

CONTENTS

About This Report	1
Letter from the Chairman	3
About Jolywood	5
Sustainable Development Management	13

Topic:
Pioneering Green Energy Solutions to Accelerate Low-Carbon Industry Transition 17

Future Outlook	109
Appendix	111

Key Performance Form	111
Indexes	116
Feedback Form	118

01

Compliance Governance, Strengthening the Foundation

21

Consolidation of the Leading and Steering Role of Party Building	23
Corporate Governance Compliance	25
Strengthening Compliance and Internal Control	28
Improving Investor Relations Management	30
Adherence to Business Ethics	31

02

Green, Low-Carbon, Energy Conservation, and Efficiency Enhancement

33

Responding to Climate Change	35
Environmental Compliance Management	41
Resource Consumption Management	50
Focus on Ecological Protection	58

04

Recruiting Talents and Caring for Employees

83

Protection of Employees' Rights and Interests	85
Talent Cultivation and Development	89
Strengthening Employee Care	93
Strict Adherence to Safety Standards	97

03

Excellence in Innovation and Quality Service

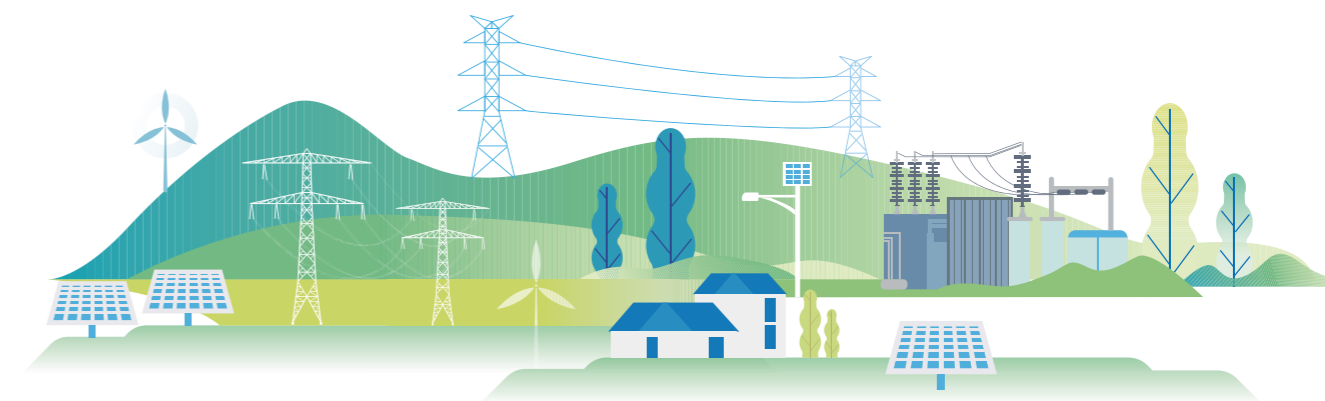
61

Technological Innovation and Research & Development	63
Product Quality Management	70
Protection of Customers' Rights and Interests	75
Sustainable Supply Chain	78

05

Striving for Goodness, Pursuing a Bright Future

105



About This Report

Introduction of the Report

This report is the fourth annual environmental, social, and governance (ESG) report published by Jolywood (Suzhou) Sunwatt Co., Ltd. (hereinafter referred to as "Jolywood", the "Company", "We"). It aims to disclose the practices and performance of Jolywood in respect of environmental protection, social responsibility fulfillment and corporate governance for the year 2024 in an objective, normative, transparent and all-inclusive manner.

Organizational Scope

The report subject is related to Jolywood (Suzhou) Sunwatt Co., Ltd., including its important affiliated and holding subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company's Annual Report.

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024. In order to enhance the comparability and completeness of the report, some of the contents may appropriately trace back to previous years or have forward-looking descriptions.

Preparation Basis

- *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial)*
- *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3 - Preparation of Sustainability Reports*
- Global Reporting Initiative *GRI Standards* as a "reference" standard
- China Enterprise Reform and Development Research Association *Guidelines for Sustainable Development Reporting for Chinese Enterprises (CASS—ESG 6.0)*
- Recommendation Framework of the Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainable Development Goals (SDGs) of the United Nations
- Sustainability Accounting Standards Board (SASB) Standards

Data Explanation

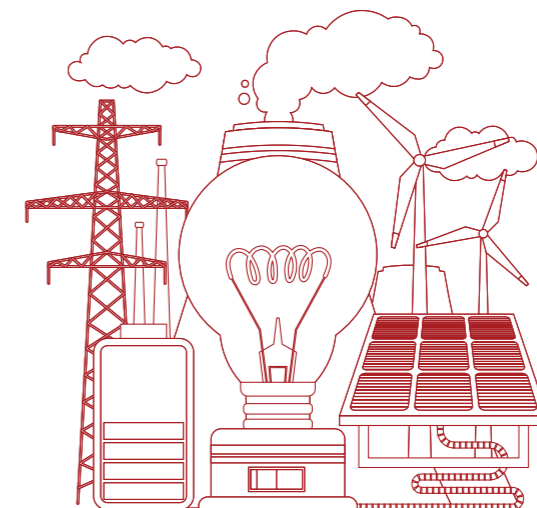
The data sources used in this report include Jolywood's official documents, statistical reports and financial reports, third-party questionnaires, public documents, etc. This report doesn't contain any false records, misleading statements, or material omissions. Unless otherwise specified, all amounts in this report are expressed in RMB. For any data discrepancy between this report and the financial statements, the financial statements shall prevail.

Appellation Description

Abbreviation	Jolywood (Suzhou) Solar Material
Jolywood/the Company/We	Jolywood (Suzhou) Sunwatt Co., Ltd.
Taizhou Jolywood	Jolywood (Taizhou) Solar Technology Co., Ltd., a holding subsidiary of Jolywood (Suzhou) Sunwatt Co., Ltd.
Jolywood Minsheng	Jolywood Minsheng New Energy Co., Ltd., a holding subsidiary of Jolywood (Suzhou) Sunwatt Co., Ltd.
Shanxi Jolywood	Shanxi Jolywood Solar Cell Technology Co., Ltd., a wholly-owned subsidiary of Jolywood (Suzhou) Sunwatt Co., Ltd.
Jolywood (Suzhou) Solar Material	Jolywood (Suzhou) Solar Material Technology Co., Ltd. a wholly-owned subsidiary of Jolywood (Suzhou) Sunwatt Co., Ltd.

Access to this Report

This report is issued in a digital format. You can view and download the electronic copy of the report and obtain more company information on the Shenzhen Stock Exchange (<http://www.szse.cn>), the official website of Jolywood (Suzhou) Sunwatt Co., Ltd. (<http://www.jolywood.cn>), and the cninf (www.cninfo.com.cn).



Letter from the Chairman



Welcome to read the 2024 ESG Report of Jolywood. On behalf of the Board of Directors of Jolywood, I would like to express my sincere gratitude to all the friends who have long cared for and supported the Company!

2024 has been a year of challenges and opportunities. Against the backdrop of accelerating global energy transition, Jolywood adheres to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, closely aligns with the national Carbon Peaking and Carbon Neutrality Goals, and leads the Company's high-quality development through Party building. By transforming the Party's political advantages into driving forces for enterprise development, we are promoting the deep integration of Party building with production and operations, injecting strong momentum into the Company's sustainable development.



Innovation drives vitality, and green development progresses together

In 2024, we have forged ahead with determination and innovation, adhering to the corporate mission of "Same Sunshine, More Value", and following the spirit of "Striving, Innovating, Focusing". We have deeply cultivated the green energy field. With technological innovation as our engine, we have driven the upgrade of n-type TOPCon cell technology, launched the n-type Fully-tempered One-stop Encapsulation Solution, and expanded the "Photovoltaic (PV) +" application scenarios, contributing to the global energy transition. At the same time, we actively respond to national policies, promote green and low-carbon development, and contribute to the achievement of carbon neutrality goals.

The rule of law is the foundation of governance, and integrity is the cornerstone of enterprise success

In 2024, We continued to improve our corporate governance structure, revise governance systems, and enhance our governance capabilities. We strengthened communication and cooperation with stakeholders, including shareholders, customers, employees, and suppliers, actively responding to their concerns and striving to achieve mutual development for both the enterprise and society. We attach great importance to information disclosure, ensuring the authenticity, accuracy and completeness of all information, while fully protecting our investors' right to know.

Diversity and inclusion foster harmony, and social responsibility remains one of our top priorities

In 2024, we maintained our core belief that talent is the Company's primary resource and that corporate development is driven by talent. We care for employee growth, improve the employee benefits system, strengthen employee training and development, and provide extensive career development opportunities. We actively fulfill our social responsibilities, contribute to rural revitalization, support public welfare initiatives, and strive to create more value for society.

Steep the climb, long the way — bright the stars, vast their play

In 2025, Jolywood will remain true to its original aspirations, advancing steadily toward its vision as a "Cultivator of Green Energy", working closely with global partners to promote the high-quality development of the new energy industry!

Chairman of Jolywood (Suzhou) Sunwatt Co., Ltd.
Cao Lu

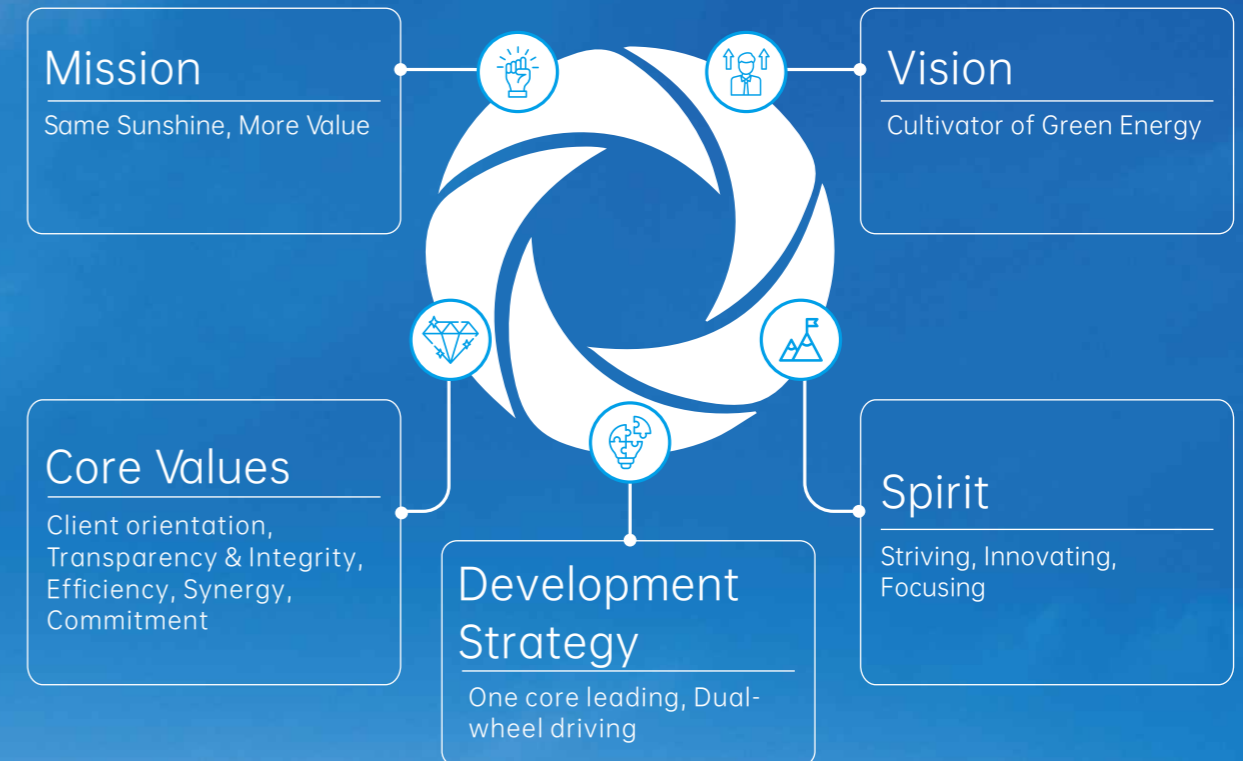
About Jolywood

Company Profile

Established in 2008, Jolywood (Stock Code: 300393.SZ) was successfully listed on the Growth Enterprise Market of the Shenzhen Stock Exchange in 2014. We specialize in the research and development (R&D) and manufacturing of photovoltaic products, focusing on the green energy industry chain. We aim to become an internationally competitive, world-class manufacturer of PV products and a leading provider of smart energy services.

The Company's main businesses include PV auxiliary materials, high-efficiency solar cells and modules, and PV system solutions. We focus on advanced materials, cutting-edge technology, innovative integration, and multi-product synergy in the new energy industry. Aligning with industry trends, we are gradually building an interactive, complementary, and symbiotic platform. By continuously deepening our involvement in new energy technologies and markets, we strive to build a future-oriented industrial ecosystem and contribute to the realization of green energy and the "3060" Carbon Peaking and Carbon Neutrality goal.

