

**LEAPTON**  
SOLAR

**2024**

Leapton Energy Co., Ltd.

**Sustainable Development Report**

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# Report Introduction

This report systematically presents the performance of Leapton Energy Co., Ltd. (hereinafter referred to as the "Group Company" or "Leapton Energy") in terms of economy, environment, and society in 2023, aiming to provide all stakeholders with insights into the company's development in ESG governance.

### Period covered by this report

The time span of this report is from January 1, 2023, to December 31, 2023. Some content may be traced back or extended due to considerations of project continuity or significant impacts.

The entities disclosed in this report include Leapton Energy Co., Ltd. and Leapton Solar (Changshu) Co., Ltd., a production and manufacturing enterprise invested and operated in mainland China (hereinafter referred to as "Leapton Solar", "Company", "we").

Note: The production data and cases disclosed in the report are primarily from the statistical reports and relevant documents of Leapton Solar (Changshu) Co., Ltd.. Additionally, public data released by the government, social organizations and media have been used.

### Preparation Basis

This report is prepared with reference to the "Sustainability Reporting Standards" (GRI STANDARDS 2021) issued by the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (SDGs).

### Report Acquisition

This report is published in electronic format.

### Feedback

If you have any questions or feedback on this Report and its contents, please feel free to contact us:

Address: No.9, Sunshine Avenue, Yushan Hi-Tech Industrial Park, Changshu City, Jiangsu Province, China

Tel: 0512-88800068

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### Reliability Guarantee

The Company promises that this report does not contain any false records, misleading information, or significant omissions. It also assumes responsibility for the truthfulness, accuracy, and completeness of the contents.

# Mission and Vision



Lepton Energy Co., Ltd. is a solar power system manufacturer headquartered in Kobe, Japan. Since its establishment in 2012, the company has been focusing on the energy sector. Adhering to the mission of "providing safe, reliable, and efficient energy solutions", the Group Company is committed to creating a sustainable energy future.

In 2017, Lepton Energy Co., Ltd. established Lepton Solar (Changshu) Co., Ltd. in China, specializing in the research and development, production, sales, and services of PV modules. It has consistently kept Bloomberg Tier 1 listing since 2021. Since its establishment, the Group Company has steadfastly upheld its mission of harnessing light energy to create a greener world. With a strong focus on the solar photovoltaic domain, it has spent years delving into innovative models and technological advancements. Throughout this journey, the Group Company has remained dedicated to the principles of "green, environmental protection, and sustainable development", fulfilling its corporate social responsibility through practical actions.

"In the face of new opportunities, great responsibilities arise." We actively respond to national energy conservation and emission reduction policies by constructing PV power stations in the factory area and implementing energy-saving facilities in new factory buildings. We also take proactive approaches to promote green production and reduce emissions across the supply chain, with a focus on creating green products that are environmentally friendly, efficient, and low-consumption. In 2024, we will continue to expand the diversified application scenarios of PV technology, actively developing into areas such as integrated photovoltaic building solutions and energy storage, aiming to create a new energy ecosystem. Promoting the green and low-carbon development of the economy and society, we aim to facilitate high-quality development and make greater contributions to achieving carbon peaking and neutrality goals.

Born towards the "sun" and advancing along the "light", we steadily progress with this belief firmly held. The Group Company is steadfast in its commitment to social sustainable development, firmly nurturing new momentum and fostering new advantages. It vigorously promotes photovoltaic energy, a clean and renewable resource, to drive the greening and low-carbon transformation of economic and social development, thereby facilitating high-quality development. In doing so, it aims to make greater contributions to achieving carbon peaking and neutrality goals.





# About Us

## Company Profile

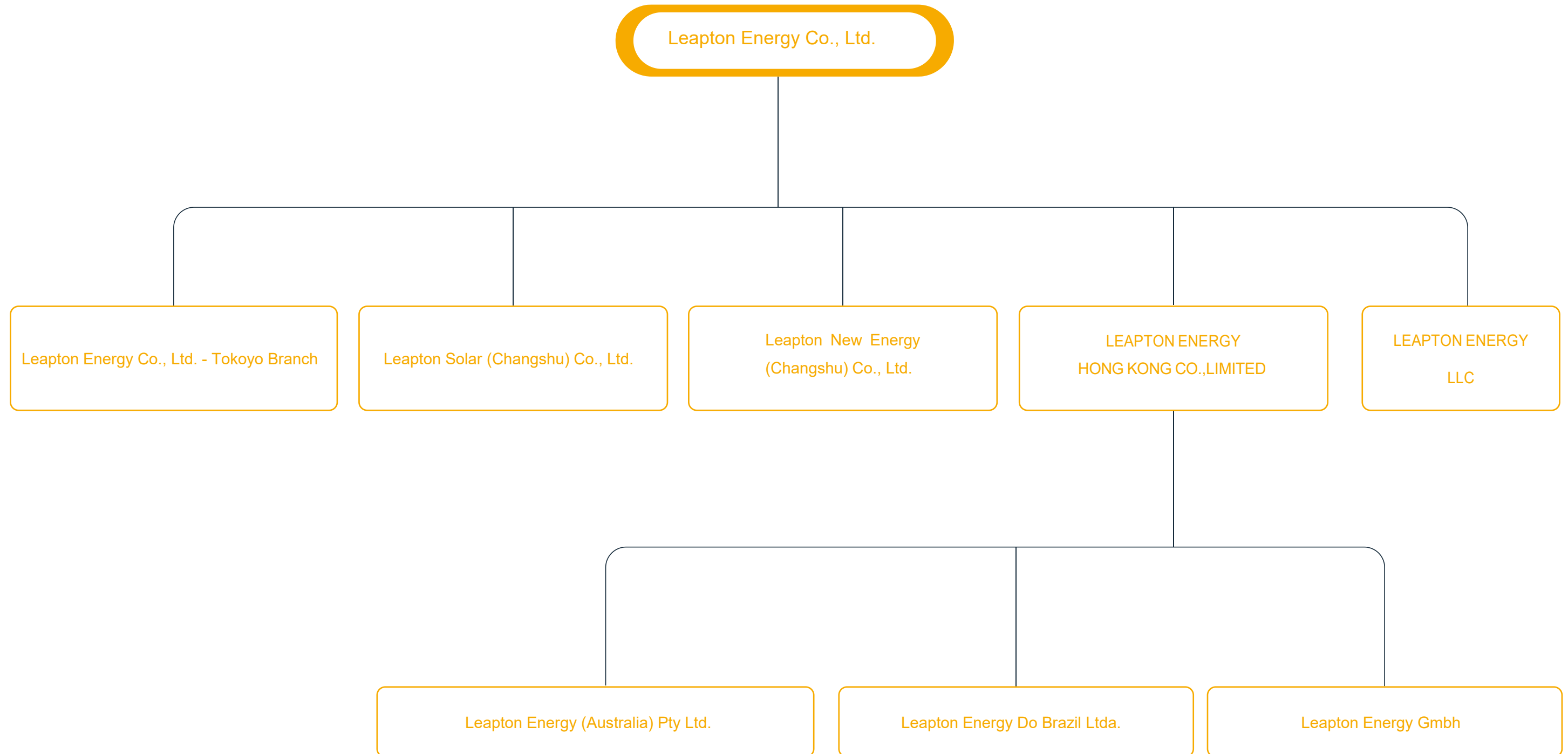
Headquartered in Kobe, Japan, Lepton Energy Co., Ltd. is a global leader in the solar photovoltaic industry, specializing in the production of high-quality Tier-1 PV modules. Lepton Energy focuses not only on the research, development and sales of PV systems, mounting structures, and screw piles, but also on the development, management, and post-maintenance of PV power stations. With over 10 years of experience in production, research and development, and sales, Lepton Energy's products are widely acclaimed and sold in more than 60 countries and regions worldwide.

The module production base, Lepton Solar (Changshu) Co., Ltd., was established in Changshu, Jiangsu Province in 2017, focusing on the production and sales of PV modules worldwide. The company not only introduces the most advanced automated production lines in the world, but also adheres strictly to Japanese industry standards in production and processing to ensure the high quality and performance of its products. Our core business includes the production, research and development, and sales of PV modules, complemented by related technical support and services.

Under the unified leadership of the Group Company, we focus on the design and system integration of high-quality products. We are dedicated to the research, development and promotion of medium-to-high-end PV power generation system. With strong technical support, scientific production management, and strict quality control, our products have reached the industry-leading level and have been certified by international authoritative institutions such as TUV, PID, Chemitox, JET, CE, MCS, INMETRO, etc.



# Organization



# Honors and awards



| Duration       | Honor/Award  | Awarding unit   |
|----------------|--|---|
| December 2022  | Shortlisted Enterprise in the "Standardized Conditions for Photovoltaic Manufacturing Industry"  | Ministry of Industry and Information Technology of China  |
| March 2023     | Outstanding Foreign Trade Promotion Enterprise for the year 2022   | Changshu Municipal People's Government  |
| July 2023      | Commercial ethics of Changshu are regulated, and supervision is carried out with integrity and diligence Monitoring points for friendly and transparent business environment | Yushan High-tech Zone Party Working Committee Changfu Street Party Working Committee                            |
| August 2023    | Member Unit of Jiangsu New Materials Industry Association  | /   |
| December 2023  | Provincial Enterprise Technology Center for the year 2023  | Jiangsu Provincial Department of Industry and Information Technology  |
| December 2023  | Provincial Specialized and Innovative Small and Medium-sized Enterprise for the year 2023  | Jiangsu Provincial Department of Industry and Information Technology  |
| December 2023  | Suzhou Municipal Multinational Corporation Regional Headquarters   | Suzhou Municipal Bureau of Commerce   |
| February 2024  | Multinational corporations' regional headquarters and functional institutions contribute to enterprises  | Changshu Municipal People's Government  |
| April 2024     | Suzhou 3A level green factory  | Suzhou Municipal Bureau of Industry and Information Technology  |
| August 2024    | Jiangsu Province Intelligent Manufacturing Workshop  | Jiangsu Provincial Department of Industry and Information Technology  |
| September 2024 | Suzhou New Energy Key Enterprise   | Suzhou Municipal Development and Reform Commission, Suzhou Municipal Industry and Information Technology Bureau |
| December 2023  | Jiangsu province four-star cloud enterprises   | Jiangsu Provincial Department of Industry and Information Technology  |
| December 2023  | Foreign trade outstanding pioneer enterprise   | Changshu Municipal People's Government  |

# Company History

## 2012

- ◆ Leapton Energy Co., Ltd. was established in Kobe, Japan, responsible for the sales and development of PV modules in Japan

## 2014

- ◆ Leapton Energy Co., Ltd. - Tokoyo Branch was established in Tokyo, Japan, responsible for the EPC development of PV power stations in Japan
- ◆ Leapton Energy becomes a member of Japan Photovoltaic Energy Association (JPEA)

## 2017

- ◆ PV module production base - Leapton Solar was officially established in Yushan High-tech Zone, Changshu City
- ◆ Leapton Solar joined the "China Chamber of Commerce for Import and Export of Machinery and Electronic Products" as a member unit
- ◆ Leapton Energy launched overseas business department, expanding global sales network

## 2018

- ◆ Annual production capacity of Leapton Solar's PV modules reached 600MW
- ◆ Leapton Solar had been approved as a high-tech enterprise
- ◆ Leapton Solar initiated a six-year sponsorship program for 100 underprivileged students in Sinan, Guizhou

## 2021

- ◆ The latest PERC 210mm series PV modules from Leapton Solar had been put into production
- ◆ Annual production capacity of Leapton Solar's PV modules reached 2GW

## 2020

- ◆ The latest PERC 182mm series PV modules from Leapton Solar had been put into production
- ◆ Leapton Energy became the BloombergNEF Tier 1 Listed PV manufacturer
- ◆ The phase I 2GW new factory of Leapton Solar had been completed and started production

## 2019

- ◆ Leapton Solar officially awarded the title of High-Tech Enterprise
- ◆ Leapton Solar was recognized as an intelligent workshop by Suzhou Municipal People's Government
- ◆ Construction of the phase I 2GW factory of Leapton Solar started

## 2022

- ◆ Construction of the phase II 3GW factory of Leapton Solar started
- ◆ Leapton Energy Co., Ltd. celebrated its 10th anniversary
- ◆ Leapton Solar celebrated its 5th anniversary
- ◆ Leapton Solar was listed on the Ministry of Industry and Information Technology's "Standardized Conditions for Photovoltaic Manufacturing Industry" enterprise list
- ◆ Leapton Solar established the "Xuzhao Charity Fund" and pledged 5 million RMB to the Changshu Charity Federation over five years

## 2023

- ◆ The phase II 3GW new factory of Leapton Solar had been completed and started production
- ◆ The latest N-type TOPCon series PV modules from Leapton Solar had been put into production
- ◆ Annual production capacity of Leapton Solar's PV modules reached 3GW
- ◆ Leapton Solar was designated as Suzhou Municipal Regional Headquarters for Multinational Corporations by Suzhou Bureau of Commerce

## 2024

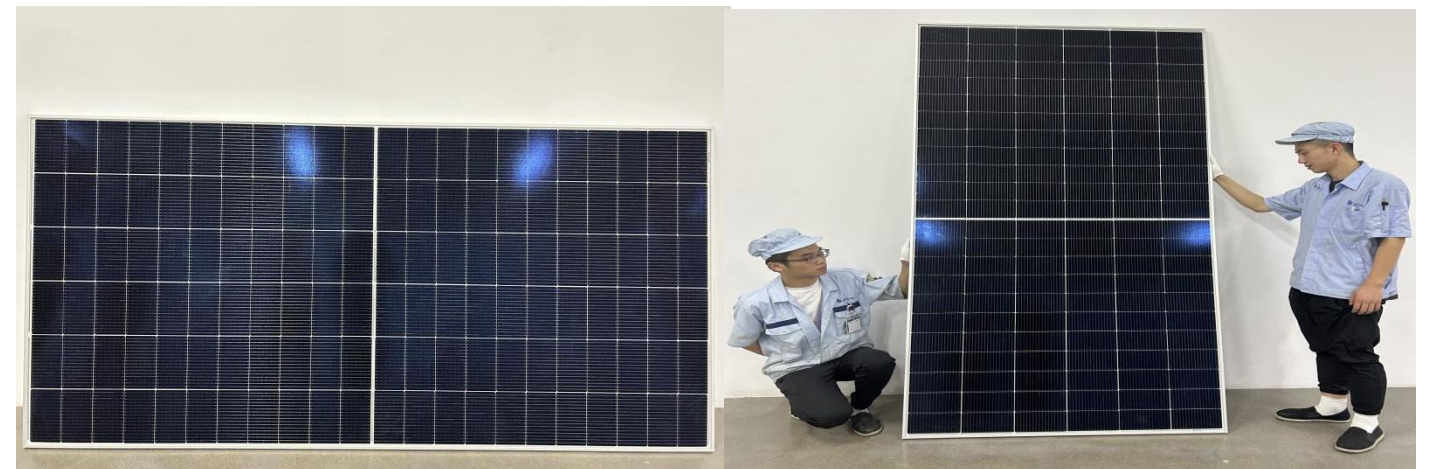
- ◆ TOPCon System 210210mm 700W / 182210mm 210R components began mass production
- ◆ Leapton Solar components to obtain the Italian level 1 fire grade certification
- ◆ Leapton Solar was selected as the Top Performer of 2024 by PVEL
- ◆ Leapton waterfall light energy components + energy storage exhibition hall decoration completed
- ◆ The 3.5MW photovoltaic project was successfully connected to the grid
- ◆ rated as an outstanding pioneer enterprise of foreign trade in 2024 by the Changshu Municipal People's Government
- ◆ participated in Spain, Pakistan, the United States, the United Kingdom, Romania exhibition

# Company Milestones in 2024

Top Performer of 2024 by PVEL



The TOPCon 182x210mm (210R) components begin mass production



3.5MW project on second phase was connected to the grid



2024 Outstanding Pioneer Enterprise in Foreign Trade

## 市政府关于表扬贡献突出外企的通报

常政发〔2024〕29号

各镇人民政府，各街道办事处，常熟经济技术开发区、常熟高新技术产业开发区、常熟国家大学科技园、虞山高新区（筹）、服装城管委会，市各委办局、直属单位（公司）：

为深入贯彻党的二十大精神和党中央、国务院关于推进高水平对外开放要求，进一步激励提振外商投资企业信心，鼓励外商投资企业持续深耕常熟，吸引更多优质项目落户我市，决定对为我市经济发展作出突出贡献的45家外商及港澳台商投资企业予以通报表扬。

希望获表扬企业继续发挥示范引领作用，各板块和部门要不断优化政务服务，持续打造良好发展生态和营商环境，切实提升对外商投资企业的吸引力、凝聚力，为推动常熟开放型经济高质量发展迈上新台阶作出新的更大贡献。

附件：贡献突出外企名单

常熟市人民政府

2024年12月12日

（此件公开发布）

附件

### ★ 四、外贸杰出先锋企业 ★

丽瀑光能（常熟）有限公司

（此处为模糊处理的名单内容）

# Global Layout

The Group Company holds more than 100 pieces of land reserve in Japan and has developed over 80 self-owned PV power stations domestically.

Additionally, the Group Company owns a number of bonded warehouses in Europe, and Leapton-branded PV modules have been sold to over 60 countries and regions worldwide, enabling us to provide customers with prompt spot sales and maintain ample product supply.

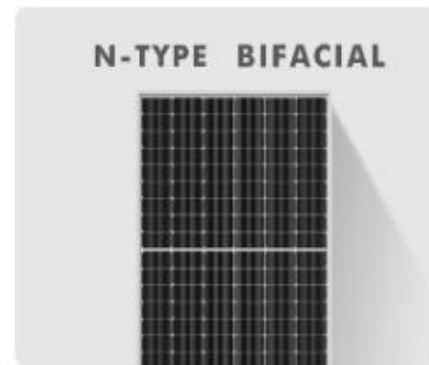


# Our products

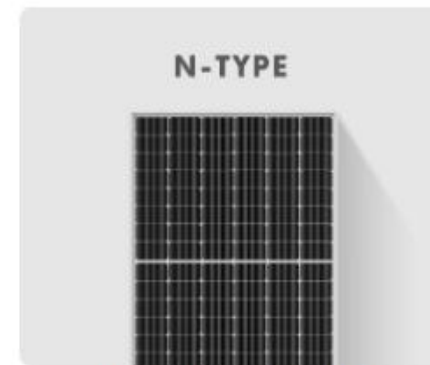
## PERC components

### 1. 182mm Cell Size - MBB Half-Cell Series/Bifacial with Dual Glass

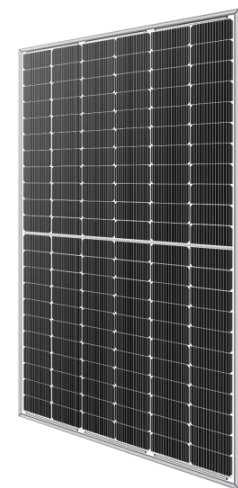
- ◆ 182 MBB Half-Cell, lower internal current, lower internal resistance loss.
- ◆ PERC bifacial module can provide an additional 5%-25% output more cost-effective.
- ◆ High-density packaging process, lossless cutting.
- ◆ The maximum power can reach 640W.
- ◆ Moderate size, easy installation.
- ◆ With bifaciality around 80%.
- ◆ lower internal current, lower internal resistance loss.
- ◆ Available in three colors: silver frame with white grid, black frame with white grid, and black frame with black grid.



