

2024

Environmental, Social, and Governance Report

HANGZHOU FIRST APPLIED MATERIAL
CO., LTD.

Stock Code: 603806.SH





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Report Instructions

This report is the Environmental, Social, and Governance (ESG) Report published by Hangzhou First Applied Material Co., Ltd.(FIRST). The purpose of this report is to showcase FIRST's practices and achievements in sustainable development and to disclose the work done by FIRST in the areas of environment, social, and governance in 2024 and previous years.

Report Scope

The organizational scope of this report covers Hangzhou First Applied Material Co., Ltd. and its subsidiaries, consistent with the consolidation scope of FIRST (603806.SH) in the financial statements. This report is published annually, in alignment with the fiscal year, covering the period from January 1, 2024, to December 31, 2024. To enhance the readability of the report, some content or data may trace back to previous years or look forward to subsequent years. Unless otherwise stated, this report uses the RMB as the currency unit.

Information Source

Unless specifically stated, the data in this report comes from the company's periodic or interim disclosures. If there are discrepancies, please refer to the disclosed periodic or interim announcements. Other data comes from the company's internal management systems and statistics, including some historical data. The company assures that there are no false records, misleading statements, or material omissions in the content of this report.

Disclaimer

This report contains forward-looking statements, including business plans and development strategies. These statements reflect the company's predictions of future events based on the current situation and may be influenced by unknown and uncertain factors that materially differ from the actual results. No forward-looking or expected statement in this report constitutes a material commitment by the Company to investors.

Appellation Description

For ease of expression and reading, the terms "FIRST," "the company," "we," and "our" in this report all refer to Hangzhou First Applied Material Co., Ltd. and its subsidiaries.

Report Preparation Standards

This report is prepared in accordance with Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Reporting (Trial) issued by the Shanghai Stock Exchange(SSE); with reference to the Global Reporting Initiative (GRI Standards 2021) as well as the Sustainability Accounting Standards Board (SASB) standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Report Access

This report is available for download in electronic format from the Shanghai Stock Exchange (www.sse.com.cn) and Hangzhou First Applied Material Co., Ltd.'s website (www.firstpvm.com). This report is available in both Chinese and English. In case of discrepancies or ambiguities between the Chinese and English interpretations, the content in the Chinese version shall prevail. For further inquiries, questions, or suggestions regarding this report, please contact:

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Email: first-zqb@firstpvm.com

Letter from the Chairman

In 2024, the global energy transition and climate action entered a critical stage. Artificial intelligence drove profound changes and growth in the global economy, accelerating the wave of technological revolution towards digitalization, intelligence, and decarbonization. Facing these trends, we embrace change and view ESG as a core driver of long-term value. Fully aware of our responsibility and mission, we approach ESG and sustainability from the perspective of growth and opportunity, and actively advance our corporate responsibility and sustainability efforts.

This year, we gained deeper insight into our carbon footprint and cultivated new momentum for green development. We completed our first company-wide greenhouse gas (GHG) emissions accounting and worked with leading third-party institutions to map our carbon emissions. Meanwhile, we conducted full life-cycle carbon footprint assessments of our core products, laying a solid foundation for process optimization and carbon reduction. Driven by innovation, we improved energy efficiency through process upgrades, equipment digitalization, and cross-division energy collaboration. Circular economy practices deepened as we worked with partners to maximize resource use and minimize waste, including shared pallets recycling and auxiliary material recovery initiatives. Leveraging our advantage in photovoltaics, we invested in distributed PV power projects and steadily increased renewable energy use in operations, creating a far-reaching impact from internal decarbonization to industry-wide collaboration.

This year, we remained committed to diversity, inclusion, and social responsibility. Through "FIRST Corporate University" and diversified training programs, we strengthened our "learning organization" and provided comprehensive career development support, ensuring employee health, safety, skill growth, and motivation. Staying true to our people-oriented philosophy, we built a diverse talent pool and helped new and overseas employees integrate into our culture. We promoted inclusive development through various activities and benefits, creating a caring workplace. In rural revitalization, we took concrete actions to support agriculture, aligning with the goal of common prosperity through targeted and effective assistance.

This year, we further strengthened technological innovation and corporate governance. We continued to improve our ESG governance framework, with the Board of Directors — Strategy and Sustainability Committee at the core. Internal controls, compliance, and business ethics were reinforced to support high-quality and sustainable growth. Guided by our philosophy of "Innovative Technology for the Future," we stayed focused on becoming a leading technology-driven enterprise, enhancing core competitiveness and advancing independent R&D and industrial development in new materials. In 2024, we were recognized with honors such as the "Yangtze River Delta Business Innovation Model" and the "Zhejiang Science and Technology Progress Award."

I believe true sustainability lies in the deep alignment of technological ambition and a sense of responsibility. Looking ahead, we will embrace the new era of quality growth, tackle new materials challenges, and uphold our mission. We will explore promising sectors such as new energy, electronic information, and environmental protection, focusing on digitalization, decarbonization, sustainability, and innovation. Together, we will contribute to the national "Dual Carbon" strategy and create a greener future.

Chairman
LIN JIANHUA

About FIRST

Hangzhou First Applied Material Co.,Ltd.

Development Strategy: Focus on the main PV business, and vigorously develop other new material industries.

Development Vision: To become a world-class materials supplier.



Business Division and Its Functions

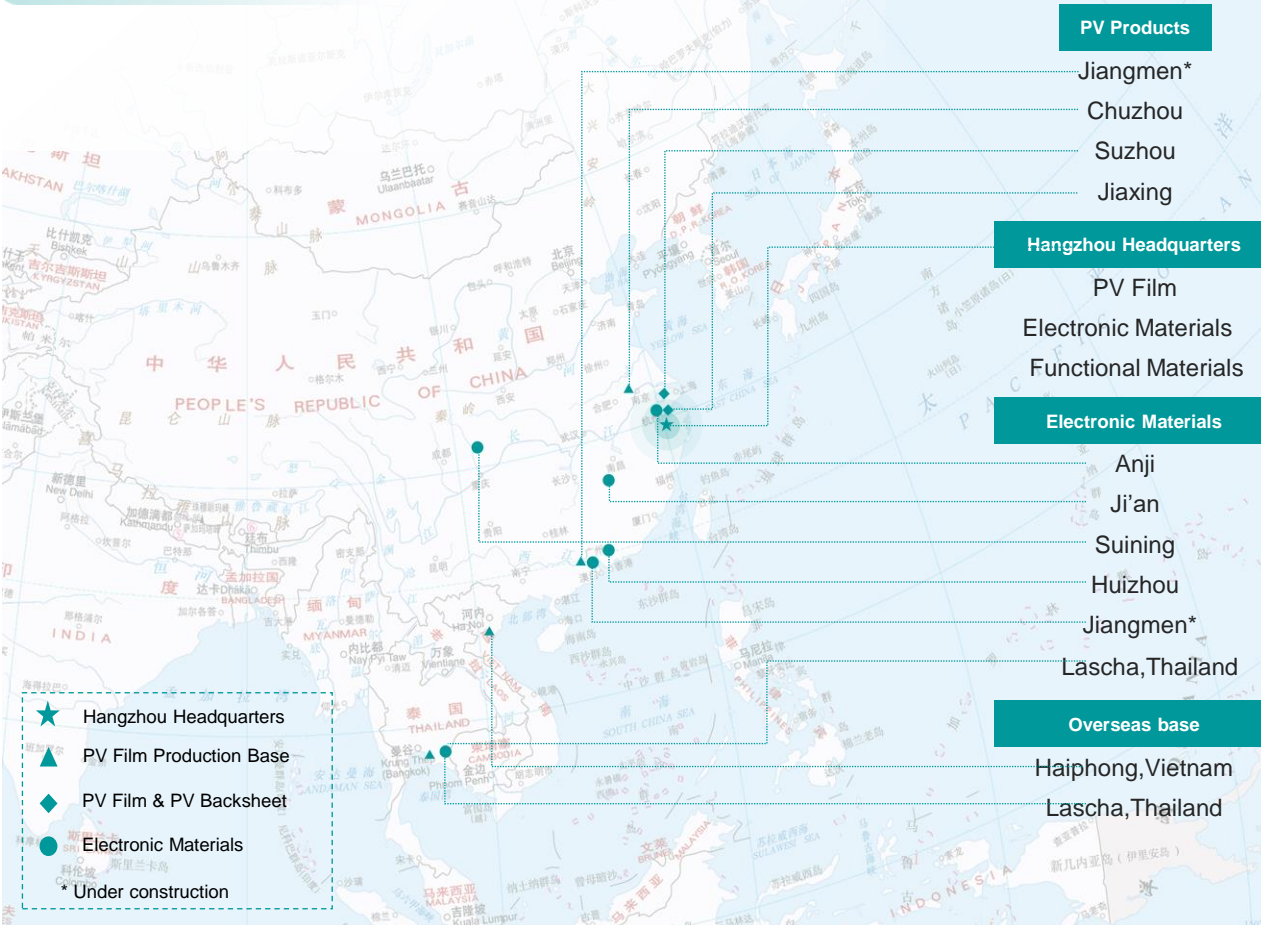
PV Material Division	Electronic Material Division	Functional Film Material Division	PV Generation Business
Hangzhou FIRST Suzhou FIRST Chuzhou FIRST Jiaxing FIRST Thailand FIRST Vietnam FIRST	Hangzhou First Electronic Material Co.,Ltd. and its subsidiaries	Hangzhou First Functional Material Co.,Ltd	Zhejiang New Energy Development Co.,Ltd. and its subsidiaries
Responsible for developing photovoltaic business such as PV Film and PV Backsheet. Applications include encapsulating, enhancing efficiency, and protecting PV modules.	Conducting electronic material business, including Dry Film Photoresist, FCCL, and Photosensitive Solder Resist. Applications include graphic etching of PCB, and insulation protection of soft board substrates and fine circuit.	Responsible for the business of functional film materials such as Aluminum Laminated Film and RO Membrane Support Fabric. Applications include the flexible packaging of lithium batteries and the support of water purification membranes.	Responsible for developing small ground power stations, industrial and commercial, and household distributed power station business.

About FIRST

FIRST Industrial Clusters



FIRST Global Layout



About FIRST

Photovoltaic Materials

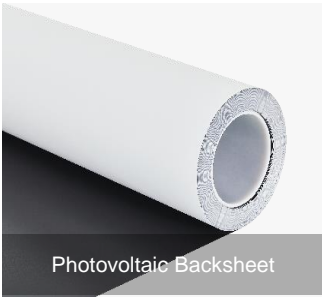
Our Products

Photovoltaic Film

Used for encapsulating and protecting the front and back of crystalline silicon solar cell modules, as well as the power generation layers of thin-film solar modules. Depending on the raw materials and manufacturing processes, it includes types such as EVA film, white EVA film, EPE film, and POE film.



Photovoltaic Film



Photovoltaic Backsheet

Photovoltaic Backsheet

A weather-resistant protective material used on the backside of solar modules.

Downstream Application

Photovoltaic Module

Photovoltaic modules are devices that convert solar energy into electrical energy, consisting of multiple solar cells, glass, backplates, and frames, and are the core components of photovoltaic power generation systems.



Photovoltaic Module

Terminal Applications

Centralized PV Power Station



Centralized PV Power Station

Distributed PV Power Station -Business & Industry



Distributed PV Power Station -Business & Industry

Distributed PV Power Station - Residential Houses



Distributed PV Power Station - Residential Houses

About FIRST

Electronic Materials

Our Products

Dry Film Photoresist

A film material used for image transfer on rigid and flexible printed circuit boards, high-density interconnect boards, and packaging substrates.



Flexible Copper Clad Laminate

The base material used for flexible printed circuit boards.



Photosensitive Solder Resist

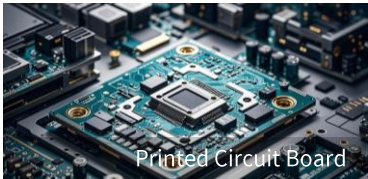
An insulating protective material used for fine circuitry in printed circuit boards, MiniLED, Micro-LED, and camera module sectors.



Downstream Application

Printed Circuit Board

Printed circuit board (PCB) is a substrate used to connect and support electronic components, achieving electrical connections through conductive lines, and is the core component of electronic devices.

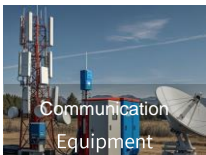


Terminal Applications

Consumer Electronics



Communication Equipment



New Energy Vehicle



AI Computing Power Facilities



Humanoid Robot



About FIRST

Functional Film Materials

Our Products

Aluminum Laminated Film

A multilayer composite material containing aluminum foil, used for the soft packaging of lithium batteries.

Membrane Support Fabric

A base material used to support water purification membranes.



Downstream Application

Soft Pack Battery


Soft pack battery is a lithium-ion battery packaged with aluminum-plastic film, which is lightweight, soft, and has high energy density.

Water Purification Membrane

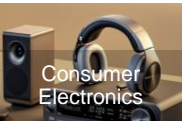
Water treatment membrane is a thin film used for filtering and separating impurities in water, and is used for purifying and desalinating water.




Terminal Applications





Consumer Electronics







Energy Storage Power Station







AI Computing Power Facilities







New Energy Vehicle







Humanoid Robot







Desalination






Urban Sewage Treatment





Household Water Purifier



FIRST 2024 ESG Report

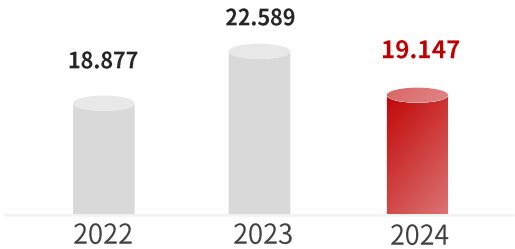
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2024 Key Performance and Awards

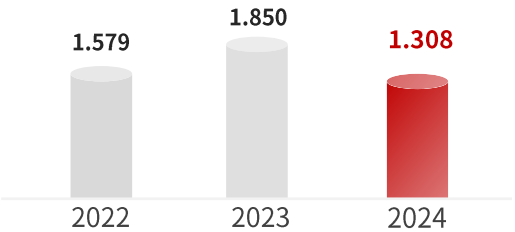
2024 Key Performance and Awards

We mainly engaged in the R&D, production, and sales of Photovoltaic Materials, Electronic Materials, and Functional Film Materials. We are the largest supplier of PV films globally, with a market share of about 50%. We offer the richest product line that can meet the encapsulating requirements of various types of crystalline silicon cells and thin-film modules. The cumulative shipments of our PV films can encapsulate over **1145GW** of PV modules.

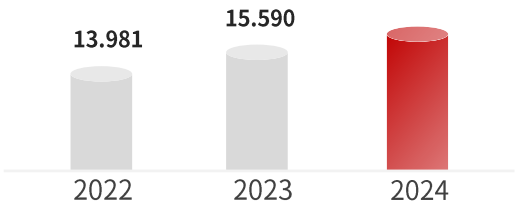
Revenue (RMB billion)



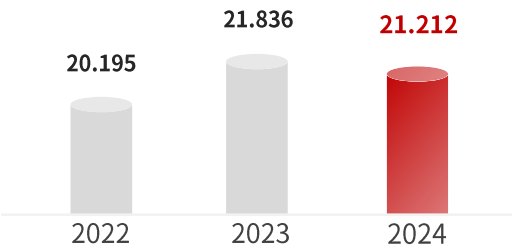
Net Profit (RMB billion)



Net Asset (RMB billion)



Total Asset (RMB billion)



2024 Key Performance and Awards

Honors in 2024

Outstanding Contribution Award by China Photovoltaic Industry Association	AAA-Level Enterprise for Contract Compliance and Creditworthiness in Zhejiang Province
Yangtze River Delta Business Innovation Model 2023	Top 500 Private Manufacturing Enterprises in China 2024
Second Prize of Zhejiang Science and Technology Progress Award	The Sixth Batch of National SRDI "Little Giants" (HANGZHOU FIRST ELECTRONIC MATERIAL CO., LTD.)



Outstanding Contribution Award by China Photovoltaic Industry Association

AAA-Level Enterprise for Contract Compliance and Creditworthiness in Zhejiang Province

The Sixth Batch of National SRDI "Little Giants"



Yangtze River Delta Business Innovation Model 2023

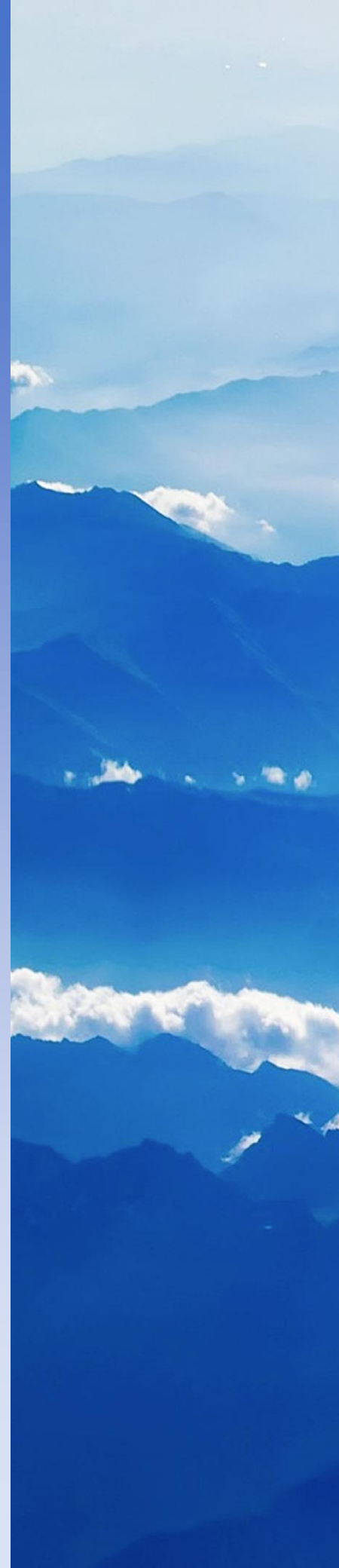
Top 500 Private Manufacturing Enterprises in China 2024

Second Prize of Zhejiang Science and Technology Progress Award

01

Laying a Solid Foundation for Sustainable Development

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Response to UN Sustainable Development Goals

We actively respond to and support the United Nations Sustainable Development Goals (SDGs), striving to align our business operations with global sustainability initiatives and contributing to the achievement of global sustainable development. Centered around four core themes below, we integrate environmental protection, value chain management, employee and social well-being, and corporate governance into our sustainability practices. We proactively seek synergies with the SDGs, covering 14 specific goals including gender equality, industry innovation and infrastructure, responsible consumption and production, and climate action.

This report presents our sustainability philosophy and practices comprehensively, reflecting our firm commitment to the global sustainable development agenda. We firmly believe that through close collaboration and joint efforts with all stakeholders, we can build strong momentum to tackle challenges across environmental, social, and governance dimensions. Together, we will contribute to the realization of the SDGs and inject lasting vitality into global sustainable development.



Green Development for a Sustainable Future

- Response to Climate Change
- Environmental Compliance Management
- Energy Management
- Water Resource Utilization
- Emissions & Waste Management
- Chemical Safety



Innovation and Collaboration for a Responsible Value Chain

- Innovation-driven Development
- Intellectual Property Protection
- Product and Service Safety and Quality
- Data Security and Customer Privacy Protection
- Supply Chain Security



Response to UN Sustainable Development Goals



Caring for Employees and Building a Harmonious Ecosystem

Occupational Health and Safety (OHS)

Diversity, Equity, and Inclusion (DEI)

Human Rights and Employee Rights Protection

Employee Development and Training

Social Responsibility



Integrity and Compliance to Strengthen Corporate Governance

Corporate Governance

Standardized Operations

Risk Management and Internal Controls

Business Ethics



ESG Governance

Sustainability Policy

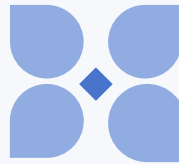
We are committed to promoting global and corporate sustainability by integrating sustainable development concepts into our daily operations. We also plan and implement long-term ESG management strategies to create value for the economy, society, and the environment. We always value and listen to the voices of various stakeholders, adhere to compliance, continuously enhance our sustainability awareness and capabilities, and aim to achieve sustainable development goals through solid ESG practices.

Innovation-driven & Green Development

Continuously drive technological innovation, optimize products and services, and actively promote technological advancements in the global clean energy industry.

Compliance Management & Steady Development

Strictly comply with regulations and environmental requirements, ensuring legal compliance, precise management, and steady growth.



Digital Innovation & Intelligent Operations

Independently develop and use digital tools and intelligent production systems to improve efficiency and optimize resource allocation for sustainable digital and intelligent development.

Photovoltaic Empowerment & Low-Carbon Circulation

Reduce consumption and emissions, promote green energy, and explore carbon offset and neutrality measures to gradually achieve carbon neutrality and contribute to a sustainable future.

ESG Governance Framework

We continue to refine our ESG management system, striving for ongoing optimization. We have established an ESG governance framework with a clear structure, defined roles, and efficient operations, consisting of **three levels: Decision-making, Management, and Execution**, ensuring effective ESG implementation. ESG performance is also a key indicator in evaluating the management team's performance, and we are exploring a mechanism linking ESG results to compensation, with appropriate assessment weights, ensuring ESG principles are integrated into all aspects of the company's operations.



In our ESG governance framework, **the Board of Directors holds the highest governance responsibility (decision-making level)**, overseeing ESG matters and providing top-level support for the company's sustainable development.

The Board's key duties include setting ESG strategy, monitoring implementation, determining key ESG issues, and reviewing related reports. These tasks are carried out by **the Strategy and Sustainability Committee**, according to the "Board Strategy and Sustainability Committee Work Guidelines."

The Strategy and Sustainability Committee consists of three directors elected by the shareholders, with two non-independent directors and one independent director, and is chaired by the Board chairman, reflecting the company's commitment to ESG. The chairman, as the company's controller, ensures risk prevention and compliance with internal control systems, safeguarding stakeholders' interests.

Responsibilities of the Strategy and Sustainability Committee

- Research sustainability matters (including ESG), assess risks and impacts, enhance ESG risk management, and provide recommendations to the Board.
- Monitor key sustainability information, assess ESG impacts on stakeholders, oversee major safety and environmental risks, and propose measures to the Board.
- Review sustainability policies, strategies, goals, and key issues, and monitor implementation in line with development goals.
- Review social responsibility and ESG reports, and report to the Board.

ESG Governance

ESG Governance Framework

The General Manager's Office, as the management level, is responsible for formulating and executing ESG plans, integrating ESG risks into the risk management and internal control system. It oversees ESG implementation, evaluates overall ESG performance, provides recommendations to the Board, and prepares ESG reports, presenting updates to the Board quarterly through production and management meeting.

The execution level consists of the ESG Working Group, led by the Board Office. Group members include departments like the Supply Chain Center, Legal Affairs, Internal Audit, Finance, three Business Divisions (including their Quality and EHS departments), Intellectual Property, Information Technology, Engineering, R&D Institute, and Human Resources, covering all aspects related to the company's daily management.

To enhance ESG practices and disclosure quality, we have established "Detailed Guidelines for the ESG Working Group", which track ESG goals, manage risks, and handle carbon emissions accounting. This collaborative structure ensures effective ESG implementation and drives our sustainable development progress.

We will continue improving our ESG practices, strengthening collaboration with professional organizations, and learning from industry leaders.

Detailed Guidelines for the ESG Working Group (Summary)

The Board Office: As the core leader of the ESG Working Group, plans, coordinates, and supervises ESG activities across departments, and **organizes and reports ESG-related issues and risks to the General Manager's Office**, ensuring accurate summary and timely disclosure of ESG information.

Supply Chain Center: Maintains integrity with suppliers and partners, promotes transparency, selects responsible suppliers, and monitors their ESG performance.

Legal Affairs Department: Ensures compliance with regulations and continuously enhances ESG performance.

Internal Audit Department: Manages ESG risks and controls, ensuring accurate data collection.

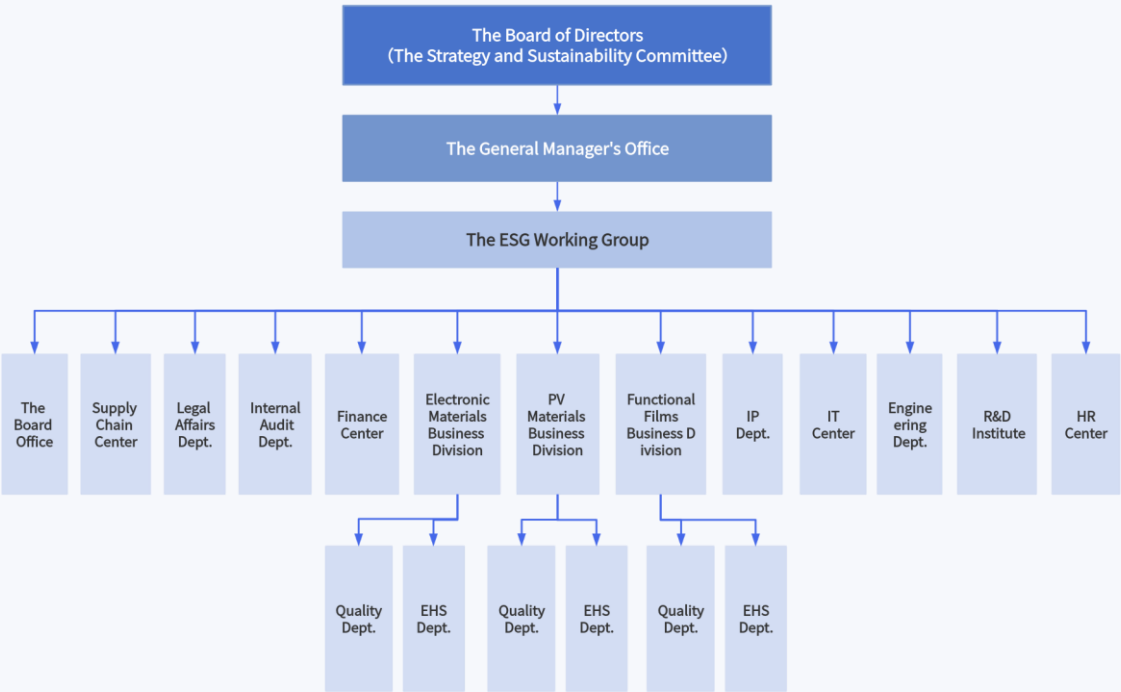
Finance Center: Provides financial support for ESG projects and monitors financial performance.

Business Divisions & their Quality/EHS Dept.: Ensures compliance with environmental standards, monitors performance, and provides training.

IP Department: Protects innovations and promotes sustainable technology development.

IT Center: Supports ESG goals with technology, including carbon reduction and efficiency.

HR Center: Ensures labor law compliance, respects employee rights, and fosters development.



ESG Governance

ESG Training and Culture Building

FIRST places great importance on ESG training. During the reporting year, dedicated ESG training sessions and multiple annual ESG meetings were organized, covering department heads and ESG team members. The ESG team leader provided in-depth explanations of FIRST' s ESG vision and sustainability strategy, shared industry best practices, clarified the ESG governance structure, disclosure objectives, and latest requirements, and addressed key ESG topics and concerns. These sessions strengthened participants' understanding of ESG management and practices, enhanced awareness of sustainability, and laid a solid foundation for achieving future ESG goals and advancing the company' s sustainable development strategy.

Specialized ESG Trainings

Special Training on the "Sustainability (ESG) Report" for Listed Companies

During the reporting period, members of the Board Office actively participated in the ESG training organized by the Shanghai Stock Exchange for listed companies. They also attended several ESG seminars and workshops hosted by professional institutions. The training covered topics such as ESG reporting frameworks, strategies for enhancing corporate ESG performance, and best practices from leading new energy companies.



Professional ESG Seminars

SA8000 Social Accountability Standard and Greenhouse Gas (GHG) Verification Training

In 2024, we organized targeted professional training on the SA8000 Social Accountability Standard and GHG emissions verification. Professional institutions were invited to conduct the training and knowledge-sharing sessions. The program helped deepen our understanding of international social responsibility standards and GHG emissions, supporting the implementation of SA8000 certification, carbon accounting, and the development of scientific emission reduction strategies. It also enhanced the ESG knowledge and capabilities of both management and execution teams.



Specialized ESG Training Sessions

Looking ahead, we will continue to strengthen ESG training, expand coverage, and enhance communication and collaboration within the ESG working group. We aim to further improve employees' understanding and execution of ESG-related initiatives. Meanwhile, we will closely monitor industry trends and regulatory changes to refine our ESG strategies and practices in a timely manner.

Stakeholder Engagement

In advancing sustainable development, we prioritize engaging with stakeholders. We continuously refine the types and methods of their involvement, promptly collect and organize feedback from all parties, and take responsive measures to fulfill stakeholder cooperation and collectively enhance communication mechanisms. We actively listen to stakeholders, understanding their concerns and recognizing their reasonable expectations. Our goal is to grow alongside our stakeholders through diverse communications.