Corporate Culture



Major Honors in 2024

Since its establishment, the Company has received numerous honors, including: Global Top 500 New Energy Enterprises; National Torch Program Key High-tech Enterprise; National Green Factory; National "Specialized, Refined, Differentiated and Innovative" Little Giant Enterprise; Leading Enterprise in the Photovoltaic Industry Chain in Shanxi Province; Vice Chairman Unit of Jiangsu Photovoltaic Industry Association; Manufacturing Single-Champion Enterprise by Jiangsu Provincial Department of Industry and Information Technology; CNAS Accredited Laboratory, TÜV NORD, TÜV SÜD, TÜV Rheinland, UL Solutions Witness Laboratory, Jiangsu Photovoltaic Thin-film Materials Engineering Technology Research Center, and other development and testing platforms.

In 2024, the Company continued to focus on its main business and achieved numerous significant accomplishments, receiving various industry accolades and social recognition:



Honorary Awards	Honorary Awards	Award Time
Award Winner for Best Carbon Neutral Practitioner within Solar & Energy Storage Industry	TÜV SÜD Greater China Group	2024.1
2023 High-Quality Residential & Commercial Innovation Brand Award	Organizing Committee of the 7th China Distributed Photovoltaic Conference	2024.2
Top 10 Residential Photovoltaic Brands	Organizing Committee of the 7th China Distributed Photovoltaic Conference	2024.2
AEO Senior Certification Enterprise Certificate	Nanjing Customs of the General Administration of Customs of the People's Republic of China	2024.2
2023 Leading Photovoltaic Cell Enterprise in China's Renewable Energy "Top 100"	Jiangsu Province Renewable Energy Industry Association	2024.3
2024 Top 10 Industrial Enterprises	CPC Taizhou City Jiangyan District Committee and People's Government of Jiangyan District, Taizhou	2024.3
2023 5A-Level "Talent Empowerment Enterprise" Advanced Unit	CPC Taizhou City Jiangyan District Committee and People's Government of Jiangyan District, Taizhou	2024.3
2023 Top 10 Technology Innovation Enterprises	CPC Taizhou City Jiangyan District Committee and People's Government of Jiangyan District, Taizhou	2024.3
2023 Top 10 Foreign Trade Enterprises	CPC Taizhou City Jiangyan District Committee and People's Government of Jiangyan District, Taizhou	2024.3
2023 Photovoltaic Manufacturing Intelligent Demonstration Enterprise	Jiangsu Photovoltaic Industry Association	2024.3
Outstanding Contribution Award for Distributed Energy	China (Jinan) Solar Energy Utilization Conference	2024.3



Honorary Awards	Honorary Awards	Award Time
2023 China Corporate Carbon Neutrality Performance List - Energy-saving and Carbon Reduction Achievement Award	Yicai	2024.4
2023 Best Supplier of n-type Photovoltaic Cells	Shanghai Solar Energy Society	2024.4
National 8th Batch of Manufacturing Single-Champion Enterprise	Ministry of Industry and Information Technology of the People's Republic of China	2024.4
Vice Chair Unit of Intelligent Photovoltaic Industry Professional Committee of Shanxi Solar Energy Association	Shanxi Solar Energy Association	2024.5
2023 Outstanding Member Unit of Shanxi Solar Energy Association	Shanxi Solar Energy Association	2024.5
TOPCon Photovoltaic Cell Innovation Technology Award	Photovoltaic Market Research Report	2024.5
2024 Global Best Photovoltaic Materials Supporting Enterprise Brand Award	Century New Energy Network	2024.6
TOP PERFORMER Award of PV Module Reliability Scorecard	Kiwa PVEL	2024.6
Jiangsu Provincial Technology and Engineering Research Center	Jiangsu Development and Reform Commission	2024.8
Vico Cup Ofweek 2024 Ultra-High Efficiency Photovoltaic Cell Award	OFweek	2024.8
13th BJX Cup 2024 Annual Influential Photovoltaic Cell Brand	GUANGFU.BJX.COM.CN	2024.9
2024 Asia Photovoltaic Innovation Enterprise	Green Energy Industry Development Association	2024.10
2024 China Distributed Photovoltaic Excellence Enterprise	China Distributed Photovoltaic and Energy Storage Brand Alliance	2024.10
Jiangsu Photovoltaic Science and Technology Award	Jiangsu Photovoltaic Industry Association	2024.11
2024 Residential Photovoltaic Brand Influence Enterprise	www.solarenpv.com	2024.11
2024 Photovoltaic Industry Excellence Quality Award	Photovoltaic Leaders Innovation Forum (LT.TESTPV.COM)	2024.12
Most Influential Photovoltaic Module/Solar Cell/Photovoltaic Auxiliary Materials Enterprise	www.solarbe.com	2024.12
2024 Excellent Contribution Enterprise	Green Energy Industry Development Association	2024.12



2023 China High-Quality Residential and Commercial Innovation Brand



2023 Leading Photovoltaic Cell/Module Enterprise in China's Renewable Energy "Top 100"



National 8th Batch of Manufacturing Single-Champion Enterprise



2024 Top 10 Industrial Enterprises



2023 Photovoltaic Manufacturing Intelligent Demonstration Enterprise



Jiangsu Provincial Technology and Engineering Research Center



2024 Asia Photovoltaic Innovation Enterprise



2024 China Distributed Photovoltaic Excellence Enterprise

Key Figures of 2024



Economic Performance

Revenue
RMB **6.096** billion

Net Asset Attributable to Shareholders of the Listed Company
RMB **3.371** billion

Total Assets
RMB **16.617** billion

Total Tax Paid
RMB **440** million

General Meetings of Shareholders Convened
3 times

Percentage of Female Directors
11.11%

Meetings of the Board of Directors Convened
6 times

Percentage of Independent Directors
33.33%

Meetings of the Board of Supervisors Convened
5 times

Governance Performance

Environmental Performance

Total Environmental Investment
RMB **43.5048** million

Conformance Rate Observed in Pollutant Monitoring
100%

Photovoltaic Power Generation
17,642.61 MWh

Carbon Emissions Reduced through PV Power Generation
14,484.58 tCO₂e

Environmental Incidents
0

Number of Environmental Training Sessions
7 times

Investment in R&D
RMB **2.47** million

Duration of Responsible Marketing Training
1,282.60 hours

Total Number of Granted Patents
310

Social Insurance Coverage Rate
100%

Customer Complaint Resolution Rate
100%

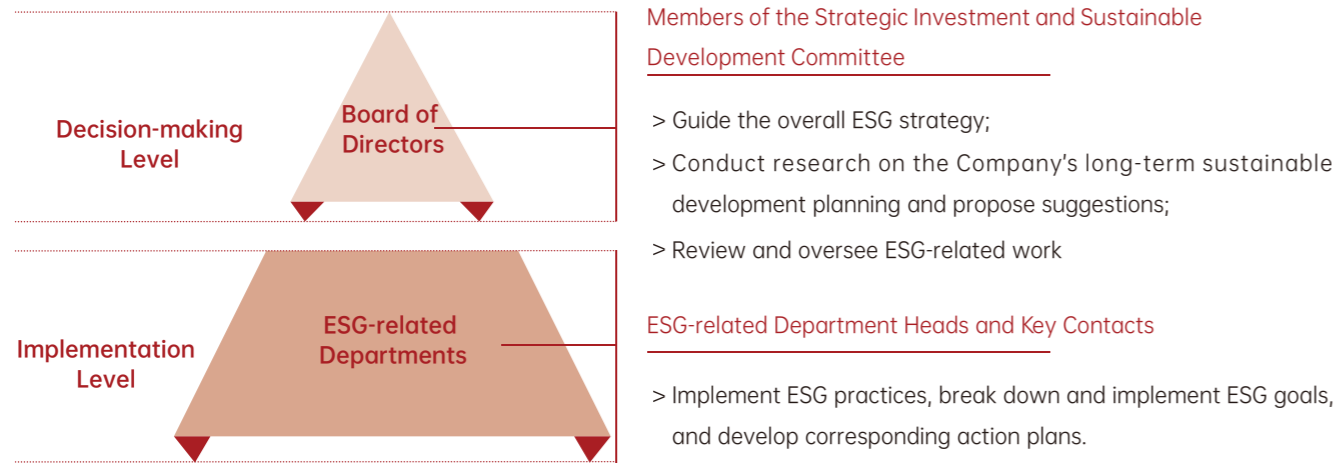
Investment in Work Safety
RMB **11.4041** million

Social Performance

Sustainable Development Management

Sustainable Development Governance

Jolywood adheres to the vision of being a "Cultivator of Green Energy" and focuses on enhancing its sustainability capabilities. The Company actively integrates the ESG management system into its strategic planning and operational management. The Company has established a Strategic Investment and Sustainable Development Committee to construct a governance structure for sustainable development, actively fulfilling its responsibilities in the areas of environment, society, and corporate governance, and promoting the Company's sustainable development efforts.



Building a Sustainable Culture

To strengthen the ESG capabilities of team members involved in sustainable development management, the Company has intensified ESG awareness, actively conducted systematic ESG training and promotion, and integrated ESG into various job functions. This fosters carbon reduction awareness and incorporates ESG principles into business management, enhancing the Company's sense of social responsibility and market competitiveness.

Case Specialized Training on ESG

On December 18, 2024, Jolywood held in-person training on ESG Report writing and performance enhancement. Through the introduction of ESG concepts, impacts, materiality, and relevant policies and standards, as well as an analysis of the ESG report preparation process and key considerations, the Company has continuously improved its employees' ESG awareness and practical abilities, working together to fulfill its sustainable development goals.



Scene of Specialized Training on ESG

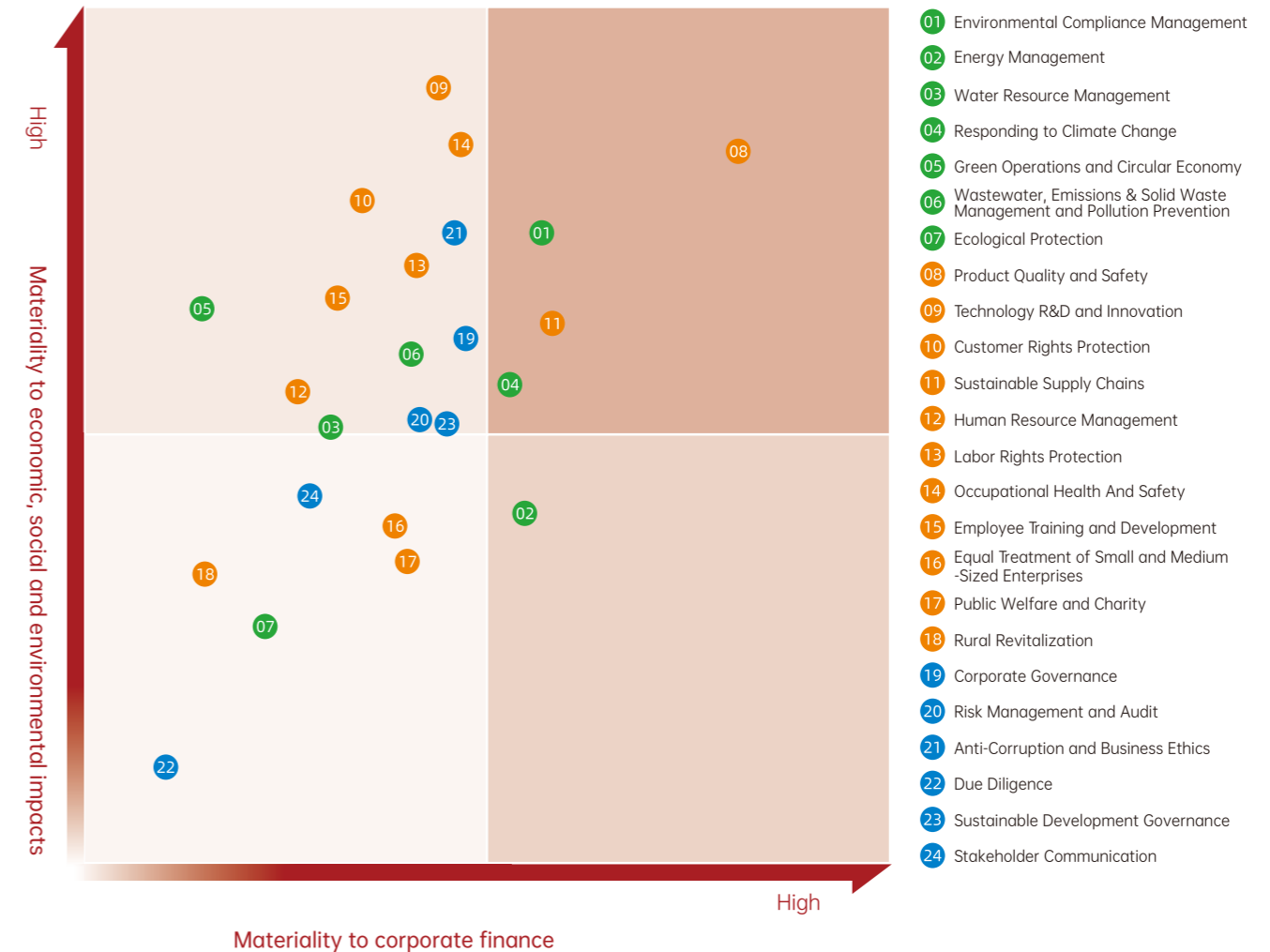
Stakeholder Communication

Jolywood prioritizes multi-stakeholder participation and interactive communication. Based on the characteristics of different stakeholders, the Company actively builds regular communication mechanisms and diverse communication channels with stakeholders, fostering strong collaborative relationships with both internal and external stakeholders. This helps achieve mutual advancement and shared value creation across the ecosystem.