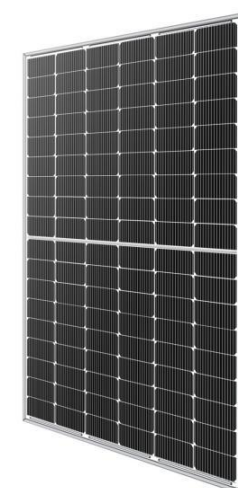
LP182x210-M-54-NB 490-510W  
1961mm\*1134mm\*30mm



LP182x210-M-48-NH 435-455W  
1762mm\*1134mm\*30mm



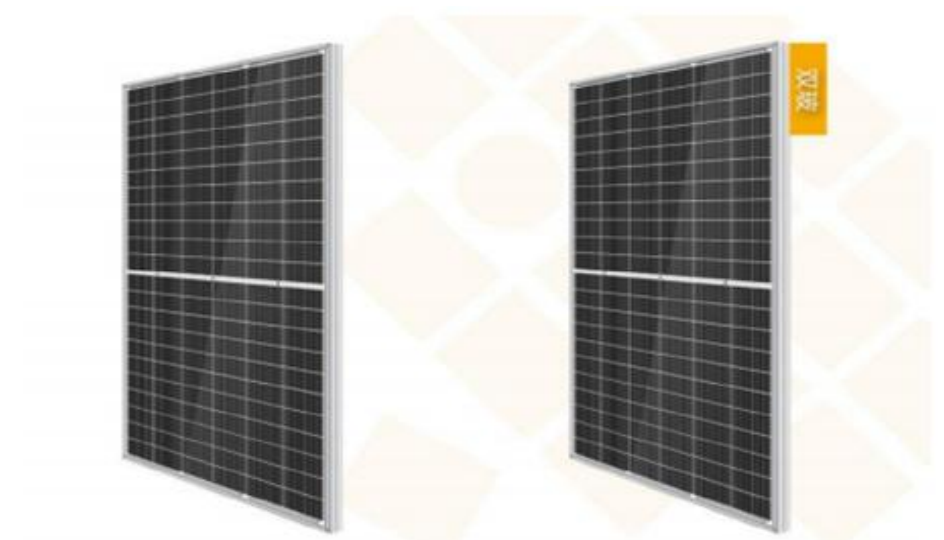
LP182x210-M-66-NH 610-630W  
2382mm\*1134mm\*30mm



LP182x210-M-66-NB 610-630W  
2382mm\*1134mm\*30mm

### 2. 210mm Cell Size - MBB Half-Cell Series

- ◆ MBB Half-Cell, lower internal current, lower internal resistance loss.
- ◆ 210mm\*210mm cell size, higher output power, suitable for large ground projects.
- ◆ The maximum power can reach 670W.
- ◆ Bifacial module, providing an additional 5% - 25% output.
- ◆ With 70% bifaciality.



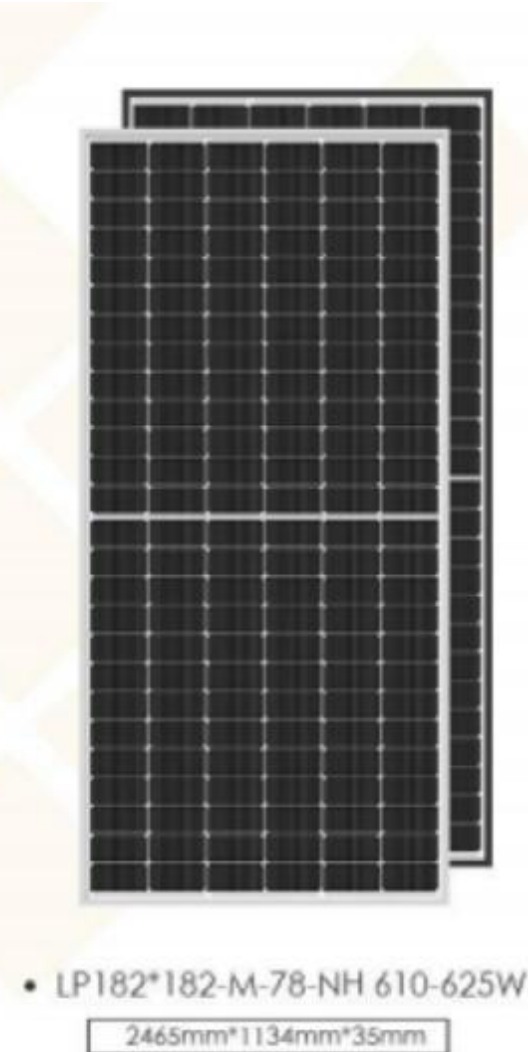
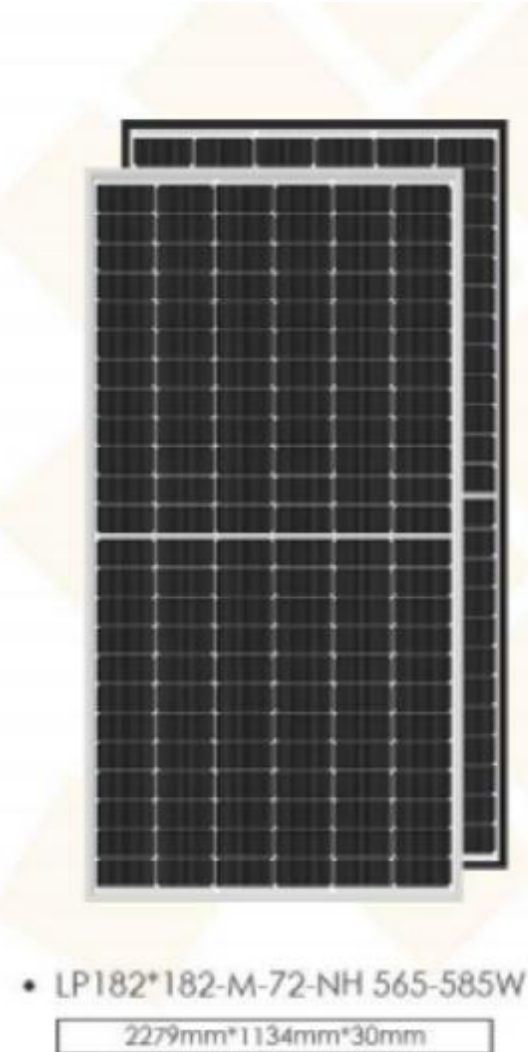
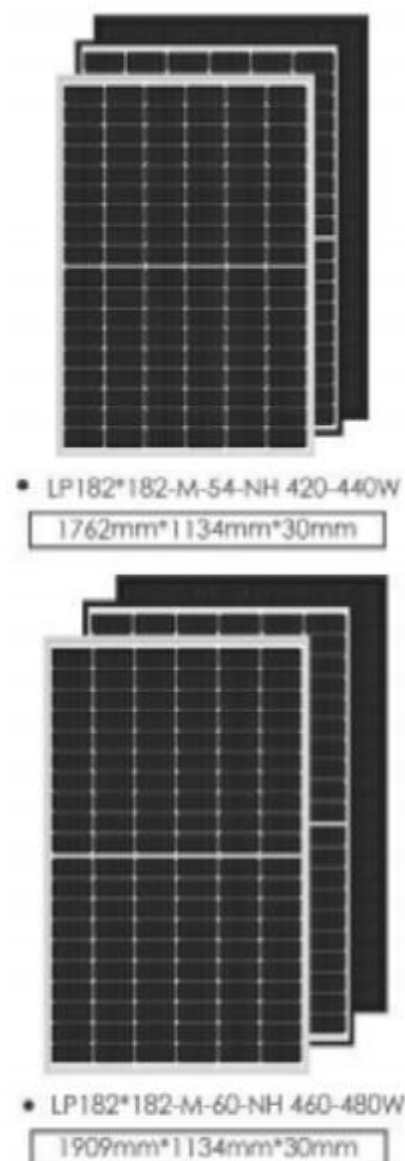
LP210\*210-M-66-MH 650-670W  
2384mm\*1303mm\*35mm

LP210\*210-M-66-MB 650-670W  
2384mm\*1303mm\*35mm

# TOPCon Module

## 1. 182mm TOPCon Series - 16BB Half-Cell Series

- ◆ Less power attenuation, 30-year power is still at 87.4%.
- ◆ Higher power output than PERC, reducing the cost of other materials for projects.
- ◆ Higher conversion efficiency.
- ◆ Available in three colors: silver frame with white back, black frame with white back, and black frame with black back.



## 2. 182mm TOPCon Series - 16BB Bifacial with Dual Glass

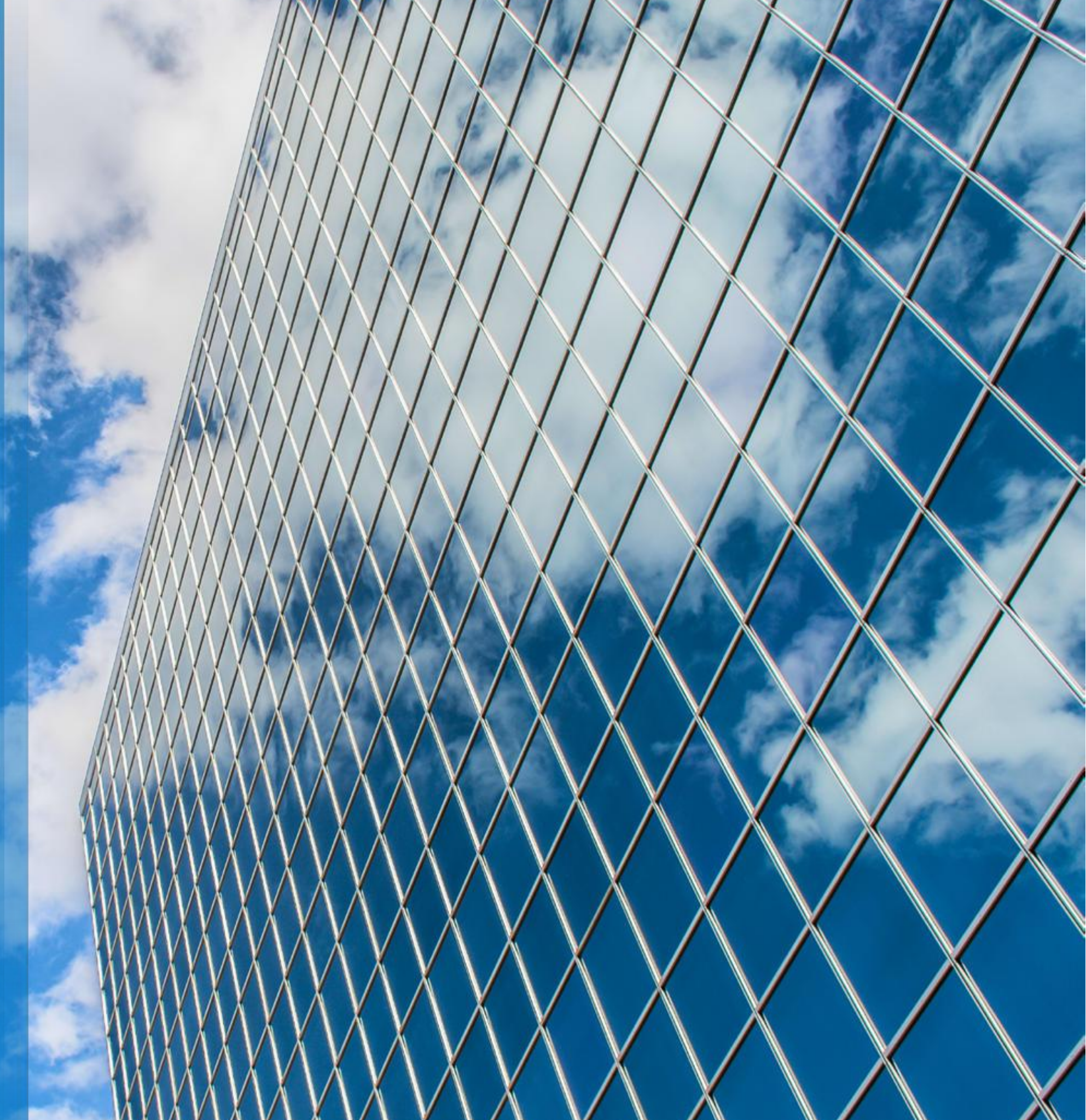
- ◆ New circuit design N-type cells, increasing output power of 10W-20W.
- ◆ Less power attenuation, 30-year power is still at 87.4%.
- ◆ With 80% bifaciality.
- ◆ Higher power output than PERC, reducing the cost of other materials for projects.
- ◆ Available in three colors: silver frame with white grid, black frame with white grid, and black frame with black grid.



# Strengthening Corporate Governance

## Internal Control and Risk Management

Under the overall leadership of Leapton Energy, we attach great importance to internal control and system development, regarding the improvement of internal control system as a crucial pillar to strengthen internal control measures. To standardize the internal audit of the company's management system, we have formulated the "Internal Audit Control Procedure", and conducted a comprehensive annual internal audit of Leapton Solar to ensure the effectiveness of the system operation. In case of any abnormal situations such as customer complaints, stakeholder grievances, or significant incidents, we can conduct partial or comprehensive internal audit at any time.





The preparation work for internal audit includes the Quality Department formulating the annual internal audit plan, establishing an internal audit team, and drafting the internal audit implementation plan and checklist.

### Formulate the annual internal audit plan



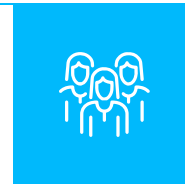
Conduct internal audit once a year, with the Quality Department drafting the company's annual internal audit plan. This plan shall be implemented after approval by management representatives (For ad-hoc internal audits, the Quality Department should device a plan prior to implementation).

### Prepare the internal audit implementation plan



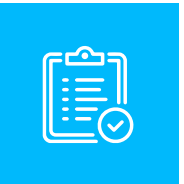
Once the internal audit team is formed, the team leader prepares the internal audit implementation plan, which is executed after approval by the management representatives. The plan is then forwarded to the department undergoing the audit.

### Establish an internal audit team



Prior to each audit, the management representatives appoint the audit team leader and internal auditors to form an internal audit team. Internal auditors must have certain management experience and be qualified after internal auditor training. External experts may be invited if necessary. Internal auditors cannot audit their own work.

### Prepare the internal audit checklist



Internal auditors prepare the internal audit checklist, which is implemented after being reviewed by the team leader.

During the implementation of internal audits, the internal audit team initially convenes an opening meeting, where the team leader introduces the internal audit implementation plan, clarifying the purpose, requirements, scope, basis of the audit. On site, auditors conduct a comprehensive, detailed, high-quality, and efficient audit of the department being audited through observation, investigation, interviews, verification, and document review. Auditors should make on-site audit records on the internal audit checklist, particularly noting any non-conformities. For each non-conformity, auditors need to compose a clear report specifying the nature of the issue, specific location, root causes, and other relevant information, which is then signed and confirmed by representatives from the audited department.

After the on-site audit, the audit team holds a closing meeting to comprehensively evaluate the operation of the management system. Chaired by the team leader, the closing meeting announces the audit results and proposes improvement suggestions. Additionally, the audited department should carefully analyze the identified non-conformities, identify root causes, formulate corrective measures, and record them in the non-conformity report. Once approved by the internal auditor, these reports are forwarded to the management representatives for approval.

## Risk Assessment and Management

Risk assessment and management are critical steps to ensure regulatory compliance and sound operation of the enterprise. The Company identifies and evaluates risks in areas such as business ethics, anti-corruption, anti-bribery, business and trade compliance, and information security management through regular risk assessments, systematically assessing the severity and likelihood of each risk.

## Internal Audit and Inspection

The Company has established an internal audit and inspection mechanism, with a dedicated internal audit position within the General Manager's Office to conduct internal audits and inspections of the company's code of business ethics, anti-corruption policy, anti-bribery policy, business and trade compliance procedures, and other relevant institutional documents to ensure compliance with the latest regulations and standards. At the same time, the Company conducted an internal audit from October 16, 2023, to October 17, 2023, during which 8 issues related to production, quality, equipment, safety, and other areas were identified. All of these issues have been rectified.

## External Audit and Certification

The Company regularly entrusts independent third-party organizations to conduct external audit and certification, and evaluate the company's business ethics, anti-corruption, anti-bribery, business and trade compliance, including ISO certification, business ethics evaluations, and compliance audits, etc.

During the reporting period, no major or significant risks and defects were identified at the company level or within its processes.

During the reporting period, the number of the major or significant risks and defects that were identified at the company level or within its

processes is **0**.



# Business ethics

## Anti-corruption and Integrity

The Company firmly believes that business ethics is the cornerstone of corporate governance. We resolutely opposes any form of corruption and bribery, consistently upholding the principles of anti-corruption and integrity to accelerate the establishment of a clean and upright corporate culture. At the same time, the Company implements a series of anti-corruption measures to build a healthy ecosystem within its anti-corruption system, aiming to eradicate corrupt practices.

### Anti-corruption and anti-bribery training

In order to enhance employees' understanding of the anti-corruption and anti-bribery policies and improve their awareness of compliance behavior, the Company conducts annual training sessions on these topics, which are incorporated into the regular training plan.

### Management system updates

The Company's employee handbook serves as a crucial tool for combating corruption and bribery. The Company regularly evaluates and updates the handbook to ensure that it is in line with the latest regulations and industry standards.

### External Integrity Agreements (Supplier Version) Updates

The collaboration between the Company and its suppliers is of paramount importance. To ensure that suppliers comply with the principles of anti-corruption and anti-bribery, the Company regularly updates the External Integrity Agreements (Supplier Version) and shares the new version of the Integrity Agreements with key supplier representatives, detailing the updated requirements and expectations to ensure integrity and compliance across supply chain.

### List of Business Ethics Performance Data

| Indicator  | Unit        | 2024 |
|--|-------------|------|
| Total number of business ethics trainings                  | Times       | 15   |
| Total number of personnel in business ethics trainings     | Person-time | 58   |
| Business ethics training hours per person                  | Hours       | 58   |
| Business ethics training coverage (for all employees)      | %           | 100  |
| Business ethics training - senior management               | Person-time | 2    |
| Business ethics training - senior management training rate | %           | 100  |
| Business ethics training - number of frontline staff       | Person-time | 56   |
| Business ethics training - frontline staff training rate   | %           | 100  |

**During the reporting period, the Company did not have any incidents of corruption.**

# Protection of Whistleblower

The Company actively advocates ethical practices to facilitate oversight of its conducts by both internal and external stakeholders. To ensure integrity and transparency, the Company has established specialized channels for complaints and reports. These channels include hot lines, email addresses, independent reporting platforms, or third-party organizations to receive complaints and reports from customers, suppliers, partners and other stakeholders.