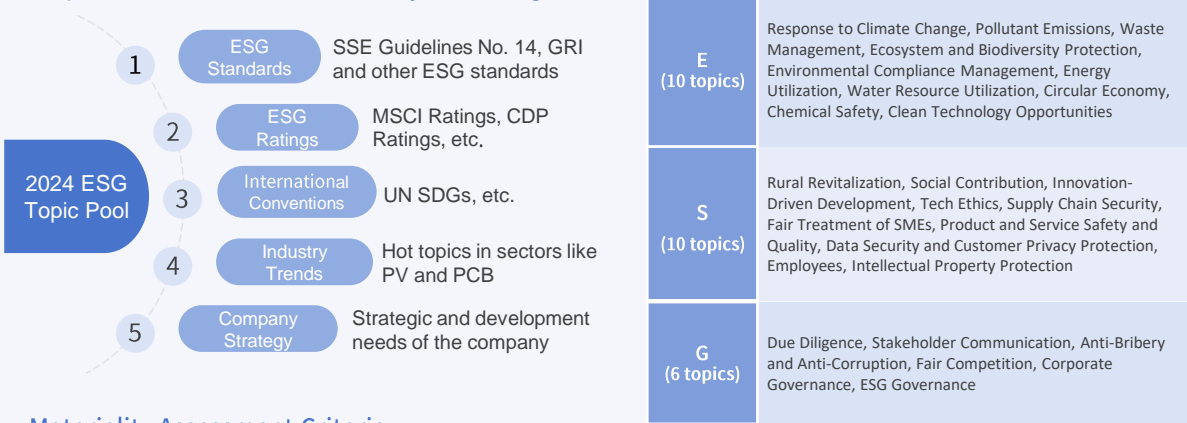
Types of stakeholders	Main demands	Main response measures	Main communication methods
 Shareholder	<ul style="list-style-type: none"> • Consistent and stable return on investment • Understand the company's operations • Sustainable development 	<ul style="list-style-type: none"> • Strengthen the core competitiveness of the business • Fulfill information disclosure obligations in a timely manner • Improve internal control management 	<ul style="list-style-type: none"> • Periodic reports and interim announcements • Investors exchange events such as performance presentations
 Employee	<ul style="list-style-type: none"> • Decent working conditions • Broad career development • Excellent compensation and benefits • Perfect health and safety guarantee 	<ul style="list-style-type: none"> • Improve employee recruitment, training, promotion and other systems • Continue to optimize the compensation and welfare system • Enrich staff activities • Strengthen occupational health and safety management 	<ul style="list-style-type: none"> • Workers' Congress • Learning and training activities • Employee care activities • Notice board, corporate website and WeChat public account
 Customer	<ul style="list-style-type: none"> • Stable and safe product • Competitively priced products • Solve quality problems quickly • Provide excellent customer service 	<ul style="list-style-type: none"> • Implement a customer-first business approach. • Strengthen the core competitiveness • Continue to carry out R&D innovation • Enhance our overall operational efficiency. 	<ul style="list-style-type: none"> • Customer service • Technical exchange • Industry exhibition • New product launch
 Supplier	<ul style="list-style-type: none"> • Fair competition • Fulfill the contract on time 	<ul style="list-style-type: none"> • Implement bidding procedures • Establish a list of qualified suppliers and conduct annual audits • Sign the integrity and self-discipline letter • Pay attention to suppliers' demands • Win-win cooperation 	<ul style="list-style-type: none"> • Supplier conference • Supplier annual audit • Integrity report platform
 Government	<ul style="list-style-type: none"> • Drive the development of local and surrounding industries • Operate legally and in compliance 	<ul style="list-style-type: none"> • Provide jobs and pay taxes • Cooperate with government inspection work • Improve internal compliance monitoring • Ensure compliance with environmental, safety, and integrity laws and regulations 	<ul style="list-style-type: none"> • Compliance operation • Pay taxes in accordance with law • Government data reports • Government related meetings • Accept government scrutiny
 Community and environment	<ul style="list-style-type: none"> • Environmental protection • Energy conservation and emission reduction • Good neighborliness • Public charity 	<ul style="list-style-type: none"> • Operate legally and in compliance • Manage "three wastes" • Promote lean production • Fulfill social responsibilities 	<ul style="list-style-type: none"> • Community Meeting • Publish ESG report • Accept social supervision

Materiality Assessment for ESG Issues

Materiality Assessment Process



Topic Identification & Preliminary Screening



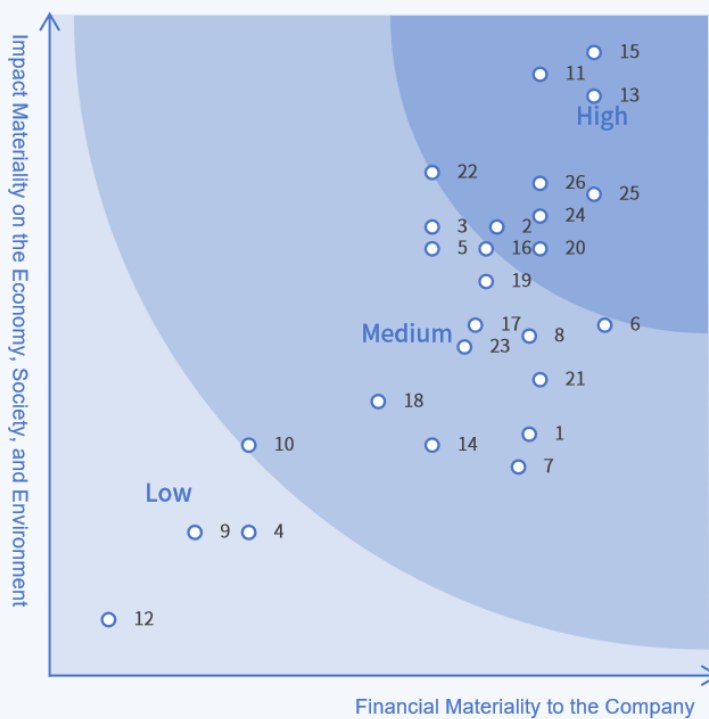
Materiality Assessment Criteria

Materiality Dimension	Criteria: Whether the topic has significant impact
Financial Materiality	<p>Does the topic have potential short-, medium-, or long-term impact on business models, operations, development strategies, financial status, economic performance, cash flow, or cost of capital?</p> <ul style="list-style-type: none">Alignment with financial materiality assessments in company reportingPotential for significant financial risks or opportunities over different time horizonsLikelihood of financial impact
Impact Materiality	<p>Whether the company's performance on the topic may have significant impact on the economy, society, or the environment</p> <ul style="list-style-type: none">For actual negative impacts, the evaluation is based on the severity of the impact (such as scale, scope, and irreversibility).For actual positive impacts, the evaluation is based on the scale and scope of the impact (such as scale, scope, and likelihood).The likelihood of both negative and positive impacts occurring.

Materiality Assessment for ESG Issues

Materiality Assessment Process

- Materiality Matrix



We conducted quantitative analysis based on stakeholder interview results, as well as input from internal financial experts and other ESG specialists. The materiality matrix was developed using two dimensions— “Financial Materiality to the Company” (X-axis) and “Impact Materiality on the Economy, Society, and Environment” (Y-axis)—to evaluate and prioritize each topic as High, Medium, or Low in importance.

A total of 23 material topics were identified, among which 8 topics demonstrated high significance in both dimensions.

The materiality assessment results were reviewed and approved by the Board Strategy and Sustainability Committee, which also leads the targeted disclosure and continuous improvement of key ESG practices.

High Material Topics	Medium Material Topics		Non-Material Topics
2 Pollutant Emissions	1 Response to Climate Change	16 Data Security & Customer Privacy Protection	4 Ecosystem and Biodiversity Protection
11 Innovation-Driven Development	3 Waste Management	17 Employees	9 Rural Revitalization
13 Supply Chain Security	5 Environmental Compliance Management	18 Due Diligence	12 Tech Ethics
15 Product and Service Safety and Quality	6 Energy Utilization	19 Stakeholder Communication	
20 Anti-Bribery and Anti-Corruption	7 Water Resource Utilization	21 Fair Competition	
24 Intellectual Property Protection	8 Circular Economy	22 Chemical Safety	
25 Corporate Governance	10 Social Contribution	23 Clean Technology Opportunities	
26 ESG Governance	14 Fair Treatment of SMEs		

Sustainability Risks and Opportunities Management

Sustainability-Related Impacts, Risks, and Opportunities

We proactively manage sustainability risks and opportunities through robust assessment. These may affect our business model, operations, finances and strategy across short, medium and long-term horizons. By effectively identifying and analyzing these factors, we mitigate risks while capitalizing on opportunities to achieve our sustainability objectives.

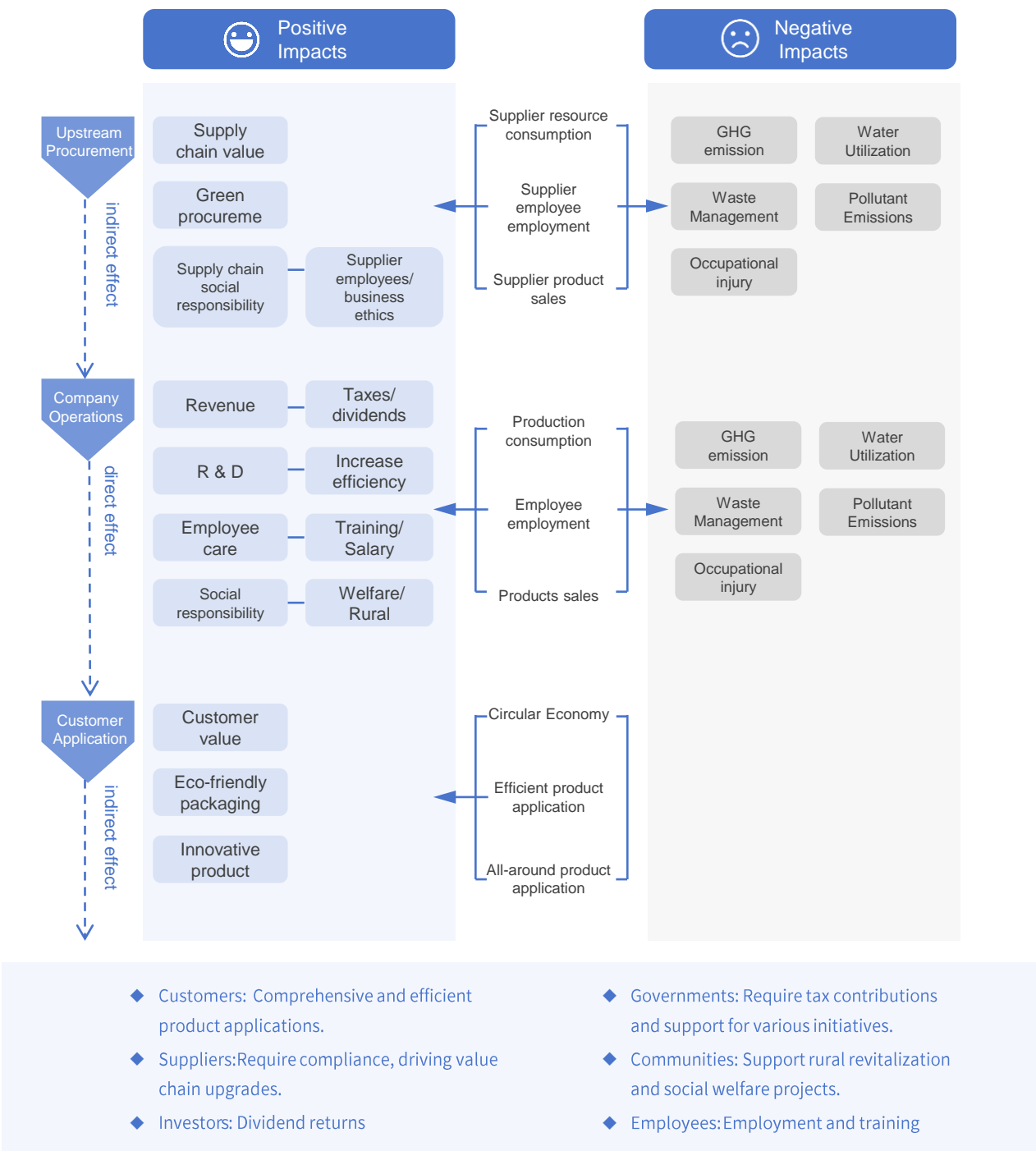
Category	Topic	Impacts, Risks, and Opportunities	Impact Pathway	Timeframe*	Our Response
Environment	Response to Climate Change	Opportunity: Driven by the "Dual Carbon" policy, the new energy market is expected to grow significantly, leading to increased sales of photovoltaic (PV) products.	Downstream	Short-term	Continue developing and launching PV encapsulation materials to fully meet downstream demand.
		Risk: The "Dual Carbon" related policy may require increased use of clean energy, potentially raising costs or causing order loss due to stricter energy supervision.	Downstream	Long-term	Proactively conduct carbon footprint assessments and product carbon accounting, with early energy planning.
		Positive Impact: Supply PV products and build power generation projects to increase clean energy use and reduce GHG emissions for both the company and society.	Business Operations	Medium-term	Innovate and expand PV product lines to promote sustainable development.
Social	Employees	Risk: With the expansion of domestic and overseas business, demand for globally professional talents continues to grow.	Business Operations	Short-term	Focus on talent development and recruitment, and improve compensation, benefits, and employee incentive.
		Risk: Employees' legal awareness is increasing, but due to complex information sources, there is potential for misinterpretation of laws, possibly leading to more labor disputes and reputational risks.	Business Operations	Short-term	Strengthen employee education and strictly comply with relevant laws, regulations, and policies.
		Positive Impact: Provide professional skills and development training, along with a sound work and living environment to ensure safety and stable employment.	Business Operations	Short-term	Continue to invest in employee training and development, providing good working and living conditions.
Social	Supply Chain Security	Opportunity: By managing raw material price fluctuations and optimizing procurement plans, we can reduce costs and enhance competitiveness.	Upstream	Short-term	Formulate reasonable procurement plans for raw materials.
		Risk: Raw material price fluctuations may increase costs or cause impairment of inventory value.	Upstream	Short-term	Make reasonable procurement plans and make provision for impairment as needed in line with accounting policies.
		Negative Impact: Failure to identify labor rights violations or unethical behavior in the supply chain could harm supplier employees' rights and our interests.	Upstream	Short-term	Responsible sourcing of goods and services, signing Supplier Code of Conduct with suppliers.
Social	Market - Geopolitics	Risk: Slowing global economic growth may weaken external demand and increase the risk of trade protectionism.	Business Operations	Short-term	Diversify markets, innovate, and coordinate supply chains to counter global demand drops and trade barriers.
		Risk: Geopolitical tensions may disrupt supply chains, increase business costs, and cause currency fluctuations.	Business Operations	Medium-term	Supply chain diversification and foreign exchange risk management.

Timeframe Definition: Short-term: 1-3year; Medium-term: 3-5 years; Long-term: Over 5 years. Defined based on our business environment, strategic planning, and resource allocation.

Sustainability Risks and Opportunities Management

Value Chain Sustainability Impact

We identify and assess the significant economic, social, and environmental impacts across key stages of our value chain, including procurement, production, sales, services, internal management, external investments, and social activities. Based on the characteristics of each stage, we have developed an impact map to comprehensively review and evaluate the potential positive (benefits) and negative (costs) impacts of our value chain activities. This helps us better monitor, prevent, manage, control, and mitigate significant impacts and implement corresponding measures.



Sustainability Metrics and Targets

Annual Work Objectives



01

Strengthen Technological Innovation

Increase R&D investment to develop high-efficiency innovative products, contributing to clean energy initiatives and dual carbon goals.



02

Deepen Green Operation Strategy

Optimize production processes, improve energy efficiency, reduce resource consumption and waste, and promote circular economy practices to build a sustainable ecosystem.



03

Build a Sustainable Supply Chain

Adopt digital supplier management to embed sustainability principles and collaborate on creating an ethical, green, and sustainable supply chain network.



04

Focus on Employee Development

Safeguard occupational health and rights, foster equality and diversity, and cultivate globally competitive talent with multidisciplinary expertise.







05

Fulfill Social Responsibilities

Strengthen community engagement and university partnerships, leverage PV industry strengths to support vulnerable groups, and drive social progress.

Targets and Metrics

We are committed to establishing a comprehensive environmental, social, and climate risk management system. We regularly monitor and manage the following key indicators to ensure transparency and accountability. These metrics are continuously measured and disclosed annually:

 <div>Energy</div>	 <div>Water Resources</div>	 <div>Waste</div>	 <div>GHG Emissions</div>
<div>Metrics</div> <ul style="list-style-type: none">Comprehensive Energy ConsumptionDiesel ConsumptionNatural Gas ConsumptionElectricity ConsumptionDirect Energy ConsumptionIndirect Energy ConsumptionClean Energy UsageRenewable Electricity Usage Ratio	<div>Metrics</div> <ul style="list-style-type: none">Water WithdrawalWater Use Intensity	<div>Metrics</div> <ul style="list-style-type: none">Recyclable Waste VolumeWaste Categorization	<div>Metrics</div> <ul style="list-style-type: none">GHG EmissionsScope 1 EmissionsScope 2 EmissionsGHG Emission Intensity
<div>Targets</div> <ul style="list-style-type: none">Unit Consumption ReductionEnvironmental Compliance	<div>Targets</div> <ul style="list-style-type: none">Withdrawal and wastewater management	<div>Targets</div> <ul style="list-style-type: none">Waste DisposalCircular Economy Targets	<div>Targets</div> <ul style="list-style-type: none">Carbon accounting and Carbon Footprint Certification for Key Products

02

Green Development for a Sustainable Future



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Response to Climate Change

Governance

We have established a comprehensive ESG governance framework that fully incorporates climate change governance. By integrating climate-related functions into our ESG governance structure, we ensure systematic monitoring and management of climate-related risks and opportunities, with clearly defined responsibilities at decision-making, management, and implementation levels, forming an effective top-down climate governance system.



Strategy

We fully recognize the profound and complex impacts of climate change on human society and natural ecosystems. Climate-related risks and opportunities exhibit intricate systemic linkages. For instance, global climate policies and extreme weather events may threaten economic stability and business operations, while simultaneously creating opportunities for technological innovation and green transformation. Against this backdrop, global low-carbon transition is imperative, and we treat climate change as a core strategic priority, committed to mitigating its adverse effects through business practices.

We closely track domestic and international climate policies, actively responding to national strategic goals such as the "Carbon Peak Action Plan Before 2030." Since 2024, we have initiated corporate-wide carbon accounting to systematize and refine climate work. By establishing a robust carbon management system, we aim to achieve emission reduction targets and lay the foundation for carbon neutrality. We steadfastly advance our "SOLAR FOR SOLAR—Negative Carbon Earth" sustainability vision, implementing energy conservation, renewable energy adoption, and energy structure optimization across operations. As an active player in renewable energy, we continuously develop innovative technologies and green products to accelerate industry-wide sustainable transition.

We have identified and assessed two categories of climate-related risks and opportunities: (1) **Transition risks** associated with low-carbon economy shifts (policy/legal, technological, market, reputational risks); and (2) **Physical risks** from climate impacts (acute risks like extreme weather and chronic risks like long-term climate pattern shifts). Addressing climate change is not only about risk management but also seizing development opportunities. We are committed to driving the global energy transition by enhancing our climate risk management, improving disclosure transparency, advancing green technology innovation, developing sustainable low-carbon solutions, and supporting worldwide climate governance to achieve sustainable development goals.

Response to Climate Change

Type	Transition Risks/ Opportunities	Description	Mitigation Measures	Time Horizon	Level
Policy & Legal	<i>Risk: Climate disclosure requirements</i>	Increased costs for carbon data collection, third-party verification, and policy monitoring	Establish carbon data management system; disclose climate targets/progress in ESG reports per regulations	Medium-to-long term	Low
Policy & Legal	<i>Risk: Mandatory renewable energy use</i>	Stricter GHG emission/renewable energy requirements may be imposed	Conduct carbon accounting and verification; set reduction targets; plan renewable energy adoption; implement low-carbon operations	Long term	Medium
Market	<i>Risk: Rising raw material costs</i>	Suppliers' climate-related operational cost increases may elevate FIRST's procurement expenses	Optimize low-carbon supply chain; enhance resilience; collaborate with partners on emission reductions	Medium-to-long term	Medium
Market	<i>Opportunity: Growing clean energy demand</i>	Market shift toward renewables boosts demand for photovoltaic products	Expand PV encapsulation materials production; align with "Focus on the main PV business, and vigorously develop other new material industries" strategy	Medium-to-long term	High
Technology	<i>Risk: Low-carbon tech upgrades</i>	Higher R&D costs for energy-efficient technologies; need to track industry innovations	Increase low carbon tech investment; analyze trends; maintain competitive edge	Medium-to-long term	High
Reputation	<i>Risk: Stakeholder dissatisfaction with climate-related actions</i>	Failure to meet climate action expectations may damage reputation	Regular stakeholder engagement; transparent disclosures (e.g., ESG reports)	Long term	Low

Type	Physical Risks/ Opportunities	Description	Mitigation Measures	Time Horizon	Level
Acute	<i>Risk: Extreme weather (storms, typhoons)</i>	Production disruptions, asset/employee losses, and supply chain instability	Upgrade equipment; implement emergency protocols; enhance weather resilience	Short-to-medium term	Low
Chronic	<i>Risk: Climate pattern shifts (heatwaves/cold snaps)</i>	Rising temperatures increase cooling/heating costs and impact employee health and productivity	Improve energy management; deploy renewable/energy-efficient devices; strengthen worker protections	Long term	Low

Response to Climate Change

Risk Management

We have established a climate-related risk and opportunity identification, assessment, and management process. This systematically identifies and evaluates material climate change risks and opportunities, develops targeted mitigation measures and action plans, and integrates climate risk management into the cross-departmental risk management framework. Through standardized procedures, the General Manager's Office reports monthly to the Board on climate-related matters, while the Strategy and Sustainability Committee conducts regular reviews. Management strategies are dynamically adjusted in response to internal/external changes and business plan updates, ensuring deep integration of risk management with corporate strategy to address climate challenges and advance sustainability goals.

Climate Risk & Opportunity Identification, Assessment, and Management Process

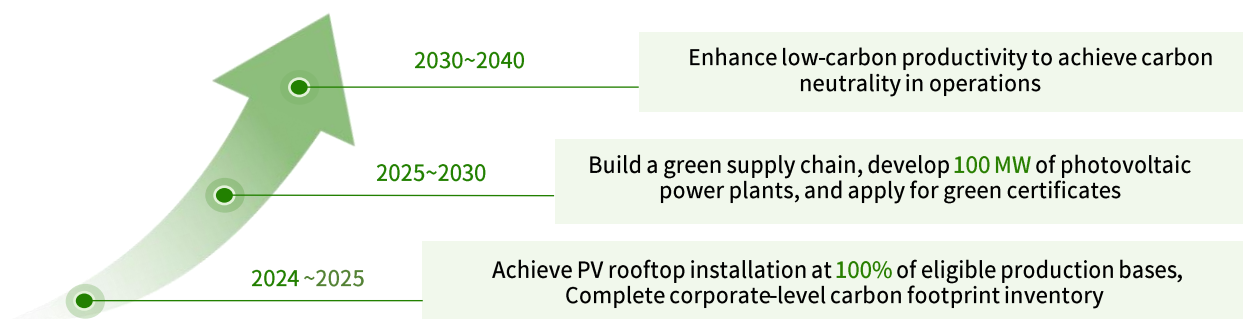


Response to Climate Change

Metrics and Targets

Carbon Target Planning

In addressing climate change challenges, we closely monitor evolving domestic and international regulations and have established short-, medium-, and long-term carbon emission reduction targets tailored to our operations. We have implemented proactive measures to identify, quantify, and disclose environmental, social, and climate-related metrics, including conducting carbon accounting for all domestic and international subsidiaries under our operational control. These efforts demonstrate our steadfast commitment to sustainable development.



Carbon Emissions Management

In 2024, we conducted detailed statistics and identification of both direct and indirect carbon emissions covering our production and operations, compiled a carbon inventory, and performed carbon accounting for our parent company as well as all domestic and foreign subsidiaries under our operational control, in accordance with The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard and ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals).

Simultaneously, we engaged a third-party institution to conduct independent verification of our Scope 1 and Scope 2 greenhouse gas data following ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements), which issued the Verification Statement of GHG Emissions.

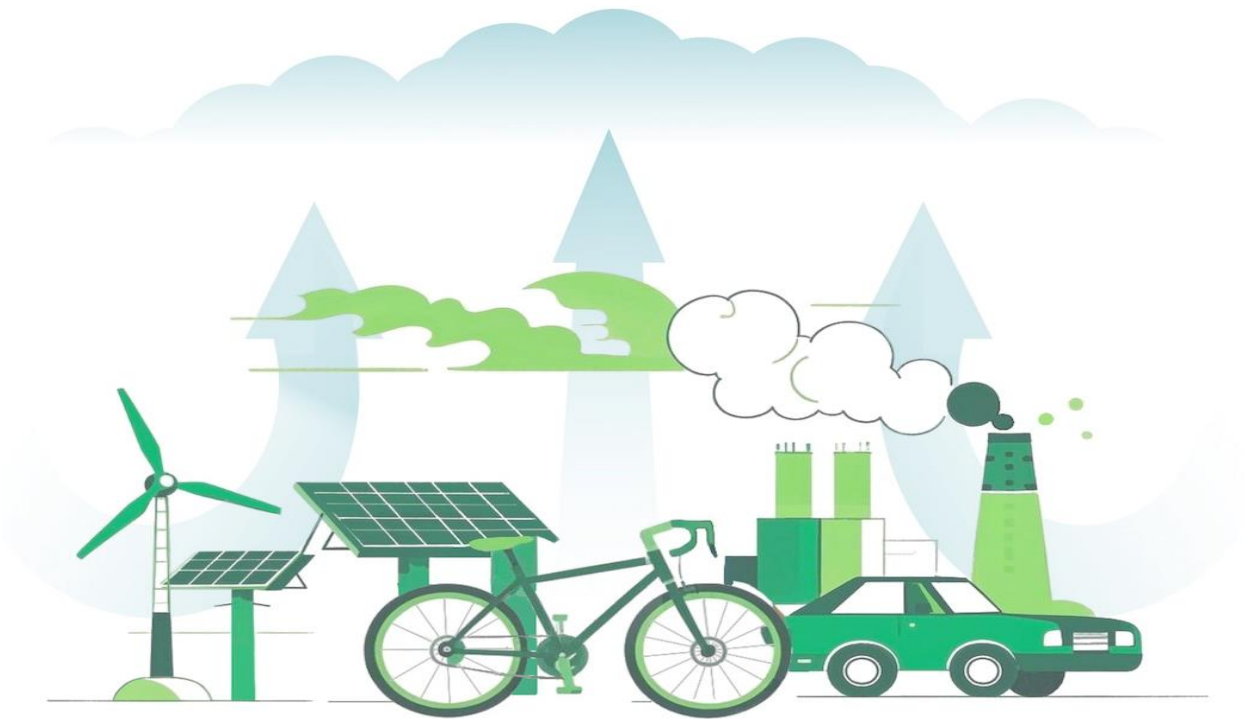


Response to Climate Change

FIRST 2024 Greenhouse Gas Emissions		
Emission Category	Unit	Data
Total GHG Emissions	tCO ₂ e	305,024
By Scope Classification		
Scope 1* Emissions	tCO ₂ e	7,952
Scope 2* Emissions	tCO ₂ e	297,072
GHG Emission Intensity	tCO ₂ e/10k RMB Revenue	0.1593

Scope 1 Emissions refer to greenhouse gas emissions from sources directly owned or controlled by the company, corresponding to "direct greenhouse gas emissions" as defined in ISO 14064-1:2018.

Scope 2 Emissions represent greenhouse gas emissions generated from purchased electricity and heat energy, aligning with "indirect greenhouse gas emissions from imported energy" under ISO 14064-1:2018.



Response to Climate Change

Metrics and Targets

Carbon Footprint Certification

To actively respond to the national "Dual Carbon" goals and practice the green and low-carbon development philosophy, we have continued to advance carbon emission management and conducted carbon footprint certification for our key products. During the reporting period, based on the standards issued by the International Organization for Standardization (ISO) - *"ISO 14040:2006 Environmental management - Life cycle assessment - Principles and framework"*, *"ISO 14044:2006 Environmental management - Life cycle assessment - Requirements and guidelines"*, and *"ISO 14067:2018 Greenhouse gases - Carbon footprint of products"*, we systematically calculated and assessed the carbon footprint throughout the product lifecycle of our main products, and successfully obtained Product Carbon Footprint Verification Statements issued by an authoritative third-party institution. Through carbon footprint certification, we have comprehensively grasped the carbon emission data from raw material acquisition to production processes, identified emission reduction potential, and provided a scientific basis for subsequent optimization of production processes and reduction of carbon emission intensity.