Stakeholders	Topics of Concern	Communication Channels	Communication Frequency
Government/Regulatory Authorities	<ul style="list-style-type: none"> Responding to Climate Change Environmental Management and Compliance Triple Wastes Management and Pollution Control Energy Management Water Resource Management Risk Management and Audit 	<ul style="list-style-type: none"> Information Disclosure Supervision and Assessment Phone Calls and Emails On-site Investigation WeChat Organized Exchange and Research 	Irregular
Shareholders/Investors	<ul style="list-style-type: none"> Corporate Governance Risk Management and Audit Anti-Corruption and Business Ethics Sustainable Development Governance Stakeholder Communication 	<ul style="list-style-type: none"> General Meeting of Shareholders irm.cninfo.com.cn Report Disclosure Investor Hotline Roadshows and Reverse Roadshows Media Reports Performance Briefings Emails 	Irregular
Employees	<ul style="list-style-type: none"> Human Resource Management Protection of Employees' Rights and Interests Occupational Health and Safety Employee Training & Development 	<ul style="list-style-type: none"> Employees' Congress Labor Union 	Annually
		<ul style="list-style-type: none"> Internal Information Communication Platform 	Monthly
Customers	<ul style="list-style-type: none"> Technical R&D and Innovation Protection of Customers' Rights and Interests Product Quality and Safety Anti-Corruption and Business Ethics 	<ul style="list-style-type: none"> Chairman's Mailbox Phone Calls and Emails Face to Face Communication 	Irregular
		<ul style="list-style-type: none"> Social Media Customer Service Hotline Customer Satisfaction Survey Exhibitions and Conferences Phone Calls and Emails 	Irregular
Suppliers	<ul style="list-style-type: none"> Sustainable Supply Chains Product Quality and Safety Technical R&D and Innovation Anti-Corruption and Business Ethics Equal Treatment of Small and Medium-Sized Enterprises 	<ul style="list-style-type: none"> Supplier Conference Supplier Training Research Questionnaires Business Visits Phone Calls and Emails WeChat 	Irregular
		<ul style="list-style-type: none"> Industry Conferences 	Irregular
Industry Associations / Research Institutions	<ul style="list-style-type: none"> Technical R&D and Innovation Equal Treatment of Small and Medium-Sized Enterprises 	<ul style="list-style-type: none"> On-site Visits 	Irregular
		<ul style="list-style-type: none"> Joint Events 	
Community and the Public	<ul style="list-style-type: none"> Contribution to Society Rural Revitalization Stakeholder Communication Enterprises 	<ul style="list-style-type: none"> Public Welfare Donations Facilitating Exchanges and Visits Media Interviews Joint Events Questionnaire Phone Calls and Emails 	Irregular
		<ul style="list-style-type: none"> Stakeholder Communication Enterprises 	

ESG Material Topics

During the reporting period, by reference to the national and international disclosure standards and evaluation methods, such as the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainable Development Reports (Trial)*, *GRI 3: Material Topics*, and the *International Financial Reporting Sustainability Disclosure Standards No. 1 - General Requirements for Disclosure of Sustainability-Related Financial Information (IFRS S1)*, among others, Jolywood introduced an analysis approach based on materiality, incorporating perspectives on both impact materiality and financial materiality to establish a systematic analysis model, identifying and assessing ESG topics of concern to stakeholders.



Materiality	ESG Issues
Topics with Both Financial Materiality and Impact Materiality	Environmental Compliance Management, Responding to Climate Change, Product Quality and Safety, Sustainable Supply Chains
Topics with Only Financial Materiality	Energy Management
Topics with Only Impact Materiality	Water Resource Management; Green Operations and Circular Economy; Wastewater, Emissions & Solid Waste Management and Pollution Prevention; Technology R&D and Innovation; Customer Rights Protection; Human Resource Management; Labor Rights Protection; Occupational Health And Safety; Employee Training and Development; Corporate Governance; Risk Management and Audit; Anti-Corruption and Business Ethics; Sustainable Development Governance
General Material Topics	Ecological Protection; Equal Treatment of Small and Medium-Sized Enterprises; Public Welfare and Charity; Rural Revitalization; Due Diligence; Stakeholder Communication



Topic

Pioneering Green Energy Solutions to Accelerate Low-Carbon Industry Transition

Smart Technology-driven Manufacturing Leading Green Development

With the global transformation of the energy structure and the growing adoption of sustainable development principles, the PV industry is experiencing unprecedented development opportunities. As a renewable clean energy source, the increased efficiency and reduced costs of solar energy have made PV power generation an important component of global energy consumption. As a global ecosystem manufacturer in green energy industry, Jolywood adheres to the philosophy of "Harmony in Diversity, Future with Sunshine" and the corporate mission of "Same Sunshine, More Value", consistently follows a customer-driven approach, continuously innovating PV technologies. We provide more valuable sustainable energy solutions for global customers and offer economical, green, and feasible solutions to address global climate change and help achieve the global carbon neutrality goal.

On January 24, 2024, the "7th Future Light TÜV SÜD and China National Institute of Metrology Photovoltaic and Energy Storage Summit and Industry Exchange Conference" was successfully held in Changzhou, Jiangsu Province, hosted by TÜV SÜD and the National Institute of Metrology, China. Thanks to its excellent performance in production operation emissions reduction, greenhouse gas (GHG) control, green supply chain management, and zero-carbon investments, Jolywood stood out among numerous candidate companies and was awarded the "Best Carbon Neutral Practitioner within Solar & Energy Storage Industry" by TÜV SÜD.

On April 22, 2024, the "2023 China Enterprise Carbon Neutrality Performance List Award Ceremony", themed "From 0 to 1, Carbon Neutrality and High-Quality Development", was successfully held in Shanghai. As a leading company committed to environmental protection and green low-carbon development, Jolywood continues to improve its new energy solutions and actively deploy low-carbon energy technologies. Through its efforts and advantages in the low-carbon development field, the Company was honored with the "Energy-saving and Carbon Reduction Achievement Award" at this conference.



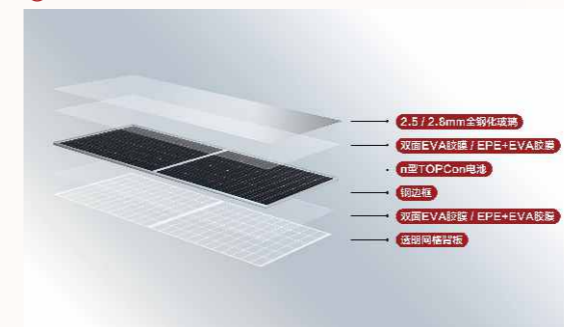
n-type Fully-tempered One-stop Encapsulation Solution

Based on massive analysis of real-world application scenarios and in-depth exploration of user needs, Jolywood has launched the n-type Fully-tempered One-stop Encapsulation Solution. This solution enhances performance, component quality, and all-scenario reliability, offering an unparalleled value that delivers a peak experience. The "Windproof Module", based on the n-type Fully-tempered One-stop Encapsulation Solution, features a BACKBONE steel frame with a single-glass design. It is characterized by low carbon emissions, reducing carbon emissions by 10.19% compared to double-glass modules of the same type on the market, demonstrating a higher level of environmental friendliness. In the long run, the n-type fully tempered solution is a more reliable, stable, and environmentally friendly module encapsulation solution.

The n-type Fully-tempered One-stop Encapsulation Solution uses 2.5/2.8 mm fully-tempered glass, double-sided EVA film/EPE + EVA film, n-type TOPCon high-efficiency cells, transparent mesh backsheets, BACKBONE steel frame, and other materials. It features ultra-low carbon emissions, ultra-high efficiency, ultra-lightweight characteristics, and the "Triple Lows and Quadruple Resistances" performance advantages. This solution reduces module weight by about 15%~20% while increasing energy generation by approximately 1.63%, contributing to energy conservation and emission reduction. Additionally, the "Windproof Module" has passed the first batch of CPVT's "National Product Selection" certification based on IEC 63556 for PV modules across all application scenarios (desert dry heat, snow and ice polar regions, ecological lakes, and deep blue oceans) and TÜV SÜD wind tunnel certification.

"TripleThree Lows and QuadrupleFour Resistances"

- Low temperature coefficient:** The bifacial single-glass TOPCon module has the temperature coefficient as low as $-0.28\%/^{\circ}\text{C}$, with higher energy yields.
- Low operating temperature:** The single-glass module operates at a temperature 1.5°C lower, reducing the loss of power generation caused by temperature and ensuring the more stable operation of the module in its life cycle.
- Low hotspot temperature:** The power degradation caused by hot-spots is reduced, thus delaying the aging degree of modules, prolonging the service life of modules, and protecting the safe use of electricity.
- Hurricane Resistance:** Pass wind tunnel testing at 60 m/s;
- Snowstorm Resistance:** Pass static load testing of 6,600 Pa on the front and 3,200 Pa on the back, as well as dynamic load testing of 1,000 Pa for 10,000 cycles, demonstrating excellent load-bearing performance;
- Hail Resistance:** Withstand impacts from 45 mm hailstones;
- Burst Resistance:** With a fully-tempered single-glass structure, the module reduces the risk of burstfracture.



n-type Fully-tempered One-stop Encapsulation Solution



"National Product Selection" Certification/TÜV SÜD Wind Tunnel Certification

"Solar Town" Full Lifecycle Distributed Residential PV System

Jolywood is committed to providing integrated smart energy services in the renewable energy sector. By leveraging new technologies and business models, we integrate PV power plants with rural construction, ecological agriculture, industry and commerce, transportation, construction, and more, jointly building beautiful villages, green parks, and zero-carbon cities. The Company's "Solar Town" power plant full lifecycle management service system spans the entire process, from early project establishment, mid-phase construction management, to later operation and maintenance monitoring, and power plant operation of the PV power plant. It encompasses order management systems, operation and maintenance monitoring systems, and power plant operation systems. This system enables big data management and centralized intelligent operation and maintenance across the full lifecycle of PV power plants, effectively improving specialization, refinement, standardization, and intelligence levels.



Jolywood Solar Town Digital Energy Center

Supporting Global Clean Energy Transition

As the world moves toward carbon neutrality, the clean energy transition has become an important strategic goal for governments and enterprises worldwide. Jolywood, as a "Cultivator of Green Energy", actively responds to the call for energy transformation. We continue to promote the commercial application of green energy through cutting-edge technological innovations. Through technological advancements, product upgrades, market expansion, and international cooperation, we are making a positive contribution to the global clean energy transition. In the future, Jolywood will continue to intensify R&D efforts, enhance product performance, and contribute more to the green transformation of global energy structures and the development of a low-carbon economy.

Case 66 MW PV Power Generation Project of Yili Xintian Coal Chemical

In October 2024, the first batch of PV modules for the 66 MW PV power generation project of Yili Xintian Coal Chemical, supplied by Jolywood, successfully arrived in the "South of the Tianshan Mountains" in the Kazakh Autonomous Prefecture. This project uses Jolywood's n-type TOPCon bifacial single-glass modules exclusively. The cells in Jolywood's n-type TOPCon bifacial single-glass modules are powered by Jolywood's next-generation n-type TOPCon technology, offering advantages such as high conversion efficiency, high UV resistance, low temperature coefficient, low operating temperature, low hotspot temperature, and no light-induced degradation(LID). These features play a significant role in promoting the local energy structure transformation and advancing green and low-carbon development.



66 MW PV Power Generation Project of Yili Xintian Coal Chemical

Case Uzbekistan Utility-scale Ground-mounted Project

Jolywood actively supports the construction of a utility-scale ground-mounted project in Uzbekistan, with a project capacity of 1 GW. The project was successfully grid-connected in May 2024 and is expected to provide clean electricity to 1 million households annually, reducing CO2 emissions by 1 million tons per year. This project not only reduces Uzbekistan's heavy dependence on traditional energy sources and lowers GHG emissions but also helps Uzbekistan develop clean energy production capacity. This will further enhance the country's control over its energy supply chain and reduce the risks associated with external energy dependencies.



Uzbekistan 1 GW Utility-Scale Ground-Mounted Project

01

Compliance Governance, Strengthening the Foundation



Consolidation of the Leading and Steering Role of Party Building

Party Building as the Soul

Jolywood consistently places the Party's political construction as its top priority. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Company fully leverages the leadership role of its Party organization. It integrates Party building into the entire corporate governance process, establishes a comprehensive Party building system, continuously strengthens grassroots Party organizations and talent teams, and ensures the grassroots Party organizations play their role as strongholds.

By the end of the reporting period

The Company has **one** Party General Branch and **four** Party branches.