Additionally, to standardize the process of handling complaints and reports, the Company has clarified the processes of receiving complaints, conducting investigations and verifications, and providing feedback. The Company is committed to promptly handling reports and complaints, taking appropriate corrective measures to solve problems, and providing detailed feedback to whistleblowers to ensure that problems are properly addressed. This is done while also safeguarding the company's reputation and credibility.

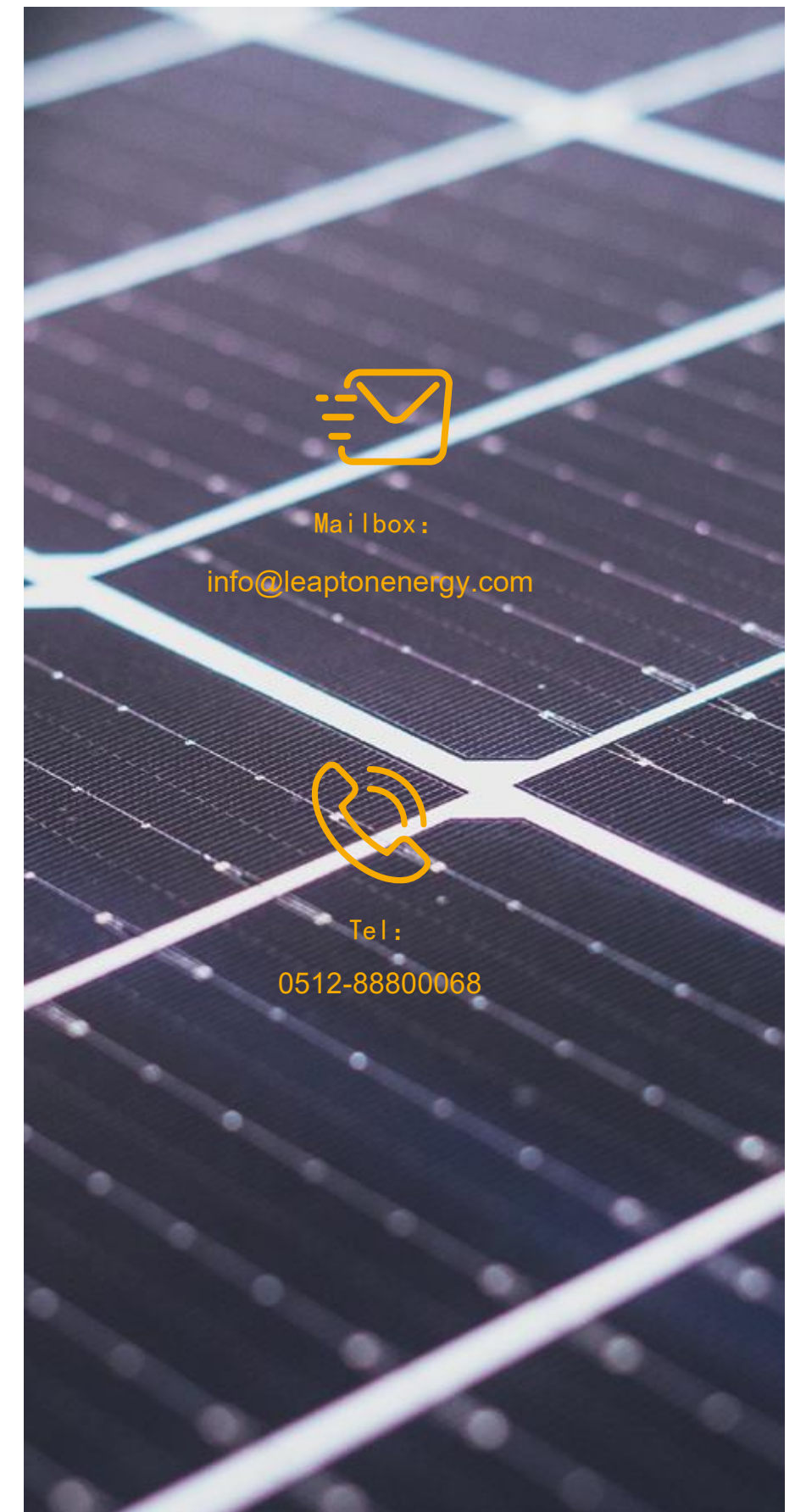
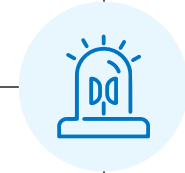
## The Company attaches great importance to the protection of whistleblowers, and has formulated and implemented a series of mechanisms to ensure their legitimate rights and safety:

The Company has established a dedicated whistleblower protection policy and collaborates with relevant departments or institutions to ensure that whistleblowers receive adequate protection after reporting.

The Company prioritizes the confidentiality of whistleblowing work, strictly maintains confidentiality of whistleblowers' personal information and all the information provided by them to prevent leakage or loss.

The Company strictly prohibits any form of retaliation against whistleblowers and takes measures to prevent any potential retaliatory actions, ensuring that whistleblowers will not be treated unfairly for exposing issues.

The Company provides legal assistance to whistleblowers, supporting them in defending their rights in legal proceedings.



# Business and Trade Compliance

Leapton Energy consistently upholds the principles of integrity and adheres to business ethics to ensure that its business activities and trade behaviors comply with applicable laws and regulations as well as international trade standards. To this end, under the overall management of the Group Company, we are committed to establishing a sound compliance management system, covering various areas of production and operation management, all departments, and all employees. It is integrated throughout the entire process of decision-making, execution, and supervision.

At the same time, the Company needs to regularly conduct training on legal regulations and trade risks for Sales, Purchasing, Finance, and relevant departments. It combines internal and external resources, particularly authoritative external entities such as banks, financial institutions, and national credit insurance agencies, to provide employees with more comprehensive and professional training content and support. This continuous effort aims to enhance employees' awareness of trade compliance, continuously improve the level of legal compliance management, and ensure the company's sustainable, stable and healthy development.



In December 2024, the People's Government of Changshu City awarded Leapton Solar the title of "Outstanding Pioneer Enterprise in Foreign Trade".

The company organized employees to participate in on-site inspections and learning exchanges, deepening their understanding of international business and trade compliance. To help employees cope with compliance challenges and risks in actual business, the company adopts training methods such as case analysis and simulation exercises to improve employees' analytical and decision-making abilities. In addition, the company has established an internal knowledge sharing platform and training resource library to encourage employees to share their experiences and ensure timely updates and effective communication of training content.

The company establishes a regular evaluation mechanism to assess employees' business and trade compliance levels, in order to reduce compliance risks in international business, maintain reputation, and promote sustainable development.

TDB (Teikoku Databank) is a Japanese corporate credit investigation agency that possesses the largest corporate credit database in Asia, holding over 70% of Japan's credit reporting market. Leapton Energy has obtained a credit report from TDB, with a credit ranking placing it in the top 3% nationwide in Japan.



During the reporting period, the Company did not commit any trade violations.

# Information security

Information security is one of the most important challenges facing company today. In order to strictly protect commercial secrets and customer information, the Company has established an IT Department, and conducts information security awareness training, data protection and privacy training, as well as training on code of conduct and policies for employees. These efforts aim to enhance their awareness of information security, reducing information leakage and data security issues caused by human errors. At the same time, the Company strengthens internal management mechanisms, signs confidentiality agreements and contract terms to regulate information sharing between the company, customers and suppliers, ensuring clarity and compliance of information security responsibilities.

The Company regularly organizes security drills and simulated attacks to comprehensively test the effectiveness of its information security protection system and improve employees' ability to respond to real threats. Furthermore, the Company collaborates with external government security agencies (such as public security, industry and commerce, customs, telecommunications, etc.) and professional consultants to obtain professional information security training and consulting support. This collaboration helps the Company to promptly respond to emerging information security threats.

The Company also conducts security reviews and assessments of key customers and suppliers to evaluate their information security measures and risk management capabilities, ensuring information security across the entire supply chain. Through security reviews and assessments, the Company can ensure that information sharing with key cooperative customers is conducted in a properly protected environment, thereby reducing cooperation risks and maintaining business continuity.

During the reporting period, the Company did not experience any information security breaches.

# The Path to Practice Social Responsibility

## Social Responsibility Management

The Company consistently upholds fulfilling social responsibilities as a core strategic goal. To actively fulfill its social responsibilities and maintain good labor relations, the Company has formulated a "Social Responsibility Manual" based on the SA8000:2014 Social Accountability International Standard and applicable labor laws and regulations in China. This manual aims to continuously improve working conditions and employee wages and benefits while providing clear understanding of the company's social responsibility commitments to its employees and external stakeholders. During the reporting period, the Company has passed SA 8000 certification.

© Social Responsibility Policy: Taking on social responsibilities, creating social value

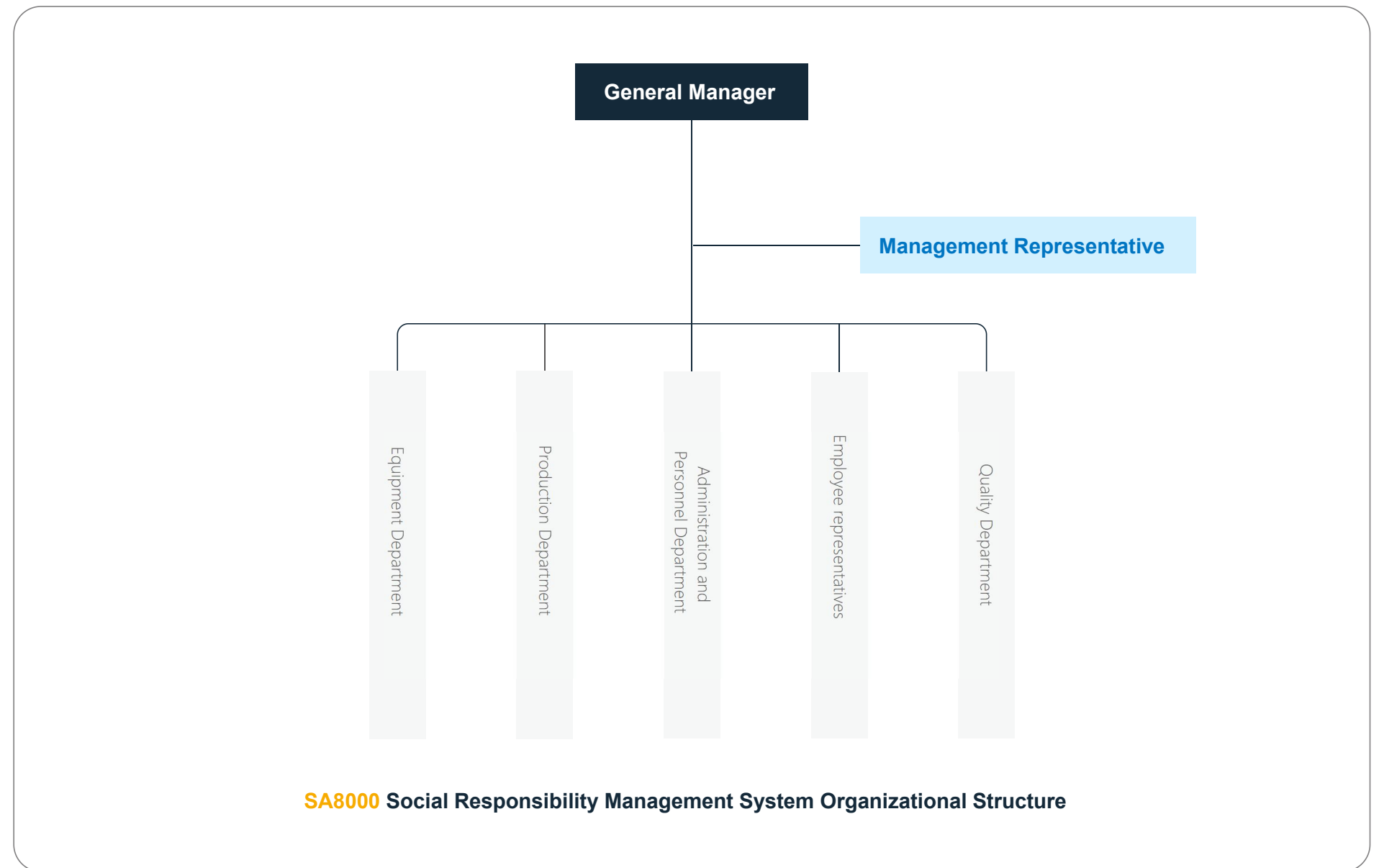
### Company statement:

- 1 Resolutely prohibit the use of child labor.
- 2 Respect the freedom of employees and prohibit any form of forced labor.
- 3 Provide employees with sanitary and safe working and living conditions to ensure their health and safety.
- 4 Promote labor-management cooperation and respect employees' freedom of association and collective bargaining rights.
- 5 Provide employees with an equal and fair working environment, and prohibit any form of discriminatory behavior.
- 6 Respect employees' basic human rights and prohibit any form of behavior that insults their dignity.
- 7 Adhere to reasonable production scheduling, and arrange workers' working hours and rest breaks reasonably.
- 8 Provide employees with reasonable wages and benefits, at least meeting their basic needs.
- 9 Advocate for business integrity and eradicate corruption.
- 10 Do not accept any suppliers or subcontractors who intentionally use child labor or forced labor, or compromise the health and safety of employees.
- 11 The Company commits to comply with national and other applicable laws, as well as other regulations signed by the Company, while respecting international agreements and their interpretations.
- 12 Continuously improve the social responsibility system.



The Company has established an ESG governance system and mechanism with the General Manager as the responsible party, involving departments such as equipment, production, administration, human resources, employee representatives, and quality, each with their respective roles, to jointly participate and coordinate ESG initiatives. The management representatives are responsible for reporting to the General Manager on the performance of the social responsibility management system and any needs for improvement. The Production Department, in accordance with the company's social responsibility policies and principles, is responsible for reasonably scheduling production plans, strictly controlling working hours, maintaining good working conditions, and ensuring that machinery and equipment are in a safe and hygienic condition. The Purchasing Department, following company's social responsibility policies and principles, is responsible for incorporating social responsibility performance into supplier and subcontractor management procedures, regularly evaluating their social responsibility performance, strengthening cooperation, and gradually promoting improvements in social responsibility performance. Worker representatives (non-management personnel) are elected by workers and regularly meet with various departments and higher-level employees to understand their opinions and suggestions on company policies, systems, and operations. They submit these opinions and suggestions to the labor union and company's management, discuss methods and measures to solve problems with the company's management, and assist in explaining and promoting the company's improvement measures.

Additionally, the Company has established a Social Performance Team (SPT) and conducts a written risk assessment annually. The assessment aims to identify and evaluate non-compliance with standards in outstanding and high-risk areas, whether existing or potential, and recommend prioritized solutions based on the severity or urgency of the risks so that presents solutions to top management, effectively supervising workplace activities.



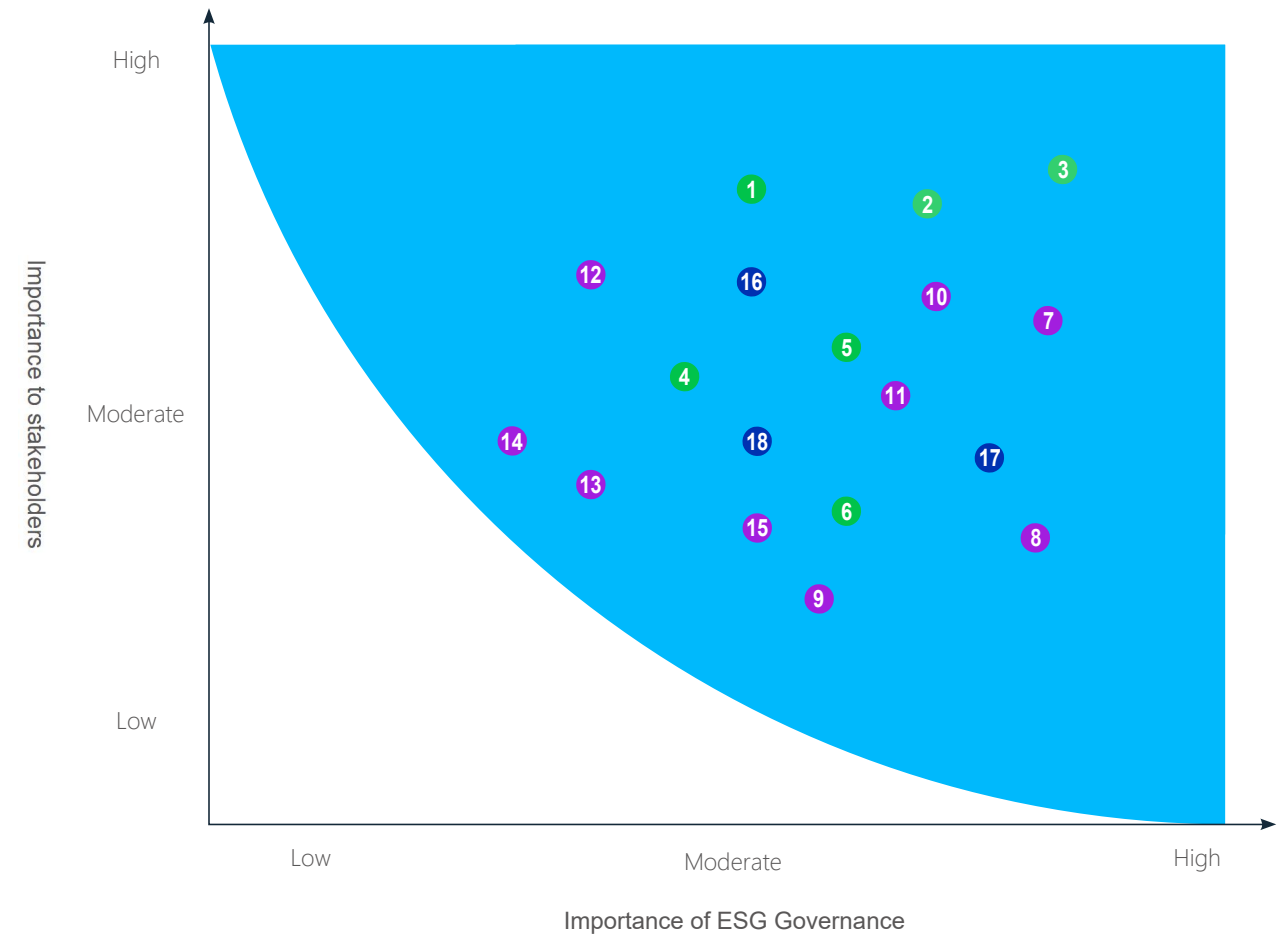
# Communication with Stakeholders

The Company consistently focuses on and listens to the demands of stakeholders, establishing communication channels through various means to collect and respond to the expectations and demands regarding the company. This further enhances the aspects related corporate environment, society and governance. In 2023, a total of 9 categories of stakeholders were identified, including government and regulatory agencies, shareholders, suppliers, customers, employees, environment, communities, industry peers and media. The issues of concern and communication methods for each category of stakeholders are outlined as follows:

| Stakeholders   | Issues of concerns  | Communication and response   |
|--|---|--|
|  Government and regulatory agencies | <ul style="list-style-type: none"> <li>◆ Compliance with laws and regulations</li> <li>◆ Pay taxes in accordance with the law</li> <li>◆ Industry and regional economy</li> <li>◆ Sustainable development</li> </ul>  | <ul style="list-style-type: none"> <li>◆ Regulatory information disclosure</li> <li>◆ Policy consultation and implementation</li> <li>◆ Work communication</li> </ul>                              |
|  Shareholders                       | <ul style="list-style-type: none"> <li>◆ Standardized corporate governance</li> <li>◆ Protecting investor interests</li> <li>◆ Sustainable profitability</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Improved the corporate governance system</li> <li>◆ Disclosed business information</li> <li>◆ Providing stable returns</li> </ul>                         |
|  Customer                          | <ul style="list-style-type: none"> <li>◆ Quality safety</li> <li>◆ Business continuity</li> <li>◆ Privacy and rights protection</li> </ul>  | <ul style="list-style-type: none"> <li>◆ Technical and product exchange</li> <li>◆ Field research and site visits</li> <li>◆ Satisfaction survey</li> <li>◆ Customer service</li> </ul>            |
|  Suppliers                        | <ul style="list-style-type: none"> <li>◆ Integrity and fair business practices</li> <li>◆ Drive Sustainable Development of Suppliers</li> <li>◆ Fair Trade</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Fair and Transparent Procurement Principles and Procedures</li> <li>◆ Raise Supplier Standards</li> <li>◆ Responsible Raw Materials Purchasing</li> </ul> |
|  Employee                         | <ul style="list-style-type: none"> <li>◆ Protection of rights and interests</li> <li>◆ Occupational health and safety</li> <li>◆ Career development</li> <li>◆ Work-life balance</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Heart-to-heart communication</li> <li>◆ Symposium</li> <li>◆ Training</li> <li>◆ Cultural activities</li> </ul>   |
|  Environment                      | <ul style="list-style-type: none"> <li>◆ Energy conservation, emission reduction, and climate change response</li> <li>◆ Reduce environmental impact</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Actively promote energy conservation and consumption reduction</li> <li>◆ More environmentally friendly operation</li> </ul>                              |
|  Community                        | <ul style="list-style-type: none"> <li>◆ Drive Community Economy Development</li> <li>◆ Fully communicated with the community and coexist harmoniously</li> <li>◆ Carry out multi-level and all-round cooperation</li> <li>◆ Community welfare initiatives</li> </ul> | <ul style="list-style-type: none"> <li>◆ Supported employment</li> <li>◆ Participated in community building</li> <li>◆ Charity</li> <li>◆ Community volunteer service activities</li> </ul>        |
|  Industry peer                    | <ul style="list-style-type: none"> <li>◆ Technical exchange</li> <li>◆ Collaborative innovation</li> <li>◆ Industry development</li> </ul>  | <ul style="list-style-type: none"> <li>◆ Industry conferences</li> <li>◆ Seminars</li> <li>◆ Industry-university-research cooperation</li> </ul>   |
|  Media                            | <ul style="list-style-type: none"> <li>◆ Daily communication</li> <li>◆ Disclosure of Social Responsibility Information</li> <li>◆ Interview and Communication</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Maintain communication</li> <li>◆ Timely disclosure of social responsibility information</li> <li>◆ Participate in interviews</li> </ul>                  |

# Substantive Issues Assessment

In order to better respond to the demands of stakeholders, the Company has identified and evaluated its ESG substantive issues based on the characteristics of its own business and operations, drawing on the ESG governance practices of peers both domestically and internationally, and taking into account the opinions and expectations of stakeholders, as well as with reference to the GRI substantive issues analysis method:



### Environmental Issues

- 1 Environmental Management
- 2 Energy management
- 3 Pollution Prevention and Control
- 4 Water Resources Management

### Social issues

- 5 Response to Climate Change
- 6 Green office
- 7 Compliance Employment
- 8 Welfare and Caring Initiatives
- 9 Talent Development
- 10 Occupational Health and Safety
- 11 R&D Innovation

### Governance issues

- 12 Product Quality
- 13 Excellent Service
- 14 Responsibility Supply Chain
- 15 Social Welfare
- 16 Internal Control and Risk Management
- 17 Business ethics
- 18 Social Responsibility Management

# Creating the Future Together with Technology

Aligned with the strategic deployment of Leapton Energy, our company upholds "customer-centric" philosophy and closely follows the innovative development of science and technology, continuously driving the transformation and progress of the economy and society. We are committed to enhancing product quality and optimizing services to meet customer demands. Through continuous innovation, we strive to provide customers with smarter, greener solutions to promote the sustainable development of the industry.



# R&D Innovation

## Product Innovation

The Company attaches great importance to technological research and development and innovation, adhering to independent innovation as its foundation. We focus on breaking through and mastering key technologies, establishing a research platform for PV module engineering, and building an R&D system centered around customer needs, with a focus on forward-looking new industries and products. At the same time, the Company has established a series of innovative systems, such as the management methods for major technological innovation special development funds, technology innovation management plans, and laboratory management methods, forming a collaborative innovation system and creating a favorable atmosphere for innovation.

The Company insists on using product innovation to lead its development, actively promoting R&D innovation of green products. During the reporting period, the Company invested 70.3653 million yuan in R&D.

During the reporting period, the Company invested

**4498** million yuan in R&D

|   | 2024 | 2023    | 2022   |
|---|------|---------|--------|
| R&D Investment (10,000 yuan)                    | 4498 | 7036.53 | 9237.3 |
| R&D expenses as a percentage of sales revenue % | 3.65 | 3.88    | 3.87   |
| Number of R&D personnel                         | 112  | 123     | 97     |
| Cumulative number of patents granted annually   | 53   | 51      | 35     |

The Company has established effective scientific research management processes and fair incentive mechanisms, continuously improving the assessment and distribution mechanism oriented towards market results and original technological contributions. This has greatly motivated scientific research personnel, laying a solid institutional foundation for continuously advancing technological progress and product innovation.

In addition, the Company actively promotes technological innovation in its R&D efforts, implementing project accountability and establishing a systematic technical evaluation system. Emphasizing customer satisfaction, technological leadership, quality reliability, and competitive costs, we define the main R&D processes and supporting processes. By formulating management measures for significant technological innovation special funds, the Company incentivizes employees to engage in technological innovation research and development.

### Incentive measures



Establish annual improvement and innovation awards and talent recruitment incentives. "Regulations on Educational Subsidies for New Employee's Entry"



2024 Lepton Solar Annual Meeting Award Ceremony for Outstanding Improvement



2024 Lepton Solar Annual Meeting Award Ceremony for Exemplary Employee



Encourage all employees to engage in technological improvements for process equipment.



Provide a platform for career development and dual-channel promotion for technical innovation personnel.



Develop patent management methods and methods for evaluating and categorizing patent value, focusing on intellectual property creation.



Support and promote the implementation of industry-university-research projects, and establish relevant open funds.

# Industry-university- research Cooperation

The Company actively promotes industry-university-research cooperation and establishes close partnerships with major universities and research institutions. In 2017, the Company initiated collaboration with Changshu Institute of Technology to advance technological innovation and product research and development. Furthermore, the Company encourages employees to participate in academic research projects and provides support and technical guidance, including research proposal design, laboratory testing, data analysis, and so forth.

To promote deep cooperation between the two parties in the academic and technical fields, the Company regularly organizes various forms of exchange activities such as academic seminars, lectures, and technical training sessions. Through regular academic seminars, the Company and its partners are able to delve into discussions on cutting-edge technologies, innovative trends, and methods for solving complex problems within the industry. Additionally, through technical training activities, the Company provides opportunities for practical operations and skill enhancement to further strengthen cooperation between both parties in technical aspect.



## Leapton Solar & Changshu Institute of Technology School-Enterprise Interaction

## Case

On November 20, 2024, School of Electronic and Information Engineering, Changshu Institute of Technology (majoring in New Energy Science and Engineering) visited Leapton Solar Module Factory.



# Product Quality

Product quality and safety have always been one of the Company's top priorities. When products are subject to complaints due to quality, performance or safety, it not only increases the company's negative public opinion, but also reduces the market's recognition.

The Company attaches great importance on building a quality management system, through high-quality management and services, to provide customers with reliable and trustworthy high-quality products and service experiences. In order to enhance the quality of work across all staff and the maturity of each process, achieving company's strategic objectives, and truly realizing comprehensive quality management. During the reporting period, Leapton Solar has carried out the construction of the quality management system and passed the ISO 9001 quality management system certification. Currently, the Company's quality system is sound and effective, with continuous improvement in measurement, testing, and experimental equipment. Quality management practices are standardized and well-ordered.



## Company's Achievement of Quality Objectives in 2024

### Cell Fragmentation Rate:

Objectives:  $\leq 0.8\%$   
Achievement Rate

0.78%

### Qualified rate of finished products:

Objectives:  $\geq 99.2\%$

Achievement Rate 99.41%

### Customer satisfaction:

Objectives:  $\geq 95\%$

99%

In order to better inspect product quality, the Company has formulated the "Quality Control (Inspection) Procedure", which specifies the basis and methods of inspection. This procedure is implemented throughout the entire inspection process to ensure that the raw materials received, products during the production and the final products delivered to the customers comply with the specified quality requirements. For non-conforming products, the Company strictly implements the "Non-conforming Products Control Procedure" to effectively reduce the impact of non-conforming products on product quality and customer satisfaction, thereby improving the overall level of quality management.

Additionally, when non-conformities are identified in internal and external management system audits, the Quality Department organizes relevant departments to take corrective measures in accordance with the provisions of "Internal Audit Procedure". If corrective action requests are made during management reviews regarding system deficiencies, the Quality Department organizes relevant departments to implement corresponding corrective or improvement measures as per the provisions of "Management Review Procedure". In case of general or severe non-conformities during the product manufacturing process and product delivery (post-delivery), the Quality Department organizes relevant departments to analyze the root causes, develop corrective actions, and implement and track validation in accordance with the "Non-Conforming Product Control Procedure" after confirmation by the management system leader. Upon receiving customer complaints or continuous complaints about similar issues from customers, the Quality Department organizes the relevant departments to analyze the root causes, develop corrective measures, and after confirmation by the management system leader, implement them. Then the Quality Department organizes tracking and validation. If the same supplier has two consecutive batches (times) of non-conforming deliveries, the Purchasing Department takes appropriate corrective measures in accordance with the "Procurement Control Procedure", and the Quality Department is responsible for tracking and validation.



# Excellent Service

The Company adheres to the customer service concept of "customer-centered, improving service quality, and enhancing customer satisfaction", dedicating itself to providing customers with quality products and services. With a global presence and extensive technical expertise, we are able to flexibly meet customer needs, empower customers efficiently and with high quality. Meanwhile, the Company continuously enhances its service level through a well-established service system, customer complaint handling processes, and regular satisfaction surveys.

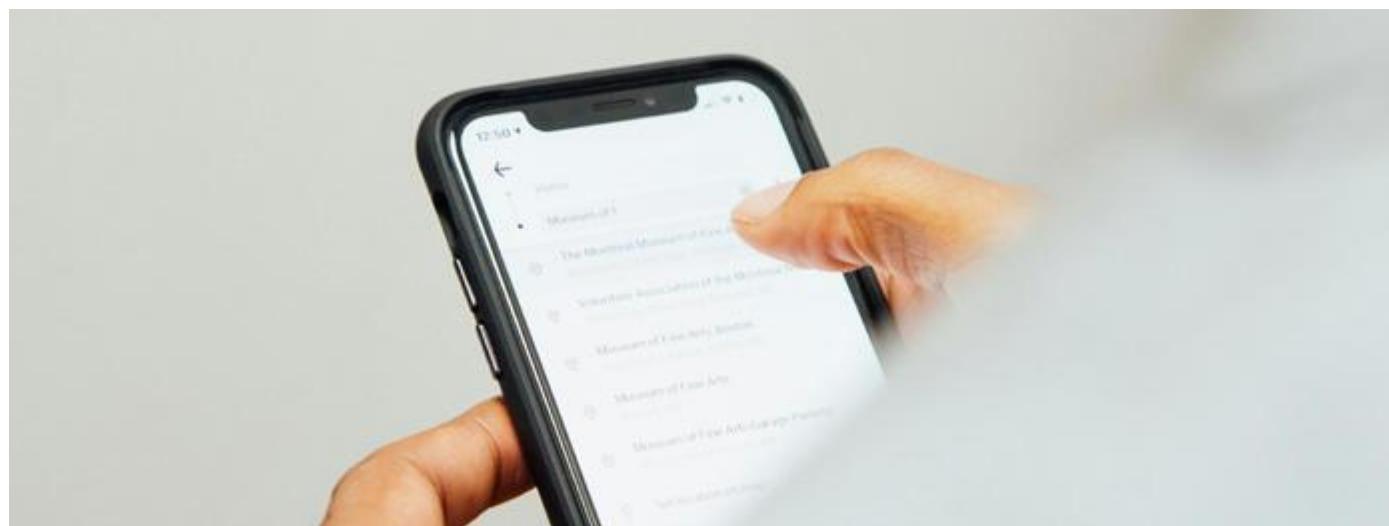
Customer demand analysis serves as the foundation of customer relationship management. The Company attaches great importance to customer experience and satisfaction, establishing a multi-channel customer service mechanism. Through channels such as telephone, email, and face-to-face meetings, we engage with customers to address their questions and concerns, understand their needs, feedbacks, and suggestions on products and services, and collect and organize customer demand information. Additionally, the Company can also understand industry trends and market demands through market research and competitor analysis, further enhancing customer demand analysis.

In the internal customer relationship management process of the IT Department of the photovoltaic enterprise, customer classification and management are crucial steps. Firstly, the Company categorizes customers based on their value and importance, formulating corresponding management strategies and measures. Secondly, the Company classifies customers based on indicators such as their purchasing power, loyalty, and purchase frequency, focusing on high-value customers and potential customers, providing personalized services and support. Furthermore, through the establishment of customer profiles and customer relationship management systems, customers are comprehensively managed and tracked.

Maintaining and developing customer relationships are the ultimate goals of the internal customer relationship management process of the photovoltaic enterprise's IT Department. Through continuous customer relationship management efforts, the Company can establish solid customer relationships, increase customer loyalty and satisfaction.

To enhance communication and cooperation with customers, the Company regularly organizes customer activities and technical training sessions, providing them with personalized solutions and support. Moreover, the Company expands new customers and achieves continuous growth through customer recommendations and word-of-mouth promotion. Additionally, the Company has established a comprehensive customer complaint handling mechanism, including setting up complaint hotlines, emails and other channels to receive and address customer complaints.

Furthermore, the Company has formulated the "Customer Complaint Handling Control Procedure". For customer complaints, the Company promptly verifies and handles them, communicates and negotiates with customers, identifies the root causes of the problems, and takes targeted corrective and preventive measures. At the same time, the Company also needs to establish a complaint recording and analysis system, to statistically analyze the complaint situation and provide reference for subsequent customer management and service.



## Customer Complaint Handling

### Sales Department

The Sales Department is responsible for collecting specific information and feedbacks from customer complaints, and submitting them to the Quality Department within the first effective working day.

### Quality Department

Upon receiving the complaint information, the Quality Department organizes the customer handling team to analyze and verify the complaint, determining its validity and severity level. If necessary, Quality Department personnel can go to the customer's designated location to identify and inspect the complaint issues on site.

### customer complaint handling team Quality CQE

The customer complaint handling team conducts investigations to determine whether the online products and inventory have the reported issue. If confirmed, corresponding urgent corrective measures should be taken and completed within 3 effective working days. In severe cases, production of online products must be halted and suspicious inventory in the warehouse must be frozen. On the other hand, the team verifies the quantity and condition of suspicious products during transportation and in the hands of customers. Handling measures for these products are discussed between sales personnel and customers.

Quality CQE convenes a customer complaint meeting based on the investigation results to analyze the root causes. The responsible department then formulates corrective and preventive measures. For important customer complaints, a "Root Cause Analysis and Corrective Measures Report" is filled out according to the complaint level. Relevant departments implement measures as per the report, and the customer complaint handling team verifies their effectiveness to ensure efficacy.

### Root Cause Analysis and Corrective Measures Report

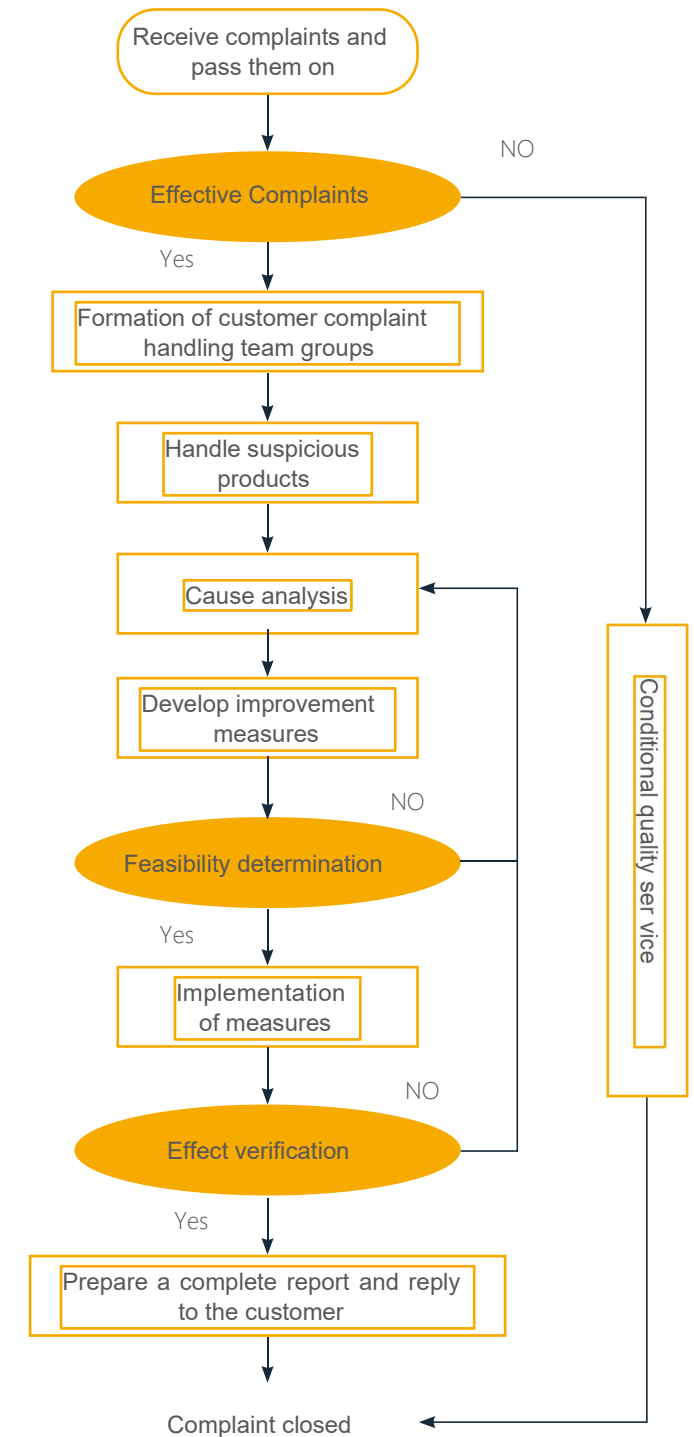
The relevant responsible departments implement measures according to the "Root Cause Analysis and Corrective Measures Report". The Quality Department conducts irregular on-site audits every week within one month after the implementation of the corrective and preventive measures in the report. Additionally, audit are conducted on processes that may pose quality complaint risks, and any non-conformities discovered are required to be corrected immediately.

