologies and Applications of Power Energy Steel Materials" and the "Wuxi Key Laboratory (Talent Cultivation) - Wuxi Power Energy Steel Materials Laboratory." These recognitions validate its innovation environment and R&D capabilities. By establishing high-level innovation consortia and laboratories, the company equips researchers with advanced facilities and resources, fueling creativity and technological breakthroughs.



Industry Academia
Research
Collaboration

PTTX actively collaborates with leading universities, including Tsinghua University, Northeastern University, and University of Science and Technology Beijing, signing five industry-academia-research agreements. These partnerships integrate cutting-edge research concepts and technologies while offering practical opportunities for academic researchers. Such collaborations elevate the company's R&D capabilities and drive technological progress across the industry.

Practicing Social Responsibility



Achievements and Technological Breakthroughs

In terms of innovative achievements, PTTX has attained notable accomplishments. In 2024, the company filed 22 invention patents and 19 utility model patents, and published 7 high-quality academic papers. The company also actively participates in national standard development, with 4 national standards officially issued, enhancing its industry influence and promoting standardized growth.

In product innovation, the company recognizes materials as the foundation of performance. It independently developed USL Silicon Steel, a groundbreaking material with ultra-stable, low-loss characteristics. This innovation significantly reduces transformer energy consumption and transmission losses, improving energy efficiency. By promoting USL Silicon Steel, PTTX empowers global transformer manufacturers to produce high-efficiency equipment, advancing the power energy sector toward green, low-carbon development and fulfilling its environmental stewardship responsibilities.



Practicing Social Responsibility

Quality Assurance

Strengthening the Foundation of Enterprise Quality Management

We continue to uphold the Chief Quality Officer (CQO) management mechanism and effectively implement the "one-vote veto" system to solidify accountability. By establishing a Quality Center, we have enhanced functional quality modules across five key areas: early-stage quality planning, customer quality management, quality system management, process quality control, and supplier quality management. This comprehensive approach ensures sustained improvement and stability in PTTX's quality standards.

Implementing Excellence Management Models to Enhance Management Maturity and Promote Quality Management Practices

The company has developed an information-based management platform, creating an integrated Quality Management System (QMS) that covers customer complaints, returns, non-conformance handling, rework/repair, incoming/process/finished product inspections, metrology, corrective/preventive actions, and more.

By optimizing testing equipment, we have achieved real-time monitoring of key material performance in core production. For example, online detection of silicon steel notching performance and longitudinal shearing performance has been implemented. Automatic data analysis and visualization via the MES system upload results to the central platform, enabling immediate reporting and resolution of quality anomalies. This lays the foundation for building a robust and reliable database.

Additionally, the company has established an information-based knowledge management system. Historical quality failure cases, critical product quality controls, key design points, and process-critical parameters are systematically documented and regularly used for employee training. This drives continuous quality improvement and ensures customer requirements are met.

From a process risk perspective, we have restructured the quality management system, identifying 17 major process modules and establishing 40 process control procedures to ensure effective mitigation of risks throughout product realization.

Gaining Support and Recognition from Stakeholders

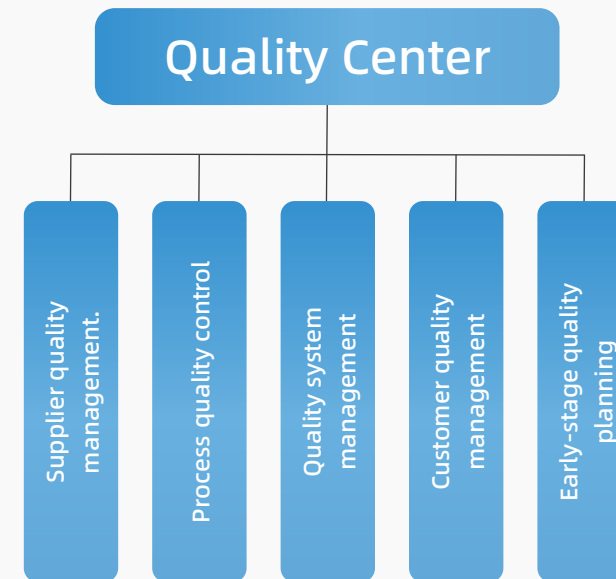
As a leader in the transformer core industry, we spearheaded the development and revision of the national standard *Electrical Steel Cores for Power Transformers* (GB/T 32288) in collaboration with the Metallurgical Industry Information and Standards Research Institute and Shenyang Transformer Research Institute in 2015 (revised in 2020). This standard filled the gap in specialized core standards within China.