Loyalty to the Party

Jolywood has deeply studied and implemented the spirit of the 20th National Congress of the Communist Party of China, promoting the spirit of "dedication, friendship, mutual assistance, and progress." The Company continues to strengthen the Party member team, actively organizes a variety of activities such as Party member knowledge competitions, excellent Party member selection, "July 1" themed Party Day activities, and National Day Red Song events. These activities enhance the normalization and long-term effectiveness of Party members' theoretical learning, strengthen political guidance, solidify ideological foundations, improve Party organization building, and further advance the educational theme of implementing Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. During the reporting period, the Party Branch of Shanxi Jolywood was awarded the honorable title of "Advanced Grassroots Party Organization" in Taiyuan City.

Case Fostering unity and the Party spirit, moving forward on the new journey

On November 27, 2024, to deepen the study and implementation of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era and to guide Party members and cadres to continuously strengthen their ideals and beliefs, enhance political awareness, and improve Party consciousness, Jolywood's Party Branch organized Party members for a cultural experience activity at the Shajiang Ludang Study Hall. This activity continuously promotes the great Party-building spirit and guides all Party members to unwaveringly follow the Party's guidance and remain steadfast in their commitment to the Party.



"Fostering Unity and the Party Spirit, Moving Forward on the New Journey" Themed Activity

Case Party-Mass unity celebrates the National Day

On September 30, 2024, the Taizhou Jolywood's Party Branch held a National Day series of activities under the theme "Party-Mass Unity Celebrates the National Day, Quality Strengthens Enterprises, Promotes Development". The activities used a variety of forms to wish the prosperity of the country, while enhancing employees' political and ideological qualities and Party awareness. These actions demonstrated their commitment to listening to the Party and following its leadership.

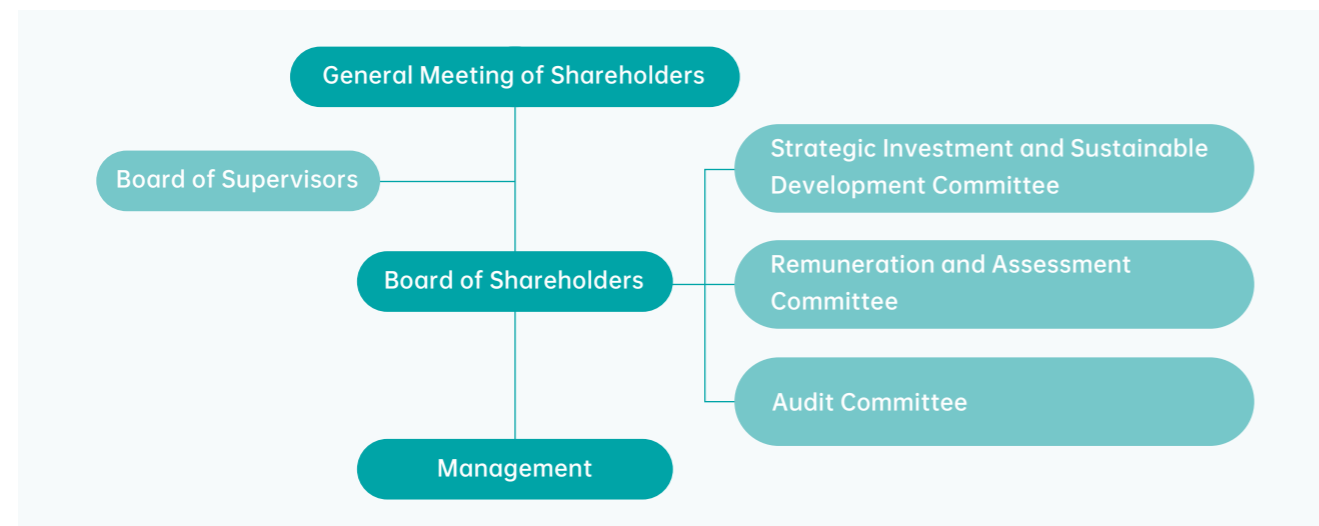


National Day Series of Activities

Corporate Governance Compliance

Jolywood is committed to promoting the modernization of its corporate governance system and capabilities to ensure the Company's steady and sustainable development. The Company strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Governance Code for Listed Companies*, and other legal and regulatory documents. It continues to improve its governance structure, which consists of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management team. This structure ensures a clear and effective operational mechanism established between the governing bodies, decision-making bodies, supervisory bodies, and management, ensuring distinct responsibilities and powers, effective checks and balances, and standardized operations, thereby safeguarding the legality and compliance of the Company's operations.

Governance Framework



General Meeting of Shareholders

The General Meeting of Shareholders, composed of all shareholders, is the Company's top authority. Jolywood has formulated the *Rules of Procedure for General Meetings of Shareholders* in accordance with relevant laws, regulations, and the *Articles of Association*. The rules outline procedures for convening and notifying the General Meeting of Shareholders, managing proposals, and topic voting procedures, ensuring that the General Meeting of Shareholders exercises its decision-making power over significant matters and fully protects the legitimate rights and interests of shareholders.

During the reporting period

The Company held **3** general meetings of shareholders and reviewed **15** proposals.



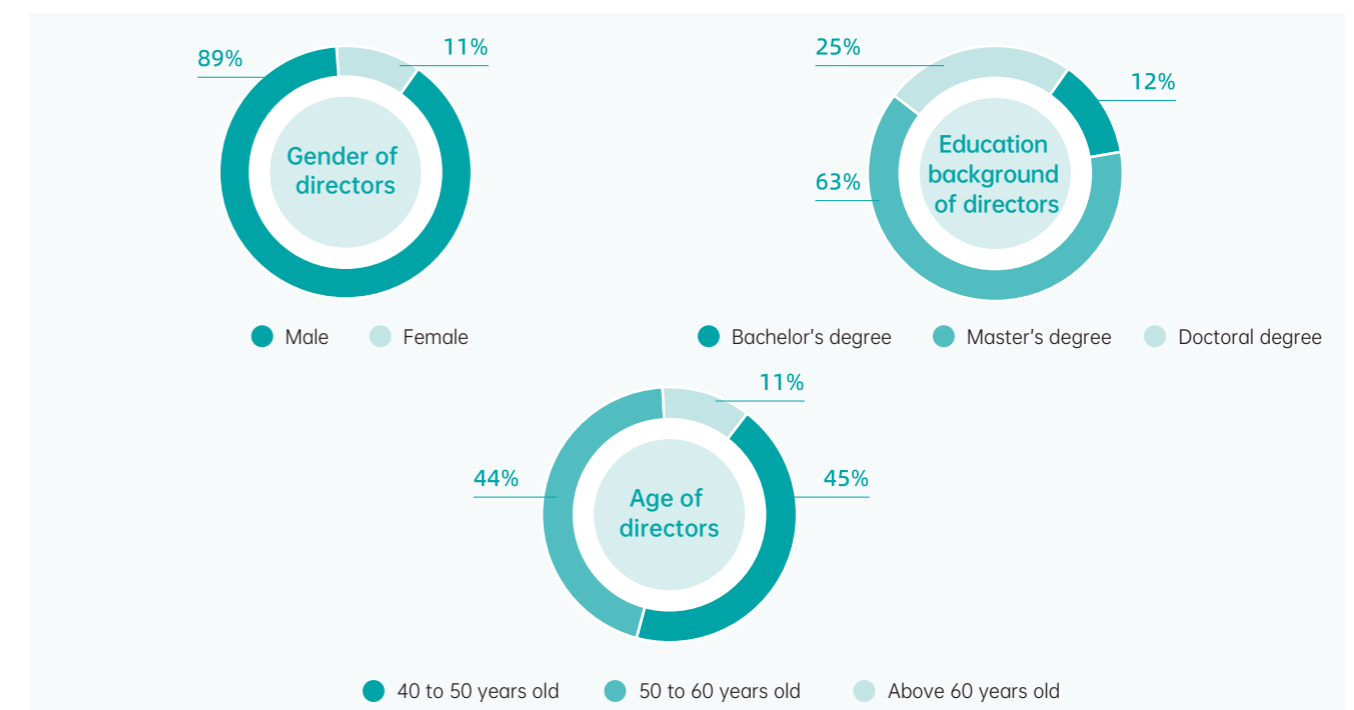
Board of Directors

The Board of Directors is the Company's permanent decision-making body and is accountable to the General Meeting of Shareholders. Jolywood has formulated the *Rules of Procedure for the Board of Directors*, which detail the procedures for director appointment, responsibilities, composition, and duties. The Board of Directors has established several subcommittees, including the Strategic Investment and Sustainable Development Committee, the Audit Committee, and the Remuneration and Appraisal Committee. These committees have established corresponding *Rules of Procedure for the Strategic Investment and Sustainable Development Committee*, *Rules of Procedure for the Audit Committee*, and *Rules of Procedure for the Remuneration and Appraisal Committee*.

During the reporting period

The Company held **6** board meetings and reviewed **40** proposals; During the reporting period, the Audit Committee of the Board of Directors held **4** special meetings and deliberated **9** proposals; the Strategic Investment and Sustainable Development Committee held **1** special meeting and deliberated **1** proposal; and the Remuneration and Appraisal Committee held **1** special meeting and deliberated **2** proposals.

The Company strives to create a diversified Board of Directors, actively constructing a complementary and differentiated board structure with multidimensional advantages. The Company's current board members possess extensive expertise, management experience, and skills in various fields, including finance, accounting, law, and PV. This diverse knowledge base brings multiple perspectives to corporate governance and strategic decision-making, facilitating scientific and well-informed decisions by the Board of Directors. As of the end of the reporting period, the current Board consists of 9 directors, including 1 female director and 3 independent directors.



Board of Supervisors

The Board of Supervisors is the Company's supervisory body and is responsible for overseeing the actions of the Board of Directors, managers, and the Company's finances. To further standardize the meeting procedures and voting processes of the Board of Supervisors, Jolywood has established the *Rules of Procedure for the Board of Supervisors*, which clearly define the responsibilities of supervisors, the powers of the Board of Supervisors, meeting convening and notifications, and resolutions. These rules ensure that the Board of Supervisors effectively performs its supervisory duties. As of the end of the reporting period, the Company's Fifth Board of Supervisors had a total of three supervisors, one of whom was an employee representative.

During the reporting period

The Company held **5** meetings of the Board of Supervisors and deliberated **27** proposals.



Executive Compensation

Jolywood strictly adheres to the provisions of the *Company Law of the People's Republic of China*, the *Governance Code for Listed Companies*, the *Articles of Association*, and the Company's compensation management system. Following the principles of "openness, transparency, fairness, and justice", the Company has established a *Jolywood Job Level and Salary Band* to create a reasonable and effective internal incentive and restraint mechanism. The principles for determining the remuneration of directors, supervisors, and senior management are clearly defined, and the salaries of directors, supervisors, and senior management are disclosed in accordance with relevant regulations to ensure the right to know of shareholders and stakeholders. In addition, the Company continuously improves its performance evaluation system, conducting assessments based on annual business targets. It closely links the compensation of the management with the Company's long-term development and shareholder interests, motivating and stimulating the work enthusiasm and creativity of directors, supervisors, and senior management. This helps improve the efficiency of enterprise asset operations and management levels.



Strengthening Compliance and Internal Control

Risk Management

A sound internal control and risk management system is the guarantee for the Company's stable operation. Jolywood places great emphasis on risk management and has formulated risk management policies to identify and analyze the risks the Company faces. It has also strengthened a risk management framework led by the Board of Directors, ensuring that the management responsibilities of relevant entities are fully implemented. The Company continually optimizes its risk management mechanism, enhances its risk management capabilities, strengthens compliance and audit efforts, and improves the construction of the "three lines of defense" in risk management. The responsibilities of each department at each defense line are clearly defined, with multiple departments collaborating to ensure that key operational risks are manageable.

"Three Lines of Defense" for Risk Management



Internal Control

Jolywood continues to enhance its corporate internal control management by constantly improving the Company's compliance and legal management systems for internal control. This includes the development of management systems such as the *Financial Management System*, *Measures for Management of Contract*, *Measures for Management of Legal Affairs*, and *Measures for Management of External Legal Consultants*. These systems clarify the division of responsibilities and workflow rules among various departments, integrating compliance and internal control into every part of the Company's operations and regulating internal control behaviors. Additionally, the Company strictly complies with legal requirements, ensuring on-schedule and full payment of taxes, thereby supporting the fulfillment of long-term strategic goals. At the same time, the Company deeply strengthens the collaborative role of risk management and internal control management, implementing proactive and ongoing controls. It integrates audit and internal control, generating audit leads and conducting post-audit supervision in an orderly manner.

Specific measures for pre-event, in-event and post-event control



During the reporting period

The Company held **7** legal training sessions with **21** hours of training, involving **450** participants. It also conducted **11** internal control and audit training sessions, attended by **128** participants.