### Close the customer complaint root cause analysis

Monitor the effectiveness of preventive measures, if no abnormalities occur within a month, close the customer complaint root cause analysis and corrective measures report.

### On-site complaint issue identification and inspection

| Item  | General customer complaints | Important customer complaints |
|---|-----------------------------|-------------------------------|
| Outsourced materials  | √                           | ×                             |
| Appearance-related (no performance impact)                          | √                           | ×                             |
| Module scrapped - self-destruct                                     | √                           | ×                             |
| Module scrapped - process-related                                   | ≤ 2 pieces                  | > 2 pieces                    |
| The same customer reports the same issue more than 2 times.         | ×                           | √                             |
| The important customer complaints as defined by the Sales Director. | ×                           | √                             |



Complaint handling process

## Acceptance of return, exchange, compensation and other solutions

When the Sales Department receives the customer's requests for returns, exchanges or compensation, they will transmit this information to the Quality Department. The Quality Department, considering the reasons for the return, exchange or compensation, as well as the internal production, convenes the relevant departments for discussion to provide the final decision on whether to agree to the customer's request. The final decision is then conveyed to the Sales Department for corresponding processing.

**A** If the internal and sales processing plan are inconsistent, the final processing plan is confirmed by the General Manager's signature;

**B** If the internal and sales processing plan are consistent, and the value is  $\leq 5$  pieces of the same module, the final processing plan is confirmed by the Deputy General Manager. If the value is  $>5$  pieces of the same module, the final processing plan is confirmed by the General Manager's signature .

## Exchange Handling Process

After the approval decision is made to exchange the products, the Sales Department will arrange the shipment to the customer according to the final agreement reached, following the normal delivery process.

## Return Process

After the customer receives our advice and reaches an agreement with both parties, the Sales Department submits a transportation request to the Logistics Department. The Logistics Department arranges vehicles to return the defective products to our company. The Sales Department fills out the specific return list in the ERP system with the "Return Application" and submits it for approval according to the process.

The returned materials are confirmed by the warehouse based on the information in the "Return Application" in the ERP system. If the confirmation is consistent, the warehouse records the information into the "Sales Return Receipt" in the ERP system and submits the confirmation results and list to the Quality Department. If the confirmation is inconsistent, the warehouse provides feedback to the Sales and Quality departments, and the Sales Department reconfirms with the customer upon receiving the information.

**A** If it is determined as "Rework" through evaluation, the Planning Department arranges the Production Department to carry out the rework process according to the rework operation instructions provided by the Quality Department and Process Department. After rework completion, the products undergo re-inspection and are deemed qualified before being stored according to the instructions.

**B** If it is determined as "Downgrade" through evaluation, the Planning Department will issue a rework order to change the grade of the packaging label. After the replacement is completed and the products pass inspection, they proceed with the storage procedures.

The finished products in the "Finished Products Return Warehouse" in ERP must be sorted by the Quality Department before the inventory is conducted. If a solution cannot be provided in a timely manner, the Planning Department issues a temporary work order and arranges for relocation.

The Quality Department, based on the confirmation results of the warehouse, will provide handling recommendations and systematically issue the corresponding work orders. The Production Department then inputs the modules of the handling solution into the corresponding work orders. If necessary, convene the relevant departments to discuss handling recommendations. Handling solutions for returned products are ideally provided within one week.

**C** If it is determined as "Scrap" through evaluation, the warehouse will be responsible for handling and processing the relevant procedures.

**D** If it is determined as directly "Storable" through evaluation, the warehouse will process the storage procedures directly based on the handling recommendations.

## Compensation Handling Process

When the approval decision is made to proceed with compensation, the Sales Department will send samples for free according to the final agreement, and ship them following the normal delivery process. If the compensation is to be provided in a specific monetary amount, the Sales Department will handle the business operations and compensation processing based on specific circumstances. After the completion of the return, exchange, and compensation process, the Sales Department will convey the specific processing outcomes to the Quality Department, which is responsible for recording the processing results in the "Customer Complaint Registration Form".

Additionally, to gain a deeper understanding of customer needs and feedbacks, and customer satisfaction surveys. These surveys cover various dimensions such as continuously improve customer service levels, the Company regularly conducts product quality, delivery, and after-sales service. The Company analyzes the survey results to identify areas for improvement and provides clear improvement measures for low-scoring aspects, aiming to maintain and enhance customer satisfaction.

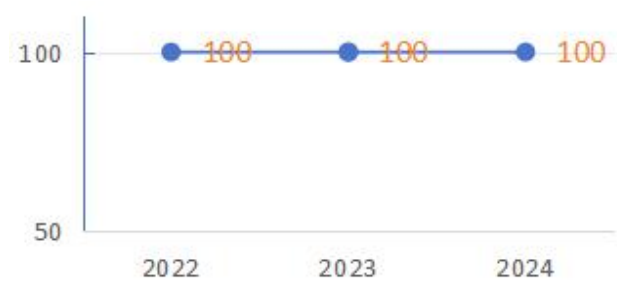
### Customer satisfaction (%)



### Number of customer complaints (Times)



### Customer Complaint Completion Rate (%)

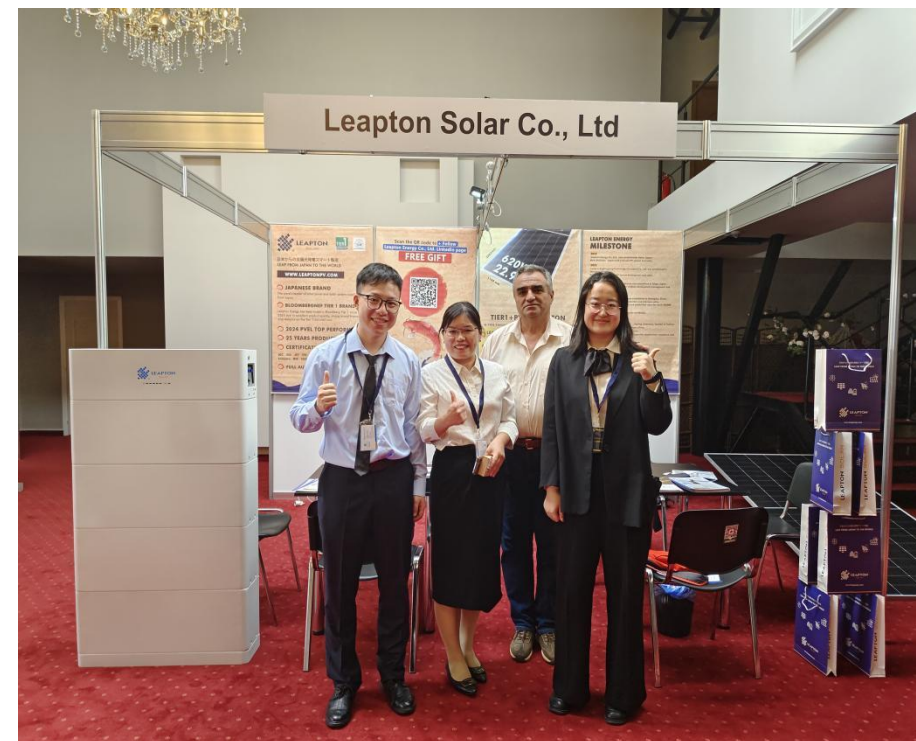


## Overseas Layout

The Company established a subsidiary in Brazil, further strengthening its presence and leading position in overseas market. This move also demonstrates its strength and influence in the global market.



24-26 September 2024, UK Solar Energy International



September 25-27, 2024, International Solar Power Exhibition in Romania (Solar Power)



February 6-8, 2024, Spain International Solar Energy Exhibition (Solar Power)

# Responsibility Supply Chain

Building a stable and healthy supply chain is a crucial part for the Company to achieve comprehensive sustainable development. The Company is committed to conveying the concept of sustainable development to both upstream and downstream enterprises in the supply chain, and to jointly establish a transparent, mutually beneficial, and responsible supply chain with suppliers.

The Company formulates and releases relevant documents such as the "Supplier Management Control Procedure" and "Supplier Management System", clarifying the requirements for supplier management. It selects, evaluates, and re-evaluates suppliers, and signs "Integrity Agreements" with all suppliers to ensure that the products provided by suppliers meet the company's specified requirements. In addition, the Company categorizes suppliers based on the impact of materials on product quality and performance: Class A suppliers (for solar cells), Class B suppliers (for auxiliary materials, glass, and frames), and Class C suppliers (for equipment, spare parts, and miscellaneous items).

The Company has established stringent "Procurement Management Control Procedure", covering the entire process from supplier selection to procurement execution, to ensure the compliance and high-quality execution of procurement activities, aiming to optimize the procurement process, ensure material quality, and minimize procurement risks to the greatest extent possible. In addition, in case of special circumstances causing the original suppliers listed in the "Qualified Supplier List" to be unable to supply materials as needed for production, an

"Urgent Purchase Requisition" can be filled out for exceptional procurement after approval by the Technical Department leader and the General Manager or their authorized personnel. Suppliers for customer-specified raw material do not need to be approved, but the customer must provide a corresponding written BOM

material list. If the substitute products are of different specification or model, the technical parameters of the substitute products must be confirmed by the Technical Department.

In order to promote the creation of green factories, the Company has signed a series of environmental protection agreements with some suppliers, including the "Supplier Safety and Environment Agreement", the "Supplier Non-Use of Hazardous Substances Agreement", the "Company's Prohibited and Restricted Hazardous Substances List and Standards", and the "Green Supplier Management Commitment". These agreements ensure that materials and products in the supply chain are in compliance with the Company's environmental protection standards, and collectively contribute to sustainable development and green production. Of particular emphasis is the Company's "Supplier Agreement on Non-use of Hazardous Substances", which explicitly includes requirements related to RoHS and REACH. In 2024, the Company has implemented localized procurement covering a total of 37 local suppliers. Among these, 26 are based in Jiangsu Province, accounting for 70.27%; while 33 are from the Yangtze River Delta region, accounting for 89.19%.



## Sustainable Procurement Performance Data Overview Table

| Indicator   | Unit | 2024 | 2023 | 2022 |
|---|------|------|------|------|
| Total number of suppliers   | pcs  | 37   | 35   | 30   |
| Suppliers who have completed the social responsibility questionnaire              | pcs  | 37   | 35   | 30   |
| Suppliers who have undergone social responsibility on-site audits                 | pcs  | 28   | 22   | 22   |
| Suppliers who have signed the Supplier Code of Conduct                            | pcs  | 37   | 35   | 30   |
| Suppliers who have signed the Social Responsibility Framework Agreement           | pcs  | 37   | 35   | 30   |
| Number of important or core suppliers   | pcs  | 29   | 27   | 22   |
| Important suppliers who have completed the social responsibility questionnaire    | pcs  | 29   | 27   | 22   |
| Important suppliers who have undergone social responsibility on-site audits       | pcs  | 28   | 26   | 22   |
| Important suppliers who have signed the Supplier Code of Conduct                  | pcs  | 29   | 27   | 22   |
| Important suppliers who have signed the Social Responsibility Framework Agreement | pcs  | 29   | 27   | 22   |
| Number of new suppliers in the current year                                       | pcs  | 2    | 5    | 2    |
| New suppliers who have completed social responsibility questionnaire              | pcs  | 2    | 5    | 2    |
| New suppliers who have undergone social responsibility on-site audits             | pcs  | 2    | 4    | 2    |
| New suppliers who have signed the Supplier Code of Conduct                        | pcs  | 2    | 5    | 2    |
| New suppliers who have signed the Social Responsibility Framework Agreement       | pcs  | 2    | 5    | 2    |

### Procurement personnel data

| Indicator   | Unit   | 2024 | 2023 | 2022 |
|---|--------|------|------|------|
| Number of procurement personnel   | Person | 12   | 12   | 7    |
| Number of procurement personnel who have received sustainable procurement training                    | Person | 12   | 10   | 7    |
| Percentage of procurement personnel who have received sustainable procurement training in all regions | %      | 100  | 100  | 100  |

# Care about employee growth

Under the leadership of Leapton Energy, the Company always pays attention to and safeguards the rights and interests of employees, respects their individuality and values, cares about their work and life, provides a good working environment and welfare benefits, assists employees in solving practical problems, and enhances their sense of belonging and loyalty.



# Compliance Employment

## Employee rights

The Company respects and safeguards the rights and interests of employees, strictly adhering to international conventions such as the "Universal Declaration of Human Rights", "International Labour Conventions", "Labor Law of the People's Republic of China", and other relevant international conventions and local laws and regulations related to labor and employee rights, ensuring equal treatment for every employee. At the same time, the Company has formulated internal management documents such as the "Child Labor Relief Control Procedure," "Minor Labor Management Control Procedure," "Non-Forced Labor Control Procedure," and "Anti-Slavery and Human Trafficking Procedure" to eliminate practices such as child labor and forced labor. Additionally, the Company has established a reporting mechanism to prevent irregular employment.

Furthermore, the Company adheres to the principle of compliant employment, ensuring equal employment opportunities and equal pay for equal work. We avoid any form of discrimination based on employees' ethnicity, race, nationality, religious beliefs, gender, age, disability, marital and parental status, etc., and are committed to creating an equal, inclusive, and open workplace environment. In 2024, the Company did not experience any incidents of labor discrimination, harassment, employing child labor, forced labor, or other violations of labor rights and regulations.

To further standardize the signing and management of labor contracts, promote the lawful fulfillment of labor contracts, and safeguard the legitimate rights and interests of both the company and employees, the Company have formulated the "Labor Contract Management System". During the reporting period, the rate of labor contract signing was 100%.

**During the reporting period, the rate of labor contract signing was**

**100%**

## Equality and Diversity

The Company adheres to an open, inclusive, and equal employment philosophy, committed to fostering a diverse workforce environment. The Company highly respects and values its female employees, supporting them to unleash their potential within the company, bravely pursue their goals and realize their self-worth.

The Company strictly adheres to relevant laws and regulations such as the "Law of the People's Republic of China on the Protection of Women's Rights and Interests", and has formulated and improved the "Management System for the Protection of Female Workers and Minors." This system stipulates that female employees enjoy the same and equal opportunities as their male counterparts in terms of recruitment, promotion, training, and other aspects. Discrimination or unfair treatment based on gender is strictly prohibited.

In addition, the Company provides female employees with breastfeeding leave, prenatal check-up leave, childcare leave and other leaves, ensuring that during maternity leave, female employees continue to receive their regular wages, bonuses and wage subsidies. This measure ensures that the legitimate rights and interests of working mothers are safeguarded. Furthermore, the Company cares for female employees by regularly organizing exchanges and symposiums among them, facilitating the exchange of experiences and challenges. Additionally, the Company also provides health checks, gynecological health consultations, and other related welfare measures for female employees.



## Leapton Solar Employee Structure Performance Data Overview Table

| Indicator  | Unit   | 2024 | 2023  | 2022  |
|--|--------|------|-------|-------|
| Number of new employees  | Person | 58   | 114   | 46    |
| Total number of employees  | Person | 282  | 283   | 196   |
| Number of security committees  | Person | 15   | 15    | 13    |
| Proportion of employees undergoing performance and career development assessment | %      | 100  | 100   | 100   |
| Localized employment ratio   | %      | 20   | 12    | 13    |
| <b>Gender structure</b>  |        |      |       |       |
| Total female employees   | Person | 98   | 101   | 74    |
| Percentage of female employees in total employees                                | %      | 35   | 36    | 38    |
| Number of executives (excluding the board of directors)                          | Person | 14   | 22    | 23    |
| Number of female executives  | Person | 6    | 7     | 7     |
| Percentage of female executives  | %      | 43   | 32    | 30    |
| <b>Age structure</b>   |        |      |       |       |
| <30 years old  | Person | 56   | 61    | 33    |
| 30 ≤ Y < 50  | Person | 226  | 213   | 154   |
| - ≥ 50 years old   | Person | 0    | 9     | 9     |
| Proportion of employees <30 years old  | %      | 20   | 22    | 17    |
| 30 ≤ Y < 50  | %      | 80   | 75    | 79    |
| Proportion of employees ≥ 50 years old   | %      | 0    | 3     | 5     |
| <b>Educational background structure</b>  |        |      |       |       |
| Postgraduates  | Person | 1    | 1     | 1     |
| Proportion (%)   | %      | 0.35 | 1.06  | 0.51  |
| Bachelor   | Person | 45   | 71    | 59    |
| Proportion (%)   | %      | 16   | 25.09 | 30.10 |
| Junior College   | Person | 38   | 33    | 26    |
| Proportion (%)   | %      | 13   | 11.66 | 13.27 |

# Welfare Care

We are committed to establishing a comprehensive employee welfare care system. The Company complies with national and regional laws and regulations, practices equal pay for equal work, and provides employees with competitive compensation. We also facilitate effective two-way communication channels to promote a positive corporate culture and employee relations.