In the future, we will continue to deepen carbon footprint management, promote green transformation of the supply chain, explore more low-carbon technology applications, and strive to achieve carbon neutrality throughout the entire product lifecycle, contributing corporate strength to addressing climate change.



Product Carbon Footprint Verification Statements

Response to Climate Change

Green Business Development

Photovoltaic Business

As a dedicated player in the green energy sector, FIRST specializes in manufacturing photovoltaic (PV) encapsulant films and backsheets – critical components that protect and enhance PV modules' efficiency and lifespan. Through continuous technological innovation and cost optimization, we deliver high-performance solutions that empower PV module manufacturers to improve cost-efficiency, strengthen solar energy's market competitiveness, and accelerate the transition to a clean, low-carbon energy ecosystem, thereby supporting ecological conservation and environmental stewardship.

In 2024, FIRST sold **2.811 billion square meters** of PV encapsulant materials, enabling **296GW** of module production. Based on coal-power equivalency, these modules will reduce approximately **295 million tons** of carbon dioxide emissions.

Power Generation Operations

Leveraging our PV industrial expertise, FIRST has deployed distributed PV systems across eligible factory rooftops. Through our wholly-owned subsidiary ZHEJIANG FIRST NEW ENERGY DEVELOPMENT CO., LTD. and its subsidiaries, we have developed ground-mounted and distributed PV projects in Hangzhou, Jiangshan, Beijing, and other regions, embodying our "Solar for Solar" sustainability vision.

As of the end of 2024, we owned **19.99MW** of self-operated photovoltaic power generation systems and developed/externally held **27.15MW** of PV systems. Based on coal-power equivalency calculations, these solar power installations collectively reduced approximately **56,400 tons** of carbon dioxide emissions.



Jiangshan Agrivoltaic Power Station

Environmental Compliance Management

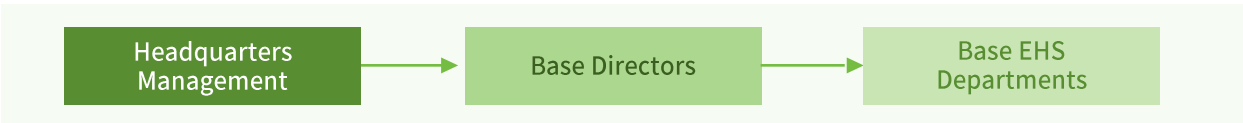
Environmental Governance

Environmental Management Structure

FIRST attaches great importance to environmental protection work, strictly complies with laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and the *Noise Pollution Prevention and Control Law of the People's Republic of China*, comprehensively builds an environmental protection management system, and establishes the *Environmental Protection Management Responsibility System* to implement corporate responsibility.

The company has established a three-level environmental management structure of "headquarters - all bases - base EHS departments", clarifying the work responsibilities of departments at all levels. The headquarters is responsible for reviewing and making major environmental protection decisions, while supervising the implementation of environmental protection work. Each base and its EHS dept. are responsible for implementing and supervising specific environmental protection work at the base.

The company strengthens the construction of environmental protection facilities, effectively controls the compliant discharge and disposal of pollutants such as waste gas, wastewater and waste residue. The company has formulated emergency plans for environmental incidents, providing clear guidance for the prevention, preparation, emergency response and post-disaster recovery of sudden environmental pollution incidents.



FIRST Three-Level Environmental Management Structure

Environmental Governance Reporting Mechanism

The company has systematically established a monthly EHS reporting mechanism, regularly compiling and issuing *Safety Monthly Reports*, which include: 1. special analysis of environmental incidents; 2. highlight environmental protection work of subsidiaries.

Through this normalized information reporting mechanism, transparent management of environmental risks is achieved, promoting experience sharing among subsidiaries and continuous improvement of environmental protection performance.



FIRST Safety Monthly Reports

Environmental Management System Certification and Management

As of the end of the reporting period, 100% of the company's production bases have obtained ISO14001 environmental management system certification. We have established an internal performance evaluation system related to the environment. In 2024, annual environmental audits were conducted for subsidiaries to improve environmental performance. To ensure continuous compliance with ISO14001, we will continue to strengthen our internal and follow-up audit work and improve our internal processes.

In 2024, the company did not receive any administrative penalties from ecological environment authorities due to environmental incidents.

System	Name	Coverage of Producing Subsidiaries in the Group
ISO14001	Environmental Management System	100%

Environmental Compliance Management

Environmental Emergency Management

FIRST has formulated the *Emergency Response Plan for Sudden Environmental Incidents* in accordance with regulatory requirements including the *Measures for the Administration of Emergency Response to Sudden Environmental Incidents*, establishing a systematic and comprehensive emergency management system. The company strengthens environmental risk management through three key dimensions: **Mechanism Development:** Established a closed-loop management system integrating "prevention-warning-response-recovery" with clear operational procedures defined for each phase. **Organizational Structure:** Implemented a tiered emergency command system, specifying authority divisions among decision-making, execution, and support levels. **Implementation Safeguards:** Standardized twelve core procedures including monitoring & warning, emergency response, and post-incident disposal, supported by material reserves, team training, and contingency drills. Through quantified response classification criteria and scenario-specific disposal plans, standardized and procedural management of environmental emergencies has been achieved.

All production bases have developed and regularly update, refine, and conduct drills for their respective *Emergency Response Plans for Sudden Environmental Incidents*.


Emergency Drills

In April 2024, Jiaxing Company conducted a **hazardous chemical leakage drill** simulating pipeline connection loosening during filling operations. Personnel followed protocol by wearing protective gear and using specialized tools to contain the leak, preventing environmental contamination through stormwater drainage systems.

In August 2024, Hangzhou Company executed an **air pollution emergency drill** simulating exhaust gas leakage due to equipment failure, thereby enhancing emergency response capabilities for emission control system malfunctions.

In October 2024, Electrical Materials Company organized a **hazardous waste leakage drill**, significantly improving staff preparedness and response awareness for such incidents.

In December 2024, Anji Company performed a **drill for pH exceedance at wastewater discharge outlets**, validating the effectiveness of emergency procedures and strengthening abnormal discharge response capabilities.



Emergency Drill

Metrics and Targets

Environmental Metrics and Targets

Environmental Compliance Metrics & Targets	2024 Target	2024 Achievement
"Two Zeros"	Zero environmental accidents, zero administrative penalties	Achieved: No environmental incidents or penalties in 2024
"Two Controls"	Control neighborhood complaints to ≤4 annually, 100% complaint resolution rate	Achieved: Zero neighborhood complaints in 2024

Environmental Compliance Management

Environmental Protection Investment

We have always placed great emphasis on environmental protection. In recent years, we have consistently increased our investment in environmental protection to upgrade facilities, optimize production processes, promote the application of green energy, and reduce carbon emissions. These initiatives not only reflect our commitment to environmental responsibility but also lay a solid foundation for achieving green development goals.

In 2024, clean technology products (photovoltaic materials) accounted for 94.59% of our total revenue.

Year	2024	2023	2022
Environmental Protection Investment (10,000 RMB)	8,153.05	6,861.08	3,618.74

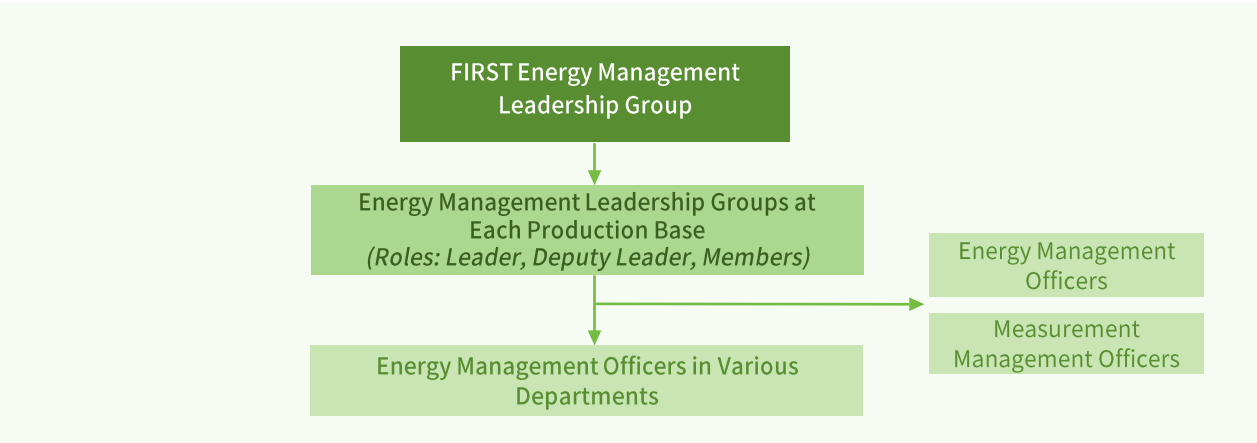
Biodiversity Statement

All our production facilities have undergone environmental impact assessments. Research indicates that all manufacturing bases are located within government-designated industrial zones, and none are situated in areas officially classified as ecologically sensitive. We maintain full compliance with all applicable environmental laws and regulations in our operations. Going forward, we will implement ongoing monitoring of biodiversity risk management and provide periodic reporting on our conservation efforts and progress.

Energy Management

Energy Management System

Energy Management Organizational Structure



FIRST Energy Management Organizational Structure

The company has established a multi-level, comprehensive energy management framework to systematically advance energy management and energy conservation efforts. At the corporate level, the **FIRST Energy Management Leadership Group** consolidates energy data from all production bases, formulates company-wide energy-saving policies and goals, and provides strategic guidance for overall energy management. At the production base level, **each base has its own Energy Management Leadership Group**, adopting a three-tier management structure of Leader, Deputy Leader, and Members, with clearly defined responsibilities: The Leader is responsible for setting the base’ s energy-saving policies and goals, and overseeing energy conservation management. The Deputy Leader assists the Leader, leads the implementation of energy-saving technological upgrades, technical initiatives, and annual energy-saving plans, and promotes new technologies and processes. The Members, composed of production workshop supervisors and office directors, are responsible for executing energy-saving plans, monitoring energy usage, and improving energy efficiency through measures such as establishing regulations and assigning detailed targets to teams or individuals.

Additionally, each base is equipped with **Energy Management Officers** and **Measurement Management Officers** to support the implementation of specific tasks. Through this structure, the company has achieved systematic and refined energy management, providing a solid foundation for meeting energy conservation and efficiency goals.

Energy Management Policies

We have established systematic energy management policies aimed at optimizing energy allocation and utilization efficiency, reducing waste, minimizing environmental impact, and advancing energy conservation objectives. **The Energy Management Policy** defines the organizational structure and responsibilities for energy management and measurement, covering the use, measurement, statistical analysis, and cost management of electricity, water, natural gas, and other energy sources. It applies to all departments, with the core objective of energy conservation. **The Energy Conservation and Efficiency Policy** specifies the roles of the Energy Management Group Leader, Deputy Leader, and Members to ensure orderly and effective implementation of energy-saving initiatives. **The Energy Measurement Objectives Policy** outlines the selection and retirement criteria for energy measurement instruments. It requires regular technical and economic analysis of energy usage for major equipment and public systems, combining testing and statistical analysis to identify energy-saving potential and improvement directions, thereby providing a scientific basis for optimizing energy management and technological upgrades. Through these policies, we have built a robust energy management system, offering institutional support for achieving high-efficiency energy utilization and sustainable development goals.

Energy Management

Energy Usage Overview

The company has established a digital platform to enable real-time monitoring of energy consumption and historical data traceability analysis, providing precise data support for energy management. *Monthly Energy Statistical Reports* and *Energy Analysis Reports* are compiled to optimize energy efficiency through data insights, continuously advancing energy management and energy conservation goals.

Indicator	Unit	2024 Data
Basic Energy Usage		
Total Energy Consumption*	tce (tonnes of standard coal equivalent)	74,658.5
By Energy Type		
Diesel*	liters	123,423.5
Natural Gas	m³	1,955,545.0
Electricity	MWh	578,372.1
Direct Energy Consumption	tce	2,877.4
Indirect Energy Consumption	tce	71,781.0
Energy Intensity	tce/10,000 RMB (revenue)	0.0390
Clean Energy Usage		
Clean Energy Consumption	MWh	24,613.5
By Energy Type		
Solar Power	MWh	24,613.5
Renewable Electricity (Solar) Usage Ratio	%	4.26

*The conversion of different energy types into standard coal equivalent follows GB/T 2589-2020 General Principles for Comprehensive Energy Consumption Calculation.
*Diesel volume-to-mass conversion in this report is based on a standard density value of 0.835 kg/L.

Renewable Energy Utilization

Against the global backdrop of advancing "carbon peak" and "carbon neutrality" goals, photovoltaic (PV) power generation, as a key component of new energy, will play a significant role in future power systems. In 2024, we invested **over 9 million RMB** to launch **four** new PV projects across multiple company bases, including capacity expansion of existing projects, PV-covered parking lots, and rooftop installations on dormitory buildings. Currently, **six** production bases have implemented distributed PV systems, achieving self-consumption with surplus electricity fed into the grid. In 2025, we plan to add **three** additional rooftop distributed PV projects at factory buildings, further increasing the proportion of renewable energy usage to support the green and low-carbon transition.



Jiaxing Company PV-Covered Parking Lot

Energy Management

Energy-saving Retrofit Cases

We have been actively implementing diverse innovative energy-saving measures in energy management and retrofits to enhance efficiency and reduce operational costs. Through process optimization, energy-saving retrofits of production equipment and peripheral facilities, and optimized equipment usage strategies, we have achieved significant energy savings and efficiency improvements.

Energy-saving Project	Energy-saving Results
Cooling Tower Excess Capacity Utilization	Cooling towers are typically designed with 1.1–1.2 times redundancy. By optimizing operational strategies—such as variable frequency drives for fans and demand-based activation of cooling towers—we effectively reduced unnecessary energy consumption.
Cross-business Steam Synergy and Reuse	Through cross-business resource coordination, steam generated from electronic materials production is redirected to functional film production. In 2024, steam reuse reached 730.9 m³, lowering steam treatment costs for electronic materials while providing a stable steam supply for functional film production.
Power Distribution and Energy Storage	Distributed PV stations were installed on workshop rooftops. To address power generation fluctuations and demand variability, we introduced energy storage systems for "peak shaving and valley filling," stabilizing grid fluctuations while capitalizing on peak/off-peak electricity price differentials.
RTO Waste Heat Utilization	Our RTO incineration system achieves efficient waste heat recovery, repurposing heat for power generation, winter workshop temperature regulation, and steam production for photosensitive dry film drying. Condensate from steam is recycled to boilers, creating a closed-loop system that enhances energy efficiency.
Online Ball Cleaning System	Freezers were retrofitted with online ball cleaning systems to maintain condenser tube cleanliness, ensuring optimal heat exchange performance, reducing electricity consumption, and improving energy efficiency.
Cooling Optimization and Control Measures	For high-temperature production zones, we restricted air conditioning usage and instead optimized fresh air circulation with chilled air blowers. In AC-cooled areas, we enhanced duct sealing/insulation inspections, installed magnetic AC curtains, implemented stepwise temperature control within continuous cooling spaces, and set strict temperature limits to improve efficiency and thermal management.



Energy-saving Retrofit Cases

Energy Conservation Awareness

We attach great importance to fostering an energy-saving culture through diversified awareness initiatives. For departments with unquantifiable targets, we implement all-staff energy-saving actions via QCC activities. For quantifiable targets, we enforce energy-saving responsibility agreements. Our systematic approach includes: hosting campaign launches to clarify objectives, designing promotional posters, and conducting training on energy-saving practices. These measures have effectively enhanced employee awareness and embedded conservation concepts into daily operations, supporting sustainable development.

Energy Management

Metrics and Targets

Energy Performance Evaluation System

We have established a systematic energy performance evaluation system, incorporating energy consumption indicators into multi-level performance assessments to drive energy conservation goals. Key measures include:

Corporate Level	Integrating energy consumption into KPI evaluations. For PV bases with higher energy demands, establishing inter-base benchmarking mechanisms and implementing "Energy Conservation Responsibility System" initiatives with phased targets
Base Level	Incorporating energy metrics into monthly performance evaluations for major energy-consuming departments, with annual target updates. For departments with unquantifiable targets (e.g., Quality, Administration), organizing "Energy Conservation QCC" activities to institutionalize measures through incentive programs
Equipment Management Level	Assigning the Equipment Department to oversee daily energy management and technological innovations. Linking conservation targets directly to performance evaluations for "Energy Management Positions," "Utility System Engineers," "Utility Teams," and "Equipment Retrofit Engineers" to ensure accountability

This multi-tiered evaluation system effectively advances the company's energy objectives and enhances management standards.

Energy Management Metrics and Targets

Energy Management Metrics and Targets	2024 Targets	2024 Achievements
Energy Intensity	For all production units: 3% reduction (baseline), 5% (achieved), 7% (excellent), 9% (outstanding) relative to prior-year levels.	Hangzhou Base: Film Workshop met "baseline"; Mixing Workshop achieved "outstanding"
		Chuzhou Base: Film Workshop met "achieved"; Mixing Workshop reached "outstanding"
		Suzhou Base: Film Workshop met "baseline"; Mixing Workshop attained "excellent"
		Jiaxing Base: Film Workshop met "achieved"; Mixing Workshop reached "excellent"

Water Resource Utilization

Water Resource Management

We place high importance on water resource management, strictly complying with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*, as well as relevant discharge standards. We systematically promote efficient water utilization and wastewater discharge control through water intake management and wastewater management.

Water Intake Management

We have established the *Energy Management System* to systematically advance water conservation and optimize water resource utilization through water balance testing and expert review. We have comprehensively mapped internal water usage, identified inefficiencies, improved water metering systems, and implemented targeted water management optimizations. The company actively encourages the adoption of water-saving technologies to enhance production water efficiency. Regular water conservation training and awareness campaigns are conducted to embed conservation practices into daily operations.

Wastewater Management

We categorize wastewater into industrial production wastewater and domestic sewage, applying differentiated treatment approaches. Industrial wastewater primarily originates from production line cooling, equipment cleaning, and floor washing. Recyclable wastewater is fully reused, while non-recyclable wastewater is treated to meet standards before discharge. Domestic sewage is discharged through municipal sewer systems. We have implemented a comprehensive water quality monitoring and control system, focusing on:

Three-tier Monitoring Mechanism	Conducting high-frequency, multi-point water quality testing at wastewater station inlets, process stages, and final discharge points (covering COD, ammonia nitrogen, etc.).
Equipment Health Management	Maintaining performance parameter logs for critical equipment (pump efficiency, aeration volume, chemical dosing accuracy) and executing preventive maintenance (monthly performance assessments + quarterly deep maintenance).
Discharge Risk Closure	Triggering three-tier alerts for abnormal data (on-site inspection - process adjustment - expert consultation), with rectifications documented in the <i>Environmental Facility Performance Evaluation Report</i> .

Risk Management

The company prioritizes risk management in water resource utilization, ensuring sustainable management through systematic assessment and planning. We continuously monitor regional water risks and maintain robust prevention mechanisms covering water supply security, usage coordination, and quality protection, while promoting wastewater reuse to minimize environmental and operational impacts.

Risk	Description	Mitigation Measures	Level
Water Shortage	Local potential supply shortages affecting operations	<ul style="list-style-type: none">Conduct water resource surveys to inform scientific usage planningCollaborate with local governments on equitable allocation	Low
Local Water Conflicts	Operations may strain regional water supplies	<ul style="list-style-type: none">Establish community communication channelsImplement CSR projects to improve local water efficiency	Relatively Low
Water Pollution	Improper wastewater management may contaminate nearby water bodies	<ul style="list-style-type: none">Deploy professional treatment equipment to ensure compliant dischargeImplement regular monitoring to preempt pollution incidentsEnhance internal wastewater reuse to reduce discharge volumes	Low

Water Resource Utilization

Water Conservation Projects and Product Innovation

Circulating Water Quality Optimization



To address high water consumption in cooling tower open circulating water systems, the company has implemented measures including softened water replenishment, optimized conductivity control, and concentration ratio management. These initiatives effectively reduce calcium/magnesium scaling and microbial/algal growth, significantly decreasing blowdown water volume while extending intervals between heat exchanger and condenser cleanings, thereby enhancing water utilization efficiency.

White Water Recycling Technology



The company has innovatively developed white water recycling equipment that efficiently filters fiber-containing secondary white water to meet cleaning standards for direct reuse in felt washing processes. This technology **saves 500 tons of water daily** while substantially reducing wastewater discharge, achieving efficient water resource cycling.

Product Innovation - Membrane support fabrics for water purification



Leveraging polymer material R&D capabilities, we have developed a series of **membrane support fabrics for water purification** with customizable weight, thickness, and breathability specifications. These materials enable production of reverse osmosis, nanofiltration, ultrafiltration, and microfiltration membranes, widely applied in seawater desalination, industrial pure water production, municipal/industrial wastewater treatment, and household purification - fundamentally advancing water resource utilization and protection.

Metrics and Targets

Water Resource Utilization Data

2024 Water Usage Data		
Total Water Consumption	1,185,641	tons
Water Use Intensity	0.6192	tons/million RMB revenue

Emissions and Waste Management






Emissions and Waste Discharge Management

We strictly comply with environmental regulations including the *Environmental Protection Law of the People's Republic of China*, *Air Pollution Prevention and Control Law*, *Water Pollution Prevention and Control Law*, and *Solid Waste Pollution Environment Prevention Law*. Internally, we have established the *Environmental Protection Responsibility System*, *Environmental/Safety Operation Control Procedures*, and *Hazardous Chemicals Management System*, implementing waste discharge monitoring plans and targets to strengthen waste management and enhance pollution prevention.

Waste Management System



Our operations fully adhere to the *Solid Waste Pollution Environment Prevention Law* and related environmental standards. We have implemented a categorized waste management system with full-process environmental risk controls:

Hazardous Waste Management System

Standardized Disposal Process	
 Waste Generation	Conduct source segregation for 21 sub-categories across 5 major hazardous waste types (including spent activated carbon, waste coating liquid, waste mineral oils [lubricants/heat transfer fluids], used PPE, and HW49 packaging containers), using specialized sealed containers for collection.
 Storage Management	Maintain dedicated hazardous waste storage facilities compliant with GB18597 standards, implementing specialized personnel management. Storage areas equipped with leak-proof pallets, collection pits, and fire emergency devices. Electronic tracking system records real-time data on generation, storage, and transfer of each waste batch.
 Transfer & Disposal	Submit annual management plans via provincial solid waste management platform. Entrust licensed contractors (holding Hazardous Waste Operation Licenses) for disposal. Strictly implement manifest system, achieving 100% compliance rate in 2024.
Full-process Supervision Mechanism	
 Qualification Review	Established supplier ESG evaluation system conducting triple verification of contractors' technical capabilities (including approved EIA disposal methods) and transportation qualifications (Dangerous Goods Transport Licenses).
 Process Traceability	Implement methods such as vehicle trajectory tracking, disposal video documentation, and periodic on-site audits to ensure end-to-end traceability from facility to final treatment.

Emissions and Waste Management

General Industrial Solid Waste Management

 Recyclable Waste	All production bases have established sorting stations to classify and process waste metals, plastics (PP/PE), cardboard, wood, and production scraps. After compaction, these materials are sent to recycling enterprises, achieving a recycling rate exceeding 95%.
 Other General Solid Waste	Non-recyclable packaging materials and industrial waste are collected separately and sent to municipal-designated facilities for safe disposal. Domestic waste is sorted and incorporated into urban sanitation systems with daily scheduled collection.

Management Safeguard Measures

Annual training on industrial solid waste (including hazardous waste) management ensures proper classification and disposal
ISO 14001 Environmental Management System certified, with established emergency response plans for environmental incidents

Pollutant Emissions

Pollutant Emission Indicators	2024
Annual NOx Emissions (tons)	42.10
Annual SOx Emissions (tons)	1.08
Annual VOC Emissions (tons)	35.79
Annual PM Emissions (tons)	1.60
Annual COD Emissions (tons)	25.88
Annual Ammonia Nitrogen Emissions (tons)	1.34
Annual Total Nitrogen Emissions (tons)	13.05

Waste Discharge

Waste Discharge Indicators	2024
Total Hazardous Waste Generated (tons)	2,251.70
Total Non-Hazardous Waste Generated (tons)	22,569.14

Emissions and Waste Management

Emission and Waste Management Requirements & Treatment Methods

<div></div> <div>Wastewater</div>	<ul style="list-style-type: none">• Management System: <i>Wastewater Management Regulations</i>• Emission Types: Industrial wastewater, domestic sewage• Testing Parameters: pH, ammonia nitrogen, chemical oxygen demand (COD), total nitrogen, suspended solids, five-day biochemical oxygen demand (BOD5), total phosphorus, adsorbable organic halogens (AOX), total organic carbon (TOC)• Pollution Control Facilities: Industrial wastewater treatment station, septic tanks• Treatment Method: Industrial wastewater undergoes pretreatment at plant wastewater station to meet standards before municipal treatment; domestic sewage is discharged into municipal network after septic tank treatment
<div></div> <div>Waste Gas</div>	<ul style="list-style-type: none">• Management System: <i>Waste Gas Management Regulations</i>• Emission Types: Canteen fumes, workshop exhaust• Testing Parameters: Oil fumes, non-methane total hydrocarbons (NMHC), particulate matter (PM), total suspended particulates (TSP), odor concentration, smoke blackness, nitrogen oxides (NOx), sulfur dioxide (SO2)• Pollution Control Facilities: Water scrubbers, dry filters, microwave catalytic devices, activated carbon adsorption units, regenerative thermal oxidizers (RTO), canteen fume purifiers• Treatment Method: Treated through exhaust gas control systems for compliant emissions
<div></div> <div>Hazardous Waste</div>	<ul style="list-style-type: none">• Management System: <i>Hazardous Waste (Solid Waste) Management Regulations</i>• Emission Types: Used PPE, waste containers, spent activated carbon, dry film scraps, waste coating liquids, laboratory waste, waste mineral oils, biochemical sludge, etc.• Pollution Control Facilities: Hazardous waste storage warehouse• Treatment Method: Processed by licensed contractors
<div></div> <div>General Industrial Solid Waste</div>	<ul style="list-style-type: none">• Management System: <i>Hazardous Waste (Solid Waste) Management Regulations</i>• Emission Types: Wood scraps, paper tubes, cardboard, plastics, metal scraps, packing straps, insulation wool, air hoses, labels, domestic waste, food waste, etc.• Pollution Control Facilities: General industrial solid waste storage warehouse• Treatment Method: Recyclables processed by licensed recycling companies; non-recyclables handled by municipal sanitation departments in compliance with environmental requirements

Emissions and Waste Management

Risk Management

We place high importance on the risk management of emissions and waste, having established a comprehensive environmental management system to ensure that waste treatment and emission activities comply with relevant legal and regulatory requirements. We actively identify risks associated with emissions and waste, analyze and develop corresponding mitigation measures. Through strict waste classification, recycling, and disposal processes, we minimize environmental impact, continuously reduce environmental risks, and provide a solid foundation for achieving sustainable development goals.