Improving Investor Relations Management

Compliance of Information Disclosure

Jolywood places great importance on the compliance and transparency of information disclosure. In accordance with the *Company Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure by Listed Companies*, the *Articles of Association*, and other laws and regulations, Jolywood has established the *Information Disclosure Management System*, the *External Information Release Management System*, and the *Insider Registration Management System*. These systems create smooth channels for information flow and compliant disclosure procedures. The Company actively fulfills its obligations as a listed company, ensuring that relevant information is disclosed truthfully, accurately, completely, and promptly. In addition, Jolywood strengthens confidentiality measures for insider information, upholding the principles of openness, fairness, and justice in information disclosure, thereby protecting the legitimate rights and interests of the Company, shareholders, investors, and other stakeholders.

During the reporting period

Jolywood made **107** external announcements and has not been penalized for any violations related to information disclosure.

Investor Relations Management

To further strengthen the connection and communication between the Company and its investors, promoting investors' understanding and recognition of the Company, and effectively protecting the legal rights of investors, particularly those of the general public, Jolywood has developed an *Investor Relations Management System* based on relevant laws and regulations, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, while considering the Company's actual circumstances. The Company facilitates communication through various channels such as regular reports, General Meeting of Shareholders, performance briefings, investor phone calls, and interactive platforms to discuss the Company's operations, performance improvements, stock price maintenance, industry environment, investment directions, and strategic planning. This ensures that investors' right to information is protected.

Additionally, Jolywood adheres to the overall principle of "unified leadership, rapid response, coordinated actions, and efficient handling" in managing public opinion, and has formulated the *Public Opinion Management System* and established a leadership team to oversee public opinion management. Furthermore, the Company has established a fast-response and emergency handling mechanism to promptly and appropriately address any public opinion issues that may impact the Company's stock price, commercial reputation, or normal operations, thus protecting the legitimate rights and interests of investors and the Company.

During the reporting period

Jolywood held 1 open exchange meeting for investors and responded to 53 investor inquiries on the interactive platform. The Company also received 154 investor phone calls, maintaining a 100% response rate to investor questions.

Adherence to Business Ethics

Promoting Anti-Corruption and Integrity

Jolywood continues to deepen the construction of a clean government and resolutely fulfill relevant responsibilities. In accordance with relevant laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Interim Provisions on Banning Commercial Bribery*, and international conventions, and in line with the Company's actual circumstances, the Company has developed the *Business Conduct and Ethical Standards and the Integrity Management System*. These regulations strictly govern economic activities with employees, suppliers, and other stakeholders, emphasizing the supervision and management of employees' professional conduct. The Company resolutely opposes any form of commercial bribery and unfair competition, prohibiting employees from engaging in bribery, corruption, fraud, money laundering, embezzlement, and other unlawful activities. Jolywood actively promotes business operations conducted in accordance with the law, following regulations, practicing integrity, and fostering a culture of honesty and trustworthiness, thus safeguarding the legal rights and interests of the Company and its business partners. During the reporting period, the Company did not encounter any incidents of commercial bribery or corruption, nor were there any lawsuits or significant administrative penalties related to unfair competition.

Jolywood's Legal Department, Audit and Internal Control Department, and other departments with similar functions supervise the Company's anti-bribery and anti-corruption commitment system. These departments are tasked with exercising disciplinary inspection and supervision duties to combat bribery and corruption within corporate governance. They strengthen the supervision of key personnel to ensure clean and honest operations, and implement the *Commitment Agreement* which is an important criterion for performance evaluation and personnel appointments. Furthermore, the Company has established the *Measures for Management of Audit and Internal Control*, which set out the professional ethics for auditors and clarify the confidentiality requirements for audit personnel.

Specific Integrity Management Measures

- The Audit and Internal Control Department publishes the Company's contact details, including email and phone numbers, on bulletin boards, and collects relevant information for investigations of whistleblower complaints;
- The Audit Department conducts special audits of key departments, personnel, and business operations to ensure compliance and proper implementation;

- The Company issues notices on the management of gifts and monetary gifts, specifying the scope, reporting channels, and regulatory requirements;
- Each year, the Company conducts special audits to ensure comprehensive coverage of core business operations;
- The Company implements anti-bribery and anti-corruption commitment systems for important relationships and key personnel, requiring employees in critical positions to sign the *Anti-Bribery/Anti-Corruption Commitment Agreement*.

Case Commercial Ethics Risk Awareness Training

On December 19, 2024, Jolywood conducted an internal training on commercial ethics risk awareness, focusing on issues such as anti-corruption, anti-money laundering, anti-monopoly, anti-unfair competition, insider trading, and conflicts of interest. Through the promotion of business ethics knowledge and case studies, employees were guided to establish correct business ethics concepts, strengthening the firewall of integrity and self-discipline, thereby laying a foundation for the Company's sustainable development.



Scene of Commercial Ethics Risk Awareness Training

Whistleblowing Mechanism

Jolywood attaches great importance to maintaining open channels for internal whistleblowing and complaints. The Company has clearly outlined whistleblowing channels and relevant handling procedures in its *Business Conduct and Ethical Standards*, *Integrity Management System*, and *Measures for Management of Complaint and Whistle-Blowing*. The Company encourages employees and stakeholders to report illegal or unethical conduct such as corruption, unfair competition, and fraud through methods such as email, ensuring strict confidentiality for whistleblowers.

Jolywood's Whistleblower Email: shenji@jolywood.cn

Whistleblowing Handling Process:



02

Green, Low-Carbon, Energy Conservation, and Efficiency Enhancement



Responding to Climate Change

Overview of Response to Climate Change

In the 2024 Global Risk Report released by the World Economic Forum, "extreme weather events" were identified as the most likely risk to have a severe impact over the next decade. With global warming and the increasing frequency of extreme weather events, such as hail, hurricanes, and heavy snow, these factors not only pose a risk to PV systems but may also reduce the energy output efficiency of PV modules. Therefore, this places higher demands on PV modules in terms of generating power efficiently, reliably, and constantly.

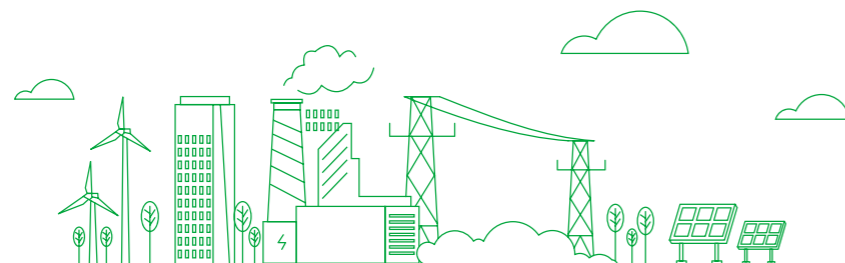
As a leading enterprise in the PV industry, Jolywood actively responds to the national "Carbon Peaking and Carbon Neutrality" policy, closely monitors global climate trends and risks, and takes proactive climate change measures. The Company carries out climate risk management from four dimensions: comprehensive governance, strategy, risk management, and metrics and targets, continuously enhancing its climate risk response capabilities.

Climate Change Governance

Jolywood leverages its Sustainability Governance Structure to effectively guide and advance its energy-saving and emission-reduction initiatives. The Company also sets carbon reduction targets, clarifies responsibilities and authorities, and ensures active participation in carbon reduction efforts across all levels. During the reporting period, Taizhou Jolywood received carbon footprint certification for its products.



Carbon Footprint PPE2 Certification



Climate Change Strategy

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe ¹	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Physical Risks	Extreme weathers (e.g., typhoons, high temperatures, heavy rain, hail, snowstorms)	<ul style="list-style-type: none"> Damage to PV modules and infrastructure; Reduced power generation efficiency and system stability; Transportation difficulties and supply chain disruptions, affecting production and delivery. 	Low	High	Short-, medium-, and long-term	Upstream, operations, downstream	Medium	<ul style="list-style-type: none"> Property Loss Increased operational costs (e.g., water, electricity, and maintenance costs) Increased insurance expenditures Decrease in Sales Revenue 	<ul style="list-style-type: none"> Conduct technological innovation R&D and the introduction of new technologies to enhance PV modules' resistance to extreme weather; Establish and improve emergency response plans, and conduct regular emergency drills.
		<ul style="list-style-type: none"> With the progress of China's "Carbon Peaking and Carbon Neutrality" goals and the continuous introduction of related policies, regulations, and industry standards, carbon disclosure obligations are being strengthened. The domestic and international carbon emission requirements and regulations for PV products and services are also continuously improving. If the Company fails to timely adjust its business strategy, it may lead to compliance risks. 	Low	Medium	Short-, medium-, and long-term	Operations	Medium	<ul style="list-style-type: none"> Increased compliance costs Changes in policies may lead to asset write-offs, impairments, and the premature retirement of existing assets 	<ul style="list-style-type: none"> Track relevant laws and regulations annually and compiles GHG emission data each year to effectively respond to policy changes.
Transformation Risks	Policy and legal risks								

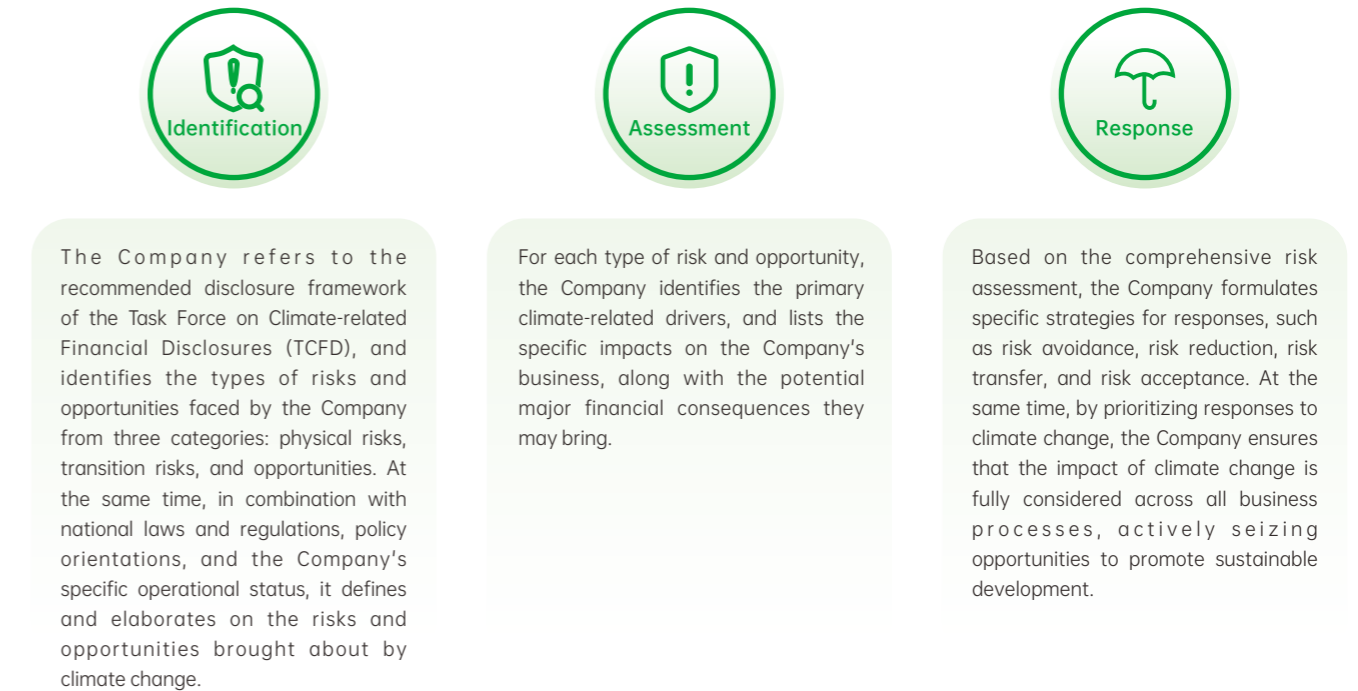
¹The time frames for addressing financial materiality issues in this report are defined as follows: short-term: within 2025; medium-term: within 2030; long-term: after 2030 (This definition is based on Jolywood's sustainable development strategy and external macro-political goals.)

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Transformation Risks	Technology risks	<ul style="list-style-type: none"> ☉The policy environment and market are placing higher demands on the energy-saving and low-carbon performance of products, requiring the Company to carry out updates in green technology; ☉Encroachment of market share due to the emergence of new technologies. 	Medium	Medium	Medium and long-term	Operations	High	<ul style="list-style-type: none"> ☉Increased operating costs ☉Increased investment in research and development ☉Write-off and early scrapping of existing assets 	<ul style="list-style-type: none"> ☉Constantly monitor market trends and industry developments, proactively positioning itself with green products and technologies; ☉Establish and improve the energy management system, phasing out high-energy consumption equipment.
	Market risk	<ul style="list-style-type: none"> ☉As low-carbon awareness increases, the behavior of market participants changes. For example, more people entering the PV industry leads to increased market competition; or upstream and downstream companies may face increased operational costs due to low-carbon requirements, potentially impacting the Company's procurement costs and sales revenue. 	Medium	High	Short-, medium-, and long-term	Upstream, Operations, downstream	Medium	<ul style="list-style-type: none"> ☉Decrease in profits ☉Increase in Raw Material Costs ☉Decrease in Sales Revenue 	<ul style="list-style-type: none"> ☉Continuously monitor market trends to enhance the Company's core competitiveness; ☉Strengthen the sustainability of the supply chain.