Through these management advancements, our product performance metrics now lead the industry. Key indicators for core performance include:

No-load loss: Industry average = 2.11 kW; Our performance = 1.08 kW No-load current: Industry average = 0.77%; Our performance = 0.69%

Burr severity (affecting core performance): Industry standard ≤0.015 mm; Our standard ≤0.010 mm

These achievements demonstrate our commitment to setting industry benchmarks in product quality and innovation.



Key indicators for core performance		
	Industry average	PTTX
No-load loss	2.11 KW	1.08 KW
No-load current	0.77%	0.69%
Burr severity	≤0.015 mm	≤0.010 mm

Practicing Social Responsibility

Health and Safety

In 2024, PTTX and Xinpu Electrical comprehensively implemented their primary responsibility for workplace safety, continuously strengthening health and safety management. Remarkable achievements were made throughout the year: no fatal accidents occurred, the per-thousand accident rate steadily declined, and overall safety performance remained at a low level, demonstrating sustained stability and improvement in workplace safety.



Safety education training



Safety education training



Safety education training



Safety education training



emergency supply



emergency supply



Xinpu Fire Drill



Xinpu Fire Drill



Putian Fire Drill

Comprehensive Training and Education to Elevate Safety Awareness

Both companies prioritized safety training as a key driver for enhancing employee safety competency. A total of 69 safety training sessions were conducted, covering over 3,000 participants. The training content focused on practical production scenarios, including Workplace safety laws and regulations, Job-specific safety operating procedures and Emergency response skills. These efforts significantly strengthened employees' safety awareness and risk prevention capabilities.

Enhanced Management Systems for a Stronger Safety Foundation

PTTX and Xinpu Electrical further improved their safety management systems. Over the year: 13 types of emergency supplies were added or replaced, totaling 37 sets, ensuring robust material preparedness for emergencies. Over 100 safety management documents were revised or newly established, refining the institutional framework and providing comprehensive safeguards for safe operations.

Diverse Safety Activities to Strengthen Cultural Engagement

The two companies organized 17 safety activities with 365 cumulative participants, fostering a proactive safety culture. Activities included: Safety knowledge competitions and Hazard identification campaigns. These initiatives deepened employee engagement and embedded the philosophy of "safety first" across all levels.

Regular Emergency Drills to Enhance Response Capabilities

PTTX and Xinpu Electrical placed high emphasis on emergency preparedness, conducting 16 emergency drills with over 1,300 participants. Simulations covered critical scenarios such as: Fire emergencies, Electric shock incidents and Machinery-related injuries. These realistic drills validated the practicality of emergency plans and improved employees' ability to respond swiftly and collaboratively.

Practicing Social Responsibility

Customer Service

The company remains steadfast in its commitment to a "customer-centric" philosophy, adhering to the mission of "providing professional solutions for clients". By focusing on meeting customer demands for high-grade, high-efficiency, and high-quality products, We advance internal lean management while prioritizing energy efficiency upgrades and green low-carbon initiatives in R&D. This accelerates product energy efficiency advancements, advances our quality-driven strategic transformation, strengthens brand building, and elevates brand value. We emphasize building sustainable client relationships, safeguarding customer rights, establishing smooth communication mechanisms, and continuously optimizing customer experiences to enhance satisfaction.