Risk	Risk Description	Mitigation Measures	Level
Environmental pressure from waste disposal	During production and manufacturing, solid waste and gas emissions are generated. Improper handling of such waste may impact surrounding ecosystems and communities.	<ul style="list-style-type: none">• Classify and reduce waste at the source, prioritizing non-toxic and low-pollution production materials.• Adopt environmentally friendly materials and processes, and enhance the development of waste resource utilization technologies.	Low
Compliance risks from improper hazardous waste disposal	Hazardous waste generated during production and manufacturing must be handled in accordance with regulations. Non-compliance with environmental laws may result in legal action and substantial fines.	<ul style="list-style-type: none">• Collaborate with qualified third-party disposal agencies and strictly document waste flows.• Establish a comprehensive hazardous waste management system and conduct employee compliance training.	Low
Resource waste due to inadequate waste classification	Failure to classify solid waste generated during production may lead to loss of recyclable resources, increasing disposal costs and environmental burdens.	<ul style="list-style-type: none">• Implement source classification by providing separate containers for different types of waste.• Launch waste resource utilization projects and partner with upstream and downstream circular economy enterprises.	Low

Emissions and Waste Management Targets

Emissions and Waste	2024 Management Targets	2024 Achievements
Hazardous Waste	100% compliance rate for hazardous waste treatment	Achieved: 100% compliance rate for hazardous waste treatment
Waste Classification	100% waste classification and disposal rate	Achieved: 100% waste classification and disposal rate
Exhaust Gas	Compliance with the "Emission Standard of Pollutants for Synthetic Resin Industry" (GB31572-2015)	Achieved: 100% compliance rate for exhaust gas emission standards
Wastewater	Compliance with the standards in the access permit/"Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants" (GB18918-2002), Level A	Achieved: 100% compliance rate for industrial wastewater discharge standards
Noise	Compliance with the "Emission Standard for Industrial Enterprises Noise at Boundary" (GB12348-2008), Class 2 standards, with the eastern boundary meeting Class 4 limits	Achieved: 100% compliance rate for noise control standards

Emissions and Waste Management

Circular Economy

We place high importance on circular economy practices. In 2021, the Materials Management Department was established to oversee the recycling of auxiliary materials. Starting with the Hangzhou base, dedicated recycling and cleaning teams were set up, gradually expanding to domestic bases in Chuzhou, Jiaxing, Suzhou, and others. In 2024, the recycling initiative was launched at the Thailand base. Initially, the company focused on comprehensive recycling partnerships with large and medium-sized clients, later extending coverage to medium-sized clients. For clients with lower recycling rates, tailored solutions were implemented, significantly improving recycling rates by 40–50 percentage points. Through close collaboration with clients, we continuously enhances auxiliary material recycling efficiency, achieving cost reduction and operational efficiency goals.

To standardize recycling processes, we have established robust internal management systems, including: *Standardized Documentation for Handling Client-Side Cleaning Workshop Exceptions*, *Regulations for Client-Side Auxiliary Material Vehicle Arrangement Processes*, and *recycling and cleaning standards for various auxiliary materials* (e.g., wooden liners, paper tubes, wooden pallets, plastic tubes). Regular training is provided to cleaning teams and relevant departments to ensure efficient and compliant recycling operations.

In addition, the company actively explores innovative circular economy models. Through the adoption of sustainable packaging solutions such as *recyclable iron racks*, and innovative measures like the scheme of using cartons to replace paper tubes, we reduce resource consumption and waste generation at the source. It maximizes the recycling of resources, further promotes the construction of the company's green value chain, and provides strong support for the realization of the circular economy goals.

Auxiliary Material Recycling Performance

In 2024, the company achieved significant year-on-year growth in recycling volumes, with plastic tube recycling *increasing by 511,000 units*, paper tubes by *429,000 units*, wooden liners by *1,736,000 units*, and plastic pallets by *399,000 units*. These results reflect the company's ongoing progress and efficient management in resource circularity.

Auxiliary Material	2024 Recycled Volume	2024 Recycling Rate	2023 Recycled Volume	2023 Recycling Rate
Plastic tubes	2.608 million	102.41%	2.097 million	100.80%
Paper tubes	1.964 million	88.37%	1.535 million	91.16%
wooden liners	8.438 million	94.17%	6.702 million	95.12%
Wooden pallets	1.280 million	88.81%	1.337 million	93.71%
Plastic pallets	806,000	103.23%	407,000	110.35%

Jiaxing Reusable Iron Rack Project Case

Our Jiaxing facility commenced pilot testing of the reusable iron rack project in January 2024 and officially implemented it in May 2024.

By the end of 2024, a total of *1,176* iron racks had been deployed, *with 25,812 recycling cycles completed throughout the year*. Each use of an iron rack saves materials including 2 cardboard boxes, 4 wooden liners, and 1 wooden pallet. In 2024, the Jiaxing facility achieved cumulative savings of *51,624* cardboard boxes, *103,248* wooden liners, and *25,812* wooden pallets.



Jiaxing Reusable Iron Rack

Chemical Safety

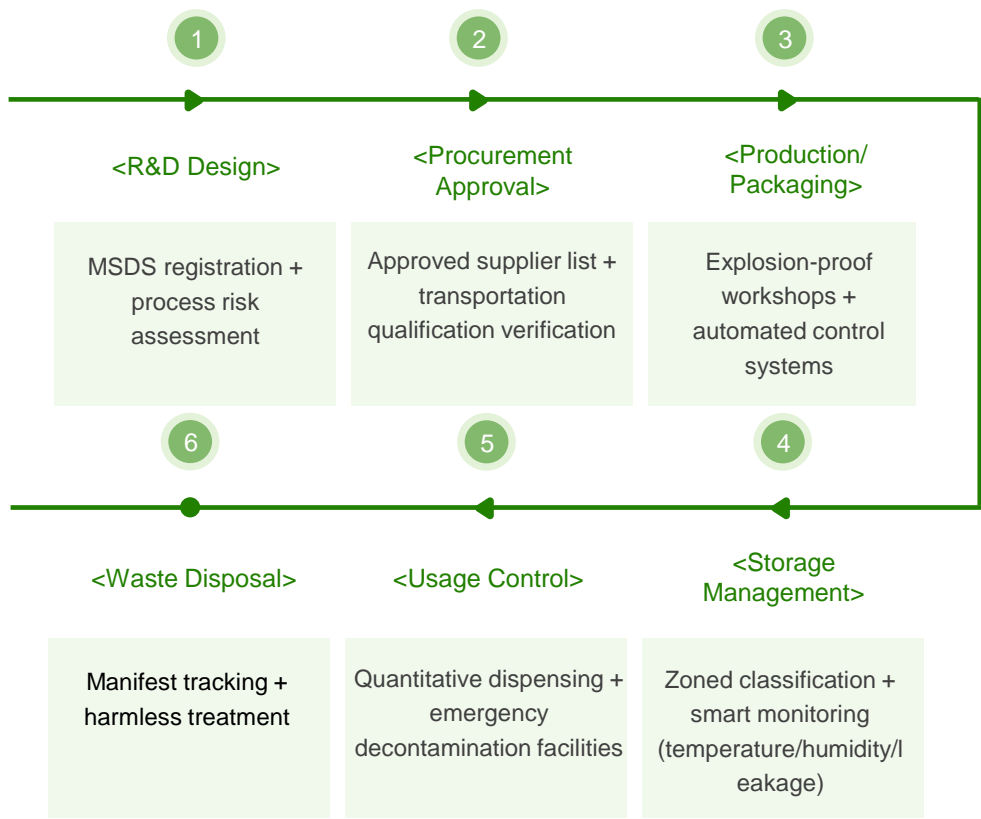
Chemical Management

Chemical management constitutes a critical component of our production safety system. In addressing the specialized requirements, we rigorously comply with applicable laws and regulations, and have established the following management systems: *Safety Management System for Precursor Chemicals, Explosive Chemicals and Highly Toxic Chemicals, Hazardous Chemical Management System, Hazardous Waste (Solid Waste) Management Regulations, Safety Management Regulations for Chemical Ingredient Warehousing, Hazardous Chemical Storage Safety Management System, Hazardous Chemical Safety Information Card Management System*. We have compiled corresponding *MSDS Safety Technical Requirements* and established a *Hazardous Chemical Inventory* to standardize transportation, handling, storage, labeling, usage, disposal and treatment of hazardous chemicals.

Chemical Substance Management System

We have implemented and strictly enforces the *Hazardous Chemical Management System*, establishing a comprehensive closed-loop supervision framework encompassing the entire lifecycle from R&D, procurement, production, storage/transportation, usage to waste disposal. Through Standardized MSDS management, Dedicated warehouse management, Professional emergency response protocols, Annual safety retraining programs, we effectively execute hierarchical classification management of hazardous chemicals. Regular EHS audits and occupational health risk assessments ensure full compliance with *GB 15603 General Rules for Hazardous Chemical Storage Warehouses* and *ISO 14001 Environmental Management System requirements*. These measures minimize occupational health risks and ecological impacts while continuously enhancing intrinsic safety.

Hazardous Chemical Lifecycle Management Process



Chemical Safety

Chemical management responsibilities

We issue No.1 document annually to set forth safety management requirements, formulating annual safety targets for each aspect of chemical safety, and we achieved 100% of the set goals. In areas involving chemical usage and storage, such as production and R&D, we enforce stringent regulatory measures, and maintain clear signage to mitigate risks. We employ experts to identify, purchase, use, and store chemicals, and organize relevant training periodically. This ensures clarity on the procurement, storage, collection, and use of chemicals, and promote protective and emergency practices.

Responsibility	Executing Department	Regulatory Department
Departmental Responsibilities	R&D Department: Identify and make optimal choices based on the characteristics of various chemicals, responsible for updating, replacing, or phasing out chemicals, and for testing and hazard assessment of new chemical substances.	EHS Department Regulatory Responsibility The functional department for the management of hazardous chemicals. It is responsible for compiling a list of hazardous chemicals and safety information cards, managing and supervising the execution of hazardous chemical usage processes and personnel qualifications, and managing the recycling and disposal of related waste materials.
	Procurement Department: Ensure compliance with laws and regulations governing the procurement, transportation, and storage of hazardous chemicals. Source from suppliers possessing the "Hazardous Chemicals Production and Operation License," verify the transportation unit's qualification, and establish safety agreements with both supplier and transporter.	
	User Department: Complete the <i>Hazardous Chemical Inventory</i> for approval and record by the EHS department. Supervise hazardous chemical use, ensuring adherence to MSDS and proper personal protective equipment. Maintain detailed records with the "Hazardous Chemicals In and Out Ledger," strictly following safety procedures, product instructions, and prevention measures. Properly collect and store chemical waste, collaborating with the EHS department to determine waste type and develop compliant disposal plans, entrusting qualified suppliers for disposal.	
	Quality and Storage Department: Conduct thorough safety and quality inspections during hazardous chemical storage, adhere to national laws and regulations for storage locations, prominently display warning signs, and maintain daily safety management of storage sites and surrounding areas.	
Documentary Standard	Procurement Department: Responsible for executing the chemical purchase and technical agreements, as well as establishing safety technical standards for raw materials. All suppliers must provide chemicals with MSDS documents and COA compliant with company regulations and national standards.	Emergency Handling Establish emergency response plans for hazardous chemicals, standardizing the handling methods for accidents of different types and scales (including adsorption of spills, cutting off leaks, organizing evacuations, etc.). When necessary, initiate emergency plans and report to the relevant departments.
	EHS Department: Tasked with formulating and inspecting rules and regulations pertaining to hazardous chemicals management, including the regular update of system documents.	
	User Department: Conducts operations in adherence to established standards outlined in documentation provided by the EHS Department and procurement agreements.	
Chemical Labeling	User Departments: Must establish corresponding signs for the use of chemical labels.	
	EHS Department: Establishes the corresponding signs.	
	Supplier: According to the national standard 'Regulations for the Compilation of Chemical Safety Labels' (GB 15258-1999), safety labels must use a combination of text, graphic symbols, and codes to indicate the hazards and safety precautions of chemicals; safety labels should be affixed, hung, or printed by the manufacturer in a conspicuous position on the packaging or container before the goods leave the factory; if the packaging is changed, the changing unit must re-affix, hang, or print the labels.	

Chemical Safety

Chemical Identification and Elimination

Chemical Identification

Based on the characteristics of chemicals, we have categorized them into three types: chemicals prone to being used for drug and explosive production, hazardous chemicals, and other chemicals. We manage strict identification and differentiation according to the *MSDS Safety Technical Requirements* for each type of chemical.

Chemical Elimination

- 1) Internally, the company is optimizing the use of highly hazardous and toxic chemicals, with the R&D department responsible for gradually researching phase-out or implementing replacement plans.
- 2) In compliance with national laws, we strictly prohibits the use of problematic chemicals, updating the catalog as per regulations. Following the June 2023 announcement by the Ministry of Ecology and Environment and 11 other departments regarding restrictions on five types of persistent organic pollutants, including Polychlorinated Naphthalenes, we've assessed our chemical usage. Any identified chemicals have been investigated, and phased out in accordance with regulations.

Chemical Registration and Supervision

Chemicals Prone to Misuse for Drug and Explosive Production	In adherence to relevant laws such as the <i>People's Republic of China Narcotics Control Law</i> , and <i>Regulations on the Control of Chemicals Used for Illicit Drug Production</i> , we've established SOP-EHS-030 <i>Safety Management System for Precursor Chemicals, Explosive Chemicals and Highly Toxic Chemicals</i> . There is strict management in the production, operation, transportation, and storage of chemicals prone to being used for drug production, with one specially designated keeper with national qualifications for the safety management of chemicals used for illicit drug production and two part-time keepers responsible for related affairs. Chemicals are stored separately with a dual-lock system, and inventory records are meticulously maintained. Monthly inventory checks are conducted, and any issues are promptly reported to local authorities. Emissions, wastewater, and waste residue are treated to meet national regulations, with no mixing allowed for disposal.
Hazardous Chemicals	We adhere to the <i>Regulations on the Safety Management of Hazardous Chemicals</i> and have established SOP-EHS-018 <i>Hazardous Chemical Management System</i> . Precise control is maintained over procurement, transportation, storage, use, and disposal, guided by SOP-EHS-040 <i>Hazardous Chemical Storage Safety Management System</i> and SOP-EHS-048 <i>Hazardous Chemical Safety Information Card Management System</i> .
Other Non-Hazardous Chemicals	Non-hazardous chemicals are managed according to company standards, with the R&D department identifying material characteristics, the EHS department outlining management requirements, and the user department overseeing daily safety management.

Chemical Safety

New Substance Hazard Assessment

Our assessment of new substance hazards focuses on human health impacts and environmental risk. We begin by identifying characteristics such as physicochemical properties, toxicology, and hazards. Then, we determine potential harms by analyzing data to identify short-term or long-term effects, including direct health impacts or potential environmental harm. Finally, we devise control measures based on these assessments, including storage, workplace standards, personal protective equipment, and environmental safeguards.

We've established a robust system for assessing and introducing chemical substances. Our main raw materials undergo *Raw Material Introduction Process*, and special additives through an *Additive Introduction Process*, with hazard assessment being a critical step involving collaboration across EHS, R&D, quality, process, production, and procurement departments. During the supplier onboarding process, we require raw material suppliers to provide product *RoHS and REACH compliance reports*. Materials that fail to meet testing standards are excluded from procurement, achieving *dynamic zero-tolerance for high-concern chemical substances at the sourcing stage*.

Collaboration with Leading Substitute Material Producers

Our company engages deeply with leading global raw material suppliers, aligning the introduction and assessment processes with the ISO 9001:2015 Quality Management System and comprehensively *incorporating ESG performance into the supplier audit process*. We implement *Supplier Management Control Procedure* to regulate supplier selection, assessment, performance evaluation, and improvement processes, ensuring continuous compliance with our requirements.

Chemical raw material suppliers are vetted through a multi-step process for inclusion in the *Approved supplier list*: *supplier qualification review → sample assessment → pilot assessment → semi-industrial assessment → change review → supplier audit (factory inspection) → qualified supplier*; the *Purchasing Control Procedure* determines purchase volumes based on supplier assessment categories and levels. Our primary raw materials, such as Ethylene-Vinyl Acetate Copolymer (EVA) and Polyolefin Elastomer (POE), have been sourced for years through procurement cooperation with global leaders like Dow Chemical, LG Chem, and ExxonMobil, with whom we also engage in in-depth scientific research for new product development and application.



Cooperative Producers

03

Innovation and Collaboration for a Responsible Value Chain



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Innovation-driven Development

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Intellectual Property Protection

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Product and Service Safety and Quality

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Data Security and Customer Privacy Protection

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Supply Chain Security



Innovation-driven Development

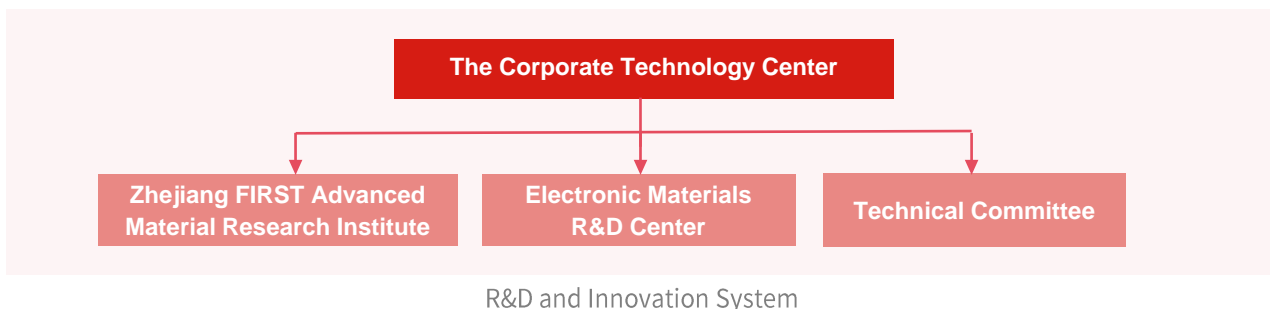
In our technological innovation endeavors, we strictly comply with laws and regulations including the *Law of the People's Republic of China on Scientific and Technological Progress* and relevant industry standards. "Innovative Technologies for The Future" stands as one of our fundamental management principles. With PV encapsulation materials as our core business and polymer materials at our technological center, we have successively developed and commercialized new materials for electronic circuits, lithium battery encapsulation, water purification, and applications in automotive/5G/display fields. Every technological breakthrough we have achieved through over twenty years of industrial exploration stems from persistent research and innovation, which has firmly established us as a technology-driven enterprise with profound R&D heritage.

Governance

R&D and Innovation System

FIRST has established three specialized research institutions for technological innovation - Zhejiang FIRST Advanced Material Research Institute (a Zhejiang Provincial Key Enterprise Research Institute), the Electronic Materials R&D Center (a Provincial High-Tech Enterprise R&D Center), and the Technical Committee (an Internal Specialized Management Unit).

The **Corporate Technology Center** serves as the highest-level scientific management authority and the core of our innovation ecosystem. It functions as the crucial platform for advancing technological progress, transforming traditional industries through high-tech applications, and facilitating industrial upgrading.



The **Zhejiang FIRST New Materials Research Institute** primarily focuses on researching cutting-edge projects in PV encapsulation technology, addressing critical technical challenges in key encapsulation materials for the new energy industry chain, guiding industry development trends, and promoting the advancement of the new energy sector. Breakthroughs in key issues of encapsulation materials will directly impact the application and development of PV new energy technologies, thereby influencing increasingly pressing environmental concerns.

The **Electronic Materials R&D Center** concentrates on electronic chemical materials as a major category of emerging industrial materials, conducting research and development on photosensitive dry films, FCCL, and photosensitive solder resist. It actively implements strategic plans for optoelectronic new materials, strengthens the company's R&D capabilities in advanced materials, and ensures sustainable growth.

The **Technical Committee** is primarily responsible for providing technical guidance for new product research, maintaining forward-looking leadership in encapsulation material development. Additionally, it oversees the daily operations and administrative affairs of the Corporate Technology Center, ensuring the smooth functioning of all product divisions.



Zhejiang FIRST New Materials Research Institute



Electronic Materials R&D Center Building

Innovation-Driven Development

R&D Innovation Policies

Since its establishment, FIRST has consistently prioritized independent innovation as its core principle, guided by the company's technological innovation development strategy. In accordance with business development needs, FIRST strategically coordinates technological innovation activities, annually investing over 3.4% of sales revenue into various scientific and technological innovation initiatives, with independent accounting and specialized management for all approved projects. To enhance R&D efficiency and technology commercialization capabilities, we have established a comprehensive scientific research institutional system, including: *Research and Development Project Management System*, *Design and Development Control Procedures*, *Technological Achievement Evaluation and Reward Measures*, *FIRST Scientific Research Funding Management System*, and *Financial Accounting System for R&D Project Investments*. These systems cover multiple stages including project initiation, process control, achievement evaluation, and funding management, ensuring standardized and efficient R&D activities while providing solid support for technological innovation and sustainable development.

Metrics and Targets

As of December 31, 2024, we employed **715** R&D technical personnel, with approximately **18%** holding master's degrees or higher. R&D technical personnel accounted for about **15%** of the total workforce. We maintains strong commitment to R&D investment, with cumulative annual R&D expenditures reaching RMB 645 million in 2022, RMB 792 million in 2023, and **RMB 657 million** in 2024, maintaining industry leadership.

R&D Target Achievement Status

R&D Metrics and Targets	2024 Target	2024 Achievement
R&D Investment (RMB billion)	≥0.65	0.657
R&D Personnel	Maintain stability	Achieved stable maintenance

Technological Innovation Project Achievements

In 2024, FIRST actively participated in national and provincial-level key R&D projects, driving industry technological advancement and sustainable development.

National-Level Project Breakthroughs

- Successfully passed the acceptance of the sub - project "R&D of High - reliability Encapsulation Film Products and Technologies" under MIIT's industrial foundation reconstruction and high - quality manufacturing project.
- Participated in the Ministry of Science and Technology's National Key R&D Program "Large - area Perovskite Module Large - scale Preparation Technology and Demonstration Power Station Application", now in the critical stage.

Provincial-Level Scientific Awards and Projects

- The "Key Technology and Application Development of High-Reliability Encapsulation Materials for N-Type High-Efficiency Batteries" won the 2024 Zhejiang Province Science and Technology Progress Second Prize.
- The Zhejiang Province "Pioneer" and "Leading Goose" Research Plan project "Development of Thin Film Encapsulation Materials for Flexible OLED" was successfully completed.

Other Key Research Projects

- "Development and Industrialization of High - performance Photoresist" was selected as a key scientific research project of Hangzhou in 2024.
- "Development of Interconnection Ribbon Carrier Film for HJT Cells" was selected as a technology research project in Lin'an District in 2024

Innovation-Driven Development

Innovation DNA

Material Research and Development



R&D

We are a platform-type material enterprise. Since the successful development of EVA film in 2003, we have been deeply rooted in the PV material field for over 20 years, carrying out thorough research on the formula, process, and equipment of PV films and backsheets. In recent years, building on a key common technology platform, we have continuously researched and developed new material products such as electronic materials and functional materials, possessing strong internal growth momentum. In the future, we will steadfastly implement the development strategy of "Focus on the main PV business, and vigorously develop other new material industries," driven by technological innovation to achieve the domestication of more key new materials.

Equipment Development

We have always independently developed and constructed film production equipment, mastered core design and manufacturing technologies, with a strong team of over 200 people, and a systematic professional talent training system to meet the equipment construction needs of production bases globally. Upholding the business tenet of "innovative technology for the future," we continuously provide technological breakthroughs for various products in terms of R&D, quality, and efficiency, serving the differentiated requirements of customers and markets. Focusing on the innovative development of equipment automation and digitization, we have deepened applications in production, storage, energy, and other aspects, adapting to the trends of industry development. With sustained investment and cultivation in equipment technology, coupled with the dual advantages of equipment and product technology, we remain our core competitiveness.



Equipment manufacturing at Vietnam site

Software Development



Hangzhou First Application Software Co., Ltd.

We have established a professional digital team, and have developed ERP, MES, WMS, EAM systems covering the main products of each subsidiary in the group, obtaining five software copyrights. We have also acquired professional software such as OA, SRM, TMS, and our software developers have linked various systems together. Through a combination of software procurement and self-development, these systems play a significant role in the company's production and operations. Our software personnel apply IoT, digital twin technology, edge gateway computing technology, etc., to actively enhance management efficiency and increase production capacity.

Intellectual Property Protection

As a global leader in PV encapsulation film technology, we consider intellectual property strategy a core component of our competitive advantage. Recognized as a National Intellectual Property Advantage Enterprise and Zhejiang Province Intellectual Property Demonstration Enterprise, FIRST has established a comprehensive IP system encompassing management, creation, utilization, and protection. In 2024, through deepened international cooperation, patent navigation projects, intelligent management system upgrades, and multi-level talent development, we achieved transformative progress in IP, laying a solid foundation for global expansion and sustainable growth.

Intellectual Property Management

FIRST has implemented a robust organizational structure, institutional safeguards, and digital transformation to ensure efficient and compliant IP governance, providing strong support for innovation-driven development.

Specialized Management Team

FIRST maintains a dedicated IP department with 5 full-time professionals: 4 certified patent agents and 1 multi-qualified expert (patent agent + legal practitioner + intermediate patent management engineer + IP engineer). This "legal-technical-management" competency matrix ensures comprehensive IP coverage and operational synergy across all dimensions.

Talent Development & Capability Enhancement

We implement tiered training programs to cultivate IP talent:

- R&D Personnel: Annual training: **≥4 sessions** on PatSnap Patent Search Hands-On Training and Internal Technical Disclosure Writing Workshop. 2024 achievement: **83%** of patents reached Grade B+ or higher.
- IP Engineers: Monthly advanced courses covering patent invalidation strategies, retrieval/analysis, litigation case studies, authorization procedures, innovation tools, and international patent operations. **Annual training: ≥12 sessions** to enhance professional competencies



IP Trainings

IP Management System Certification

2019: First time passed **GB/T29490-2013 certification** (No.18119IP5388ROM), and initially established an intellectual property management system.

2022: Passed the three-year re-certification, which verified the continuous effectiveness of the system.

2024: Successfully passed the surveillance audit, further demonstrating the maturity and stability of the system.

Intellectual Property Protection

Intellectual Property Creation

FIRST consistently regards intellectual property creation as the core driver of corporate innovation and development. Through technological leadership and innovation-driven strategies, we have established a robust patent portfolio and R&D collaboration mechanism, laying a solid foundation for sustainable growth.

R&D Collaboration & Patent Navigation

By implementing the Zhejiang Province Patent Navigation Project and aligning with independent R&D needs, FIRST conducts targeted analysis of technological gaps and competitive landscapes, effectively reducing R&D costs. Concurrently, we have established a patent database to monitor global technological trends in real-time, guiding iterative optimization of R&D directions.



Honors as IP Demonstration Enterprise

As a Zhejiang Province Intellectual Property Demonstration Enterprise and National Intellectual Property Advantage Enterprise, FIRST continues to lead industry trends in IP development. The company's GB/T29490-2013 Intellectual Property Management System certification has further standardized IP management processes, enhancing efficiency and compliance while providing strong safeguards for technological innovation and IP protection.

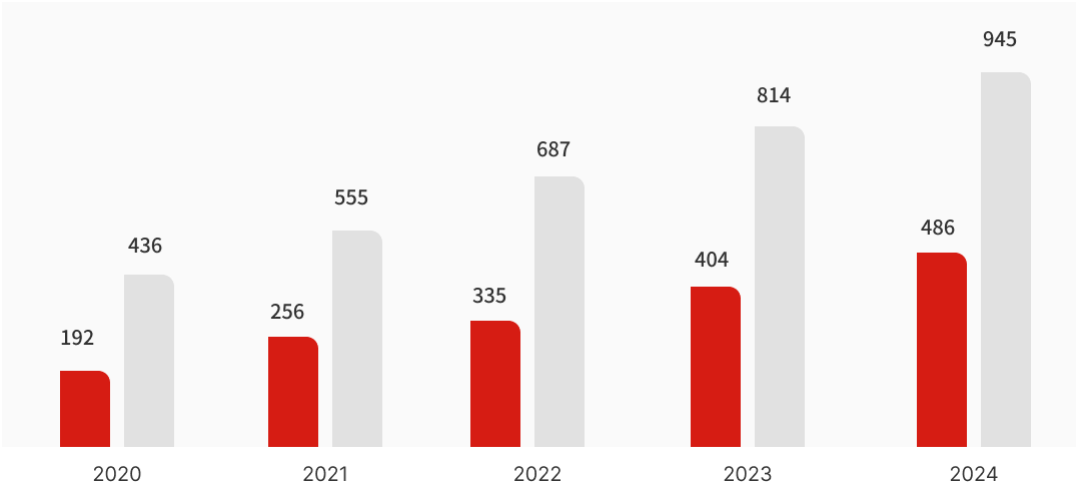


IP Honors

Innovation Achievements & Patent Portfolio

As of December 31, 2024, FIRST has cumulatively filed **945 patent applications (including design patents)**, comprising: **742 invention patents (301 granted and valid)**, **189 utility model patents (136 granted and valid)**. Core technologies cover photovoltaic film materials, process optimization, and equipment innovation. During the reporting period, the company filed **98 new invention patent applications** and obtained **53 grants**. In 2024, FIRST filed **16 new international patent applications**, strategically targeting key markets including Europe, the U.S., Japan, and South Korea, thereby strengthening global technological barriers.

FIRST Patent Overview (Past 5 Years, Unit: Count) ■ Cumulative Granted Patents ■ Cumulative Filed Applications



Intellectual Property Protection

Intellectual Property Protection

FIRST places high importance on global IP protection, ensuring compliance and competitiveness in international markets through strategic patent deployment and risk early-warning mechanisms.

Global Patent Deployment

In 2024, FIRST prioritized patent deployments in key markets including Europe, America, Japan and South Korea, completing **16 international patent applications** covering core products and next-generation technologies. Collaborating with top-tier overseas law firms, we established patent risk early-warning models for target markets to predict potential infringement litigation and develop contingency plans, safeguarding global IP security.