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Transformation Risks	Reputation risks	<ul style="list-style-type: none"> ☉Increasing attention of capital markets, customers, and other stakeholders to the Company's climate environmental and climate performance may impact the Company's brand image and customer trust. 	Low	Medium	Short- and medium-term	Operations, downstream	Low	<ul style="list-style-type: none"> ☉Potential risk of fines ☉Decrease in Sales Revenue 	<ul style="list-style-type: none"> ☉Improve the environmental and climate governance system, and strengthen the knowledge and skill training of management personnel; ☉Actively participate in and disclose environmental protection achievements.
	Opportunities	Resource efficiency	<ul style="list-style-type: none"> ☉Enhance resource utilization efficiency, such as using low-energy-consuming equipment and recycling resources; ☉Mitigate future energy price volatility through employing clean energy as substitute for traditional energy. 	High	High	Short- and medium-term	Operations	High	<ul style="list-style-type: none"> ☉Decreased operating costs

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Opportunities	Technological Innovation	<ul style="list-style-type: none"> ☉The Company's new technologies enable products to better cope with extreme environments. 	High	High	Medium and long-term	Operations	High	<ul style="list-style-type: none"> ☉Increase of sales revenue ☉Decrease in maintenance costs 	<ul style="list-style-type: none"> ☉Promote an innovation incentive mechanism, increase research and development investment, and continue technological R&D and innovation.
	Market	<ul style="list-style-type: none"> ☉As low-carbon awareness grows, demand for and investment in PV materials increases ☉The Company's good performance in environmental and climate aspects will enhance its brand image and customer trust, potentially attracting more orders and investments. 	Medium	High	Medium and long-term	Operations, downstream	Medium	<ul style="list-style-type: none"> ☉Increase of sales revenue 	<ul style="list-style-type: none"> ☉Continue to provide high-quality PV materials and services; ☉Monitor environmental and climate policy developments and make timely strategic adjustments; ☉Disclose more environmental and climate-related response measures and their outcomes.

Management of Climate Change Impacts, Risks and Opportunities



Climate Change Metrics and Targets

Jolywood, as part of the PV industry, generates GHG emissions primarily from product manufacturing, logistics transportation, and office activities. Emission sources include direct GHG emissions from the combustion of fuels such as natural gas, gasoline, and diesel, as well as indirect GHG emissions from purchased electricity. The primary greenhouse gas emitted is CO₂. The Company's climate change response goal is to gradually increase the use of clean energy, reduce GHG emissions, and actively achieve net-zero carbon neutrality. In order to enrich the path to achieve carbon emission reduction, the Company pays attention to emissions during operations, analyzes energy-saving potential, and promotes emission reduction implementation. During the reporting period, the Company optimized its energy structure by using PV power generation to reduce GHG emissions, thereby mitigating the impact of production operations on climate change.

Specific Integrity Management Measures

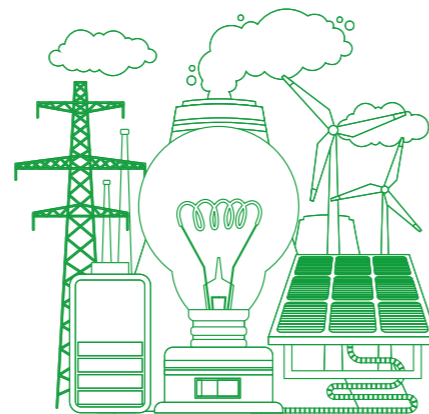
Indicator	Unit	2023	2024
Total Emission of Greenhouse Gases	tCO ₂ e	359,823.29	294,093.72
Direct GHG Emissions (Scope 1)	tCO ₂ e	23,500.08	25,115.43
Indirect GHG Emissions (Scope 2)	tCO ₂ e	336,323.21	260,998.94
Greenhouse Gas Emission Intensity	tCO ₂ e /ten thousand revenue	0.29	0.48
Greenhouse Gas Emission Reduction	tCO ₂ e	13,293.55	14,484.58

Note: The methods for calculating GHG and the emission factors of 2023 primarily refer to the *Guidelines for Calculation Method and Reporting Guidance on GHG Emissions for Other Industrial Enterprises (Trial)* published by the National Development and Reform Commission and the *Notice on the Management of GHG Emissions Reporting by Power Generation Enterprises in 2023-2025* issued by the Ministry of Ecology and Environment the methods for calculating GHG and the emission factors of 2024 primarily refer to the *Guidelines for Calculation Method and Reporting Guidance on GHG Emissions for Machinery and Equipment Manufacturing (Trial)* and the *Emission Factors of Carbon Dioxide from Electricity in 2022*.

Environmental Compliance Management

Overview of Environmental Management

Jolywood consistently adheres to the environmental management policy of "leading in environmental protection, resource conservation, and ecological civilization" in its production and operations. The Company strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes* in its environmental management practices, ensuring that all emissions and disposal activities meet regulatory requirements and minimizing environmental impact to the greatest extent possible.



Environmental Management and Governance

In accordance with the ISO 14001 standard, and based on its specific circumstances, Jolywood has developed the *Environmental Management Manual* and other regulations to establish and improve an environmental management system. Shanxi Jolywood has established an environmental management structure with the General Manager as the primary responsible person, and department heads from the Engineering Department, EHS Department, Material Department, and Administration Department serving as the environmental management personnel. Shanxi Jolywood clearly defines responsibilities at all levels. Additionally, the Company continuously enhances its employees' environmental awareness and professional skills through internal training, external training, expert lectures, and other means. During the reporting period, neither Jolywood nor its subsidiaries exceeded emissions limits, suffered major environmental incidents, or were subject to penalties from environmental protection authorities.

As of the end of the reporting period, Jolywood, Shanxi Jolywood, and Taizhou Jolywood have all obtained ISO 14001 environmental management system certification and have engaged independent third-party certification bodies for system supervision audit. In addition, Jolywood has been awarded the title of "Jiangsu Province Green Factory", and Taizhou Jolywood has received the titles of "National Green Factory" and "National Green Supply Chain Management Demonstration Enterprise".



Jolywood - Jiangsu Province Green Factory Taizhou Jolywood - National Green Factory



ISO 14001 Environmental Management System Certification of Jolywood/Shanxi Jolywood/Taizhou Jolywood

During the reporting period

The Company conducted **7** environmental protection training sessions, with **254** participants.



Jolywood's hazardous waste management and identification training



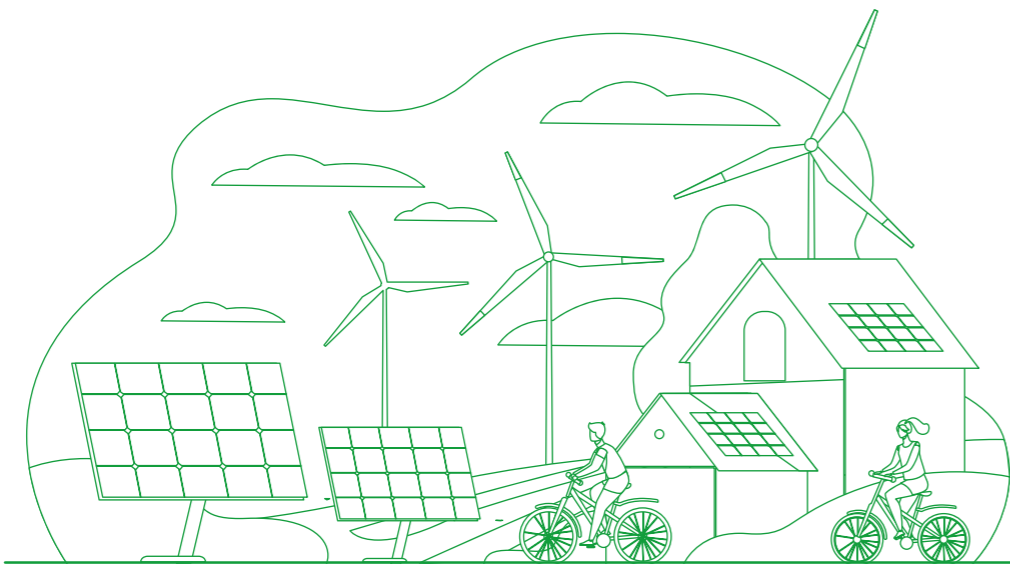
Jolywood's environmental laws and regulations and environmental management exchange meeting



Taizhou Jolywood's environmental management training for general industrial solid waste generation unit



Shanxi Jolywood's environmental management training



Environmental Management Strategy

Jolywood has formulated internal system documents such as the *Procedure for Risk and Opportunity Identification, Evaluation, and Action Planning* and the *Control Procedures for Identification and Evaluation of Environmental Factors* to fully identify the risks and opportunities in environmental management.

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Priority Ranking	Impact on Value Chain	Potential Financial Impact	Response Measures
Risk	Policy and legal risks	<ul style="list-style-type: none"> The enactment and implementation of new environmental regulations may increase compliance costs. 	Medium	Higher	Mid-term	Higher	Operations	<ul style="list-style-type: none"> Increase in compliance costs 	<ul style="list-style-type: none"> Regularly monitor and conduct compliance evaluations, and establish a compliance management system.
		<ul style="list-style-type: none"> Emissions exceeding standards during production processes or environmental pollution caused by accidents. 	Medium	Higher	Short-term	Higher	Operations	<ul style="list-style-type: none"> Potential fines, rectification costs, and operational penalties 	<ul style="list-style-type: none"> Strengthen environmental risk emergency management capabilities, develop emergency plans, and enhance emission monitoring.
Opportunities	Resource efficiency	<ul style="list-style-type: none"> Promote technological innovation to improve resource utilization efficiency and reduce resource waste. 	Medium	Higher	Long-term	Medium	Operations	<ul style="list-style-type: none"> Decreased operating costs 	<ul style="list-style-type: none"> Accelerate energy structure transformation and technological upgrades.
	Market opportunities	<ul style="list-style-type: none"> Seize market trends, and expand the PV products and smart energy market. 	High	Higher	Long-term	High	Downstream	<ul style="list-style-type: none"> Revenue Increase 	<ul style="list-style-type: none"> Meet user demands by developing products with better application significance.

Environmental Management Impact, Risk and Opportunity Management

Process Management

To regulate the environmental risk and opportunity management process and requirements, Jolywood has developed the *Procedure for Risk and Opportunity Identification, Evaluation, and Action Planning* and the *Risk and Opportunity Identification Evaluation Table*. The Company first identifies potential risks and opportunities based on key environmental factors, compliance requirements, internal and external environments, and stakeholder needs and expectations. Then, through the analysis of the impact and likelihood of these risks and opportunities, it conducts a quantitative assessment to determine the risk and opportunity levels. On this basis, the Company formulates targeted measures, plans, and goals. At the same time, a dedicated department is responsible for evaluating the effectiveness of the measures taken every year. In 2024, Jolywood identified and evaluated a total of 40 risks and opportunities, with a 100% satisfaction rate for the effectiveness evaluation of the response measures.

Furthermore, the Company strictly follows the "Three Simultaneities" system and the requirements of environmental impact assessment approvals for construction, acceptance, and commissioning. During the reporting period, the Company's projects achieved a 100% compliance rate with the "Environmental Impact Assessment" and the "Three Simultaneities" system.

Environmental Emergency Management

To prevent environmental accidents, Jolywood has formulated an *Emergency Response Plan for Environmental Emergencies*, established an emergency organizational structure, and clarified the responsibilities of each department. The Company regularly organizes emergency drills to ensure a rapid and effective response in case of emergencies. Additionally, the Company is equipped with emergency supplies and equipment and has established an emergency response team, taking comprehensive preventive measures. In 2024, the Company conducted 9 emergency drills for sudden environmental incidents, including hazardous waste warehouse fire drills, hazardous materials leakage drills, hazardous waste leakage drills, and wastewater discharge exceeding standards.

Identification of Hidden Hazards

Jolywood has established a regular hazard investigation mechanism through self-inspections and expert inspections, timely identifying and eliminating potential environmental hazards. The Company adheres to the *Environmental Protection Law of the People's Republic of China*, *Measures for Administration of Pollution Discharge License (Trial)*, *Self-Monitoring Technical Guide lines for Pollutant Discharge Units*, and national or local pollutant discharge standards. Based on these, Taizhou Jolywood has developed a *Self-Monitoring Plan*, which clearly delineates the responsibilities for environmental monitoring. In 2024, Jolywood and its subsidiaries conducted 22 environmental protection special inspections and 24 routine environmental hazard inspections, identifying 128 hazards with a 100% rectification rate.



Jolywood hazardous waste leakage drill



Jolywood hazardous chemicals leakage drill



Jolywood hazardous waste warehouse fire drill



Jolywood hazardous waste warehouse fire drill

Environmental Management Goals and Indicators

The Company has established comprehensive management indicators and clear environmental protection goals for environmental compliance. Based on the *Goal and Indicator Control Procedure*, the Company manages its EHS indicators and goals, enabling it to systematically monitor and assess its environmental performance. This ensures the reduction of negative environmental impacts in daily operations while driving continuous innovation in environmental protection technologies and measures.