Customer Service System

We have established a balanced, efficient, and lean production system supported by smart manufacturing. This system comprehensively optimizes production planning, manufacturing, quality control, delivery logistics, and delivery accuracy.

Upholding the quality principle of "customer first, right-first-time", we rigorously ensure product quality through a deep understanding of customer requirements.

To enhance frontline employees' quality skills and awareness, we conduct self-inspection, mutual inspection, and quality challenge competitions, fostering a culture of "whoever produces is responsible for quality".

Customer Satisfaction Surveys

To refine service quality and gather actionable feedback, we conduct structured customer satisfaction surveys covering pre-sales, in-sales, and post-sales processes. Feedback is analyzed by specialized improvement teams for optimization.

We closely monitor customer experiences during product usage. For any disputes, professionals are dispatched within stipulated timelines to address metrology or quality issues on-site. The dispute resolution process includes Case acceptance, On-site verification, Commercial negotiation, Compensation implementation, Customer feedback and Analysis and corrective actions.

All dispute details (e.g., product usage, defect images) and resolutions are logged into the "Customer Complaint System" for quality issue analysis. The Technical Quality Department, Equipment Engineering Department, and Production Department collaboratively track satisfaction metrics, conduct root-cause analysis, propose solutions, and implement PDCA cycle-driven improvements.

Safeguarding Customer Rights

The company prioritizes the protection of customer intellectual property and trade secrets. We have implemented confidentiality measures and clauses, continuously improving our confidentiality management system to ensure strict supervision and lawful use of customer trade secrets, thereby fully safeguarding information security.

Maintaining Customer Relationships

Guided by the principle of "users first", we dedicate efforts to relationship maintenance while building partnerships. We emphasize product service excellence through ongoing skill training for service teams, optimized service pathways and cross-departmental collaboration (technical, production, and quality teams) for rapid response, feedback, and improvement.

A dedicated Customer Quality Team ensures swift handling of complaints, systemic control over returns/rework/repairs, and root-cause resolution through cross-functional coordination. All complaint data is recorded and analyzed via an information platform to drive continuous improvement.

Practicing Social Responsibility

Sustainable Supply Chain Management

PTTX shoulders the responsibility to lead high-quality development across the industrial chain, collaborating with suppliers and partners to build a robust silicon steel ecosystem. We optimize supplier management, advance green and low-carbon supply chain initiatives, and strengthen cross-industry partnerships to create a mutually beneficial, win-win cooperation model.

Supplier Management

PTTX highly values partnerships with suppliers, continuously refining management practices, enhancing supplier audits, and elevating green supply chain standards to foster shared progress. In alignment with internal policies—including the *Supplier Control Procedures*, *External Supplier Audit Plan*, *Supplier Qualification & Monitoring Matrix*, and *Supplier Performance Evaluation Criteria*—we implement systematic processes for supplier qualification, auditing, evaluation, and tiered management.

Supplier Control Procedures

Supplier Qualification

- A. Suppliers must provide valid certifications issued by national authorities, such as: Business license, Production/operation permits, Product catalogues and descriptions, Product testing reports, Financial verification documents, Product and system certifications (e.g., ISO) ; Completed Supplier Basic Information Survey (covering production equipment, testing facilities, workforce status); For calibration service providers: CNAS certification and supporting documentation for calibration items.
- B. Verify suppliers' quality reputation, creditworthiness, and compliance with environmental and safety regulations (e.g., absence of penalties or credit risks).
- C. For specialized materials, suppliers must hold government-issued certifications to ensure legal and regulatory compliance.

Supplier Audits

PTTX has established a dedicated supplier task force to conduct on-site audits of cooperative manufacturers. Suppliers certified with ISO management systems (ISO 9001 for Quality Management, ISO 14001 for Environmental Management, and ISO 45001 for Occupational Health and Safety) will be prioritized for inclusion in the strategic partner selection roster, enabling in-depth collaborative partnerships. For suppliers lacking standardized management systems, PTTX provides targeted guidance and communicates its *Supplier Code of Conduct* to align their practices with corporate requirements.