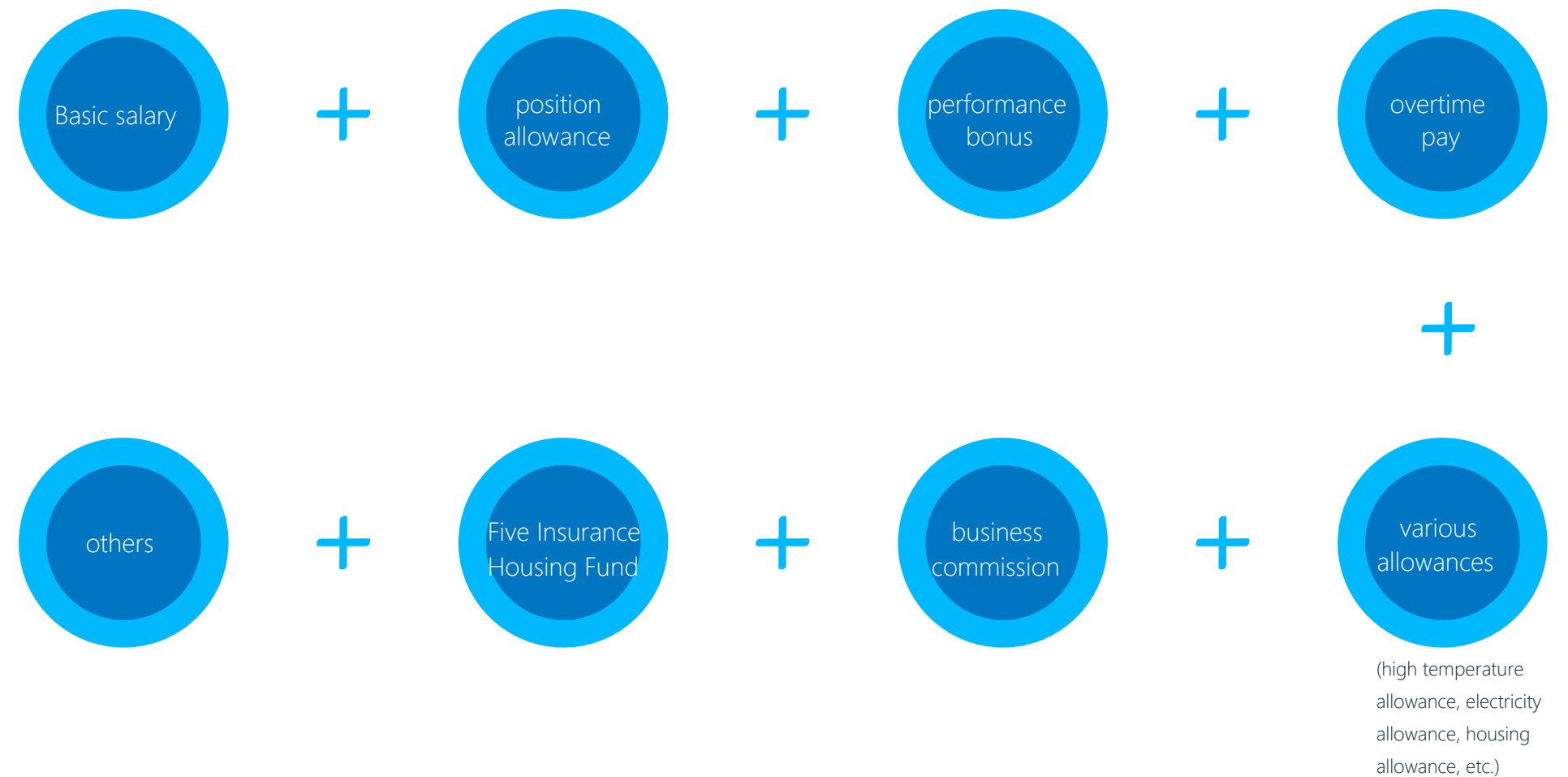
## Compensation and Benefits

The Company adheres to the principle of distribution according to work, implements equal pay for equal work regardless of gender, and prohibits differentiation in compensation based on gender.

To meet the requirements of the Company's development and fully leverage the incentive role of compensation, as well as to further expand the employees' career advancement opportunities, the Company has formulated the "Compensation System Management Regulations" to meet employees' economic needs and stimulate their motivation and creativity.

Additionally, the Company provides additional benefits to employees during significant holidays through allowances, gifts, and other means. This encourages employees to serve the company for the long term and enhance their sense of belonging and cohesion with the company. In addition to the regular holiday benefits, the Company also takes into account special situations that employees may encounter in their lives, such as marriage or bereavement, and provides corresponding care and welfare support. To ensure the health of employees, the Company provides regular health check-up services for all staff members.

### Compensation structure



Employee benefits

Five insurances and one fund

social insurances and housing fund

Employee allowances

educational allowance, high temperature allowance, accommodation allowance, night shift allowance.

Holiday benefits

- Mid-Autumn Festival | All employees, a gift box worth 100 yuan.
- Dragon Boat Festival | All employees, a gift box worth 100 yuan.
- Spring Festival | All employees, a gift box worth 100 yuan.
- Women's Day | All female employees will receive a gift box worth 100 yuan.

Other benefits

- Health check-up benefits | Employees who have been employed for over a year are entitled to an annual health check-up.
- Birthday benefits | All employees will receive a gift worth 100 yuan in their birthday month.
- Employee travel | All employees are eligible for an annual trip, with the timing determined based on actual circumstances.
- Condolence benefits | All regular employees of Lepton Solar are entitled to wedding, funeral, and congratulatory gift money.
- Assistance benefits for employees in need | Employees who meet the assistance criteria are entitled to. The children of the foreign workers who meet the standards shall enjoy the teaching subsidy benefits.

Leave

statutory holidays, annual leave, marriage leave, maternity leave, paternity leave, sick/personal leave, work-related injury leave, etc.



Holiday benefits

# Democratic management

The Company actively promotes democratic management, values employee feedback and pays attention to their demands. We have established diverse and open communication channels where employees can fully express their demands through symposiums, employee representative assemblies and satisfaction surveys. This effectively guarantees employees' right to information, participation, expression, and supervision, enabling them to fully participate in corporate construction and further stimulating their enthusiasm and creativity.

To enhance employees' engagement, sense of belonging, job satisfaction, and creativity, the Company has taken a series of actions and methods for democratic employee management:

## Establishing mechanisms for employee participation in decision-making

The Company encourages employees to engage in decision-making by establishing mechanisms for their participation in company's decision-making and management, enhancing their sense of belonging and responsibility.

## Regularly convening employee representative assemblies

The Company regularly holds employee representative assemblies where representatives can voice employees' needs and opinions, while also listening to their suggestions and feedback, thereby enhancing their engagement and satisfaction.

## Open and transparent management

The Company practices open and transparent management, allowing employees to understand the company's operations and financial situation, enhancing their sense of trust and satisfaction.

## Providing employee training and development opportunities

The Company prioritizes employees' personal growth and development, providing various training and development opportunities to help them improve their skills and abilities and achieve their personal career goals.

The Company has established the "Employee Complaint Control Procedure", where employees can make complaints through both public and anonymous channels. The department in charge of handling complaints must strictly maintain the confidentiality of complainants' identity information to ensure that they are not harmed as a result. In addition, the Company regularly conducts employee satisfaction surveys. The results of these surveys are collected, analyzed, discussed, and summarized, and then improvement plans are formulated and implemented accordingly, so as to effectively promote the enhancement of various management levels within the Company.



# Employee care

Happiness and health are the core values every professional strives for in their work-life balance.

We pay great attention to the physical and mental health of our employees. In order to continuously improve their physical condition and foster a healthy, joyful working and living atmosphere, the Company regularly organizes various cultural, sports, and recreational activities beneficial to our employees' health, such as football, basketball, table tennis, and badminton. We encourage employees to actively engage in sports, allowing them to gain a sense of belonging, achievement, and happiness beyond their work responsibilities. The Company also specifically provides fitness equipment and sports facilities to meet the diverse health and leisure needs of our employees, encouraging them to actively engage in physical exercise. In order to alleviate employees' working stress and psychological burdens, we collaborate with professional organizations or psychologists to provide employees with psychological counseling services, including individual consultation and group counseling, assisting employees in managing stress and emotional issues in both work and life.

To celebrate the festival, enliven the cultural life of employees, and foster a healthy, positive, and harmonious festive atmosphere. On the occasion of the festival, the Company will organize various celebratory activities, such as the Spring Festival Gala, anniversary parties, to foster a festive atmosphere for employees and enhance communication and emotional connections among them. Additionally, the Company will organize dinners during various traditional holidays and significant festive periods, such as the Spring Festival, and provide employees with festival, birthday, and seasonal welfare gifts, to immerse them in a strong festive atmosphere and express the company's care.

Beyond these, the Company will also regularly organize employee travel activities, such as team trips, short vacations at resorts, to provide employees with opportunities to relax and enjoy themselves. At the same time, the Company also provides travel allowances for employees, encouraging them to arrange their own vacation travels so as to enhance the balance between work and life.



Employee Travel



The Company has established a specialized assistance system for employees in need, offering financial assistance and support to effectively address their practical problems and difficulties.

To afford single employees opportunities to meet new friends, the Company has organized a series of social activities for single staff, such as singles mixers, outdoor activities, and hobby expansion. In addition, the Company also provides benefits tailored to the needs of single employees, such as flexible work arrangements, entertainment activities.

# Talent Development

We adhere to the management philosophy of "people-oriented, focusing on development", committed to creating a broad platform for employees to achieve career development and personal value realization. We continuously improve and optimize systems such as employee performance assessment, promotion and development, and education and training. By attracting, retaining, empowering and motivating talents, we form a high-quality talent team that matches the Company's strategic development, achieving mutual growth of employees and the company.

The Company provides employees with a comprehensive growth system that meets the job requirements and career goals. Based on individual situations, the Company has established three career development paths and promotion channels for vertical, horizontal, and dual-track development.



## Vertical development

Employees continuously advance in the Company's job hierarchy, from junior positions to intermediate, senior positions, and eventually reaching management roles. This development path requires employees to possess outstanding professional skills and management capabilities, as well as recognition and support from the Company.

## Horizontal development

Employees engage in job rotation or transfer across different departments or positions within the company to broaden their professional skills and experience. This development path requires employees to possess good adaptability and learning capabilities, as well as skills and knowledge applicable across departments or positions.

## Dual-track development

Employees possess the capability for both vertical and horizontal development. They can progress within the company while also adapting to different departments or positions. This development path requires employees to possess comprehensive professional skills and experience, as well as good interpersonal skills and leadership abilities.

In addition, the Company values talent cultivation and development. To enhance employees' professional skills and knowledge, strengthen their innovation and teamwork capabilities, and cultivate their self-learning and self-management abilities, we have developed a rich curriculum system tailored to the characteristics of our business and positions, covering multiple fields and levels. For new employees, the Company provides orientation training and on-the-job training, covering topics such as understanding corporate culture, rules and regulations, job essentials, to assist new employees in quickly adapting to the work environment and integrating into the team. For in-service employees, the Company provides training on skill enhancement, fire protection, security, environmental awareness and other aspects according to different positions and career development needs to help employees improve their abilities and values.

Furthermore, the Company will update and adjust the curriculum system in a timely manner based on industry trends and market demand, ensuring that employees can promptly acquire the latest knowledge and skills. At the same time, the Company also encourages employees to participate in both internal and external training and learning, and provides them with a certain amount of learning time and financial support.



## Employee Training Performance Data Overview Table

| Indicator                           | Unit              | 2024  | 2023  | 2022  |
|-------------------------------------|-------------------|-------|-------|-------|
| Total investment in training        | Ten thousand yuan | 15.28 | 17.28 | 9.10  |
| Training personnel                  | Person-time       | 1,929 | 1,930 | 988   |
| Number of trainings                 | Times             | 97    | 110   | 101   |
| Total training hours                | Hours             | 6365  | 7,199 | 3,780 |
| Average training hours per employee | Hours             | 22.57 | 25.44 | 19.29 |

# Protecting Health and Safety

Focusing on and ensuring the occupational health and safety of employees is one of the key manifestations of our people-oriented approach. We attach great importance to the health and safety of our employees, continuously strengthen the control of their occupational health and safety.

## Occupational Health and Safety Management

The Company adheres to the people-oriented management philosophy, continuously enhances the level of occupational health and safety management through various means such as improving organizational structure, strengthening system construction, standardizing production procedures, conducting thorough inspections, and organizing safety training. During the reporting period, Lepton Solar has obtained ISO 45001 certification for its occupational health and safety management system.

The Company strictly complies with relevant laws and regulations such as the "Production Safety Law of the People's Republic of China" and the "Occupational Disease Prevention and Control Law of the People's Republic of China". It has formulated management systems such as the "Construction Project 'Three Simultaneities' Management System", the "Occupational Health Management System", and the "Safety Production Occupational Health Responsibility System". These systems ensure strict adherence to labor safety and health regulations and standards, aiming to prevent safety accidents from occurring.

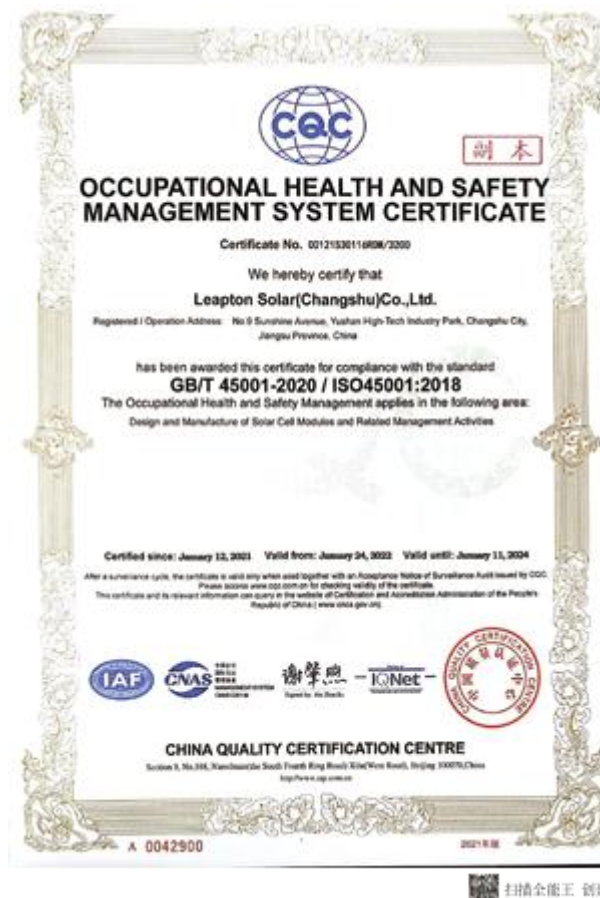
In terms of occupational health and safety management system, the Company sets annual occupational health and safety goals, continuously improves rules and regulations, implements safety production responsibility system, conducts risk identification, addresses hidden hazards, and organizes safety activities involving all employees. These efforts aim to enhance the level and performance of occupational health and safety management, ensure the Company's safe development, and guarantee the physical and mental health of employees.

To enhance employees' awareness of safety and sanitation and cultivate safety consciousness, all employees must undergo rigorous training on concept and knowledge of safety and sanitation when joining the Company. Only after acknowledging the Company's safety and sanitation principles and passing the training can they commence their job duties. In addition, the Company should strengthen the management of production operation sites and facility operation conditions, carry out daily supervision and inspections, and regularly review and track the problems identified during supervision and inspections.

## Occupational Health Protection

The Company continuously improves the occupational health conditions of the workplace and has formulated the "Management System for Labor and Occupational Protective Equipment", providing labor protective equipment to employees in positions with potential health and safety hazards, and guiding employees in the correct use. At the same time, the Company advocates for employees to possess and maintain physical health. It regularly organizes health check-ups for employees, providing pre-employment, on-the-job, and pre-departure occupational health check-ups for employees to ensure their physical health during their employment. If an employee is found to have an occupational disease, active treatment should be provided. During the reporting period, no occupational contraindications were identified in the Company, and the number of occupational diseases reported was zero.

The Company has formulated and implemented the "Emergency Rescue and Management System for Occupational Disease Hazards" and set up an emergency command organization in an effort to respond in an orderly and calm manner in the event of emergency occupational health and safety incidents. In addition, the Company has placed obvious safety warning signs in workplaces where significant risk factors exist and on relevant machines and equipment. We educated and supervised the operating personnel to strictly implement the prescribed safety production regulations and operation procedures. Furthermore, the Company has implemented the "Warning Signs and Safety Protection Management System" to standardize the management of safety warning signs within the company.



### Occupational Health and Safety Performance Data Overview Table

| Indicator  | Unit              | 2024 | 2023 | 2022 |
|--|-------------------|------|------|------|
| Safe production investment                               | Ten thousand yuan | 95   | 364  | 285  |
| <b>Social Activities</b>                                 |                   |      |      |      |
| Cumulative number of employees receiving safety training | Person-time       | 12   | 12   | 12   |
| Average safety training hours per employee               | Hours             | 36   | 36   | 36   |

## Safety Risk Control

The Company actively creates a safe production environment to safeguard the lives and properties of its employees. In order to comprehensively and effectively identify hazards, control safety risks, and establish a sound safety risk management system, the Company strictly implements the policy of "safety first, prevention-oriented, and comprehensive governance". It has formulated the "Hazard Source Management System", "Risk Grading and Control Management System", and "Major Hazard Source Management System". By earnestly strengthening the scientific management of safety production, we effectively control potential hazards to ensure the safety, health, and smooth progress of production and construction for employees. In addition, the Company analyzes hazards, classifies and controls them based on the degree of hazard, likelihood of accidents, and severity of consequences. According to the risk procedures, corresponding control measures are implemented to reduce safety production risks. When the Company's operational activities or relevant laws and regulations undergo significant changes, we will also re-identify and update the list of hazard sources.

| Level | Hazard level             | Potential Consequences  | Control organization |
|-------|--------------------------|---|----------------------|
| I     | Safe (cannot be ignored) | No casualties and system damage   | Negligible           |
| II    | Critical                 | On the verge of an accident, not yet causing casualties, system damage, or performance degradation, but should be eliminated, control measures can be taken | Team level           |
| III   | Dangerous                | May cause casualties and system damage, preventive measures should be taken immediately   | Workshop level       |
| IV    | Disastrous               | Disastrous accidents causing significant casualties and severe system damage must be promptly eliminated and given priority prevention measures             | Company level        |

In addition, the Company has established a comprehensive safety risk notification system, which specifies the placement of safety risk notification boards and the creation of job safety risk notification cards in prominent locations and key areas, indicating the main safety risks, categories of potential accident hazards, consequences of accidents, control measures, emergency measures, and reporting methods. For workplaces and positions with significant safety risks, obvious warning signs should be set up, and the monitoring and early warning systems of hazards should be strengthened.

## Hidden Danger Investigation Mechanism

To standardize the behavior of hidden danger investigation and governance, ensure the occupational safety and health of employees, reduce the risks of safety production, and achieve safe production and development. The Company has formulated the "Hidden Danger Investigation and Governance Management System", establishing a sound system for investigating and governing hidden dangers. It improves the management mechanism of self-examination, self-correction, and self-reporting of hidden dangers, ensuring that the responsibility of investigating, controlling, and preventing accidents from the main responsible person to every employee. Moreover, it strengthens supervision and assessment of the implementation to ensure the effectiveness of the investigation and management of hidden dangers.

In addition, the Company identifies hidden dangers, dangerous factors, or defects in human unsafe behaviors, unsafe conditions of objects, or management defects that

may exist in the production process and safety management to determine their existence status and their potential to lead to accidents. This is done to formulate corrective measures to eliminate or control hidden dangers and hazardous factors.

Before carrying out the investigation of hidden dangers, specific investigation projects should be selected in the investigation project list based on the type of investigation, number of personnel, scheduling, and seasonal characteristics.

The investigation of hidden dangers can be categorized into on-site production hidden danger investigation and basic management hidden danger investigation, both of which can be conducted simultaneously. The frequency of basic management hidden danger investigation is once every quarter, and professional (electrical, fire protection, major equipment) investigations are conducted once a month.