Objective	Achievement
Emission of pollutants in compliance with standards	Achieved
Environmental compliance: no penalties due to environmental violations	Achieved

During the reporting period

The Company's total investment in environmental protection was RMB **43.5048** million. The amount of major administrative penalties or criminal liability imposed by relevant departments such as the ecological environment due to environmental incidents was RMB **0** million.

Wastewater Management

The wastewater generated by Jolywood primarily originates from the product manufacturing process. Shanxi Jolywood has established internal systems such as the *Regulations for Wastewater and Waste Gas Emissions Management* and follows standards like the *Integrated Wastewater Discharge Standard (GB8978-1996)*, and the *Emission Standard of Pollutants for Battery Industry (GB30484-2013)*. Wastewater is managed with quantitative indicators, and qualified third-party agencies are regularly entrusted for monitoring. To treat wastewater pollutants, the Company uses neutralization, physico-chemical treatment, biological treatment, and sedimentation technologies to effectively remove harmful substances from wastewater. The treated wastewater meets national and local environmental standards and is discharged to a dedicated sewage treatment plant for further processing, with no impact on surrounding residents or water bodies. During the reporting period, 100% of the Company's wastewater was treated up to the standard and discharged.

	Types of pollutant	Total emissions in 2024 (t)
Industrial wastewater	Fluoride	12.46
	Total phosphorus (P)	2.25
	Suspended solids	71.58
	Five-day biochemical oxygen demand (BOD5)	23.90
	Ammonia nitrogen (NH3-N)	21.50
	Chemical oxygen demand (COD)	77.17

Waste Gas Management

The waste gases generated by Jolywood mainly come from the production stages of texturing, printing, and coating. The Company has formulated management documents such as the *Waste Gas Management System* and follows standards like the *Integrated Emission Standard of Air Pollutants (DB32/4041-2021)*, and the *Emission Standard of Pollutants for Battery Industry (Gb30484-2013)* to establish a quantitative indicator system for waste gas emissions, which includes: hydrogen fluoride, hydrogen chloride, ammonia (ammonia gas), particulate matter, non-methane total hydrocarbons, sulfur dioxide, nitrogen oxides, and more. Advanced technologies such as alkaline spraying, acid spraying, pulse dust collectors, activated carbon adsorption, catalytic combustion, and low-nitrogen combustion are used to treat air pollutants, ensuring that the treated waste gases meet the emission standards. Additionally, in accordance with local environmental department requirements for "one enterprise, one policy", the Company has additionally installed high-efficiency treatment facilities and eliminated low-efficiency ones to continuously improve its waste gas disposal and management measures. During the reporting period, the Company and its subsidiaries treated 100% of waste gases in compliance with standards before discharge.

	Types of pollutant	Total emissions in 2024 (t)
Industrial waste gas	Hydrogen fluoride	3.45
	Hydrogen chloride	8.67
	Ammonia (ammonia gas)	2.18
	Particulate matter	3.56
	Volatile organic compound (VOC)	11.31
	Sulfur dioxide	1.10
	Nitrogen oxide	16.65
	Sulfuric acid mist	0.14

Waste Management

Jolywood and its subsidiaries have established waste management regulations such as the *Hazardous Waste Management to System*, the *Regulations for General Solid Waste and Hazardous Waste Management*, and the *Rules of Waste Management*, strictly supervise and control the treatment of waste, ensuring that the actual amount of waste generated does not exceed planned amounts. The Company continually optimizes its environmental pollution control measures.

Waste generated mainly comes from production and operational processes and is divided into harmless solid waste and hazardous solid waste. Harmless waste mainly includes such solid wastes such construction waste, domestic waste, waste batteries, metal parts, used cardboard boxes, and waste plastics. Each department and workshop manages and stores non-hazardous waste through classification. The recyclable portion is either collected and reused by the supplier or sold for comprehensive utilization, while the non-recyclable portion is entrusted to a third-party with disposal qualifications for proper treatment and transportation. Hazardous waste mainly includes waste oil drums, laboratory waste liquids, used gloves, acid-absorbing cotton, waste paint, waste solvents, waste cloth (packaging), and waste activated carbon. These are uniformly collected by each department and transferred to a designated location for centralized storage. Standardized labels are affixed to the waste, and preventive measures are implemented. The waste is regularly handed over to a qualified third-party hazardous waste disposal unit for proper treatment.



During the reporting period

The Company generated a total amount of **12,600** tons of general waste, with the same amount disposed of, and generated a total amount of **378.73** tons of hazardous waste, with a **100%** compliant disposal rate.

Noise Management

Jolywood has established a *Noise Management System* and follows the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008) to manage noise at all production bases. For high-noise equipment, the Company takes protective measures, such as installing power equipment in enclosed buildings with sound-absorbing materials around the factory, installing vibration-reducing bases for pumps and fans, and adding silencers to air conditioning system intake and exhaust pipes, with flexible soft joints at pipe inlets and outlets, and rubber joints at the inlet and outlet pipes of water pumps to reduce noise. The Company conducts quarterly monitoring of environmental noise levels and strictly controls noise decibels at each production base according to actual requirements.

Resource Consumption Management

Overview of Energy Management

Jolywood adheres to the corporate mission of "Same Sunshine, More Value". The Company strictly abides by the *Energy Conservation Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China* and other relevant laws and regulations, and actively promotes the efficient use of resources. In daily operations, the Company primarily purchases and consumes energy types such as electricity, natural gas, diesel, gasoline, and uses energy-consuming working substances like compressed air and water.

Energy Management and Governance

The Company has established a comprehensive energy management system and set up an energy management team. It has formulated normative documents such as the *Energy Management Guidelines Operating Procedure* and *Energy Planning Management Procedure*, specifying the strategic goals, basic principles, operational processes, and the responsibilities of various departments and positions. This ensures the standardization and normalization of its resource management activities. Jolywood has set energy consumption assessment indicators for electricity, natural gas, and water in each workshop, refined workshop management, and incorporated these indicators into the department and individual KPI evaluation system. As of the end of the reporting period, Jolywood and its subsidiary, Taizhou Jolywood, have both passed the ISO 50001 Energy Management System certification.



ISO 50001 Energy Management System Certification of Jolywood/Taizhou Jolywood

Energy Management Strategy

Jolywood has reviewed energy performance over the past three years through energy reviews and data analysis. This review analyzed the energy system from seven aspects: energy application, process technology, equipment, process control, energy management, products, and employees, leading to the development of a list of energy performance improvement opportunities. Furthermore, the Company, based on the *Risk and Opportunity Identification and Management Control Procedure*, has identified and analyzed physical risks, transition risks, and opportunities associated with energy, and developed corresponding response measures.

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Physical Risks	Extreme temperatures	⊙ Extreme high or low temperatures could increase the Company's energy demands during operations.	Medium	Medium	Medium and long-term	Operations	Low	⊙ Increased operating costs	⊙ Gradually replace energy-inefficient products; ⊙ Maintain and replace energy-consuming equipment to reduce energy waste.
	Extreme storms and precipitation	⊙ Energy-related equipment may be damaged, leading to energy supply disruptions, affecting normal production and operations, and causing fixed asset depreciation.	Medium	High	Medium and long-term	Upstream, operations, downstream	Low	⊙ Increased operating costs	⊙ Install power monitoring on key energy-consuming equipment, monitor abnormal energy consumption, conduct statistical analysis, and implement corrective actions.
Transformation Risks	Policy risks	⊙ If the Company fails to meet the energy measurement requirements of GB17167-2006 <i>General Principle for Equipping and Managing the Measuring Instrument of Energy in Organization of Energy Using</i> , it may be exposed to compliance risks.	Low	High	Short-, medium-, and long-term	Operations	High	⊙ Increased operating costs	⊙ Closely monitor changes in energy-related policies and make adjustments promptly.

Risk/Opportunity	Category	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Opportunities	Policy opportunities	⊙ Subsidies, incentive measures, and preferential loans introduced by the government encourage enterprises to adopt clean energy or improve energy efficiency.	High	High	Medium and long-term	Operations	Medium	⊙ Increase in non-business revenue	⊙ Actively increase the proportion of clean energy and promote PV projects through electricity market reforms.
	Market opportunities	⊙ The further opening of the electricity market can enhance the efficiency and cost-effectiveness of electricity supply, reducing the Company's energy loss costs.	High	Medium	Short-, medium-, and long-term	Operations	High	⊙ Reduced operating costs	⊙ Refine and improve energy statistics, and set energy targets and plans.

Energy Management Impacts, Risks and Opportunities

Jolywood follows a scientifically rigorous process in energy management, starting with risk identification, followed by detailed risk assessment, comprehensive monitoring, and real-time data analysis. This process culminates in precise management measures and continuous optimization.



Jolywood conducts a comprehensive analysis of external policies, environments, market trends, and internal operations to identify potential risks affecting energy supply stability, cost efficiency, and environmental compliance.



After identifying these risks, Jolywood assesses their likelihood, impact, and duration to prioritize them and determine appropriate response strategies. This provides a scientific foundation for subsequent management measures.



To ensure effective implementation of energy management processes, the Company has established a comprehensive energy monitoring system. By utilizing advanced information technology tools such as online energy consumption monitoring systems, Jolywood can monitor energy usage in real-time and analyze data. This helps promptly identify energy wastage and abnormal consumption patterns, while also providing reliable data for assessing the effectiveness of energy-saving measures.



Based on the results of risk identification and assessment, as well as feedback from monitoring data, Jolywood has developed and implemented a series of targeted energy management measures. The Company also conducts regular reviews and evaluations of its energy management performance, adjusting and improving strategies as necessary to ensure continuous optimization and enhancement of energy management.

Energy-Efficient Technology Upgrading

By technological upgrades, Jolywood focuses on improving processing efficiency and reducing energy consumption through technological updates. For example, the energy consumption anomalies in workshops and departments are monitored and analyzed using the online energy consumption monitoring system, with corrective measures developed to maximize energy savings.

S/N	1	2
Solution name	Optimization and transformation of the heating plate on the production line	Production line upgrade and transformation
Technological innovation measure	The transformation of premixed SR200 heating plate into a straight-through SR200 heating plate increases the utilization rate of natural gas and reduces the energy consumption of natural gas by 10%	Switching from electric heating to natural gas heating for the main heating system in production lines
Expected energy savings	Expected energy savings	50,000 m ³ of natural gas per year
	Equivalent ton of standard coal tce	57.95
Energy conservation verification method	Expected energy savings	4 million kWh per year
	Equivalent ton of standard coal tce	491
Responsibilities Department	Equipment Department	Equipment Department
Achievement	Achieved	Achieved
Actual energy savings	57.95/12*4=19.31tce	491/12*2=81.83tce

Use of Clean Energy

To further implement the *Law of the People's Republic of China on Clean Production Promotion* and the *Notice on Advancing Clean Production in Key Enterprises*, and to fulfill the annual work objectives set by the municipal Environmental Protection Bureau and Commission of Economy and Information Technology, Jolywood has conducted clean production audits since 2022, by establishing an internal clean production audit working group, and achieved significant benefits on clean production through the implementation of both low-cost and medium-to-high-cost solutions.

The Company is actively taking steps to increase the proportion of clean energy in place of traditional energy sources, fully optimizing its energy structure, and continuously advancing the construction of PV projects within the plant, striving to achieve greener and more sustainable development.

During the reporting period

The PV power station at Taizhou Jolywood generated **5,478.55** MWh of electricity, equivalent to a reduction of **4,497.89** tons of CO₂ equivalent.

Energy Conservation Training and Promotion

To enhance energy-saving and environmental protection levels, the Company has organized energy management skills training for key energy-consuming departments and conducted energy-saving awareness programs for all employees for energy conservation promotion. At the same time, the Company has established a recognition system for advanced energy-saving teams and individuals and introduced the "Golden Idea" policy to encourage employees' proactive involvement in energy conservation and environmental protection, thereby improving the overall energy-saving awareness and abilities of all employees. During the reporting period, the Company carried out training sessions covering basic energy knowledge, internal auditing of energy management systems, and energy conservation week activities.

Case "Energy Conservation Week" Training

In May 2024, Shanxi Jolywood organized an energy conservation week training themed "Green Transformation, Energy-Saving Endeavors". The Company also distributed energy-saving pamphlets to employees to raise their awareness of energy conservation.



Energy Conservation Week Training

Case **Internal Auditor Training of Energy Management System**

In August 2024, Taizhou Jolywood conducted internal auditor training for the energy management system. The training covered topics such as the general provisions for energy metering equipment in energy-consuming units, PV manufacturing industry standards, comprehensive energy consumption calculation rules, and the creation of enterprise energy metering network diagrams. A total of 10 personnel, who had already obtained the internal auditor certification for energy management, participated in the training.



Internal Auditor Training of Energy Management System

Energy Management Metrics and Targets

Jolywood has set the overall energy management goal as "Continuous Improvement, Reduction of Comprehensive Energy Consumption, Reduction of Energy Consumption per Unit Product, and Creation of a Green Manufacturing Enterprise". The Company has formulated internal documents such as the *Control Procedure for Energy Objectives, Indicators, and Management Implementation Plan* and *Control Procedure for Energy Performance Parameters and Benchmark*, aiming to achieve sustainable energy goals and continuously improve energy usage efficiency.