Risk Early-Warning & Response

We have implemented a comprehensive IP risk early-warning mechanism. Through real-time monitoring and analysis, we promptly identify and address potential patent infringement risks to protect corporate interests. Leveraging our robust IP portfolio and professional legal team, we actively defend our legitimate rights to ensure stable market positioning, providing solid support for global operations.

External Exchange & Cooperation

FIRST actively expands exchanges and cooperation with governments, industry organizations and domestic/foreign IP service institutions to continuously enhance IP protection capabilities.

Government Exchange

At the end of 2024, leaders from the China National Intellectual Property Administration visited FIRST for discussions, providing valuable guidance for our IP work. This exchange not only demonstrated governmental recognition of our IP achievements, but also offered important references for optimizing future IP strategies.

Domestic & International Firm Exchange

Coinciding with the 2024 AIPPI World Intellectual Property Congress in Hangzhou, FIRST seized the opportunity to strengthen cooperation with patent agencies, conducting in-depth discussions on patent/trademark authorization and protection in the U.S., Europe, Japan and South Korea. These exchanges enhanced mutual understanding in IP fields, jointly improving protection efficiency and quality to create safer, more stable business environments. The deepened cooperation with global IP service partners has broadened our international perspective while providing additional resources for worldwide IP protection.



IP Exchange & Cooperation

Intellectual property serves as critical support for driving continuous innovation and high-quality development. Adhering to our "Innovation Leadership, Knowledge Empowerment" philosophy, we will keep optimizing IP management systems and enhancing capabilities in IP creation, utilization, protection and administration to safeguard long-term development. We remain committed to strengthening patent quality and global operation capabilities to create sustainable value for shareholders, customers and society.

Product and Service Safety and Quality

Product Quality Management

Adhering to the long-standing quality policy of "Innovative Technology for The Future, Customer First with Quality Foremost", FIRST consistently drives development through innovation and quality, delivering reliable products and services to customers. Our Hangzhou headquarters and all production bases are ISO9001:2015 certified, with PV encapsulation film products complying with national, industry, and corporate standards.

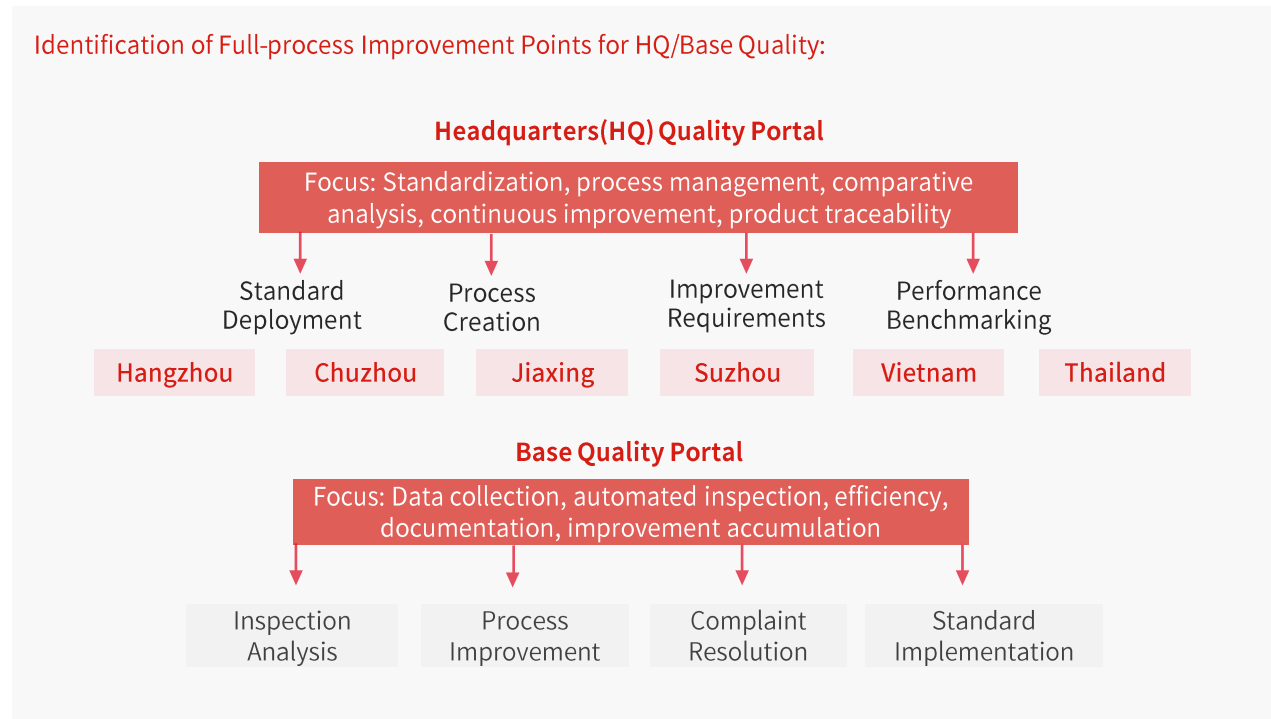
We have established a comprehensive quality management system with both headquarters and base-level quality departments. **HQ Quality Department:** Responsible for system construction, process design, product quality assurance, data analysis, and improvement initiatives. **Base Quality Departments:** Implement PDCA cycles for full-process quality control, utilizing QMS for cross-base standardization - from PFMEA/control plan development to execution monitoring of standards, inspections, and operating procedures. Through real-time monitoring and benchmarking across bases, we identify variances for optimization. The QMS automatically triggers workflows for abnormal incoming/process/final inspections, with ERP-enforced quarantines. The system also monitors material/WIP/finished goods shelf life with automatic re-inspection triggers. Complaint processes feature time-node tracking, closure rate statistics, and tiered classification to standardize analysis and build improvement case libraries.

Quality Management System Certification

As of reporting period, 100% of production subsidiaries (Hangzhou HQ, Electrical Materials, Functional Film Materials, Suzhou, Chuzhou, Thailand, Jiaxing, Vietnam) maintain ISO9001 certification.

System	System Name	Coverage of Production Subsidiaries
ISO9001	Quality Management System	100%

Quality Management Information System



Product and Service Safety and Quality

Product Lifecycle Quality Management

We implement comprehensive quality management across multiple processes and all production bases to achieve full product lifecycle quality control. The responsibilities of the headquarters quality department during the product lifecycle include:

 Development Quality	<ul style="list-style-type: none">Reliability and shelf-life validity evaluation during product developmentQuality risk identification at each development stageMaturity assessment and improvement at each development phase
 Supplier Management	<ul style="list-style-type: none">Compliance evaluation of materials during supplier onboardingQuality performance tracking and improvement throughout supplier lifecycle
 Improvement Activities	<ul style="list-style-type: none">Cross-base quality data benchmarking and improvementProduct/process/system audits and enhancements at production basesCross-base QCC (Quality Control Circle) activities and specialized improvements
 Change Management	<ul style="list-style-type: none">Risk identification and assessment for changesProcess control and compliance assurance during changes
 Documentation Control	<ul style="list-style-type: none">Hierarchical access design for management systemsIntegration of management system planning with QMS (Quality Management System)
 Complaint Management	<ul style="list-style-type: none">Tiered classification and management of complaintsPerformance evaluation of complaint resolution timeliness and improvement effectiveness
 After-sales Service	<ul style="list-style-type: none">Evaluation of customer production processes, equipment, and product compatibilityTechnical support for product application issues at customer sites
 Metrology Certification	<ul style="list-style-type: none">Unified measurement planning and implementation across basesMonthly testing benchmarks and improvements across bases

Product and Service Safety and Quality

Customer Service Management

With the continuous growth of our global operations, we place high importance on product and service safety and quality, actively participating in the AEO (Authorized Economic Operator) recertification process. As an AEO-certified enterprise - the highest customs credit rating - this certification effectively reduces cross-border regulatory costs, enhances logistics efficiency, and further ensures the security and convenience of our global supply chain. This enables us to provide efficient services and supports timely, high-quality order fulfillment. Concurrently, FIRST has been recognized as a **AAA-Level Enterprise for Contract Compliance and Creditworthiness in Zhejiang Province**. In sales, procurement, and various project contracts, we strictly adhere to these standards to ensure full compliance with contractual terms, maintaining long-term stable customer trust and partnerships. These initiatives not only improve customer satisfaction but also demonstrate our commitment to responsible global operations.

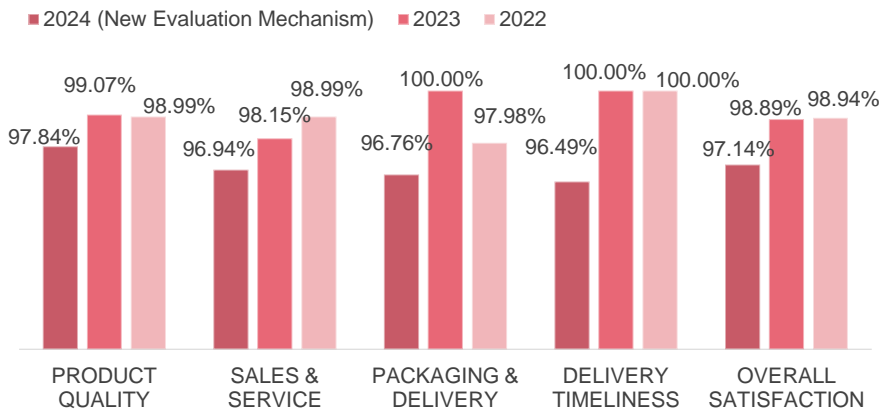


AAA-Level Enterprise for Contract Compliance and Creditworthiness in Zhejiang Province

Customer Satisfaction

To refine evaluation categories and more accurately assess customer satisfaction, we optimized our survey methodology in 2024 by adjusting calculation methods and raising scoring criteria, resulting in slightly lower overall and categorical scores compared to previous years. Regarding product quality, we continue to enhance production management to ensure consistent quality while controlling costs. For services, we have expanded our rapid-response capabilities and established comprehensive customer support systems to deliver more efficient and thorough service. Moving forward, we will remain customer-centric in continuously improving our products and services.

Customer Satisfaction Performance



Customer Satisfaction:

- Customer Satisfaction Rate≥96% (Under new evaluation mechanism)

Customer Satisfaction Performance:

- Target Achieved: 2024 Customer Satisfaction Rate **97.14%**

Key product evaluation dimensions		
Product Quality Dimensions	Sales & Technical Service Dimensions	Delivery Quality (Packaging & Timeliness Dimensions)
Product Safety	Customer Needs Understanding	Packaging Protection
Batch-to-Batch Consistency	Feedback Responsiveness	On-Time Arrival
Performance Compliance	Issue Resolution Capability	Delivery Service Attitude
Usage Effectiveness	Problem-Solving Satisfaction	Punctual Delivery
Complete Test Reports	Technical Service Expertise	Supply Capacity Reliability

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Data Security and Customer Privacy Protection

Data Security and Customer Privacy Protection Management

FIRST places paramount importance on data security and customer privacy protection, strictly complying with the *Cybersecurity Law of the People's Republic of China*. We strictly adhere to the Level 2 security requirements to comprehensively advance our information data security system, ensuring robust protection of customer data security and privacy. Through refined management measures and technical solutions, we are committed to providing secure and reliable services while continuously enhancing data security management standards.

Data Security Policies

FIRST has established the *FIRST Information Security Management Policy* and *Confidentiality Management Policy* for data security and privacy protection, along with 4 additional policies including *Data Center Management Policy* and *Data Center Emergency Response Plan* for infrastructure security. Our IT leadership oversees overall data security planning and implementation, while the IT Department is fully responsible for detailed construction of data security solutions.

Full Lifecycle Data Security Management

FIRST has conducted thorough identification and analysis of potential data security risks across all stages of the data lifecycle (generation, transmission, storage, usage, and destruction). In the **data generation phase**, the primary risks involve data quality and access control. To address these, the company has established a data classification system and access authorization protocols, with designated departments responsible for data creation and archiving to ensure high data quality and proper authorization. For **data transmission**, the main concern is the risk of network transmission leaks. FIRST has implemented multiple security measures including internal/external network firewalls, segregated office and guest networks, and SSL protocol encryption to enhance transmission security. Regarding **data storage**, the key risk is data loss. The company has significantly improved storage security by building a hyper-converged data center, implementing automated backup solutions, and establishing an off-site disaster recovery center. During **data usage**, the prominent risks are data tampering and leaks. FIRST ensures data and network security through standardized system interfaces and by installing encryption and antivirus software on endpoint devices. For **data destruction**, the company plans to develop strict data standards and procedures to prevent improper destruction of valid data and ensure compliant destruction processes.

FIRST has established a comprehensive data security management system. The **IT Department** is responsible for identifying and monitoring security risks throughout the data lifecycle to ensure end-to-end protection. The **Equipment Management Department** maintains the stability and security of storage devices while using network security equipment to monitor network behavior and endpoint security in real-time, providing technical safeguards. Recognizing that data security requires both technical solutions and employee awareness, the IT Department **conducts regular annual training on data security and confidentiality**. This strengthens staff risk prevention awareness and operational standards, building a dual-focused protection system that combines technology and awareness to ensure comprehensive and sustainable data security management.

Metrics and Targets

Data Security Metrics	2024 Target	2024 Achievement
Data Security Incidents	Zero incidents with zero financial loss	Achieved: Zero incidents
Data Security/Customer Privacy Protection Training	1 session (≥80% coverage)	Achieved: 1 session (86% coverage)
Sensitive Data Encryption Rate	100%	Achieved: 100%

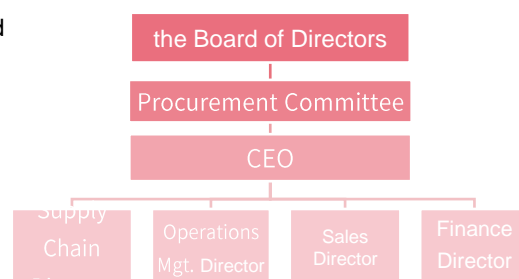
Supply Chain Security

In 2024, FIRST continued to strengthen supply chain security management, committing to build a more robust, transparent and responsible supply chain system. Through implementing a series of innovative strategies and measures, we have effectively enhanced supply chain security and resilience, ensuring product and service quality, cost efficiency, and positive contributions to environmental and social impacts.

Supply Chain Governance Structure

Oversight Level: The Internal Audit Department collaborates with third-party authoritative institutions (e.g., SGS) to conduct annual comprehensive compliance audits of the supply chain. These audits thoroughly examine compliance issues across all supply chain segments, with results reported directly to the **Board of Directors** to support critical decision-making.

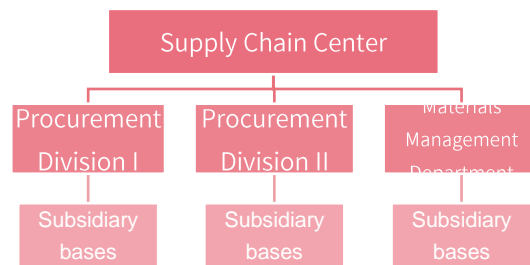
Decision-making Level: The "Procurement Committee", established to ensure supply chain security and sustainable development, is chaired by the CEO with members including the Supply Chain Director, Operations Management Director, Sales Director and Finance Director. The committee holds ad hoc meetings to share information on upstream/downstream markets, partners, policy changes, supply/demand dynamics, and reviews supply chain risks while adjusting strategies based on market trends to align with corporate objectives.



Execution Level: The headquarters established a **Supply Chain Center** responsible for supplier ESG audits, supply market risk analysis and early warnings to control risks at source.

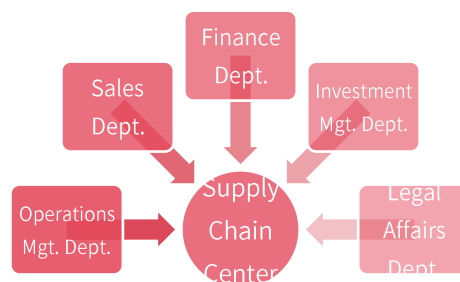
The Supply Chain Center oversees three departments:

Procurement Division I manages raw material procurement, imports and logistics carriers. **Procurement Division II** handles auxiliary materials, additives, MRO procurement and system platform development. **Materials Management Department** focuses on packaging design, standards development and material recycling. Subsidiary bases have their own procurement/logistics departments under headquarters' supervision.



Coordination Level: Multi-department collaboration ensures supply chain security and sustainability.

Operations Management Department develops production plans to inform supply chain planning. **Sales Department** shares market/downstream information to support strategies. **Finance Department** provides funding security. **Investment Management Department** monitors external policy risks and gives early warnings. **Legal Affairs Department** conducts contract compliance reviews and legal risk monitoring.



Information Reporting: Regular/ad hoc meetings facilitate decision-making, with major risks reported to committee within 24 hours.

Performance Accountability: Supply chain security KPIs are incorporated into executive evaluations with "red-line indicators" for departments, ensuring effective implementation throughout the organization.

Supply Chain Security

Supply Chain Risk Management

Risk Identification and Assessment

FIRST comprehensively identifies potential supply chain risks including supply disruptions, ESG risks, logistics risks, and compliance risks. Through regular risk assessments using scientific methodologies and tools, we accurately determine the scope, duration and severity of various risks to inform targeted risk management strategies.

Natural Disaster Risks	ESG Risks
Logistics Disruption Risks	Legal Compliance Risks

Risk Management Strategies

Logistics Risk Early Warning System	Utilizing big data and IT systems, FIRST has established a TMS (Transportation Management System) to monitor logistics vehicle operations in real-time, enabling timely risk detection and early warnings to facilitate proactive responses.
Emergency Plans and Resource Allocation	We have developed comprehensive supply chain risk contingency plans covering emergency response procedures, resource allocation solutions and alternative supplier selection. Through risk-sharing mechanisms with suppliers and logistics partners, we can rapidly mobilize resources during disruptions to minimize impacts and ensure supply chain continuity.
Diversified Supplier Strategy	FIRST actively implements supplier diversification, continuously expanding supplier resources and optimizing supplier structure. Concurrently, we optimize logistics networks with strategically located inventory buffers and safety stock to enhance supply chain resilience against potential disruptions.

Supply Chain Management

Management Processes

We have established systematic supply chain security management processes encompassing risk identification, assessment, prioritization, monitoring and control. Through regular risk assessments and continuous improvement, we optimize processes to enhance supply chain transparency and resilience.

Management Measures

Supply Chain Risk Response Mechanism: Through M&A, technological innovation and other approaches, FIRST integrates resources to strengthen core supply chain competitiveness. Examples include investing in upstream/downstream enterprises to complete industry chains, and implementing smart supply chain management through technological innovation to improve operational efficiency.

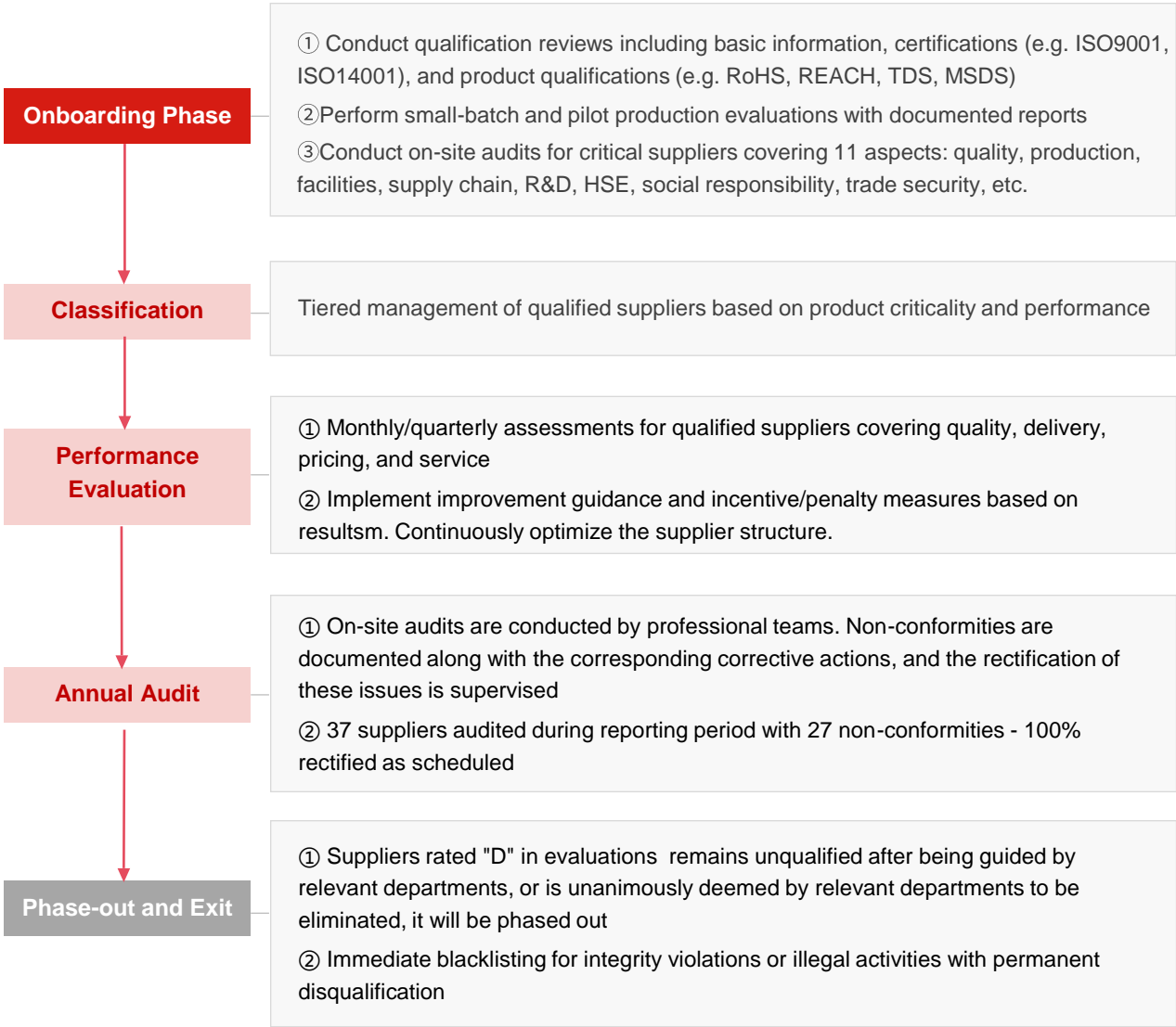
Green Supply Chain Development: FIRST actively promotes green supply chain initiatives including green procurement, production and logistics. To advance circular economy development while reducing costs and resource consumption, our Supply Chain Center established a Materials Management Department to promote reusable packaging materials, adopt advanced technologies to minimize waste, optimize logistics networks, and enhance overall supply chain sustainability through collaboration with suppliers and customers.

Supply Chain Security

Supplier Management Mechanism

We have established the *Supplier Management Control Procedure* to implement standardized lifecycle management of suppliers. Additionally, as an AEO (Authorized Economic Operator) Advanced Certified enterprise, FIRST rigorously selects business partners and conducts comprehensive supplier evaluations based on customs advanced certification standards, with particular focus on regulatory compliance and trade security performance.

Supplier Lifecycle Management



Supply Chain Security

Supplier ESG Management

FIRST has established a comprehensive supplier ESG management system that systematically integrates ESG principles throughout the supplier management process through institutional development and process optimization. The company formulated the *Supplier Social Responsibility Management Regulations* to incorporate supplier ESG performance into management processes, and created the *FIRST Supplier ESG Code of Conduct Commitment* requiring suppliers to strictly comply with relevant laws and regulations in **environmental protection, occupational health and safety, business ethics, and management systems** while actively fulfilling social responsibilities to promote sustainable development.

For implementation, FIRST ensures effective ESG compliance through dual mechanisms: First, a **mandatory commitment system** achieved 90.5% signing rate of the Code of Conduct among qualified suppliers during the reporting period, with the remaining 9.5% deemed compliant through submitting ESG reports meeting the requirements. Second, **ESG performance has been incorporated into the supplier audit system** with a new "Social Responsibility" module to ensure effective ESG practice execution through evaluation and continuous monitoring. These measures not only strengthen supply chain ESG risk management but also provide robust support for sustainable industrial chain development.

Supplier Collaboration and Exchange

To enhance upstream-downstream supply chain cooperation, FIRST organizes annual supplier conferences to facilitate interaction and clarify responsibility requirements. The 2024 conference themed "**Upholding Standards, Winning Through Quality, Navigating Cycles, Embracing the Future**" combined online and offline formats, gathering hundreds of key supplier representatives across FIRST's partnership network. The event emphasized suppliers' strategic importance, acknowledged their contributions, and outlined new expectations regarding collaborative development, quality assurance, safety and integrity, and digital transformation.



Supplier Conferences

Green Supply Chain Development



Shared Pallets

Green Procurement and Production: FIRST actively promotes green procurement by prioritizing eco-friendly materials and products. For production, we increase technological innovation investment, adopt advanced processes and equipment to reduce energy consumption and emissions, achieving green manufacturing.

Green Logistics: We continuously optimize logistics networks and transportation routes to improve efficiency while promoting green logistics technologies like new energy vehicles to reduce carbon emissions during transportation.

Circular Economy: Through collaborative pallet recycling projects with multiple suppliers, FIRST utilized 85,203 shared pallets in 2024, reducing approximately 1,278 tons of disposable plastic pallet waste.

Supply Chain Security

Talent Development & Team Building

Talent Development: FIRST has established a comprehensive talent cultivation system for supply chain professionals, conducting regular specialized training through internal programs, external advanced studies, and academic exchanges to enhance team expertise and comprehensive competencies.

Team Building: FIRST prioritizes building a high-caliber supply chain management team. Through internal training and external collaboration, we foster a positive team environment that strengthens cohesion and collaboration capabilities.

Metrics and Targets

We are committed to achieving zero supply chain disruption risks. During the reporting period, through implementing a series of risk management measures and temporary contingency plans, supply chain security was effectively maintained with disruption risks under control, making steady progress toward our target. Additionally, we have intensified efforts to enhance supply chain transparency and sustainability, significantly advancing green supply chain initiatives. We have made remarkable progress in the construction of the green supply chain. The proportion of green procurement has been continuously increasing, and the circular economy has been widely applied.

Metrics and Targets	2024 Target	2024 Achievement
Supply Chain Risk Assessment Coverage	100%	Achieved: 100% coverage of suppliers in qualified vendor list, enabling comprehensive risk monitoring
Supply Chain Risk Awareness Training Coverage	100%	Achieved: 100% of supply chain team members completed training, elevating overall risk prevention awareness
Supply Chain Security	Zero disruption risk	By implementing risk management and temporary emergency measures, we ensured supply chain security and effectively controlled the risk of supply chain disruption
Green Supply Chain Development	Increase green procurement ratio	Significant progress achieved with rising green procurement rates and widespread circular economy applications

Responsible Minerals Management

While current procurement activities do not involve conflict minerals, FIRST remains committed to supply chain sustainability by continuously monitoring international standards and policy requirements. As business develops, the company will formulate responsible minerals management policies and take corresponding actions to contribute to industry sustainability.

04

Caring for Employees and Building a Harmonious Ecosystem



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Occupational Health and Safety

Occupational Health and Safety Management

FIRST strictly complies with laws and regulations including the *Work Safety Law of the People's Republic of China*, *Occupational Disease Prevention and Control Law*, and *Production Safety Accident Emergency Response Plan Management Measures*, having established a comprehensive occupational health and safety management system. Organizationally, the company has set up **Work Safety Management Committees** at both business division and subsidiary levels to oversee and supervise safety operations. All subsidiaries maintain occupational health and safety management systems to ensure standardized and institutionalized safety practices.

To effectively prevent and control occupational health risks, FIRST **conducts annual risk identification assessments** and provides regular professional training to enhance employee safety awareness and emergency response capabilities. Additionally, the company organizes emergency drills targeting identified risks to ensure staff familiarity with workplace hazards and countermeasures.

Annual occupational health and safety work plans are developed with clear objectives and measures, forming a closed-loop management cycle from risk identification and training to drills and continuous improvement. These initiatives demonstrate our commitment to ongoing occupational health and safety enhancement and employee wellbeing.