The types of investigations mainly include daily hidden danger investigations, comprehensive hidden danger investigations, specialized hidden danger investigations, special or seasonal hidden danger investigations and supervisory inspections conducted by leaders at all levels.

Hidden danger investigation should achieve comprehensive coverage with clear accountability. They should integrate regular investigation with daily management, combine specialized investigation with comprehensive investigation, and integrate general investigation with focused investigation.



# Safety Emergency Management

The Company adheres to the principle of "people-oriented, minimizing harm, being vigilant, prevention first, unified leadership, hierarchical responsibility, clear responsibilities, and rapid response". While effectively managing regular risk, it also earnestly prepares for emergencies. The Company has established an emergency rescue leading group and compiled the "Emergency Response Plan for Production Safety Accidents", "Emergency Rescue Management System". It is equipped with emergency rescue equipments and tools, continuously enhancing the Company's emergency organization and on-site response capabilities to effectively handle potential occurrences such as fires, explosions, poisoning and asphyxiation, mechanical injuries and electric shocks in the process of actual use and storage.

In addition, to standardize and manage the activities of third parties conducting hazardous operations in the Company, and ensure safety during the operation process, we have formulated the "Operation Safety Management System". This system stipulates that before the operation, both the operating unit and the production unit should identify the potential hazards and harmful factors in the operation site and process, and formulate corresponding safety measures. At the same time, the operating unit should also inspect the operation site and the equipment, facilities, and tools involved in the operation. Additionally, individuals entering the operation site should wear safety helmets correctly. During the operation, the operators should follow the safety technical operation procedures for their respective job type, and wear the appropriate personal protective equipment correctly as required. Furthermore, coordination should be ensured for multi-trade and multi-level cross operations.

Spring is a high-risk period for fire hazards due to the high winds and dry conditions. Since the beginning of spring, the use of electricity has been on the rise, leading to a gradual increase in various potential factors that may trigger fires. In order to enhance the fire prevention awareness of employees, popularize fire safety knowledge, equip them with skills for fire evacuation and self-



Fire drill

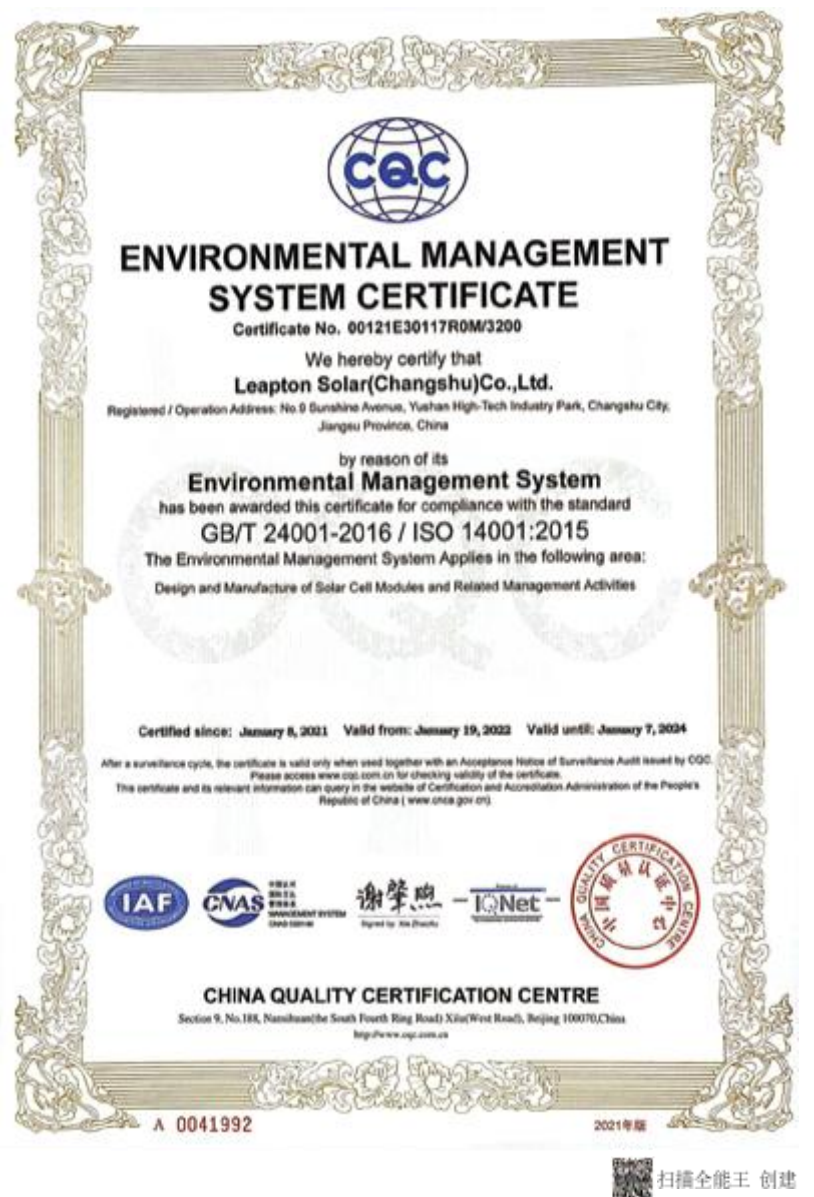


# Protecting the ecological environment

## Environmental Management

Under the strategic leadership of the Group Company, the Company strictly adheres to the requirements of national and local environmental protection policies and regulations, including the "Environmental Protection Law of the People's Republic of China", the "Air Pollution Prevention and Control Law of the People's Republic of China", the "Environmental Impact Assessment Law of the People's Republic of China", and the "Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China". Combining with technological innovation and events, the Company has increased investment in environmental protection funds and actively promoted environmental management work. During the reporting period, Lepton Solar has passed ISO 14001 environmental management system certification.





The Company has formulated the "Environmental Factor Identification and Evaluation Procedure" to identify and determine the environmental factors of the company's activities, products, and services.

### Identification steps

- A** Each department (workshop) designates personnel responsible for the identification of environmental factors.

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- B** Each department (workshop) conducts process analysis and on-site investigations to identify and register the environmental factors related to the products, activities, or services of this department (workshop). Fill out the "Environmental Factors Investigation Form".

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- C** Identify the actual or potential, direct or indirect negative impacts of the identified environmental factors on the environment.

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- D** The Safety and Environmental Protection Department of the Manufacturing Division is responsible for organizing the verification of the environmental factors listed in the "Environmental Factors Investigation Form", including checking for any omissions and the accuracy of the descriptions.

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- E** The confirmed environmental factors are entered into the "Environmental Factors Inventory", and the effectiveness and feasibility of existing control measures are investigated and confirmed.

In addition, the Company integrates the identification of environmental factors into the entire process of project design, construction, and operation. It strictly implements the "Three Simultaneities" management system for new, modified, expanded projects, and technological renovation projects. It promptly reports environmental monitoring data and environmental impact assessment results to local government departments, continuously improving environmental management performance.

## Environmental Protection Investment in 2024

Hazardous Waste Treatment

89505 RMB

Activated Carbon Procurement

110000 RMB

Environmental Protection Training

12000 RMB

Total

211505 RMB

# Energy management

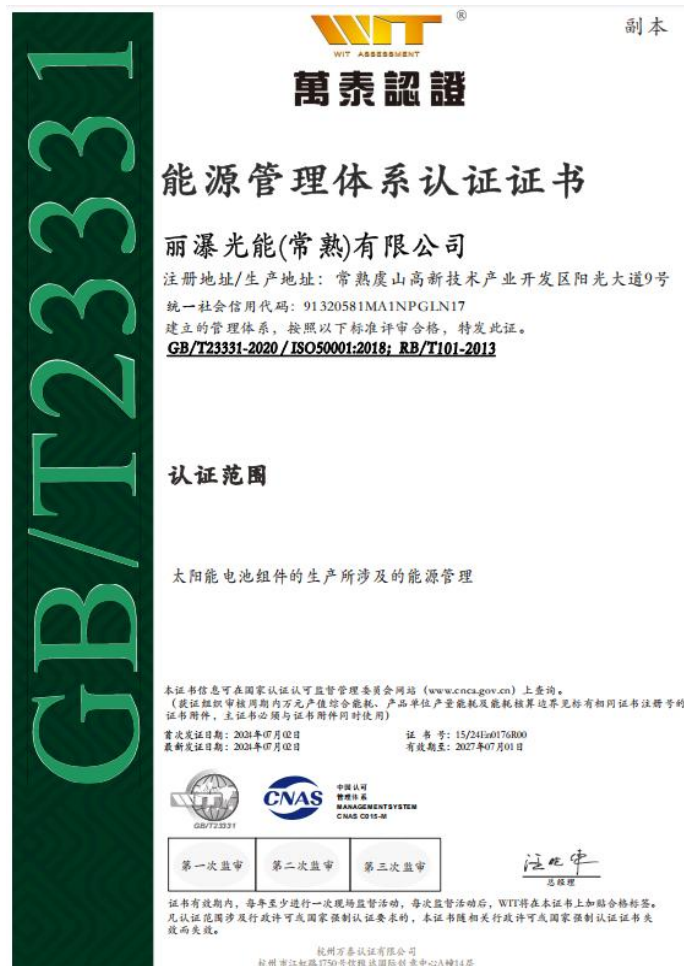
The Company adheres to the concept of green and sustainable development, relentlessly pursuing innovation in green environmental protection processes. We vigorously promote energy conservation and emission reduction technological transformation to minimize the negative impact of production and operation on the environment. We actively take measures to reduce resource consumption, achieving the organic unity of economic benefits and environmental value.

The Company actively promotes energy conservation and emission reduction projects, minimizes environmental impact through measures such as improving energy efficiency, adopting clean energy, and reducing carbon emissions. This includes strategic initiatives such as installing advanced energy-saving equipment, promoting renewable energy, and optimizing production processes.

In addition, to further strengthen the management of the Company's electricity consumption and to utilize the Company's power resources reasonably and effectively, we have formulated the "Related Management Regulations on the Company's Energy Conservation" to reduce energy consumption, save electricity expenses and ensure the normal operation of the work.

Energy Consumption Performance Data Overview Table

| Indicator                                   | Unit                   | 2024     | 2023      | 2022     |
|---|------------------------|----------|-----------|----------|
| Purchased power                             | (kWh)                  | 28945889 | 20428222  | 13304711 |
| Photovoltaic power generation               | (kWh)                  | 550788.4 | 1343196.4 | 1714784  |
| Comprehensive energy consumption tce        | 10,000kWh              | 3625.14  | 2675.7    | 1845.9   |
| Energy consumption per unit of output value | 10,000 kWh/10,000 yuan | 1.89     | 1.78      | 1.41     |



- Optimizing energy structure** | The Company replaces traditional energy sources such as coal with cleaner and more efficient solar energy to improve energy quality and utilization efficiency.
- Promoting energy-saving technology** | The Company actively utilizes various energy-saving technologies, such as employing frequency conversion technology, workshop super pipelines to enhance the energy utilization efficiency of equipment.
- Implementing resource recycling** | The Company enhances the efficiency of resource utilization and reduces natural resource consumption by implementing waste heat utilization.
- Establishing energy management and energy system mechanisms** | The Company has established energy management and energy system mechanisms to strengthen monitoring and evaluation of energy consumption, promptly identify and solve energy waste issues.
- Fostering employees' awareness of energy conservation** | Through training and education activities, the Company is committed to enhancing employees' awareness and skills in energy conservation. This initiative aims to strengthen the overall consciousness of energy conservation and consumption reduction among all employees, encouraging them to jointly participate in and support the Company's sustainable development goals.

## Waste Heat Utilization

The Company effectively utilizes waste heat by intelligently controlling the opening and closing of the insulation curtains of the workshop laminating machine. In the cold winter, by properly adjusting the temperature of the laminating area and opening the insulation curtains, the workshop temperature is effectively maintained, avoiding the need for additional air conditioning equipment.

# Water Resour

The Company strictly adheres to relevant regulations such as the "Water Law of the People's Republic of China", using regulatory compliance as the foundation. It continuously promotes multiple water-saving technological improvement projects aimed at eliminating issues such as waste, leakage, and inefficiency. This approach has resulted in dual benefits of resource conservation and reduced operating costs for the Company. The Company not only focuses on the use of water resources in daily operation, but also actively promotes the water recycling system. By improving the management of recycled water quality, including adjusting the formula to reduce the likelihood of corrosion and scaling, and improving the management of water replenishment, dosing, and discharge in the recycled water system, it ensures the cooling efficiency of water coolers, and avoids increasing energy consumption of water pumps and fans due to low heat exchange efficiency.



## Water Resources Performance Data Overview Table

| Indicator                            | Unit                       | 2024   | 2023   | 2022   |
|--------------------------------------|----------------------------|--------|--------|--------|
| Total Water Consumption              | Ton                        | 35,814 | 36,868 | 17,943 |
| Water Consumption per Unit of Output | Tons of Water per Megawatt | 23.7   | 24.49  | 13.67  |

# Addressing Climate Change

Under the unified deployment of Lepton Energy, the Company actively engages in addressing climate change.

Guided by the principles of green development, we collaborate with partners to actively develop the value chain of the photovoltaic industry upstream, midstream, and downstream. This advances energy transformation and upgrading, reduces dependence on fossil fuels, and mitigates the impact of climate change.

The Company not only emphasizes resource management in its business operations, but also actively invests in and develops rooftop solar power projects, such as PV panels.

By harnessing renewable energy, the Company reduces its dependence on traditional energy sources, lowers

greenhouse gas emissions, and provides sustainable solutions for its energy needs.

The Company actively responds to the global challenge of climate change by integrating renewable energy into its energy supply system, which not only helps to mitigate the overexploitation of Earth's resources but also promotes the use of clean energy, taking a solid step towards sustainable development goals.

We have set energy-saving and emission reduction targets, planning to save 3.4 million kWh of electricity by 2024 through distributed PV self-generating stations.

## Greenhouse Gas Emission Data

| Indicator                      | Unit             | 2024     | 2023     | 2022    |
|--------------------------------|------------------|----------|----------|---------|
| Total greenhouse gas emissions | tCO <sub>2</sub> | 16821.96 | 12416.24 | 8565.62 |



## PV Panel Power Generation

## Case

The Company's initiative to utilize PV panels for self-generating electricity is a green energy solution harnessing solar power. This approach can reduce reliance on traditional energy sources, lower energy consumption and carbon emissions, while also enhancing the Company's energy efficiency and sustainability. Our company started using a 1.5 MW distributed PV power station in November 2021, generating approximately 140,000 kWh per month and 1.7 million kWh per year. In 2024, we plan to install 3 MW of distributed power stations, with an estimated annual self-generating electricity of 3.4 million kWh.



# Pollution Prevention and Control

The Company strictly adheres to the laws and regulations of the People's Republic of China on the prevention and control of atmospheric pollution, the prevention and control of water pollution, and other laws and regulations in the operation locations. It actively engages in environmental pollution control and waste discharge management, strictly implements various environmental protection approvals.

近日  
省工信厅公示了  
2024年江苏省绿色工厂入围名单  
虞高新3家企业榜上有名



## —入围名单—

丽瀑光能(常熟)有限公司

Lepton Solar (Changshu) Co., Ltd. was listed in the list of green factories in Jiangsu Province in 2024

## Exhaust Gas

Various organized and unorganized exhaust gases generated in industrial processes, if not properly managed, will spread with the airflow and pose hazards to the environment and human health.

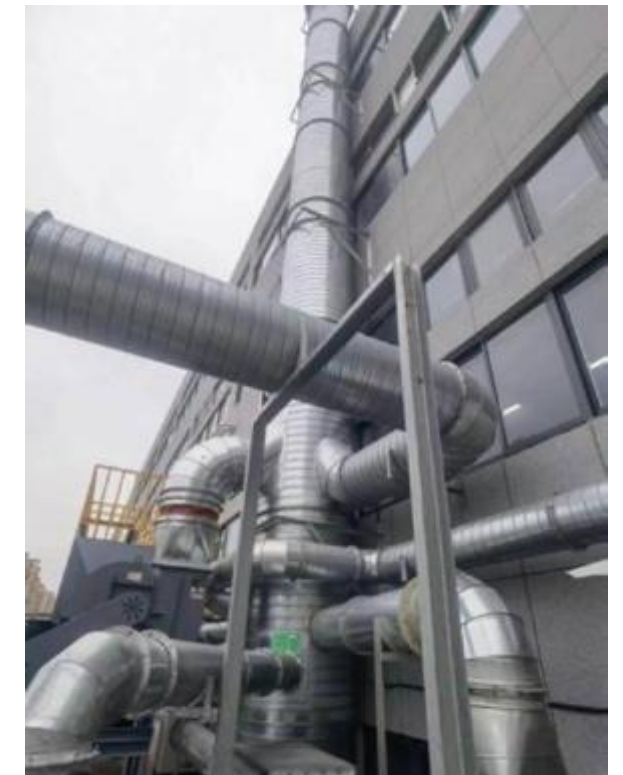
The Company is committed to effectively managing and controlling exhaust gas emissions. In terms of atmospheric pollution, it strictly adheres to local and national regulations and standards for exhaust gas emissions. Based on the national emission and atmospheric pollution control system, it reduces the impact of atmospheric pollutants on the environment through rigorous regulatory enforcement, efficient exhaust gas treatment technologies, etc. The Company treats exhaust gases in a targeted manner based on factors such as the location of emission, pollutants, emission rates, and their concentrations. It conducts regular inspections of exhaust gas treatment facilities and replaces adsorption media as needed to ensure stable operation and compliance with emission standards for various pollutants.



### Exhaust Gas Treatment Device: Activated Carbon Adsorption Method

### Case

This project adopts the activated carbon adsorption method to treat exhaust gases, including welding exhaust gases (tin and its compounds and isopropanol), solidified exhaust gases, and oil mist exhaust gases (non-methane total hydrocarbons). The welding exhaust gases are collected through a hood and treated by a secondary activated carbon absorption device, then discharged through a 15-meter-high P2 exhaust pipe with a fan airflow of 10,000m<sup>3</sup>/h. The solidified exhaust gases are treated by a secondary activated carbon absorption device and discharged in an organized manner with a fan airflow of 72,000m<sup>3</sup>/h. The oil mist exhaust gases are collected and treated by an oil mist purifier before being discharged outside the workshop in an organized manner with a fan airflow of 3,000m<sup>3</sup>/h.



The comparison of advantages and disadvantages of the purification process is shown in the following figure:

| Purification process               | Process features | Safety | Purification efficiency | Total investment<br>(One-time investment + operating costs) | Energy consumption | Presence of secondary pollution |
|------------------------------------|------------------|--------|-------------------------|---|--------------------|---------------------------------|
| Spray method                       |                  | Safety | High                    | High  | Low                | None                            |
| Activated carbon adsorption method |                  | Safety | High                    | Low   | Low                | There are                       |
| Plasma method                      |                  | Safety | High                    | High  | Low                | None                            |
| Bio-degradation method             |                  | Safety | Low                     | Low   | Low                | There are                       |

# Waste

Solid waste, waste auxiliary materials, discarded battery cells, unqualified products, waste scraps, and waste packaging materials generated in the production process will be sold to comprehensive utilization units. Waste heat transfer oil, waste engine oil, waste packaging barrels, waste activated carbon, and waste rags will be entrusted to qualified units for disposal. Household garbage will be entrusted to the local sanitation department for regular removal. All generated solid waste will be properly disposed of without any external discharge, ensuring no secondary pollution to the surrounding environment.