Green Production

Collaborating with processing partners, we continuously increase product yield rates, reduce scrap steel ratios, and enhance energy utilization efficiency.

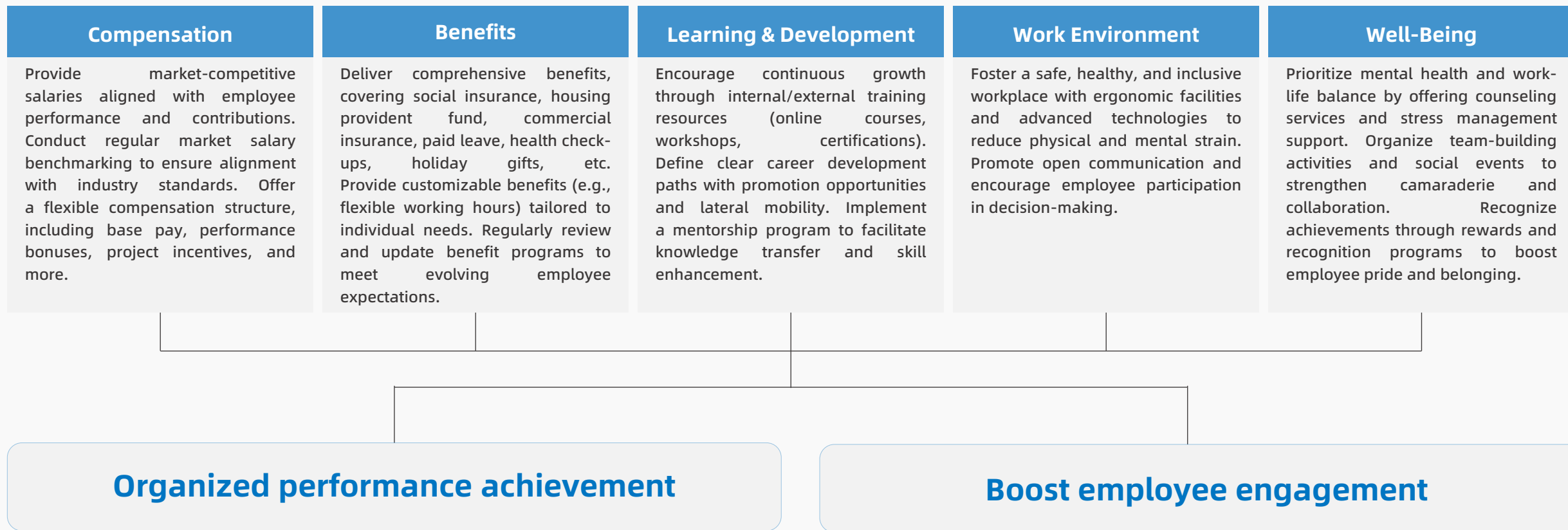
Green Logistics

Improving vehicle load rates, reducing empty truck transportation and Minimizing carbon emissions.

Practicing Social Responsibility

Employee Welfare

Compensation and Benefits System



Practicing Social Responsibility

Work Environment

Open Communication Channels

Establish diverse communication mechanisms, including employee town halls, anonymous feedback systems, and internal collaboration platforms. Encourage two-way dialogue between management and employees, fostering active participation in company decision-making.

Flexible Work Arrangements

Offer customizable work options, such as reduced travel, adjusted schedules, remote work, and project-based roles, to support work-life balance.

Continuous Employee Care

Prioritize health and well-being through regular wellness activities. Provide mental health resources, including counseling services and stress management workshops. Conduct employee satisfaction surveys to refine initiatives based on feedback.