System	System Name	Coverage of Production Subsidiaries
ISO45001	Occupational Health and Safety Management System	100%

Occupational Health Risks and Countermeasures

2024 Major Occupational Health Risks and Countermeasures	
Occupational Hazard Factors	Countermeasures
Noise	Engineering controls: Installed noise enclosures, baghouse dust collectors, and exhaust hoods in hazardous areas to reduce environmental exposure levels
	Personal protective equipment: Provided earplugs, earmuffs, dust masks, and respirators to at-risk employees
Dust	Hazard monitoring: Annual third-party testing confirms all occupational hazard factors comply with regulatory standards
Chemical substances	Health surveillance: Annual medical examinations for exposed employees with ongoing health monitoring

Ensure Occupational Safety

Work Injury Accident Handling Process

To safeguard employee health and safety, FIRST maintains standardized work accident investigation procedures. Upon occurrence:

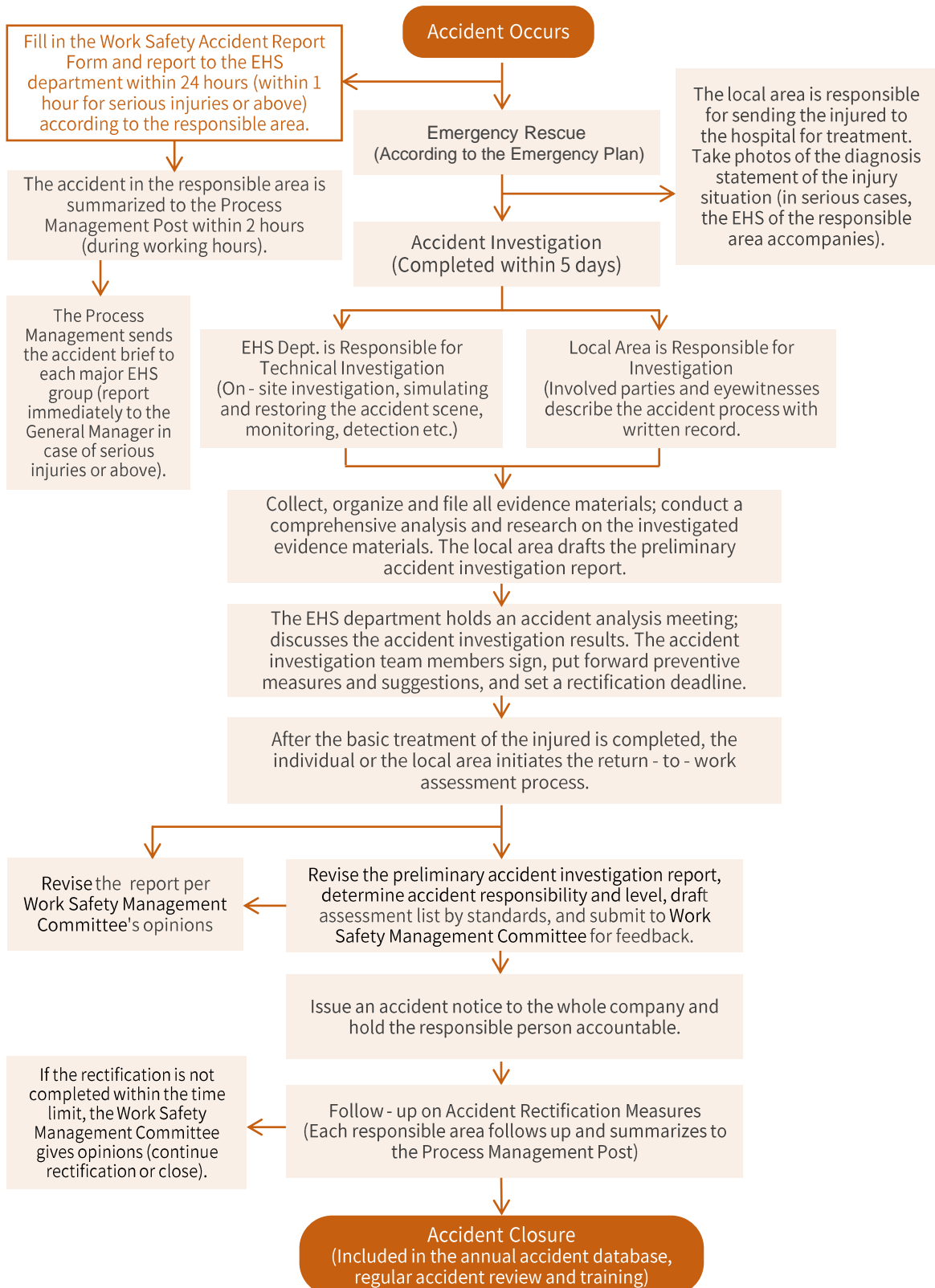
Immediate Medical Care: Prioritize transporting injured personnel to medical facilities for prompt treatment.

Rapid Response: Immediately form investigation teams to determine causes and responsibilities.

Continuous Improvement: Develop targeted corrective and preventive measures with tracking mechanisms to prevent recurrence.

Occupational Health and Safety

Work Injury Accident Handling Flowchart



Occupational Health and Safety

Safety Culture Training

Enhancing First Aid Capabilities:

We attach great importance to the safety and health of employees and regularly conducts first aid capability training. Through professional training, employees can master first aid skills for handling accidental injuries and sudden emergencies in daily life and work. This further enhances their safety awareness as well as self-rescue and mutual rescue abilities, ensuring the safety of employees' lives to the greatest extent.



First Aid Training

"Work Safety Production Month" Activities:

June 2024 marked the 23rd National "Work Safety Production Month". Closely adhering to the theme of the event, "Everyone Talks about Safety, Everyone Can Respond to Emergencies—Keep the Life-saving Passages Unobstructed", our company organized, planned and carried out a series of themed activities. These activities included safety commitment oath-taking, the "Everyone Talks about Safety—Pre-shift Meeting Competition", the Comprehensive Safety Skills Contest, and the Emergency Evacuation and Escape Drill. These activities effectively enhanced employees' awareness of work safety production and their emergency response capabilities.



Safety Commitment Oath-taking



"Everyone Talks about Safety" —
Pre-shift Meeting Competition



Comprehensive Safety Skills
Contest



Emergency Evacuation and
Escape Drill

Diversity, Equity, and Inclusion (DEI)

Employee Situation

Employee Situation Data	Unit	2024	2023	2022
Total Number of Employees	Persons	4676	4549	3663
By Gender				
Number of Male Employees	Persons	3532	3431	2777
Number of Female Employees	Persons	1144	1118	886
By Age				
Number of Employees Under 30 Years Old	Persons	1241	1230	1048
Number of Employees Aged 30 - 50	Persons	3103	3102	2434
Number of Employees Over 50 Years Old	Persons	332	217	181
Amount Invested in Employees' Workers' Compensation Insurance	10,000 RMB	328.11	177.56	155.98
Amount Invested in Employees' Workplace Safety Liability Insurance	10,000 RMB	3.48	3.37	3.3
Coverage Rate of Employees' Workers' Compensation Insurance	%	100	100	100
Coverage Rate of Employees' Workplace Safety Liability Insurance (Chemical Industry Base)	%	95.76	89.11	85.86
Number of Employee Training Sessions	Times	1073	808	460
Amount Spent on Employee Training	10,000 RMB	108.34	82.65	47.13
Coverage Rate of Employee Training	%	100	100	100

Diversity, Equity, and Inclusion (DEI)

Building a Workplace of DEI

Diversity, Equality and Inclusion

For a globalized, technology-led listed company, sustained and stable development is an everlasting goal—yet a diverse talent team remains the vital engine for its enduring prosperity. FIRST adheres to the values of equality, inclusion and diversity, respects and appreciates the individual differences and unique talents of employees, and is committed to providing a development environment for continuous growth for every employee.

Creating an Inclusive and Equal Workplace

The premise of working together to create value is to respect the uniqueness and diversity of every employee. An inclusive and equal workplace culture is an important manifestation of FIRST's inclusive culture. FIRST firmly opposes any form of discrimination and promises to eliminate discrimination against employees in recruitment, promotion, and compensation based on factors such as race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, and religious belief. The *Recruitment Management Method* standardizes the procedures and standards for talent recruitment, selection, and employment. Recruitment announcements are made through internal platforms, the company's official website, and external diverse recruitment platforms to attract talents and conduct fair and just talent selection. The company strictly prohibits forcing employees or job applicants to undergo any medical examinations with discriminatory purposes.

To effectively protect the basic rights and interests of each employee, we have formulated a series of management policies, including the *Policy on Prohibition of Compulsory Pregnancy Testing*, *Child Labor Remediation & Prevention Procedure*, *Forced & Compulsory Labor Elimination Policy*, *Female Employee Labor Protection Management Method*, *Freedom of Association & Right to Collective Bargaining Framework*, *Migrant & Foreign Worker Management System*, *Anti - discrimination Management Method*, *Prohibition of Prison Labor Regulations*, *Harassment-Free Workplace Management Procedure*, etc., to ensure that there is no use of child labor, forced labor, discrimination, harassment, etc. in recruitment, compensation, training, promotion, and dismissal.

Employee Employment Management:

FIRST clearly stipulates the principles of open recruitment and fair competition in the *Human Resources Control Procedure*, *Recruitment Management Method*, *Intern Management Method*, and *Internal Recommendation Management Method*, and strictly prohibits discriminatory behavior in the recruitment process in accordance with the law.

Through recruitment channels such as the company's website, the company's recruitment WeChat official account, third - party online recruitment websites, campus job fairs, large - scale on - site recruitment fairs, and internal referral platforms, the company ensures that recruitment position information is open and transparent, realizes the sharing of recruitment information and resources, and provides equal employment opportunities for job seekers; the interview and employment process is fair, avoiding any form of direct or indirect discrimination.

A global recruitment team has been established, with a reasonable gender ratio and age structure among team members, fully considering the personalities and career development demands of interviewees. Especially for the introduction of overseas employees, it supports overseas talent recruitment and cross - regional communication and exchange, ensuring that overseas employees are treated fairly and that language and cultural considerations are taken into account during the recruitment process. During the reporting period, we had 205 ethnic minority employees, 1 Japanese employee, 207 Vietnamese employees, and 172 Thai employees.

Diversity, Equity, and Inclusion (DEI)

Social Accountability Management:

FIRST has formulated the *Social Accountability Management Manual*. Centered around the SA8000 certification system standards, 26 new management system documents have been developed. A total of 8,652 person - times of training have been carried out, with a cumulative training duration of 17,204 hours. To ensure that employees of the company, its subsidiaries, and overseas bases can fully understand, recognize, and implement the requirements of the social responsibility management system, we conduct systematic training and practice to promote voluntary compliance with SA8000 standards and relevant social responsibility laws and regulations.



Social Accountability Training

FIRST focuses on continuously improving the working environment and labor conditions, strengthening labor protection, and effectively safeguarding employees' rights and interests. It integrates the concept of social responsibility into daily operations. Through a series of measures, it has effectively enhanced employees' awareness and practical ability regarding social responsibility, optimized internal management processes, further improved the working environment and employee welfare guarantees, and laid a solid foundation for the company's sustainable development.

Anti - discrimination Management:

FIRST has formulated and strictly implemented regulations such as the *Management Regulations on Foreign Workers and Migrant Workers* and the *Anti - discrimination Management Method*. These regulations ensure that employees are not discriminated against during the employment process due to gender, ethnicity, age, marital status, physiology, surname, region, religious belief, etc., and safeguard employees' equal employment rights. During the reporting period, 205 ethnic minority employees, 70 disabled employees, and 380 foreign employees were hired, and no discrimination incidents occurred.

Care for Special Groups:

FIRST has formulated the *Policy on Prohibition of Compulsory Pregnancy Testing* to effectively protect the employment rights and interests of female employees; the *Child Labor Remediation & Prevention Procedure* to protect minors; the *Forced & Compulsory Labor Elimination Policy* to respect the right of labor autonomy; the *Female Employee Labor Protection Management Method* to clarify the prohibited labor for female employees and protection measures during menstruation, pregnancy, childbirth, and lactation; the *Freedom of Association & Right to Collective Bargaining Framework* to respect the rights of different religions and freedom of belief; and the *Harassment - Free Workplace Management Procedure* to clearly protect the personal safety of vulnerable groups.

Diversity, Equity, and Inclusion (DEI)

Creating a Friendly and Inclusive Workplace

- ✓ All bases are equipped with dedicated lactation room, providing private and quiet spaces for female employees during the lactation period.
- ✓ Accessible parking spaces, ramps, restrooms, and elevators are provided to enable people with disabilities to move around freely.
- ✓ Employee activity rooms, basketball courts, gyms, yoga rooms, etc. are created to enrich employees' recreational lives.
- ✓ Activities such as the "Employee Lecture Hall", "Xinya Program", "Qingteng Program" - related training and thematic reading clubs, and organization of new and old employee symposiums are carried out to help young employees better integrate into the organization.

Employee Care



Lactation Room



Mental Health Room

Employee Activity Facilities



Employee Activities



Graduate Student Team Building



Team Building at the Thailand Base

Diversity, Equity, and Inclusion (DEI)

Trade Union Management

Trade Union Management	We have formulated management regulations such as <i>Trade Union Member Welfare Management Method</i> , <i>Trade Union Points Management Method</i> , and <i>Workers' Congress</i> . We practice democratic management and safeguard employees' legitimate rights and interests. The company has been honored with the National May 1st Labor Award issued by the All - China Federation of Trade Unions. In 2024, we held the Workers' Congress 4 times in total, with a cumulative expenditure of 4.4534 million RMB for trade union funds.
Trade Union Management Structure	The trade union organization consists of 1 chairperson, 1 vice - chairperson, 11 committee members, 2 staff, 1 accountant, and 1 cashier. The trade union chairperson has set up a trade union funds review committee and a trade union women workers' committee. For the smooth operation of trade union work, it is divided into 8 trade union groups, with 1 trade union liaison in each group, and each trade union committee member is assigned to be responsible for one trade union group. Company employees join the trade union voluntarily. The trade union strictly fulfills its functions of safeguarding, construction, participation, and education, representing and safeguarding the legitimate rights and interests of employees.
Trade Union Work Content	The trade union cares about employees' work and life, harmonizes labor - management relations at work, and promotes employees' participation in management innovation, labor competitions, and the selection and commendation of trade union activists. The trade union pays special attention to the protection of female employees' rights and interests, establishing "Mami Huts" and purchasing special disease insurance for female employees.

Interest Groups and Cultural Activities

FIRST values employees' well-being, promotes work-life balance, and fosters a happy, fulfilling workplace through diverse interest groups and cultural activities.

- ✓ **Interest Group Working Mechanism:** We have established the *Trade Union Interest Activity Group Management Framework* under the auspices of the corporate trade union. This initiative, driven by employee interests, fosters mental well-being and contributes to organizational harmony.
- ✓ **Interest Groups:** Reading Interest Group, Basketball Interest Group, Swimming Interest Group, Badminton Interest Group.
- ✓ **Cultural Activities:** We organize diverse seasonal and festival-based activities to enhance employee engagement, including:Lantern Festival riddles, International Women’ s Day floral workshops, Children’ s Day family events, Mid-Autumn Festival mooncake-making sessions. Additionally, an annual interdepartmental sports tournament promotes teamwork and strengthens cross-site camaraderie.



International Women’ s Day
floral workshops



Lantern Festival riddles



Lin'an Half - Marathon



Reading Interest Group



Basketball Interest Group



Badminton Interest Group

Human Rights and Employee Rights Protection

Employee Rights and Interests Protection

FIRST strictly complies with laws and regulations such as *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Employment Promotion Law of the People's Republic of China*, and relevant laws and regulations of overseas operation sites. It actively responds to international initiatives and standards such as *Universal Declaration of Human Rights*, *Conventions of the International Labor Organization*, and *UN Guiding Principles on Business and Human Rights*, attaches importance to and respects the basic rights and interests of all employees, and adopts a "zero - tolerance" attitude towards relevant infringement incidents. The company has formulated management systems, procedure documents, and operation processes, including *Employee Handbook*, which provide detailed and clear descriptions of employees' occupational safety and development, working conditions, labor relations, etc. It has also formulated special labor protection systems covering all operation sites of the company in terms of prohibition of forced labor and prison labor, prohibition of child labor, reasonable working hours and overtime compensation, anti - harassment and abuse.

During the reporting period, FIRST did not have any cases of child labor misuse, forced labor, humiliation, harassment, or security - related violence. Over the past three years, FIRST has not had any layoff events that had a significant impact on employees or major mergers or acquisitions that had a substantial impact on most employees.

Labor and Human Rights Risk Management

FIRST strictly follows the human rights and labor standards set by the United Nations Global Compact (UNGC), the International Labor Organization (ILO), and the Responsible Business Alliance (RBA), supports and respects the requirements of relevant local laws and regulations, and is committed to promoting the protection of human rights and labor rights and interests in its own operations and value chain, caring for and safeguarding the legitimate rights and interests of all stakeholders, including employees, workers in the supply chain, business partners, etc.

Labor Risk Management

FIRST has formulated system documents such as *Child Labor Remediation & Prevention Procedure*, *Child Labor Remediation Management Procedure*, *Voluntary Overtime Management System*, and *Adolescent Worker Protection Procedure* at the group level, and has formed corresponding management systems and procedures at the operation sites. Adhering to the human rights and labor protection policy of "protect labor, respect human rights, operate with integrity, and give back to society", it incorporates relevant human rights and labor standards in local laws into internal processes and guidelines, establishes a human rights and labor rights and interests management framework led by the general manager of each manufacturing base and coordinated by human resources and various functional departments, and implements normalized risk assessment and due diligence investigation management measures to minimize the potential impact of human rights and labor risks.

For interns, dispatched employees, and contractor employees working for FIRST, FIRST implements the same personnel management requirements as for formal employees to ensure the legitimate rights, interests, and physical and mental health of every worker. During this reporting period, all manufacturing bases and operating locations of FIRST had no risk of violating the rights to freedom of association or collective bargaining, nor were there any cases of forced labor or child labor employment.

Labor and Human Rights Risk Management Procedure

Management Procedure	Specific Content
Risk Assessment	Develop <i>Major Hazard Source Identification & Control System</i> , <i>Safety Inspection & Hidden Hazard Rectification System</i> , <i>Safety Risk Assessment System</i> and workflows. Form occupational health & safety risk control list, conduct key control for workplace safety.
	Annually identify risks, update workplace risks and control focuses. Quarterly safety inspections to enhance risk management and protect employees' rights.
	Track risk effectiveness quarterly, control high - risk projects to prevent labor & human rights risks.
Policy and Objectives	Set annual human rights management objectives per SA8000. Track monthly/quarterly.
	Incorporate into <i>Social Accountability Management Manual</i> and KPI as evaluation basis.
Preventive Measures and Appeal Channels	Internal audit reviews labor, environment, health & safety risks annually.
	Regularly carry out external third - party audits, accept customer audits, and ensure system operation.
	Develop <i>Employee Appeal Handling & Feedback Procedure</i> , embed appeal channels in employee handbook, establish comprehensive appeal plans.
Remedial Actions	Develop <i>Important Employee Relationship Negotiation Method</i> .
	For issues, HR & responsible units investigate, propose measures. Organize emergency meetings if needed, report major labor issues, formulate improvement plans.

Human Rights and Employee Rights Protection

Labor and Human Rights Management Measures

Theme	Relevant Policies and Objectives	Management and Mitigation Measures
Freedom of Employment Choice	<div><div>✓</div><div><i>Recruitment Management Method, Forced & Compulsory Labor Elimination Policy, Employee Separation Management Method</i></div></div> <div><div>✓</div><div>Eliminate any form of forced/bonded labor. Work based on voluntariness. Prohibit charging deposits. Employees freely choose to renew contracts to protect rights.</div></div>	<div><div>✓</div><div>Develop standard recruitment/separation procedures.</div></div> <div><div>✓</div><div>Employees initiate separation per process and leave with reasonable notice.</div></div>
Prohibition of Child Labor	<div><div>✓</div><div><i>Child Labor Remediation & Prevention Procedure A0 Version</i></div></div> <div><div>✓</div><div>Strictly prohibit child labor, verify ages during recruitment.</div></div>	<div><div>✓</div><div>EHR system auto - identifies ID/age to prevent illegal use.</div></div> <div><div>✓</div><div>Form recruitment ID - age checklist, double - check during employment.</div></div>
Working Hours	<div><div>✓</div><div><i>Voluntary Overtime Management System A0 Version, Attendance Management Method</i></div></div> <div><div>✓</div><div>Comply with laws, ensure sufficient rest.</div></div>	<div><div>✓</div><div>Plan production/rest reasonably—EHR warns for overtime.</div></div> <div><div>✓</div><div>EHR monitors key dept. overtime, reminds management.</div></div> <div><div>✓</div><div>Evaluate labor intensity according to labor quota standards, use automated procedures to continuously optimize work intensity, provide rest places for work - rest balance.</div></div>
Wages and Benefits	<div><div>✓</div><div><i>Leave Management Method, Salary Payment Management Regulations A0 Version</i></div></div> <div><div>✓</div><div>Ensure salaries comply with laws (minimum wage, overtime pay, statutory benefits).</div></div>	<div><div>✓</div><div>Formulate attendance/leave/salary methods to guarantee legal leave/salary benefits.</div></div> <div><div>✓</div><div>Annually survey living costs to ensure salaries exceed living costs.</div></div>
Humanitarian Care	<div><div>✓</div><div><i>Reward and Punishment Management Method, Employee Handbook</i></div></div> <div><div>✓</div><div>Prohibit corporal punishment, coercion, verbal/psychological/gender - discriminatory measures or threats.</div></div>	<div><div>✓</div><div>Formulate reward - punishment rules, clarify processes.</div></div> <div><div>✓</div><div>Strengthen training and publicity via multiple channels to avoid inhumane behavior.</div></div>
Anti - discrimination and Anti - harassment	<div><div>✓</div><div><i>Harassment - Free Workplace Management Procedure A0 Version</i></div></div> <div><div>✓</div><div>Ensure equal employment and prohibit discrimination in all processes—including recruitment, promotion, and compensation—based on race, color, religion, sexual orientation, gender, age, physical ability, political belief, union membership, marital status, or other grounds.</div></div>	<div><div>✓</div><div>Standardize and strictly implement relevant systems and processes.</div></div> <div><div>✓</div><div>Provide unobstructed reporting and appeal channels, promptly detecting and stopping corresponding matters.</div></div>
Freedom of Association	<div><div>✓</div><div><i>Freedom of Association & Right to Collective Bargaining Framework, trade unions, workers' Congress</i></div></div> <div><div>✓</div><div>Guarantee employees' rights to associate/bargain collectively by law. Employees reflect issues via elections, communicate work benefits without retaliation.</div></div>	<div><div>✓</div><div>Establish organizations such as Workers' Congress and trade unions to ensure employees' wishes are reflected.</div></div> <div><div>✓</div><div>Standardize welfare committee system, regularly elect employee representatives and trade union committee members, conduct workers' congress for democratic decision - making, and organize various trade union and welfare committee activities.</div></div>

Human Rights and Employee Rights Protection

Unobstructed Communication Mechanism

Communication Channel Construction

FIRST builds diverse and unobstructed communication bridges, optimizes and adjusts according to employees' opinions and suggestions, creating a more equal, open, and harmonious working and communication environment, and encouraging employees to freely and fully express their opinions.

To promptly understand employees' various needs and voices, including those on compensation, benefits, and working environment, within the country, the group, subsidiaries, and each production base have respectively established trade union organizations and diverse communication channels—OA mailboxes, OA processes, opinion - feedback QR codes, suggestion boxes, and public telephones. This ensures employees' opinions and suggestions are promptly conveyed to management, providing a basis for improvement. Overseas, FIRST has not only established its own trade unions but also regularly holds communication mechanisms in line with overseas characteristics and cultures. Employees are encouraged to raise work - and life - related issues, and consultations and discussions are carried out with an equal, democratic attitude to find fairer, more reasonable solutions.

After receiving employees' feedback, the company follows the established internal handling process for feedback and follow - up, promptly tracking relevant situations to ensure every piece of feedback gets a response and every matter is addressed.

FIRST respects employees' right to free expression. Whether positive or negative, feedback is collected with an open, inclusive attitude. It faces up to problems, actively seeks solutions and optimization approaches, and promotes closed - loop improvement of internal management.

Employee Appeal Handling Process

Step 1: Appeal Submission

Appeal materials should detailedly describe the content, and submit written materials and supporting documents.

[The entire appeal - handling process must follow the avoidance principle of the actor (i.e., the appeal object) of the appeal incident.]

Step 2: Appeal Acceptance


Relevant departments verify the materials and decide whether to accept the appeal within three working days, then feedback the result to the appellant.

Step 3: Appeal Investigation


For accepted appeals, complete the investigation and confirmation within seven working days. Handle them per the company' s rules, following fairness and justice, and form a handling report.

Step 4: Appeal Feedback

The person in charge of the responsible department shall, within three working days, provide written feedback on the handling result to the appellant, ending the appeal process.



Workers' Congress



Employee Symposiums

Human Rights and Employee Rights Protection

Comprehensive and Diverse Compensation and Benefits

Compensation System

FIRST strictly complies with relevant laws and regulations such as *Labor Law of the People’s Republic of China*, *Labor Contract Law of the People’s Republic of China*, *Employment Promotion Law of the People’s Republic of China*, and *Protection Law for Minors of the People’s Republic of China*, and has formulated internal systems such as Employee Handbook, Human Resources Control Procedure, Compensation Management Method, and Welfare Management System. All regulations and systems of FIRST involving all employees have been negotiated by the trade union and adopted by the Workers' Congress.

FIRST adheres to legal and compliant employment, and handles social insurance and housing provident fund for employees in accordance with national and local laws and regulations of each subsidiary. It has strictly achieved **5 100%: Labor Contract Signing Rate: 100%, Social Insurance Coverage: 100%, Housing Provident Fund Participation: 100%, Statutory Holiday Benefits Coverage: 100% and Regulation Publicity Rate 100%**. In addition, FIRST has established a multi - dimensional incentive system, rest and leave guarantee system, and various supplementary welfare systems, providing a solid guarantee for employees to work with peace of mind and the harmonious development of the enterprise. In 2024, our compensation and benefits expenditure totaled 801.64 million RMB.

Compensation and benefits	2024	2023	2022
Employee compensation (ten thousand RMB)	80,164.12	74,731.73	59,242.70
Including:			
Employee stock ownership plan incentive fund (ten thousand RMB)			6,957.07
Photovoltaic Business Partnership Plan special fund (ten thousand RMB)	4,995.64	5,492.96	

Compensation Management

FIRST follows the compensation concept of “adhering to fairness and order, adapting to the market environment, reflecting the value of talents, and playing an incentive role” to promote the sustainable development of the company and achieve a win - win situation for employees and the company; adheres to “taking the value of the position as the core, guided by performance and contribution” , using the labor value of the position, ability contribution, and performance results as the main basis for compensation distribution; adheres to the interconnection of “ability, contribution, performance, and wage level” , establishes a normal wage adjustment and promotion system, and encourages employees to become talents based on their positions; adheres to the principle of “orderly and sustainable development” , takes the growth of the company’ s innovation ability as a premise, links employees’ compensation levels and overall returns, shares responsibilities and returns, and realizes the common development of employees and the organization. FIRST continuously improves the performance appraisal system, compensation and benefit system, training management system, and employee development and promotion channels, using a combination of pushing and pulling methods to guide and motivate employees to improve and develop, achieving the goal of employees growing in work, reaping in growth, and developing harmoniously with the company.

Except for the chairman and independent directors, we do not provide directors' remuneration. Directors who also hold senior management positions or other positions in the Company will be compensated according to the remuneration system of their respective positions. The supervisors are not entitled to any remuneration, but if they hold other positions in the Company. They will receive remuneration according to the remuneration system of those positions. The annual compensation of the Company's senior management personnel comprises two components: a basic monthly salary and an annual performance-based bonus. The performance-based bonus is paid in the following year, and its amount is determined based on the Company's performance and the individual's work contributions, as evaluated by the Remuneration and Evaluation Committee. The remuneration of directors and senior managers is reviewed by the Remuneration and Evaluation Committee, which submits its recommendations to the Board of Directors for approval. The Board of Supervisors reviews the remuneration of supervisors, which is submitted to the Board of Shareholders for approval.

Human Rights and Employee Rights Protection

Employee Benefits

FIRST has formulated the *Welfare Management System* for all domestic employees, standardizing the company's welfare measures and establishment criteria to further enhance employees' sense of belonging and cohesion. Meanwhile, combining the consumer levels and policy settings of each overseas operation location, and with reference to the *Welfare Management System* for domestic employees, the company provides local employees with statutory benefits and special benefits. The *Welfare Management System* also includes welfare provisions for senior executives. Combining market benchmarking and job attributes, the company continuously optimizes the welfare benefits for senior executives to ensure that the senior executive welfare system has comprehensive competitiveness.

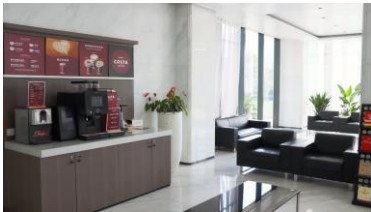
The company has a complete welfare system. In addition to statutory benefits, we also provide employees with health - safeguarding welfare, life - safeguarding welfare, incentive welfare, festival and cultural construction welfare, etc.