## Waste data

| General Waste Data  |      |         |  |  |
|---|------|---------|--|--|
| Indicator   | Unit | 2024    |  |  |
| Total amount of general waste generated (including non-hazardous waste) | Pcs  | 175.944 |  |  |

| Hazardous waste data                      |      |        |       |       |
|---|------|--------|-------|-------|
| Indicator                                 | Unit | 2024   | 2023  | 2022  |
| Total amount of hazardous waste generated | Ton  | 36.666 | 14.52 | 12.29 |
| Waste rags                                | Ton  | 0.124  | 0.80  | 0.41  |
| Waste activated carbon                    | Ton  | 15.173 | 6.72  | 6.77  |
| Used oil                                  | Ton  | 20.499 | 1.86  | 0.76  |
| Waste heat transfer oil                   | Ton  | 0      | 3.50  | 3.94  |
| Waste barrels                             | Ton  | 0.87   | 1.65  | 0.41  |
| Amount of hazardous waste transferred     | Ton  | 14.52  | 14.52 | 12.29 |
| Waste rags                                | Ton  | 0.124  | 0.80  | 0.41  |
| Waste activated carbon                    | Ton  | 15.173 | 6.72  | 6.77  |
| Used oil                                  | Ton  | 20.499 | 1.86  | 0.76  |
| Waste heat transfer oil                   | Ton  | 0      | 3.50  | 3.94  |
| Waste barrels                             | Ton  | 0.87   | 1.65  | 0.41  |
| Hazardous waste disposal rate             | %    | 100    | 100   | 100   |

# Noise management

The Company strictly adheres to local and national noise emission standards and regulations, ensuring that the noise emissions at the factory boundary are within the prescribed limits.

The main noise source of the project is the operational noise generated by equipment. The Company effectively reduces vibration transmission and operational noise generation by installing anti-vibration foundations on the equipment base. Additionally, the Company reduces noise propagation and reflection by using sound insulation materials (such as sound-absorbing walls, acoustic panels, etc.) inside the workshop or by setting obstacles (such as noise barriers, noise enclosures, etc.) along the noise propagation path.

# Wastewater

There is no production wastewater discharge in the Company. According to the Company's "Wastewater, Waste Gas and Noise Management System", domestic sewage is directed to Yushan Sewage Treatment Plant in Changshu City for centralized treatment. Meanwhile, the Company annually hires qualified testing agencies to sample and test wastewater, and all testing data comply with the

standards.



# Green office

Under the unified leadership of the Group Company, Leapton Solar actively responds to national sustainable initiatives. While focusing on environmental protection issues in the production and operation process, we also actively promote green and low-carbon office practices. The Company creates a green and environmentally friendly office atmosphere for employees and promotes energy-saving and consumption-reducing office equipment. Through efficient and pragmatic management measures and the subtle transmission of concepts, the Company guides all employees to develop an energy-saving and environmentally friendly office and lifestyle awareness, thus building an environmentally friendly enterprise.

To enhance the overall environmental awareness and competence of employees, the Company regularly carries out environmental awareness promotion activities (including both internal and external promotion), and conveys environmental values and sustainable development concepts to both internal and external audiences through company websites, social media, employee communications, etc., encouraging employees and stakeholders to take environmental actions.

In addition, the Company actively engages in various public welfare activities of environmental protection, such as organizing recycling and reuse programs for suppliers and customers to reduce the amount of waste and its environmental impact. Such programs involve the collection and proper disposal of materials such as paper, plastic, glass, and metal, ensuring that they are properly processed and reused. Moreover, the Company organizes tree planting activities for employees to restore ecosystems, improve air quality, and protect biodiversity. At the same time, the Company encourages employees to participate in environmental volunteer activities, such as riverbank and beach cleaning, urban greening, etc., to enhance their environmental awareness.

At the same time, the Company provides comprehensive environmental training programs for employees, including employee training, management training, and supplier training. The training content covers environmental regulations, energy conservation and emission reduction technologies, sustainable procurement, and supply chain management. This is aimed at enhancing the environmental awareness and skills of employees and partners, promoting the implementation of sustainable operations, and ensuring that the concept of green office is deeply rooted in the daily work of each employee. We encourage employees:

To prioritize the purchase and use of environmentally friendly office products, reducing the consumption of natural resources.

The Company prioritizes environmentally friendly materials in the procurement of office supplies to reduce the consumption of natural resources.

Equipped with energy-efficient office equipment and facilities, including computers, printers, and air conditioners. Reduce energy consumption and demand for electricity resources by adopting advanced energy-saving technologies.

Promote the effective waste sorting and disposal in office areas, and encourage employees to separate waste paper, plastics and other recyclables for disposal.

Reduce the frequency of driving, try to take public transportation and ride bicycles, etc.



# Continuously Benefiting Society

Taking from society, giving back to society.

As a company with a strong sense of social responsibility, Lepton Solar firmly upholds the original intention and mission of the Group Company. The Company focuses on green development and social welfare while continuously improving economic benefits. We actively engage in various charitable donations and volunteer activities through multiple channels and perspectives to enhance corporate credibility and build a positive image as a responsible enterprise. In addition, the Company has established the "Xuzhao Charity Fund", mainly dedicated to the directions of "assisting medical treatment" and "assisting education", hoping to provide assistance to those in need and spread love by contributing to medical care and education initiatives.

In order to better fulfill the Company's social responsibilities and civic obligations, and to aid disadvantaged groups, the Company is continuously exploring new models of philanthropic donations, and carrying out diversified charitable donation activities based on its own strengths and expertise.



## As of 2024, the donation projects and amounts of Lepton Solar

|  |                           |   |                           |
|--|---------------------------|---|---------------------------|
| Changshu Second Hospital Commuter Bus Donation Project   | 448,900.00 <sub>RMB</sub> | Lighting renovation for Dayi Middle School and Dayi Elementary School<br>Education assistance | 297,000.00 <sub>RMB</sub> |
| Improvement Project of 6KW+10KW Photovoltaic Storage Power Supply System for Herdsmen's Post Station | 119,786.00 <sub>RMB</sub> | Sihong Education Assistance Project<br>Education assistance                                   | 204,000.00 <sub>RMB</sub> |
| 2024 Charity Medical Service   | 297,000.40 <sub>RMB</sub> | Condolences to caregivers at Changshu Nursing Home Others                                     | 298,202.40 <sub>RMB</sub> |
| Garbage Classification Education Center 3.5KW+5KWh Photovoltaic Storage Project                      | 55,813.00 <sub>RMB</sub>  | Medical assistance  | 297,000.00 <sub>RMB</sub> |
|  |                           | Qinchuan Street project   | 100,000.00 <sub>RMB</sub> |
|  |                           | Education assistance  | 96,000.00 <sub>RMB</sub>  |
|  |                           | Changfu Street project  | 60,000.00 <sub>RMB</sub>  |

## One Hundred Charity Medical Consultation Events

The Xuzhao Charity Fund has signed agreements with the Changshu No.1 People's Hospital, Changshu No.2 People's Hospital, and Changshu Traditional Chinese Medicine Hospital to hold one hundred public welfare medical consultations in various communities and villages across the city. These consultations aim to promote health education and disease prevention and treatment, providing free consultation and treatment for community residents, allowing the general public to access high-quality medical resources from city-level hospital experts right at their doorstep.

In 2024, there were 33 medical consultations held at Changshu No.1 People's Hospital, involving 382 medical staff and benefiting 4,000 people. At Changshu No.2 People's Hospital, there were 34 medical consultations with 489 medical staff, benefiting 4,533 people. And at Changshu new Traditional Chinese Medicine Hospital, there were 38 medical consultations with 340 medical staff, benefiting 7,800 people.



**November 2024**

Targeted donation of the light storage project of Sihu Village, Bixi Street

**September 2024**

Targeted donation of light storage projects in areas with electricity difficulties

**November 2020**

Dayi Middle School Love Education Award

**2017-2022**

Changshu Charity Federation (Foundation) Targeted Donations (Sinan Tianqiu Elementary School, Changfu Street)

**December 2017**

Award for Poverty Alleviation and Assistance to the Disabled and Weak



# Future Prospects

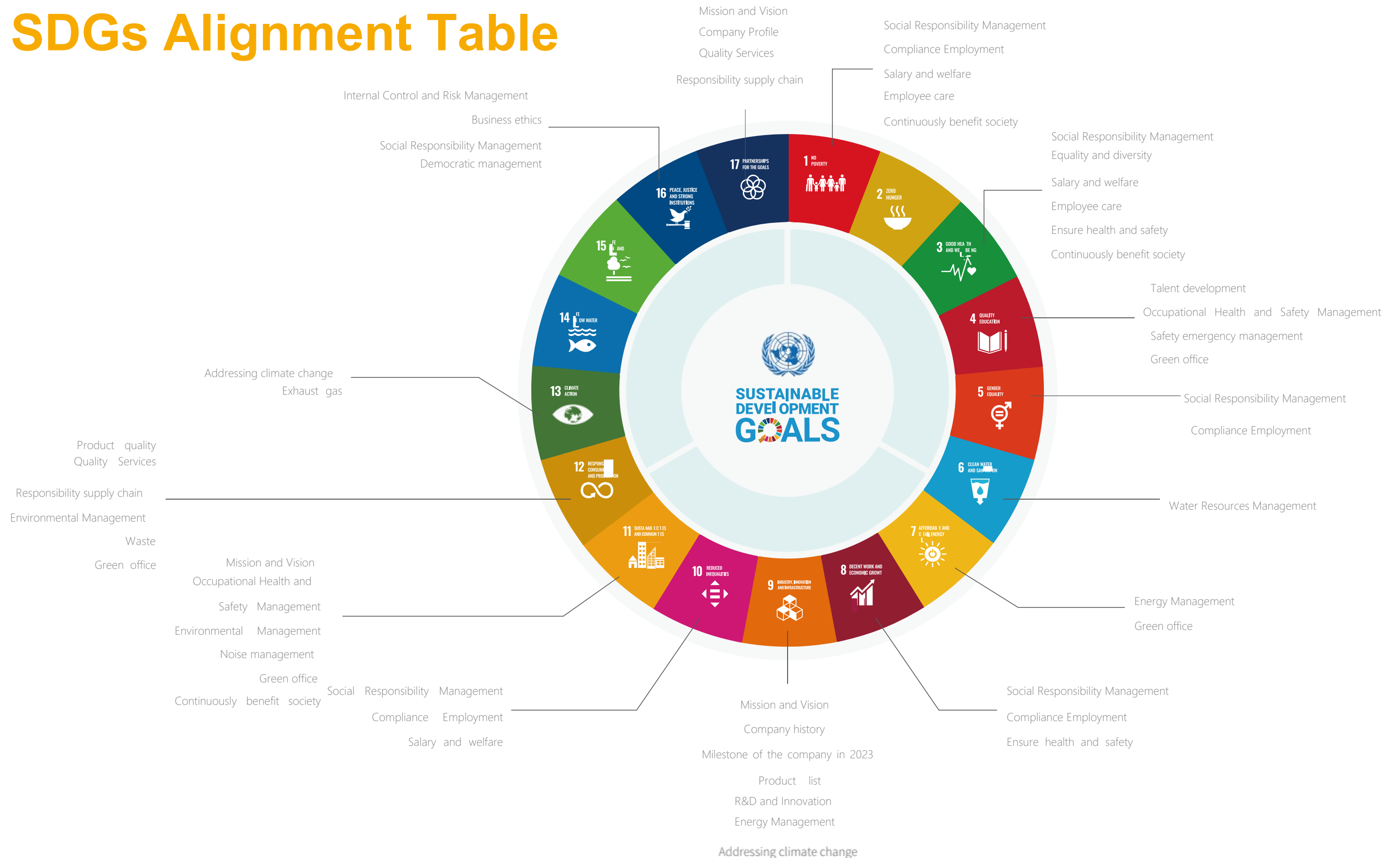
As a staunch supporter and active participant in addressing climate change, Leapton Energy is deeply aware of the climate risks and opportunities it encounters at a time when environmental challenges are increasingly severe, and is forging ahead on the path of clean energy to ensure that the development of our Group Company aligns with China's goals of peaking carbon emissions and achieving carbon neutrality.

In order to achieve the sustainable development goals of the enterprise, the Group Company will establish a comprehensive sustainable development management system, consolidate the work foundation, and integrate various elements such as concepts, strategies, planning, and evaluation. Meanwhile, the Group Company continues to advance sustainable development efforts, continuously enhancing capabilities in governance, green supply chain, labor management, climate change, and other issues. This effort aims to facilitate the integration of the Group Company with sustainable development, effectively improve the sustainable management system, and establish industry benchmarks.

Pursuing brightness, advancing courageously. Looking forward to the future, the Group Company will continue to take solid steps on the path of sustainable development. Through continuous innovation and practice, the Group Company looks forward to contributing to the advancement of the entire industry towards a greener and more sustainable direction, shaping a brighter future.



# SDGs Alignment Table



# GRI Index of Indicators

| Instructions for use                  |   |                                  | Leapton Energy reported the information referenced in this GRI Content Index in accordance with the GRI Standards for the period January 1, 2024 - December 31, 2024. |
|---------------------------------------|---|----------------------------------|---|
| GRI 1 used                            |   |                                  | GRI 1: Foundation 2021  |
| GRI Standards                         | Disclosure  | Location                         |   |
| GRI2: General Disclosure              | 2-1 Organizational details  | Company Profile                  |   |
|                                       | 2-2 Entities included in the organization's sustainability reporting                  | Period covered by this report    |   |
|                                       | 2-3 Reporting period, frequency and contact point                                     | Report Introduction              |   |
|                                       | 2-4 Restatements of information   | /                                |   |
|                                       | 2-5 External assurance  | Assurance Statement              |   |
|                                       | 2-6 Activities, value chain and other business relationships                          | Company Profile                  |   |
|                                       | 2-7 Employees   | Compliance Employment            |   |
|                                       | 2-9 Governance structure and composition  | Organizational Structure         |   |
|                                       | 2-12 Oversight role of the highest governance body with respect to management impacts | Social Responsibility Management |   |
|                                       | 2-14 The role of the highest governance body in sustainability report                 | Social Responsibility Management |   |
|                                       | 2-16 Communication of important concerns  | Communication with Stakeholders  |   |
|                                       | 2-19 Remuneration policy  | Salary and welfare               |   |
|                                       | 2-20 Procedures of determining compensation   | Salary and welfare               |   |
|                                       | 2-26 Mechanisms for seeking advice and raising concerns                               | Democratic management            |   |
|                                       | 2-29 Approach to stakeholder engagement   | Communication with Stakeholders  |   |
| 2-30 Collective bargaining agreements | Democratic management   |                                  |   |

|                                  |   |  |
|----------------------------------|---|--|
| GRI3:Substantive Issues          | 3-1 Process to determine substantive issues   | Opportunities to Communicate with Stakeholders |
|                                  | 3-2 List of substantive issues  | Opportunities to Communicate with Stakeholders |
|                                  | 3-3 Management of substantive issues  | Opportunities to Communicate with Stakeholders |
| GRI201:Economic Performance      | 3-3 Management of substantive issues  | 5. Addressing Climate Change                   |
|                                  | 201-2 Financial impacts of climate change and other risks and opportunities           | Addressing climate change                      |
| GRI205:Anti-corruption           | 3-3 Management of substantive issues  | 17. Business ethics                            |
|                                  | 205-2 Communication and training about anti-corruption policies and procedures        | Anti-corruption and integrity                  |
| GRI205:Anti-competitive behavior | 205-3 Confirmed incidents of corruption and actions taken                             | Anti-corruption and integrity                  |
|                                  | 3-3 Management of substantive issues  | 17. Business ethics                            |
| GRI302: Energy                   | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Business and trade compliance                  |
|                                  | 3-3 Management of substantive issues  | 2. Energy management                           |
|                                  | 302-1 Energy consumption within the organization                                      | Energy Management                              |
|                                  | 302-2 External energy consumption of the organization                                 | Energy Management                              |
| GRI303: Water and effluents      | 302-4 Reduced energy consumption  | Green office                                   |
|                                  | 3-3 Management of substantive issues  | 4. Water Resources Management                  |
|                                  | 303-4 Water discharge   | Water Resources Management                     |
| GRI306: Waste                    | 303-5 Water consumption   | Water Resources Management                     |
|                                  | 3-3 Management of substantive issues  | 3. Pollution Prevention and Control            |
|                                  | 306-3 Waste generated   | Waste  |
|                                  | 306-4 Waste diverted from disposal  | Waste  |

|   |   |   |
|---|---|---|
| GRI401: Employment                      | 3-3 Management of substantive issues  | 7.Compliance Employment<br>8.Welfare and Caring Initiatives |
|   | 401-1 New employee hires and employee turnover  | Compliance Employment                                       |
|   | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Welfare Care  |
|   | 401-3 Parental leave  | Equality and diversity                                      |
| GRI403: Occupational Health and Safety  | 3-3 Management of substantive issues  | 10. Occupational Health and Safety                          |
|   | 403-1 Occupational health and safety management system  | Occupational Health and Safety Management                   |
|   | 403-2 Hazard identification, risk assessment, and incident investigation  | Safety risk management and control                          |
|   | 403-3 Occupational Health and Safety  | Occupational Health Protection                              |
|   | 403-5 Worker training on occupational health and safety   | Occupational Health and Safety Management                   |
|   | 403-6 Promotion of worker health  | Occupational Health Protection                              |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Safety risk management and control                          |
|   | 403-8 Workers covered by an occupational health and safety management system  | Occupational Health and Safety Management                   |
| GRI404: Training and Education          | 3-3 Management of substantive issues  | 9.Talent Development  |
|   | 404-1 Average number of training hours per employee per year  | Talent development  |
|   | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | Talent development  |
| GRI405: Diversity and Equal Opportunity | 3-3 Management of substantive issues  | 7.Compliance Employment                                     |
|   | 405-1 Diversity of governance bodies and employees  | Compliance Employment                                       |
| GRI413: Local communities               | 3-3 Management of substantive issues  | 15. Social Welfare  |
|   | 413-1 Operations sites with local community engagement, impact assessments, and development programs                | Continuously benefit society                                |
| GRI414: Supplier Social Assessment      | 3-3 Management of substantive issues  | 14. Responsibility Supply Chain                             |
|   | 414-1 New suppliers that were screened using social criteria  | Responsibility supply chain                                 |
| GRI416: Customer Health and Safety      | 3-3 Management of substantive issues  | 13. Excellent Service                                       |
|   | 416-1 Assessment of the health and safety impacts of product and service categories                                 | Quality Services  |