Office area



R&D Center



Coffee Bar



Dining hall



Gym



PTTX wins 51Job's "Outstanding Employer" award

Practicing Social Responsibility

Career Management



Career Development Philosophy

Deliver personalized career planning with tailored training (internal/external workshops, leadership programs). Offer promotion opportunities and diverse career paths, including cross-departmental projects for skill diversification.



Career Development Practice

Define career development ladders for all roles, outlining competency requirements at each level. Build a customized training system aligned with career goals, facilitating discussions on short- and long-term objectives. Develop succession plans for critical positions.



Training & Development

Provide phased learning programs based on performance reviews and career aspirations. Implement an online learning management system (LMS) for access to resources. Partner with educational institutions to offer professional certifications and advanced degree courses.



Performance Management

Conduct regular performance reviews to align achievements with compensation and growth. Ensure timely feedback through one-on-one dialogues and a 360-degree feedback mechanism for holistic evaluations.




Mentorship Program

Select and certify internal mentors with strong coaching skills. Implement a structured pairing process with goal-setting and progress tracking. Regularly assess program effectiveness and optimize based on feedback. Host mentorship forums to address employee development needs.



Practicing Social Responsibility

Employee Rights



Equitable Social Dialogue

Strictly comply with national and local labor laws, safeguarding rights to fair wages, benefits, working hours, and leave. Maintain open communication channels and democratic processes, including collective bargaining agreements.



Diversity, Equality, and Inclusion

Embrace employees of all backgrounds (race, religion, gender, age, nationality, disability, etc.). Ensure non-discriminatory practices across all career stages (recruitment, training, promotion, etc.). Cultivate a harassment-free, inclusive culture that respects every individual.



Legal Compliance

Adhere to the *Labor Law* and *Labor Contract Law*, upholding principles of voluntary equality and standardized employment practices. Prohibit all forms of forced labor, child labor, harassment, bullying, or discrimination. Protect employee dignity, privacy, and labor rights unequivocally.

Practicing Social Responsibility

Corporate Culture Cultivation

Diverse Cultural Activities to Strengthen Team Cohesion

The company regularly organizes a variety of cultural, sports, and festive events to foster a harmonious and positive corporate culture. In collaboration with the Xibei Town Trade Union, we host heartwarming initiatives such as “Blessings and Spring Festival Couplets” campaigns. We also partner with the Xishan District Xibei Town Government to co-organize the “PTTX Cup” New Year Badminton Tournament, and with the Wuxi Xishan District Chess Association and Xibei Town Chess Association to sponsor “PTTX Cup” Xishan District Chess Championship, creating an energetic and competitive atmosphere.

Additionally, the company plans employee birthday celebrations, Lantern Festival riddles, Women’s Day cultural events, Dragon Boat Festival activities, and more, sharing joyful moments with employees and strengthening camaraderie.

Building a Learning Organization to Drive Continuous Progress

The company is committed to establishing a learning-oriented organization to maintain sustained competitiveness in the industry. We offer a range of internal training programs covering product knowledge, professional skills, and management expertise, aiming to holistically enhance employee capabilities and propel team growth.

Multi-Pronged Strategy to Enhance Global Brand Recognition

To further elevate global brand awareness in 2024, PTTX actively participated in key international energy exhibitions, including: Middle East Energy Dubai, CWIEME Berlin, IEEE T&D Expo USA and Electro Russia. These engagements amplified brand visibility and positioned PTTX as a global innovator in the energy sector.

Simultaneously, we launched multi-channel social media campaigns across domestic and international platforms, sharing updates on corporate strategies, milestones, marketing initiatives, and cultural activities. This approach not only coordinated with global sales efforts but also strengthened multi-dimensional brand exposure across the industry.