FIRST pays attention to the construction and management of leisure and entertainment places such as employee reading rooms, billiard rooms, table tennis rooms, and open - air rest areas. It organizes and carries out activities such as employee fun sports meetings and cultural and artistic evenings. In 2024, a total of 21 various cultural and sports activities were organized, with more than 2,200 employee participations, effectively relieving employees' life and work pressure.

We provide free warm - hearted work meals and comfortable shuttle bus services. Responding to employees' voices, we introduce the "COSTA" coffee bar and adopts the mode of trade union points for gifts, giving employees special preferential policies. We constructs the FIRST Employee Home - "Fu Ren Ju" with an area of 43,400 square meters, equipped with standard badminton courts, basketball courts, gyms, reading rooms, and childcare facilities for employees' children, which can provide a livable and comfortable home for 1,300 employees.



FIRST Employee Home - "Fu Ren Ju"



"COSTA" Coffee Bar

FIRST cherishes every colleague and worker who has accompanied us through trials and tribulations and grown together. We hold an annual commendation conference, respectively awarding the Five - Year Award for Loving the Factory and Devotion to Work, the Ten - Year Award for Loving the Factory and Devotion to Work, and the Fifteen - Year Award for Loving the Factory and Devotion to Work to senior employees who have continuously served for five, ten, fifteen, twenty years and above. It establishes evaluations such as advanced collectives, advanced teams, 5S excellent units, Group Stars, excellent employees, and employee rookies, conducting evaluations and commendations for those with outstanding performance and achievements in work.

In 2024, we selected a total of 2 advanced collectives, 9 advanced teams, 1 5S excellent unit, 7 Group Stars, 90 excellent employees, 10 employee rookies, 120 employees who won the Five - Year Award for Loving the Factory and Devotion to Work, 53 employees who won the Ten - Year Award for Loving the Factory and Devotion to Work, 42 employees who won the Fifteen - Year Award for Loving the Factory and Devotion to Work, and 7 employees who won the Twenty - Year Award for Loving the Factory and Devotion to Work.



Commendation Conference

Human Rights and Employee Rights Protection

Employee Benefits Table

Benefit Category	Benefit Content	Specific Measures
Statutory Benefits	Social Insurance and Housing Provident Fund	Pay five social insurances and one housing provident fund for employees
	Statutory Holidays and Annual Leave	Provide statutory holidays and paid annual leave
	High - temperature Protection	High - temperature allowance, summer cooling - sending activities
	Other Statutory Benefits	Wedding and funeral leave, maternity leave, paternity leave, parental leave, etc.
Health - safeguarding Benefits	Health Check - up	Provide free regular health check - ups
	Employer's Liability Insurance	Purchase employer's liability insurance for employees
	Cooperative Hospital Outpatient Service	Cooperate with local hospitals, doctors have regular consultations, providing medical treatment, consultation, and medicine - dispensing services
	Medical Convenience Service	Assist employees in seeking medical treatment, provide green channels
Festival and Cultural Construction Benefits	Festival Benefits	Festival allowances, birthday gifts, employment anniversary gifts, etc.
	Team - building Activities	Department team - building activity funds, trade union activity funds
	Employee Care	Hospitalization condolence money, funeral condolence money, retirement farewell parties and souvenirs
	Trade Union Activities	Recuperation activities, summer cooling - sending, etc.
Incentive Benefits	Night Shift Allowance	Provide allowances for night shift work according to regulations
	Night Snack Subsidy	Provide night snack subsidies
	Excellent Employee Rewards	Recognition and bonus distribution for employee rookies, excellent employees, excellent groups, and veteran employees' factory - loving and dedication awards
	Professional Title and Talent Subsidies	Professional title identification, talent identification, apply for talent introduction subsidies and living subsidies
Life - safeguarding Benefits	Employee Dormitory	Provide high - quality, environmentally friendly finely decorated multi - room dormitories, equipped with laundry rooms, gyms, board game rooms, restaurants, supermarkets, basketball courts, badminton courts, underground garages, and charging piles
	Free Work Meals	Provide self - operated canteens in both work areas and living areas
	Commuting Shuttle Bus	Operate multiple urban shuttle buses, formulate reimbursement standards and management methods for home - visiting travel expenses
	Living Supporting Facilities	Provide living convenience facilities such as supermarkets, restaurants, and gyms
Educational and Developmental Benefits	Academic Qualification and Professional Qualification Improvement	Establish incentive mechanisms for vocational training, professional titles, professional qualifications, and academic education
	Children's Education Support	Support nearby enrollment, cooperate with the education bureau to hold recruitment policy interpretation seminars and consultation meetings
	Training and Development	Provide vocational training, management skill - improvement courses, etc.
Other Benefits	Retirement Care	Assist in handling retirement procedures, hold retirement farewell parties, and distribute retirement souvenirs
	Expatriate Employee Benefits	Provide expatriate employees with home - visiting leave and subsidies

Employee Development and Training

FIRST prioritizes talent cultivation and development, having established comprehensive employee promotion pathways and annually updated systematic training programs. By integrating digital empowerment tools, we continuously enhance employees' professional skills and comprehensive competencies, enabling each individual to achieve career success while contributing to FIRST's sustainable growth with strong human capital.

Talent Development System

Promotion & Incentive Mechanism

A fair and unimpeded promotion system is essential for long-term mutual development between talent and the enterprise. We implement an annual performance evaluation mechanism across all global manufacturing bases and offices, featuring: Multi-dimensional assessment through organizational performance, departmental KPIs, individual performance evaluations, duty fulfillment reviews, 360° feedback, and surveys. This comprehensive assessment serves as a basis for employees' promotion, training, and salary adjustment.

FIRST has formulated *FIRST Professional Rank Evaluation Management Method*, establishing three major development channels covering all employees: **Management (M)**, **Professional (P, B, O, T)**, and **Operational (F)**. This framework clarifies development paths and promotion criteria for all positions, ensuring equitable advancement opportunities. Complementary long-term incentive plans further motivate employees and enhance talent retention.

Development Channels

Management Positions	Professional Positions				Operational Positions
M-Series	P-Series	B-Series	O-Series	T-Series	F-Series
Management	R&D/Testing, Process Technology, Mechanical/Electrical	Sales Procurement	Admin/HR, Finance/Legal, Production/Quality	IT	Frontline Operations

Employee Development and Training

Talent Training System

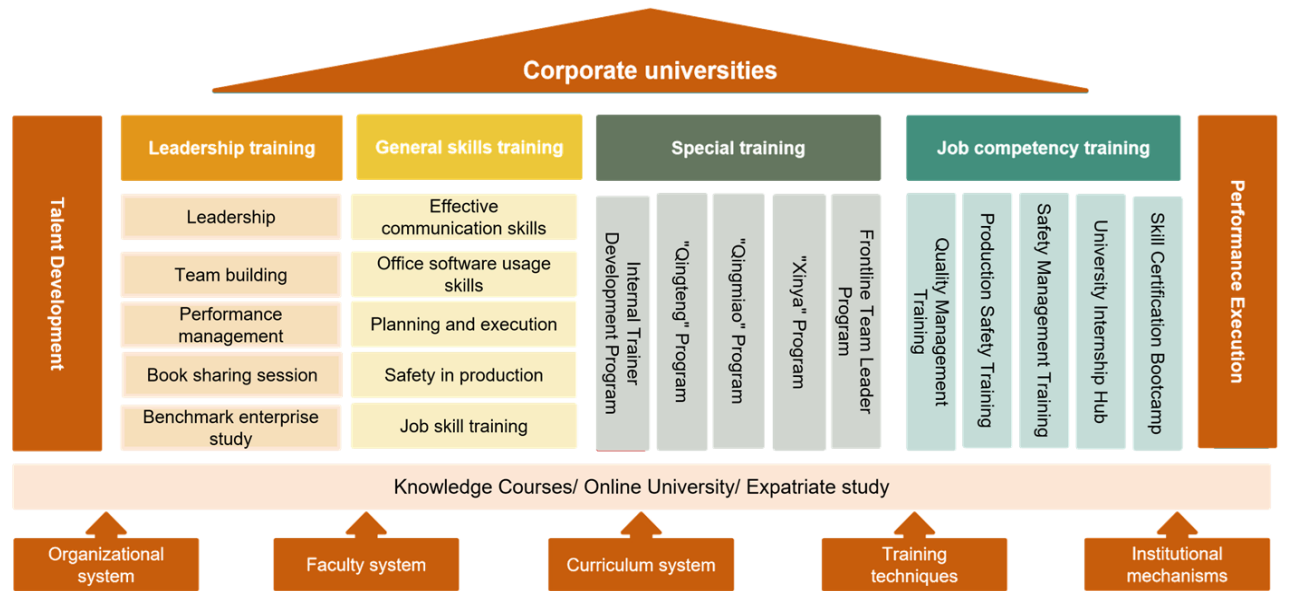
FIRST Corporate University

FIRST Corporate University adheres to the talent development principles of "Humility, Diligence, Integrity, and Efficiency," dedicated to cultivating competitive innovative talents and building a talent pipeline for the company.

Through FIRST Corporate University, we have established a tiered, categorized, and all-employee-inclusive training system. This system empowers frontline staff, junior, middle, and senior management through specialized programs, online courses, external training, one-on-one mentorship, and job rotations. In recent years, we have launched: Frontline Team Leader Program [F-Series], "Xinya" Program [Graduates], "Qingmiao" Program [Key Employees], "Qingteng" Program [M-Series Management]. These initiatives create a robust talent echelon, providing strong human capital support for the company's rapid and healthy development.



The Unveiling Ceremony of FIRST Corporate University



Training System

FIRST has developed a distinctive training system centered on corporate values, offering comprehensive and diverse courses for employees:

New Employees: "Xinya" Program for fresh graduates, focusing on onboarding integration and empowerment. Mandatory orientation training and general knowledge courses for all new hires.

General Employees: Corporate University and Employee Lecture Hall provide regular professional development through open courses and book clubs. Role-specific vocational and skills training arranged based on job functions.

Key Employees: Customized professional training tailored to job skills and individual needs Leadership programs ("Xinya" program → "Qingmiao" program → Qingteng" program) for junior supervisors, business core staff, middle managers, and senior executives. Resources for continuous self-development of experienced employees.

Social Responsibility

Social Responsibility

FIRST embraces its mission and responsibilities by not only generating profits and fulfilling legal obligations to shareholders and employees, but also committing to consumers, communities, and the environment. We prioritize human values in production processes and emphasize contributions to environmental protection, consumer welfare, and social development. Adhering to national laws and regulations such as the *Charity Law of the People's Republic of China* and the *Public Welfare Donations Law*, we actively support charitable causes, assist disadvantaged groups, and donate through platforms like the Red Cross, Charity Federations, and Education Funds. During the reporting period, we contributed **120.2 thousand RMB** to social welfare initiatives.

Social Contribution Data	Unit	Data	Description
Charitable Donations	RMB 10,000	12.02	/
Volunteer Participation	Person-times	148	148 Party members participated in "Learn from Lei Feng" activities in 2024.
Volunteer Hours	Hours	148	

Rural Revitalization

Rural areas are complex ecosystems integrating natural, social, and economic features, with multifaceted roles in production, living, ecology, and culture. Supporting China’s Rural Revitalization Strategy, FIRST leverages its photovoltaic expertise to establish sustainable poverty-alleviation mechanisms, including donations of distributed PV systems and purchases of agricultural products from underdeveloped regions like Longyou County (Lishui) and Baiyu County (Sichuan). In 2024, we invested **92.8 thousand RMB** in rural revitalization efforts.

University-Enterprise Collaboration

FIRST fosters deep partnerships with universities to create off-campus practice bases and innovate talent development models for the PV industry. Through joint training, internships, and field visits, we enhance students’ practical experience while upskilling employees. As of the reporting period, we collaborated with: Zhejiang University, Zhejiang University of Technology, Hangzhou Dianzi University, Ningbo University, Zhejiang A&F University, Zhejiang University of Science and Technology. In 2024, we provided **192 students** with social practice opportunities, significantly enhancing their understanding of the photovoltaic industry and related roles.

We also maintain long-term partnerships with universities and professional research institutions, leveraging joint training programs to upgrade employees’ professional knowledge and practical capabilities. In the reporting period, 48 management personnel participated in specialized training courses to continuously refine their knowledge systems through structured learning.



Zhejiang University Professional Study Group



Zhejiang University of Technology Faculty-Student

05

Integrity and Compliance to Strengthen Corporate Governance



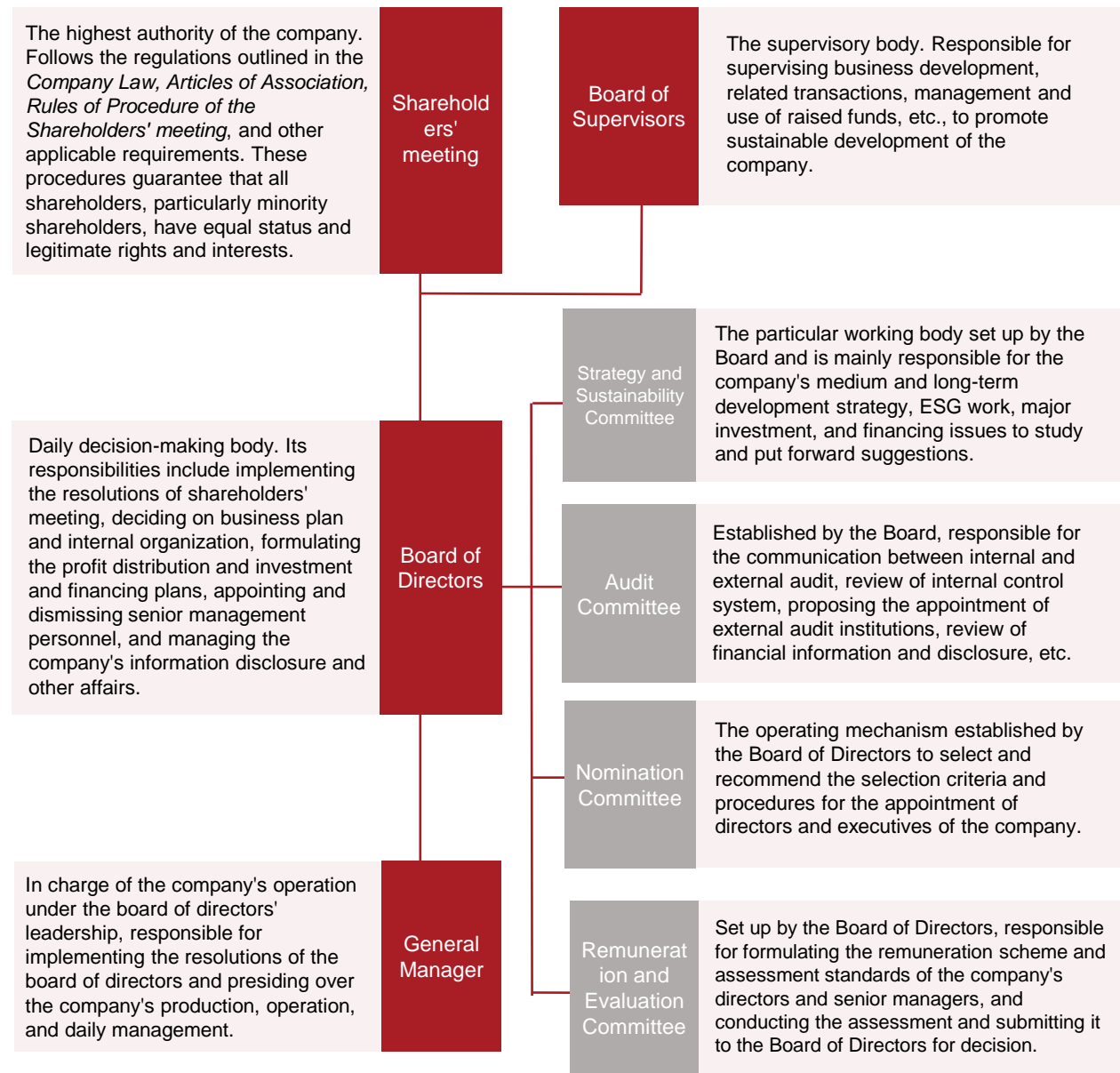
- 85 Corporate Governance
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Corporate Governance

Corporate Governance Structure

The company strictly complies with all corporate governance laws and regulations. In accordance with the latest updates to relevant laws, regulations, and institutional requirements, we continuously revise, improve, and establish corporate governance systems to clearly define responsibilities and authorities for decision-making, execution, and supervision, thereby enhancing corporate compliance and better protecting shareholder rights. As of now, the company has established governance systems including: *Articles of Association, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board Meetings, Rules of Procedure for Supervisory Board Meetings, Independent Director Working System, Working System for Special Meetings of Independent Directors, Related Party Transactions Management Policy, Fund Raising Management Policy, External Guarantees Management Policy, and Shareholding and Trading Policy for Directors, Supervisors and Senior Management.*



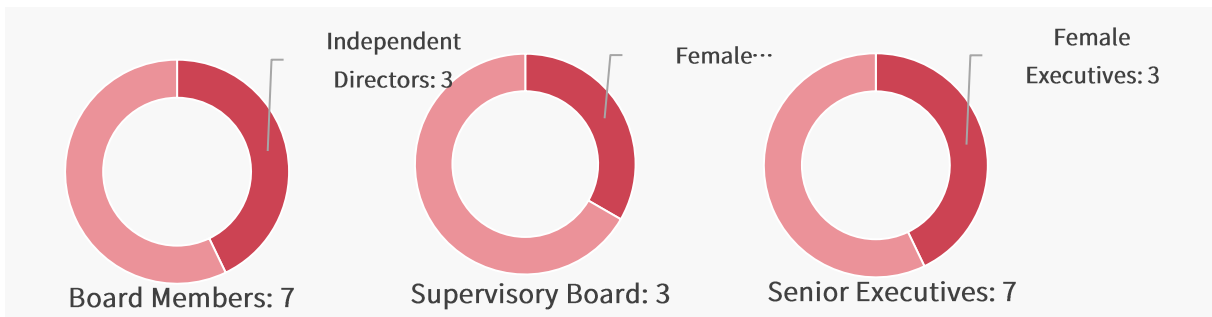
Corporate Governance

Board Composition

Board diversity is designed to pool multifaceted expertise, drive corporate innovation and advance sustainable progress. FIRST's directors come from diverse industry backgrounds spanning technology, finance, law, and management, forming a multidimensional mix of gender, age, experience, and professional knowledge. This diversified structure enhances decision-making comprehensiveness and accuracy, improves overall board effectiveness, and fosters cross-disciplinary thinking, bringing fresh perspectives and strategic vision. We firmly believe board diversity is a vital driver for sustainable development, maintaining competitive advantage in dynamic markets.

The Board comprises 7 directors, including 3 independent directors (43% representation). Beyond the Board, FIRST has: Supervisory Board: 3 members (2 shareholder representatives), including 1 female supervisor, Senior Management: 7 executives (3 female, 43% representation)

Name	Position	Gender	Age	Nationality	Professional Background	Committee Roles
Lin Jianhua	Chairman	Male	62	China	Senior Engineer Chemical Machinery	Strategy & Sustainability Committee (Chair), Nomination Committee
Zhou Guangda	Director	Male	43	China	Professor-level Engineer Chemical Engineering	Remuneration and Evaluation Committee
Xu Jianqin	Director	Female	54	China	Senior Accountant	Strategy & Sustainability Committee
Lin Tianyi	Director	Male	36	China	Business Administration, Materials Science	Audit Committee
Liu Meijuan	Independent Director	Female	54	China	Accounting Professor	Audit Committee (Chair), Remuneration and Evaluation Committee
Li Bogeng	Independent Director	Male	66	China	Polymer Chemical Engineering	Nomination Committee (Chair), Strategy & Sustainability Committee
Yang Zhijian	Independent Director	Male	55	China	Political Science Lawyer	Remuneration and Evaluation Committee (Chair), Audit Committee, Nomination Committee



Corporate Governance

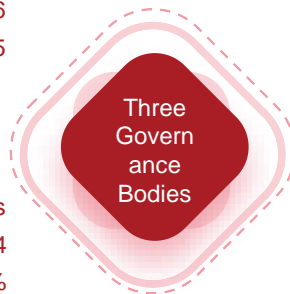
Executive Compensation Management

The Board has established the Remuneration and Evaluation Committee as a specialized body responsible for formulating, reviewing, and assessing the compensation policies and performance evaluations of directors and senior management. In accordance with the company's specific circumstances, *the Working Rules of the Board Remuneration and Evaluation Committee* have been enacted. The committee determines compensation packages for directors and senior executives based on company's long-term strategic objectives, benchmarking against industry peers of similar scale and regional presence and provide appropriate allowances for independent directors. Besides, the compensation process strictly complies with relevant laws, regulations, and corporate governance requirements to ensure rationality and compliance.

2024 Meetings of Three Governance Bodies

Shareholders' Meetings
Meetings held: 6
Proposals reviewed/adopted: 25

Supervisory Board Meetings
Meetings held: 14
Average attendance: 100%
Proposals reviewed/adopted: 35



Board Meetings
Meetings held: 17
Average attendance: 100%
Proposals reviewed/adopted: 75

Other Governance Meetings
Board committee meetings: 15
Independent directors' special meetings: 1



Standardized Operations

We attach great importance to communication and engagement with investors, consistently treating ESG topics as a critical component of investor relations management. To implement the relevant requirements of *the Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 - Sustainability Reporting (Trial)*, we proactively conduct ESG-related investor engagement through multiple channels and formats.

During the reporting period, we prepared and disclosed both Chinese and English versions of our ESG report, comprehensively demonstrating the company's practices and achievements in ESG. Meanwhile, we promptly released ESG-related updates through our official website, WeChat official account, and the SSE platform to ensure information transparency and accessibility. Furthermore, we engaged in in-depth discussions with investors on ESG topics through shareholders' meetings, earnings presentations, roadshows, and analyst conferences, promptly addressing investor concerns and listening to market feedback.

Going forward, we will continue to reference global sustainability disclosure initiatives and best practices to identify ESG-related risks and opportunities, refine management policies and action plans, and provide investors with more comprehensive and accurate information. We are committed to continuously improving ESG governance and disclosure quality, dedicated to creating long-term value for investors.

Information Disclosure

We place paramount importance on information disclosure. In strict compliance with laws, regulations and regulatory requirements including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Code for Listed Companies*, the *Guidelines for Investor Relations Management of Listed Companies*, and the *Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 1 - Standardized Operations*, we have established our *Information Disclosure Management Policy* to ensure the authenticity, accuracy and timeliness of disclosures, thereby safeguarding the legitimate rights and interests of all shareholders.

Periodic Reports	The company releases periodic reports on schedule, disclosing comprehensive financial data, business development, market conditions, and risk factors for each reporting period, providing investors with complete and timely information.
Interim Announcements	For material events such as routine related-party transactions, investment decisions, and changes in shareholder equity, the company promptly issues interim announcements to ensure investors receive timely updates. In 2024, the company released 112 interim announcements.
Investor Relations	The company actively engages with investors through regular earnings presentations and investor conferences to address market concerns. Multiple disclosure channels – including the official website, investor relations platforms, and WeChat official account – ensure broad coverage. A dedicated investor email and hotline facilitate feedback, enhancing transparency. In 2024, the company held 7 earnings presentations/conferences and conducted over 100 institutional investor meetings (online/offline).
Disclosure Quality	The company enforces strict internal reviews to ensure all disclosures are truthful, accurate, complete, and non-misleading, maintaining full compliance with regulations.
Social Responsibility	The company proactively discloses ESG information, having published annual CSR Reports or ESG Reports for four consecutive years, demonstrating its sustainability commitment.

Standardized Operations

Shareholder return

During the reporting period, the company formulated and revised several regulatory documents including the *Articles of Association*, the *Shareholding and Trading Policy for Directors, Supervisors and Senior Management*, and the *Shareholder Dividend Return Plan for the Next Three Years (2024-2026)*. These updates maintained strong continuity and stability, aligning with the company's long-term development strategy while demonstrating our commitment to shareholder value, thereby fostering and enhancing positive relationships with shareholders.

Year	Increase by transferring per 10 shares (shares)	Dividend payout per 10 shares (RMB)	Cash dividend (tax included) (RMB)
2022	4	1.5	199,731,787.05
2023	4	2.6	483,970,875.44
2024	/	2.6	677,559,390.56
Cumulative cash dividends in the past three years			1,361,262,053.05

Note: The 2024 profit distribution proposal is subject to approval at the 2024 Annual General Meeting of Shareholders before implementation.

Technology Ethics

Our current core business operations, commercial activities, and technological development do not involve cutting-edge fields with significant technology ethics sensitivities such as life sciences or artificial intelligence. **Consequently, we do not directly face material risks or challenges related to technology ethics.** As stipulated in the SSE Guidelines No. 14, technology ethics issues primarily apply to enterprises whose technology development, application, or data usage may substantially impact privacy protection, algorithmic fairness, AI ethics, and related areas. While technology ethics does not currently constitute a core component of FIRST's ESG management given our business scope, we maintain a steadfast commitment to ensuring the compliance and ethical integrity of all technological applications.

We strictly comply with China's Personal Information Protection Law, implementing comprehensive controls over employee personal data (including biometrics like facial recognition). Through encryption, access controls, and data anonymization, we protect sensitive information while conducting regular compliance audits and training. All data processing follows principles of legality, legitimacy, and necessity. For any future technology ethics-related business, we will establish governance frameworks with embedded ethical review mechanisms to fulfill CSR obligations.

Equal Treatment of SMEs

We consistently comply with the *Small and Medium-sized Enterprises Promotion Law of the People's Republic of China* and the *Regulations on Guaranteeing Payments to Small and Medium-sized Enterprises*, upholding principles of equality and fairness in engagements with SME suppliers and partners. During the reporting period, FIRST strictly followed the National Enterprise Credit Information Publicity System requirements to disclose payment records with SMEs in a timely manner. **As of the reporting date, the company recorded zero incidents of overdue payments to SMEs.**

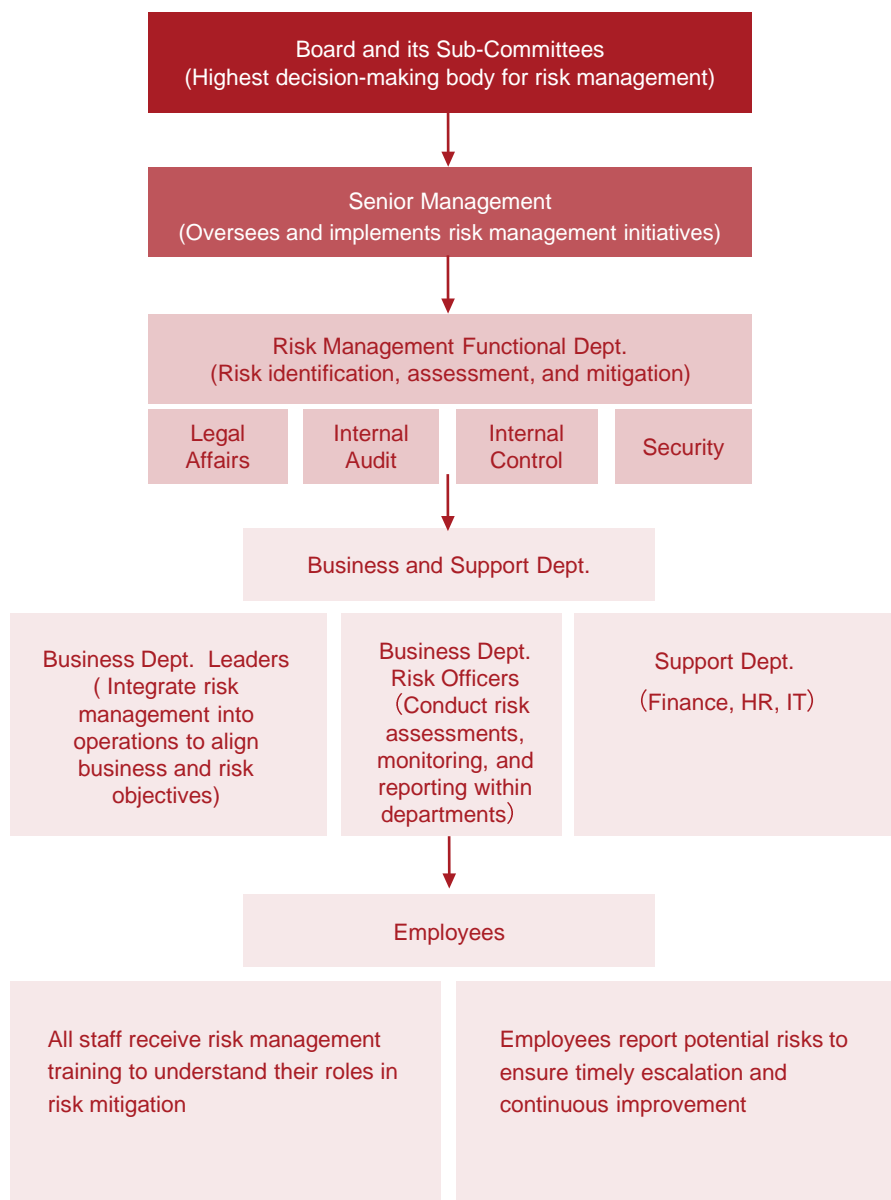
Within our supply chain management, we implement reasonable payment terms to fully protect SME suppliers' legitimate rights while continuously optimizing internal payment processes to enhance supply chain transparency. These efforts underpin our commitment to fostering long-term, stable partnerships. Moving forward, we will uphold fair practices, compliance, and corporate social responsibility

Risk Management and Internal Control

The risk management philosophy serves as the cornerstone of our risk management framework, reflecting the company's strategic emphasis on ESG risk management. We adhere to a prudent, forward-looking, and comprehensive risk management approach, integrating risk management into daily operations and strategic planning. This underscores its critical role in achieving sustainable development, safeguarding shareholder interests, and enhancing brand reputation and social responsibility.

