

Sanhua Intelligent Controls Environmental Statement

Scope of Application

Revisions and Updates

Implementation and Review

Management Structure and Functions

Sanhua's Action Commitments

We continuously reduce energy consumption levels by installing distributed photovoltaic (PV) power generation, energy storage facilities, and smart microgrid systems to provide electricity for production operations. We plan annual investment for the construction and maintenance of PV power generation facilities, continuously expanding their scale to cover more production bases.

We increase the proportion of energy electricity use through direct purchases of green electricity and procurement of green electricity certificates.

In 2024, the proportion of electricity sourced from renewable energy for the Company was 16%.

We have set targets to achieve carbon neutrality by 2050 and full lifecycle product carbon neutrality by 2060, actively responding to increasingly stringent future environmental policies and promoting the transition of the industry and value chain towards green and low-carbon directions.

We continuously improve energy efficiency in production processes, reducing energy use and greenhouse gas emissions through measures such as retrofitting high-energy-consumption equipment, upgrading process technologies, and waste heat recovery.

We have implemented a smart energy management system to monitor real-time energy usage across business sectors, workshops, and high-energy-consumption equipment within our parks, identify areas of high consumption and energy waste, and regularly produce monthly energy analysis reports for self-assessment.

We attach great importance to water conservation and comprehensive utilization. We reduce pure water consumption in the manufacturing process by adjusting production processes; reuse product testing water after sedimentation treatment; and purify and reuse contaminated water resources to improve water resource utilization efficiency.

We are committed to implementing effective prevention and mitigation measures to reduce environmental impact. We invest annually in the construction, upgrading, and maintenance of environmental protection facilities to enhance the capacity and efficiency of waste gas and wastewater treatment . We select environmentally friendly raw materials and production processes to reduce pollutant emissions.

We submit implementation reports on the National Pollutant Discharge Permit Management Platform, which are made public on the government platform after review by local environmental authorities. Wastewater and waste gas emissions are within the limits stipulated by the pollutant discharge permits.

We use water-based and hydrocarbon cleaning processes to replace toxic trichloroethylene cleaning. Using environmentally friendly cleaning agents like phosphate-free additives effectively reduces wastewater pollutant discharge. Using environmentally friendly raw and auxiliary materials such as lead-free solder paste reduces atmospheric pollutant emissions.

We are committed to ensuring that waste generated in production, logistics, and other links is disposed of compliantly and recycled whenever possible.

We implement comprehensive, full-process monitoring of hazardous waste from generation, collection, storage, packaging, and transportation to treatment and disposal, aiming for "reduction, resource recovery, and无害化 (harmless treatment)" of hazardous waste disposal.

We collect waste generated during production and reintroduce it into the production process. For example, defective products and trimmings from the injection molding process are crushed and reused as raw materials.

We are committed to reducing the environmental impact during the product use phase. For refrigeration and air conditioning components, we focus on R&D of environmentally friendly refrigerant technologies, using clean refrigerants such as CO₂ (R744) and R134a. For automotive components, we develop and iterate more energy-efficient products, such as replacing traditional expansion valves with electronic expansion valves, to reduce energy consumption and carbon emissions during product use through more precise flow control.

Sanhua's Management Targets

Renewable Energy Usage Target: Achieve an annual electricity sourcing proportion from renewable energy of over 15%.

Management Target: By 2030, reduce energy consumption per unit revenue to 0.039 tonnes of standard coal equivalent / 10,000 CNY revenue, a 10% reduction compared to the 2024 level of 0.043 tonnes of standard coal equivalent / 10,000 CNY revenue.

Pollutant Management Target: By 2030, reduce volatile organic compound (VOC) emissions per unit revenue to 4.5 grams / 10,000 CNY revenue, a 10% reduction compared to the 2024 level of 5.0 grams / 10,000 CNY revenue.

Waste Management Target: By 2030, reduce waste generation per unit revenue to 12.51 kilograms / 10,000 CNY revenue, a 10% reduction compared to the 2024 level of 13.9 kilograms / 10,000 CNY revenue.

Water Management Target: By 2030, reduce water consumption per unit revenue to 1.4 cubic meters / 10,000 CNY revenue, a 10% reduction compared to the 2024 level of 1.6 cubic meters / 10,000 CNY revenue.

Greenhouse Gas Emission Target: By 2030, reduce greenhouse gas emissions per unit revenue by over 30% compared to 2020; achieve carbon neutrality by 2050, and strive to achieve full lifecycle product carbon neutrality by 2060.

Circular Economy Target: By 2030, achieve a recycling rate of 25% for finished product packaging materials.