Corporate cultural activities



Corporate cultural activities



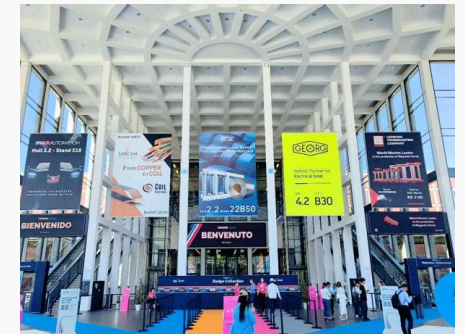
Internal training courses



Internal training courses



Trade show venue



Trade show venue

Practicing Social Responsibility

Community Philanthropy / Volunteer Services

Xinpu Electrical represents visited frontline flood control workers and donated relief supplies.

On the afternoon of July 4, 2024, representatives from Anqing Xinpu Electrical Equipment Co., Ltd., Anhui Shuguang Chemical Group, Anhui Linghu Paint Co., Ltd., and Jingcai New Materials (Anhui) Co., Ltd. visited the Flood Control Command Center at the Wanhe Farm section of Tongma Levee in Daguan District to express gratitude to frontline workers and donate essential supplies.

During the visit, the companies provided urgently needed items such as bottled water and ready-to-eat meals, demonstrating deep respect and support for the workers' unwavering dedication.



Anqing Xinpu Launches Firefighter Appreciation Event to Honor the "Flame-Blue Guardians"

To express profound respect and gratitude for firefighters, Anqing Xinpu organized a "Saluting Firefighting Heroes" appreciation event on July 26, 2024, delivering warmth and care to frontline firefighters.

The event strengthened ties between the company and the firefighting community while deepening employees' appreciation for the bravery and dedication of firefighters. Moving forward, Anqing Xinpu will continue supporting firefighting causes and participating in public welfare initiatives to contribute to social harmony and stability.



Wuxi City's "Deepening East-West Collaboration: Consumer Assistance Initiative with Leading Enterprises" Event Held at PTTX

On November 6, 2024, Wuxi City's "Deepening East-West Collaboration: Consumer Assistance Initiative with Leading Enterprises" product exhibition and sales event took place at PTTX. This initiative aimed to boost economic development in Wuxi's partnered assistance regions, including Haidong City (Qinghai Province), Yan'an City (Shaanxi Province), and Akqi County (Xinjiang), through consumption-based assistance.



PTTX Organizes Employee Blood Donation Drive to Spread Compassion and Responsibility

To promote the spirit of altruism and spread social positivity, PTTX organized a voluntary blood donation campaign at its headquarters in March 2024. The initiative received enthusiastic participation and strong support from employees across the company.

The success of this event highlighted PTTX's culture of empathy and accountability, further unifying the workforce. Moving forward, the company will continue to champion social causes, organizing more initiatives to drive positive change and contribute to a harmonious society.



Practicing Social Responsibility

2024 Annual ESG Data Indicators

Social Performance

PTTX		
Total Employees	Persons	746
New Employees Added	Persons	155
Fresh Graduates Employed	Persons	13
Labor Contract Signing Rate	%	100
Social Insurance Coverage Rate	%	100
Patents Applied	Items	41
New Patents Granted	Items	32
Valid Inventions	Items	66
National Industry Standards Issued/Revised	Standard	4
Xinpu Electrical		
Total Employees	Persons	168
New Employees Added	Persons	23
Labor Contract Signing Rate	%	100
Social Insurance Coverage Rate	%	100

Environmental Performance

PTTX		
Renewable Electricity Usage	%	68
Recycled Waster Usage	%	14
Hazardous Waste	t	13
Total Soild Waste	t	9,655
Recyclable Solid Waste	%	99
Xinpu Electrical		
Renewable Electricity Usage	%	8
Recycled Waster Usage	%	84
Hazardous Waste	t	380
Total Soild Waste	t	3,382
Recyclable Solid Waste	%	56

Economic Performance

PTTX	
Total Assets	CNY 2,172.02 M
Operating Revenue	CNY 1,591.04 M
R&D Investment	CNY 97.23 M
R&D Investment as % of Revenue	6%
Xinpu Electrical	
Total Assets	CNY 1,150.36 M
Operating Revenue	CNY 953.51 M