Risk Management

Risk Management Framework



Risk Management and Internal Control

Risk Management Strategy

Risk Management Training

Leveraging our established training management system, we regularly organize workshops conducted by internal trainers or external experts to educate employees on risk-related topics including workplace safety, environmental protection, business ethics, and anti-fraud measures. Through case studies, we strengthen risk awareness and preemptively mitigate potential risks.



Safety, Economic Crimes Trainings

Enhancing Internal Communication

To improve risk management efficiency and effectiveness, we prioritize the development and optimization of internal communication mechanisms. Regular cross-departmental risk management coordination meetings ensure timely information exchange and sharing of best practices among management and key personnel. Internal communication platforms and knowledge management systems facilitate seamless dissemination of risk alerts, response strategies, and implementation measures. Additionally, we encourage employees to proactively report potential risks or hazards through established feedback channels and incentive programs, fostering an open, transparent, and collaborative risk management culture. This collective approach enables us to address challenges promptly and sustain healthy development.

Internal Risk Control and Management

Internal Control Evaluation

To effectively mitigate major risks and strengthen the company's comprehensive risk management, in accordance with relevant regulations such as the *Basic Standards for Enterprise Internal Control* and the *Application Guidance for Enterprise Internal Control*, the company has updated and refined its *Internal Control Management System*. This streamlined and effective internal control system integrates risk management processes across all operational and managerial activities. Supervised and evaluated by the Board of Directors, Supervisory Board, senior management, and internal audit department, the system covers five key components: internal environment, risk assessment, control activities, information and communication, and internal monitoring. Throughout 2024, the company and its subsidiaries adhered strictly to legal requirements, with no material violations or significant penalties incurred.

We engaged Pan-China Certified Public Accountants LLP as our internal control auditor for 2024 to evaluate the effectiveness of controls across headquarters and subsidiaries. The audit identified no material weaknesses in design or implementation, and **issued an unqualified Internal Control Audit Report**. The company annually discloses its *Internal Control Self-Assessment Report*.



内部控制审计报告
天健审〔2025〕3488号



Internal Control
Audit Report and
Verification QR Code

Risk Management and Internal Control

End-to-End Risk Management

We will conduct comprehensive risk assessments across all operational modules **every 2-3 years**, utilizing periodic reporting, internal audits, special investigations, and internal control evaluations to continuously enhance the corporate risk database.

Identified risks are rigorously classified based on impact severity and likelihood, with priority given to critical and significant risks to ensure prompt resolution.

Besides, a dedicated risk monitoring mechanism has been established, featuring targeted follow-up inspections to objectively evaluate remediation effectiveness and sustain risk management efficacy.

Strengthened Internal Communication

We implemented an extensive and responsive preemptive risk alert system, deepening grassroots-level risk identification and control. This ensures swift, precise responses from early warning detection to countermeasure formulation.

To achieve thorough risk oversight, we appointed frontline risk officers—including **safety, documentation, and internal control specialists**—across headquarters, departments, subsidiaries, and manufacturing sites. These roles form a bottom-up risk prevention network, conducting daily monitoring while actively participating in risk identification, assessment, and initial mitigation.

Due Diligence

We prioritize identifying and addressing sustainability-related adverse impacts, embedding due diligence as a cornerstone of business decisions and risk management. During the reporting period, cross-departmental collaboration clarified responsibilities to ensure systematic execution. Due diligence covers the company, subsidiaries, and direct/indirect business partners, **spanning: Labor relations, Human rights, Environmental compliance, Anti-corruption, Climate change, Technology ethics, Business integrity, Supply chain management.**

Particular attention is given to human rights and environmental risks, with due diligence integrated into governance, strategic planning, and risk frameworks. Stakeholder engagement ensures timely response to concerns, while targeted measures prevent, mitigate, and address actual/potential impacts. Continuous tracking and evaluation translate findings into actionable management strategies, safeguarding long-term resilience.

Business Ethics

FIRST is committed to fostering a fair, just, and transparent business environment, firmly prohibiting commercial bribery and corruption. Through robust management systems and oversight mechanisms, we ensure lawful and compliant operations while safeguarding the legitimate rights of the company, employees, and stakeholders. Upholding integrity, probity, and accountability, we embed anti-bribery and anti-corruption principles into daily operations, cultivating a culture of honesty and self-discipline.

Business Ethics Governance

FIRST strictly adheres to *Criminal Law of the People's Republic of China*, *Company Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Interim Provisions on Prohibiting Commercial Bribery (State Administration for Market Regulation)* and other laws and regulations.

Governance Structure

The Board's Strategy and Sustainability Committee oversees business ethics and anti-corruption strategies. The Business Ethics Leadership Group (chaired by the Chairman) operates under the Internal Audit Department, which reports quarterly to the Board.

Team Composition and Qualifications

FIRST currently has 10 full-time professionals responsible for business ethics, compliance, internal audits, and anti-fraud investigations. All team members hold bachelor's degrees or higher, with diverse professional backgrounds covering finance, auditing, engineering, law, investment, mechanical automation and other fields. Team members possess professional qualifications including Intermediate Accountant, Intermediate Auditor, Certified Public Accountant (CPA), National Legal Professional Qualification, Class II Construction Engineer, and Certified Internal Auditor (CIA).

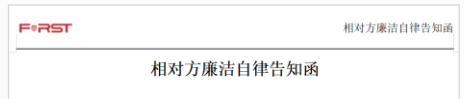
Leadership Group Responsibilities

- (1) Under the guidance of the Board, implement the business ethics management strategies and objectives to ensure operations comply with ethical and regulatory requirements.
- (2) Establish and improve the internal business ethics supervision system, undertake compliance monitoring and review responsibilities to guarantee the legality and ethicality of company operations.
- (3) Handle the acceptance and investigation of internal and external complaints and reports, conduct analysis to determine the nature of issues, and provide resolution recommendations.
- (4) Carry out internal audits, risk management, internal control evaluations and anti-fraud investigations. Based on review findings, develop improvement measures and continuously track rectification progress to ensure effective implementation of all actions.

Business Ethics Management Policies

We have established the *Supplier Integrity Management Procedures* and *Employee Code of Ethical Conduct*, which clearly articulate our unwavering stance and fundamental principles on business ethics. We firmly believe that upholding business ethics serves as the cornerstone for sustainable corporate development. Therefore, we explicitly require all stakeholders to thoroughly understand and strictly adhere to our business ethics policies, collectively maintaining a fair, just, and transparent business environment.

Furthermore, we have formulated the *Management Probity Guidelines*, *Internal Audit Management System*, and *Whistleblowing Management Policy*, and entered into *Counterparty Integrity Commitment Letters* with all suppliers. These documents collectively form the critical framework for advancing our business ethics management, ensuring that ethical principles are rigorously implemented at every stage of commercial activities to safeguard the company's reputation and long-term interests.



The Supplier Integrity Management Procedures expressly prohibit suppliers from providing any form of improper benefits to company employees. Suppliers are obligated to fully comprehend and accept our business ethics policies and must provide active cooperation during investigations or audits conducted by our company.

The Employee Code of Ethical Conduct clearly defines red lines: under no circumstances may employees accept any form of economic benefit from business partners or parties with potential conflicts of interest.

Business Ethics

Risk Prevention & Compliance

The Internal Audit Department conducts comprehensive and in-depth reviews annually of key business areas including procurement, sales, engineering, and financial management, as well as high-risk areas prone to misconduct, **achieving 100% coverage of critical risk domains**. Additionally, a full-scope review of all business areas is completed **biennially**. Aligned with the Board's risk management strategy, the department dynamically adjusts annual anti-fraud and compliance plans to ensure operations remain compliant and sustainable.

Targets & Achievements

During the reporting period, the Internal Audit Department planned and completed **21** internal audit tasks and 4 specialized fraud investigations (25 tasks total), **achieving a 100% completion rate**. The audits identified **130** management deficiencies, prompting targeted improvements to optimize processes and operational efficiency.

FIRST carried out **17** planned audit rectification trackings, monitored **162** corrective actions (90% completion rate), strengthening internal controls and risk management. The company addressed multiple commercial bribery and corruption cases involving 566 thousand RMB.

The company attaches great importance to business ethics training. **Commercial ethics training achieved 100% coverage among directors, management, and key personnel**, significantly enhancing compliance awareness.

Business Ethics Training & Awareness

We have adopted a three-pronged training model. Through new employee orientation, regular internal training, and external expert lectures, we comprehensively enhance employees' awareness of business ethics and compliance.

Internal Promotion

In August 2024, the Internal Audit Department successfully launched the **"Integrity Construction Month Campaign,"** a key component of both the annual training plan and the monthly learning plan for Party members. Jointly organized by the Internal Audit Department, HR Department, and FIRST Party Committee, the campaign culminated in late August with a corporate lecture series titled "Lecture on Prevention and Response to Corporate Economic Crimes & Integrity Month Summary Meeting", delivered through a hybrid online-offline format. Leveraging a tiered training transfer mechanism across departments, the initiative ensured full coverage of **all divisions, subsidiaries, and domestic/overseas manufacturing bases**, achieving broad and in-depth participation across the entire workforce.

Over 4,000 employees actively engaged in the campaign, **representing a 93.3% company-wide participation rate**. Through systematic training and advocacy, employees' awareness of business ethics and compliance was significantly enhanced, further strengthening the foundation of the company's integrity culture.



Integrity Construction Month Campaign

Business Ethics

External Communication

In July 2024, FIRST's annual Supplier Conference was successfully convened at its Hangzhou headquarters under the theme "**Upholding Standards, Winning Through Quality, Navigating Cycles, Embracing the Future**". Throughout the long journey of corporate collaboration, "integrity and probity" have remained the core principles, serving as the solid foundation for building long-term, stable partnerships between FIRST and its suppliers. At this conference, FIRST **reinforced its integrity-themed advocacy** by deeply interpreting anti-corruption policies and sharing practical cases, emphasizing the critical role of ethical cooperation in maintaining a fair competitive market environment and driving sustainable corporate development. During the event, all staff from the Supply Chain Center solemnly took an integrity oath. Every word of the oath resounded with resolve, reflecting FIRST employees' firm commitment to upholding moral and legal boundaries, adhering to honesty, and practicing strict self-discipline. It also demonstrated FIRST's determination to uphold transparency in procurement and resolutely reject corruption.



Annual supplier conferences

Internal and External Feedback Mechanisms

FIRST has always attached great importance to the opinions and feedback of its partners and employees. In July 2024, we meticulously designed and distributed *A Letter to Employees/Suppliers* via text message to all partners and staff, accompanied by a survey questionnaire. We sincerely aim to gather diverse insights and suggestions through this initiative to continuously improve our operations. Meanwhile, we solemnly commit to strictly protecting the privacy and rights of all respondents by keeping their information confidential, ensuring they can share their genuine thoughts without hesitation.

Employee Questionnaire	Quantity	Supplier Questionnaire	Quantity
Distributed	4,341	Distributed	326
Responded	4,310	Responded	208
Response Rate	99.3%	Response Rate	63.8%

Among the collected responses, 81 valid issues were raised, covering key business areas including Supply Chain Management, Production Management, Internal Audit, Financial Management, Information Technology, Engineering Construction, Equipment Maintenance, and Human Resources.

For each feedback received, we conducted detailed investigations—including follow-up calls and face-to-face interviews—to deeply understand the context and facts of the issues. Based on these, we developed practical improvement measures to ensure all concerns are properly addressed and resolved.

福斯特合作伙伴调查问卷 20240704

尊敬的合作伙伴朋友：
感谢朋友们长期以来对我公司的信任和支持，双方的合作使我们共同取得了显著的成绩。为了进一步加强我们之间的合作，共同营造一个风清气正、廉洁高效的商业环境，我们特向您致以这封廉洁合作共建信。
为了维护公平竞争秩序，让企业健康持续发展，我公司将坚持“**不抽合作伙伴一根烟，不喝合作伙伴一滴酒**”的原则精神，坚决抵制任何可能影响公正决策和合作关系的利益诱惑，杜绝贿赂等舞弊行为的产生。恳请各位朋友一如既往地支持和监督我公司的廉洁建设工作。为了畅通沟通渠道，我们设立了专门的投诉渠道，以便您随时向我们反映合作过程中遇到的问题和困难。
1. 举报邮箱：firstjubao@firstpvm.com;
2. 举报电话：0571-61076599;
3. 举报信箱：浙江省杭州市临安区福斯特街8号内审部收。
4. 微信举报小程序：
方式一：微信搜索“福斯特投诉系统”小程序
方式二：福斯特公众号(福斯特SH603806)
各位合作伙伴朋友，实现廉洁自律、合作共赢是我们的共同目标，我们诚挚地希望各位合作伙伴能对我们的廉洁理念给予充分的理解，对我们的廉洁条例给予积极的配合，让我们竭力同心，携手共进，共同缔造明天更辉煌的事业，在此向各位朋友再次致以崇高敬意和衷心的感谢。
最后，祝各位合作伙伴朋友健康快乐、事业昌盛！

福斯特员工廉洁调查问卷 20240709

亲爱的员工们：
长久以来，福斯特是一家以高标准、严要求的企业，公司始终坚持“**红线不松，贪腐不碰**”的原则，共同恪守“**不抽合作伙伴一根烟，不喝合作伙伴一滴酒**”的廉洁纪律。公司旨在进一步弘扬廉洁精神，加强员工的廉洁自律意识，共同营造风清气正、和谐高效的工作环境。
同时，公司也非常重视员工的反馈和意见，为了完善沟通渠道，公司设立了专门的投诉渠道，以便大家随时反映工作中遇到的问题和困难。公司承诺，该**问卷反馈信息**将由**内审部**专人负责，对**问卷内容**、**举报人**、**举报信息**绝对保密。对每一条建议和投诉都将认真对待，及时调查，尽快给予回复并给出解决方案。
所有举报一经查实，将予以重大奖励。
1. 举报邮箱：firstjubao@firstpvm.com;
2. 举报电话：0571-61076599
3. 举报信箱：浙江省杭州市临安区福斯特街8号内审部收；
4. 举报微信小程序：
方式一：微信搜索“福斯特投诉系统”小程序
方式二：福斯特公众号(福斯特SH603806)点击左下角“企业简介”进入“我要举报”。
最后，感谢大家一直以来对公司的辛勤付出和无私奉献，让我们携手共进，共创美好未来！

提示：本问卷奖品由问卷主办方提供，问卷星不负责监督奖品信息的真实性和奖品发放过程。

Questionnaires

Business Ethics

Whistleblowing Management Mechanism

Reporting Channels

To strengthen internal monitoring of business ethics and compliance, we have established accessible and diversified reporting channels for employees, suppliers, clients, and other stakeholders. Reportable matters include violations of the company's legitimate rights regarding property or reputation, acts that harm employee rights or breach national laws/regulations and non-compliance with company policies.

Reporting Email: firstjubao@firstpvm.com

Reporting Hotline: 0571-61076599

Reporting Mail: Internal Audit Department, No.8 Fusite Street, Lin'an District, Hangzhou, Zhejiang

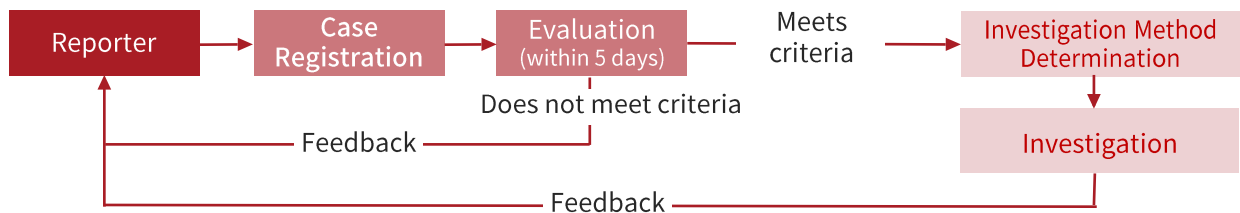
WeChat Official Account: 福斯特SH603806

WeChat Mini Program: FIRST Complaint System

Whistleblowing Platform Launch
Promotional Roll-Up Banner



Case Handling Process



Whistleblower Protection

The *Whistleblowing Management Policy* explicitly ensures whistleblower safety through:

- ✓ **Strict Confidentiality:** All personal data and evidence are classified per *Confidentiality Policy standards*, with zero tolerance for leaks.
- ✓ **Secure Investigations:** Prohibits forwarding complaint materials directly to implicated parties to prevent retaliation.
- ✓ **Retaliation Penalties:** Legal/disciplinary actions against retaliation perpetrators.

Whistleblower Rewards

To encourage all stakeholders to actively report violations of business ethics while fully protecting whistleblower privacy, FIRST has established a reasonable reward mechanism. For verified reports, we will comprehensively consider factors including the nature of the incident, scope of impact, and the whistleblower's level of cooperation to determine appropriate rewards. The reward system offers diverse forms of incentives, including but not limited to monetary rewards. For reports related to procurement activities, additional incentives such as increased procurement quotas may be granted. This program is designed to encourage ethical behavior and maintain a fair and transparent business environment.

Business Ethics

Internal Self-Inspection and Correction

Under the internal self-inspection and correction mechanism, upon identifying operational management risks or vulnerabilities through whistleblowing investigations, the relevant cases are immediately transferred to the corresponding business units or divisions to accurately assign accountability. Simultaneously, a continuous follow-up mechanism is activated to ensure departments implement corrective actions, conduct thorough self-inspections, identify potential risks, and address root causes by optimizing processes and improving systems. This approach continuously refines management mechanisms, enhances overall operational standards, and establishes a closed-loop management model of "issue identification - case escalation - problem rectification - management improvement" to ensure the company's stable and sustainable operations.

Anti-Unfair Competition

We consistently uphold the principles of fair competition, integrating anti-unfair competition practices as a core component of our governance framework. We strictly adhere to laws and regulations such as the Anti-Monopoly Law of the People's Republic of China and the *Anti-Unfair Competition Law of the People's Republic of China*, continuously improving our compliance management systems and strengthening enforcement effectiveness. We explicitly prohibit monopolistic agreements, abuse of market dominance, discriminatory practices, and trade secret infringements, while establishing end-to-end risk control through technological empowerment and process optimization. To enhance external oversight, we have implemented a multi-channel feedback mechanism, including dedicated whistleblowing positions, regular stakeholder engagement, and third-party independent audits, systematically collecting risk indicators and promptly addressing governance needs.

During the reporting period, FIRST did not encounter any major litigation or administrative penalties related to unfair competition. Moving forward, FIRST will further deepen its compliance culture through multi-dimensional initiatives such as training programs, internal audits, and compliance assessments, reinforcing the fairness and sustainability of the business ecosystem and setting a benchmark for maintaining healthy market order.

Appendix 1: Index of SSE Guidelines No. 14

Index of Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Reporting (Trial)			
Chapter/Topic		SSE Guidance Corresponding Topic	SSE Guidance Corresponding Clause
Chapter 1 Laying a Solid Foundation for Sustainable Development			
1.1	Response to UN Sustainable Development Goals	/	/
1.2	ESG Governance	/	Article 11
1.3	Stakeholder Engagement	Stakeholder Communication	Article 9, Article 53
1.4	Materiality Assessment for ESG Issues	/	Article 5
1.5	Sustainability Risks and Opportunities Management	/	Article 11, Article 12
1.6	Sustainability Metrics and Targets	/	Article 11
Chapter 2 Green Development for a Sustainable Future			
2.1	Response to Climate Change	Response to Climate Change	Articles 21-28
2.2	Environmental Compliance Management	Environmental Compliance Management, Ecosystem and Biodiversity Protection	Article 33, Article 32
2.3	Energy Management	Energy Utilization	Article 35
2.4	Water Resource Utilization	Water Resource Utilization	Article 36
2.5	Emissions & Waste Management	Pollutant Emissions, Waste Management, Circular Economy	Article 30, Article 31, Article 37
2.6	Chemical Safety	/	/
Chapter 3 Innovation and Collaboration for a Responsible Value Chain			
3.1	Innovation-driven Development	Innovation-Driven Development	Article 42
3.2	Intellectual Property Protection	Innovation-Driven Development	Article 42
3.3	Product and Service Safety and Quality	Product & Service Safety & Quality	Article 47
3.4	Data Security and Customer Privacy Protection	Data Security and Customer Privacy Protection	Article 48
3.5	Supply Chain Security	Supply Chain Security	Article 45
Chapter 4 Caring for Employees and Building a Harmonious Ecosystem			
4.1	Occupational Health and Safety (OHS)	Employees	Article 50
4.2	Diversity, Equity, and Inclusion (DEI)	Employees	Article 50
4.3	Human Rights and Employee Rights Protection	Employees	Article 50
4.4	Employee Development and Training	Employees	Article 50
4.5	Social Responsibility	Rural Revitalization, Social Contribution	Article 39, Article 40
Chapter 5 Integrity and Compliance to Strengthen Corporate Governance			
5.1	Corporate Governance	/	/
5.2	Standardized Operations	Tech Ethics, Fair Treatment of SMEs	Article 43, Article 46
5.3	Risk Management and Internal Controls	Due Diligence	Article 52
5.4	Business Ethics	Anti-Bribery & Anti-Corruption, Fair Competition	Article 55, Article 56

Appendix 2: GRI Standards Content Index

GRI STANDARD	DISCLOSURE	LOCATION	RELATED CHARPTEr
GRI 2: General Disclosures 2021	2-1 Organizational details	P2、 P4-8	Report Instructions, About FIRST
	2-2 Entities included in the organization's sustainability reporting	P2	Report Instructions
	2-3 Reporting period, frequency and contact point	P2	Report Instructions
	2-6 Activities, value chain and other business relationships	P4-8、 P56-59、 P61-65	About FIRST, Product and Service Safety and Quality, Supply Chain Security
	2-7 Employees	P70-74	Diversity, Equity, and Inclusion (DEI)
	2-8 Workers who are not employees	P70-74	Diversity, Equity, and Inclusion (DEI)
	2-9 Governance structure and composition	P14-16、 P85-87	ESG Governance, Corporate Governance
	2-10 Nomination and selection of the highest governance body	P85-87	Corporate Governance
	2-11 Chair of the highest governance body	P85-87	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	P14-16、 P85-87	ESG Governance, Corporate Governance
	2-13 Delegation of responsibility for managing impacts	P14-16、 P85-87	ESG Governance, Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	P14-16、 P85-87	ESG Governance, Corporate Governance
	2-15 Conflicts of interest	P17、 P85-87	Stakeholder Engagement, Corporate Governance
	2-16 Communication of critical concerns	P17、 P85-89	Stakeholder Engagement, Corporate Governance, Standardized Operations
	2-17 Collective knowledge of the highest governance body	P14-16	ESG Governance
	2-19 Remuneration policies	P75-80	Human Rights and Employee Rights Protection
	2-20 Process to determine remuneration	P75-80	Human Rights and Employee Rights Protection
	2-22 Statement on sustainable development strategy	P14-16、 P22	ESG Governance, Sustainability Metrics and Targets
	2-23 Policy commitments	P17、 P75-80、 P90-92	Stakeholder Engagement, Human Rights and Employee Rights Protection, Risk Management and Internal Controls
	2-24 Embedding policy commitments	P14-16、 P88-97	ESG Governance, Standardized Operations, Business Ethics
	2-25 Processes to remediate negative impacts	P17、 P90-92	Stakeholder Engagement, Risk Management and Internal Controls
	2-26 Mechanisms for seeking advice and raising concerns	P17、 P90-92	Stakeholder Engagement, Risk Management and Internal Controls
	2-27 Compliance with laws and regulations	P88-89	Standardized Operations
	2-29 Approach to stakeholder engagement	P17	Stakeholder Engagement

Appendix 2: GRI Standards Content Index

GRI STANDARD	DISCLOSURE	LOCATION	RELATED CHARPTER
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P17、 P18-20	Stakeholder Engagement, Materiality Assessment for ESG Issues
	3-2 List of material topics	P18-20	Materiality Assessment for ESG Issues
	3-3 Management of material topics	P18-20	Materiality Assessment for ESG Issues
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P9、 P75-80	2024 Key Performance and Awards, Human Rights and Employee Rights Protection
	201-2 Financial implications and other risks and opportunities due to climate change	P24-30	Response to Climate Change
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	P83	Social Responsibility
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	P93-97	Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	P93-97	Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	P93-97	Business Ethics
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	P17	Stakeholder Engagement
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P34-37	Energy Management
	302-3 Energy intensity	P34-37	Energy Management
	302-4 Reduction of energy consumption	P34-37	Energy Management
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	P38-39	Water Resource Utilization
	303-4 Water discharge	P38-39	Water Resource Utilization
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P24-30	Response to Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	P24-30	Response to Climate Change
	305-4 GHG emissions intensity	P24-30	Response to Climate Change
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P40-44	Emissions & Waste Management
	306-2 Management of significant waste-related impacts	P40-44	Emissions & Waste Management
	306-3 Waste generated	P40-44	Emissions & Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P61-65	Supply Chain Security
	308-2 Negative environmental impacts in the supply chain and actions taken	P61-65	Supply Chain Security

Appendix 2: GRI Standards Content Index

GRI STANDARD	DISCLOSURE	LOCATION	RELATED CHARPTER
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P75-80	Human Rights and Employee Rights Protection
	401-3 Parental leave	P75-80	Human Rights and Employee Rights Protection
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P67-69	Occupational Health and Safety (OHS)
	403-2 Hazard identification, risk assessment, and incident investigation	P67-69	Occupational Health and Safety (OHS)
	403-3 Occupational health services	P67-69	Occupational Health and Safety (OHS)
	403-5 Worker training on occupational health and safety	P67-69	Occupational Health and Safety (OHS)
	403-9 Work-related injuries	P67-69	Occupational Health and Safety (OHS)
	403-10 Work-related ill health	P67-69	Occupational Health and Safety (OHS)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P81-82	Employee Development and Training
	404-2 Programs for upgrading employee skills and transition assistance programs	P81-82	Employee Development and Training
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P70-74	Diversity, Equity, and Inclusion (DEI)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P83	Social Responsibility
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P61-65	Supply Chain Security
	414-2 Negative social impacts in the supply chain and actions taken	P61-65	Supply Chain Security
GRI 416: Customer Health and Safety 2016	416-2 Assessment of the health and safety impacts of product and service categories	P56-59	Product and Service Safety and Quality

Appendix 3: Feedback Form

To our valued readers,

We express our gratitude for taking the time to read our 2024 Environmental, Social, and Governance (ESG) Report. As we strive to enhance the standard of our ESG endeavors and the caliber of our report preparation, we would greatly appreciate your input and valuable suggestions. You could provide us with your feedback through the mail, email, or by making calls, and so on. Rest assured that we will maintain the confidentiality of your personal information and the content you provide. Thank you!

Contact information

Address: No.8 Fusite Street, Lin'an, Hangzhou, China
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What kind of stakeholder do you belong to:

☐ Shareholders ☐ Employees ☐ Suppliers ☐ Users ☐ Government ☐ Community
☐ Banks ☐ Academic institutions ☐ Others (please specify)

Your overall comments on this report are:

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

Do you find this report readable (the expression is easy to understand, the design is beautiful, and the information is easy to access)

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

Do you think the report is credible (the reported information is trustworthy and reliable)

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

You think the information integrity of this report is: (whether the information disclosure is complete)

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

Your assessment of the environmental liability section disclosed in this report is:

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

Your comments on the social responsibility section disclosed in this report are:

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

Your comments on the governance responsibilities section disclosed in this report are:

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor

What other information would you like to get in addition to what has been disclosed in the report?

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