During the reporting period

The Company's total energy consumption was **79,200** tons of standard coal, with a comprehensive energy consumption intensity of **0.13** tce/RMB10,000 revenue; natural gas consumption: **11.4858** million cubic meters; gasoline consumption: **40,042.40** liters; diesel consumption: **76,755.07** liters; purchased electricity consumption: **501,264.05** MWh; clean energy usage: **17,642.61** MWh.

Note: The calculation method for energy consumption primarily refer to the *China Energy Statistical Yearbook - Appendix 4 - Reference Conversion Factors for Various Energy Types to Standard Coal* and *GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption*.

Water Resource Management

As for water resource usage, the Company has obtained a water usage permit, and the main water resources are sourced from municipal water supplies. To enhance water resource efficiency, the Company has implemented recycled water and reclaimed water reuse measures in the production process to reduce the consumption of fresh water. To strengthen water resource management, the Company has established a standardized and systematic water resource management process, aiming to achieve water conservation and efficient utilization.

Shanxi Jolywood has formulated the *Safety Management Rules for Water Use in Factory* and established a comprehensive water resource management system, striving to improve water usage efficiency and promote the recycling of water resources. Taizhou Jolywood has implemented a water conservation management responsibility system, established clear annual water-saving plans and water usage goals, and formed a dedicated water management team to coordinate and supervise water resource management across departments, thereby ensuring the fulfillment of water usage objectives. During the reporting period, Taizhou Jolywood advanced comprehensive water resource management through different measures, including workshop wastewater filtration and reuse, cooling tower overflow water reuse, installation of water-saving sanitary fixtures, and the renovation of sewage pipelines.

During the reporting period

Taizhou Jolywood recycled **61,400** tons of reclaimed water, saving 64,500 tons of tap water. Shanxi Jolywood recycled **34,300** tons of industrial wastewater.

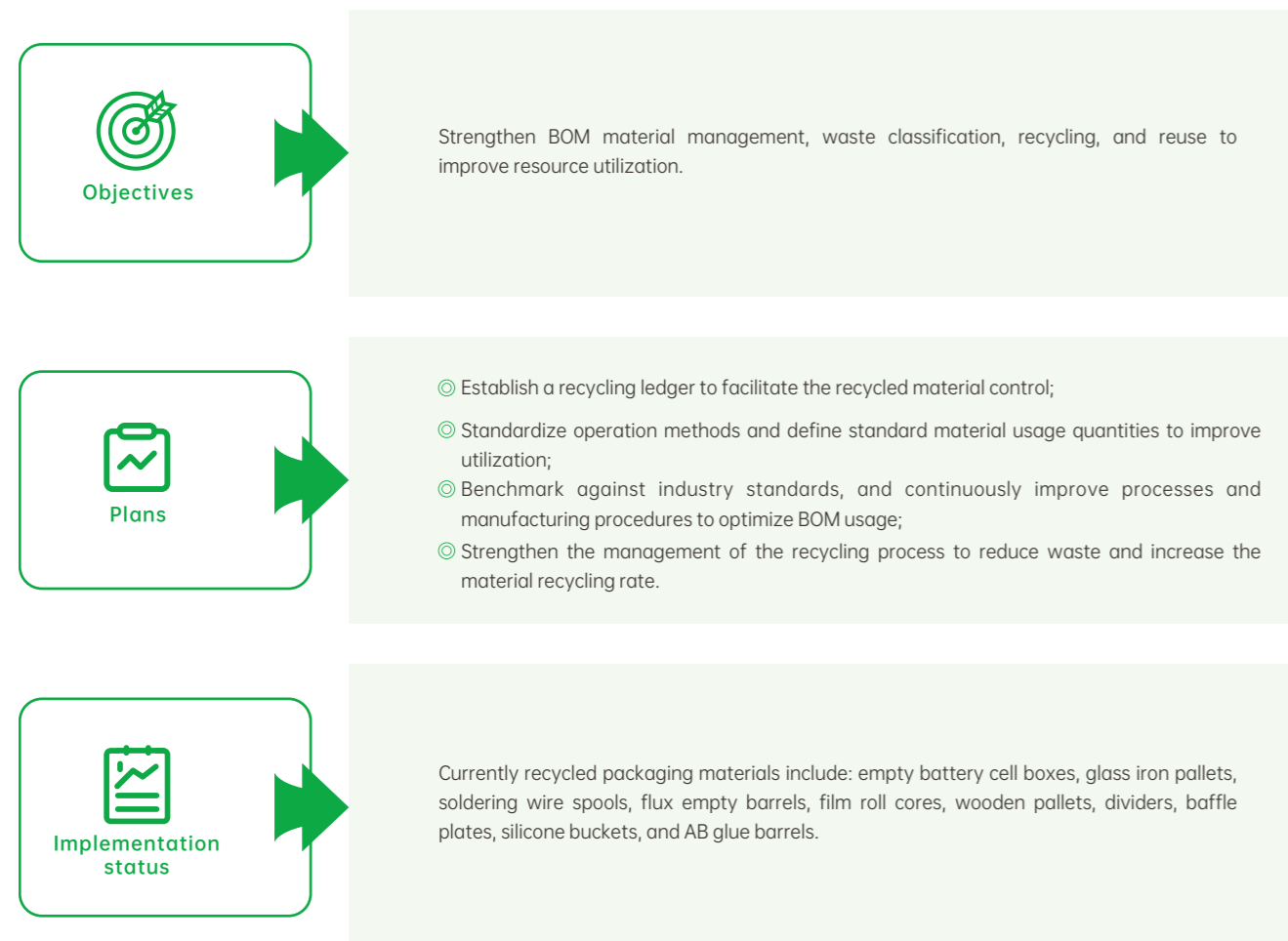
Packaging Material Management

Jolywood places great emphasis on packaging material management. The Company's material utilization spans across production, product research and development, supply chain management, and waste disposal. The materials involved primarily include raw materials, auxiliary materials, components, and packaging materials. The Company uses biodegradable, recyclable, and non-polluting green packaging materials such as wooden pallets, board enclosures, box covers, cushioning cardboard, and paper corner protectors. By formulating and implementing packaging material management systems, the Company standardizes packaging material usage processes to improve use efficiency and optimize resource allocation. Furthermore, the Company actively practices the concept of a circular economy, reducing environmental pollution and striving for green, low-carbon, and sustainable development.

Taizhou Jolywood's packaging material management measures:

- ③ Store different materials according to different control requirements based on the *Warehouse Management Process*;
- ③ Make production plans based on order requirements, schedule production and manufacturing according to the plans, and carry out material requisition and material management based on the BOM;
- ③ Use simplified packaging for some products, achieving lightweight, reduced, and recyclable packaging, and improving packaging material utilization efficiency;
- ③ If the performance of current paper products exceeds the packaging requirements, reduce the weight of board enclosures, box covers, cushioning cardboard, and paper corner protectors, lowering the packaging costs.

Specific objectives and plans for achieving a circular economy at Taizhou Jolywood:



Green Office

The Company has also developed the *Energy and Resource Conservation Control Procedure*, advocating for green office practices. The Company encourages employees to conserve paper, electricity, and water in basic operations, embodying a low-carbon working and living lifestyle.

The Company actively promotes paperless office practices and advocates for double-sided printing; reasonably adjusts office equipment and air conditioning temperatures, fostering the habit among employees of turning off power when not in use; installs foot-operated and sensor-based water faucets, and posts water-saving slogans on bulletin boards and at water stations to ensure water stops when employees leave; maintains water equipment in a timely manner; encourages the use of recyclable products to reduce the consumption of disposable items and promotes green commuting methods to reduce carbon emissions, among other initiatives. Additionally, the Company strives to create a green office environment by placing plants and optimizing office layouts to provide a more comfortable and healthy workplace for employees.



Water Conservation Slogan and Display Board

Focus on Ecological Protection

Jolywood is committed to the widespread promotion and in-depth exploration of PV technology across various application scenarios. Its mission is to develop eco-friendly green energy models, injecting strong momentum into ecological restoration and biodiversity protection efforts. To this end, Jolywood actively expands its "Photovoltaic+" integrated application solutions, applying PV technology to fields such as agriculture and desertification control, with initiatives like Agri-PV and "Desertification Control + PV". Among these, the Agri-PV project enhances both clean energy supply and land use efficiency, promoting a win-win development of the agricultural and PV industries. The "Desertification Control + PV" model effectively reduces direct sunlight and water evaporation in desert regions through the shielding of PV panels, significantly improving desert ecology and providing new ideas and solutions for desertification management.

Throughout the implementation of these projects, Jolywood strictly adheres to national environmental protection regulations and integrates ecological protection concepts deeply into every stage of project planning, construction, operation, and maintenance. The Company places a high priority on environmental impact assessment, conducting comprehensive evaluations and analyses of proposed projects to minimize negative environmental impacts during construction and operation. Additionally, Jolywood actively takes measures to protect the ecological environment and biodiversity in project areas, contributing to the sustainable development of our planet.

Case **Bengbu Guzhen 23.1 MWp Agri-PV Power Generation Project (Anhui, China)**

The bengbu guzhen 23.1 MWp Agri-PV power generation project (Anhui, China) is an important practice in Jolywood's exploration of the Agri-PV model. The project adopts the "power generation on top, agriculture and aquaculture below" model, where PV panels are installed above greenhouses, using solar energy to generate clean electricity for the grid. Below the panels, the greenhouses are managed by an agricultural company, which allocates resources based on local conditions to engage in ecological farming and agricultural cultivation. The project has been fully grid-connected. This Agri-PV model takes full advantage of the abundant sunlight resources and collective construction land in the local area, achieving a dual-win development of energy production and agriculture.



Agri-PV Power Generation Project



03

Excellence in Innovation and Quality Service



Technological Innovation and Research & Development

R&D and Innovation Management System

Jolywood has always viewed R&D innovation as a key factor driving the Company's high-quality development. Guided by market demand and based on independent R&D, the Company continuously accelerates technological innovation and iteration, striving to enhance the overall performance and energy efficiency of its products, thus laying a solid foundation for increasing market competitiveness. The Company has established an R&D management structure centered around the R&D Department and has implemented management systems such as the Regulations for *Technology Innovation Management System* and the *Engineering Technology Research Center Management*, adhering to scientific ethics and constantly improving its innovation and R&D system.

During the reporting period

Jolywood's R&D investment amounted to RMB **247** million; the R&D team consists of **549** employees, accounting for **22.6%** of the total staff, including **8** PhDs and **68** Master's degree holders from both domestic and overseas; the Company holds **4** national high-tech enterprise certifications, **2** national-level laboratories, **2** post-doctoral workstations, and **1** specialized, refined, differentiated and innovative enterprise.

Taizhou Jolywood has set up clear strategic objectives for R&D, focusing on developing efficient and environmentally-friendly new energy products. Over the past few years, it has achieved significant success through continuous technological breakthroughs. Looking ahead, Taizhou Jolywood has outlined a clear development blueprint to ensure its R&D strategies align with market demands.

Strategic Objective

Leveraging Jolywood's leading advantage in n-type crystalline silicon PV technology and the unique TOPCon technology route, the Company develops high-efficiency and low-cost PV products to improve battery efficiency and module power while reducing manufacturing costs. The Company also expands its product range and strengthens product competitiveness.

Achievements of Objectives

- ◎ Jolywood has optimized the TOPCon-JSIM battery process, significantly improving PV conversion efficiency and enhancing resistance to damp heat aging. This provides a perfect solution for single-glass bifacial module encapsulation;
- ◎ Additionally, the Company successfully developed and officially launched the Windproof Module, which uses fully tempered glass, backbone steel frames, and transparent white mesh backsheets. The Windproof Module features low operating temperatures, low hot-spot temperatures, and low temperature coefficients, and also boasts resistance to hurricane, hail, snowstorm, and burst.

Next Year's Goals and Long-term Plans

Jolywood will focus on the cutting-edge technologies of PV power generation, conduct R&D in new and high-efficiency batteries and highly reliable PV module technologies. The Company will pursue a high-end and differentiated product route, aiming to maintain its leadership in PV technology and competitive advantage in products, contributing to the industrial advancement.

R&D and Innovation Initiatives

Innovation Incentive Mechanism

In the process of promoting sustainable development and achieving long-term value creation, the Company deeply understands the importance of innovation and talent. To inspire the innovative potential of its employees and promote technological breakthroughs and business growth, Jolywood has developed and implemented the *Measures for Implementation and Incentive for the Conversion of Scientific and Technological Achievements*. The Company has set up the "Technological Innovation Award" to recognize and reward outstanding contributions from scientific personnel and R&D teams in the fields of technological innovation, product development, intellectual property, etc., by awarding bonuses and certificates of honor.

Additionally, the Company has developed systems such as the *Employee Promotion Management System* and *R&D Technical Staff Title Evaluation*. It has established three career development paths for technical management, professional technicians, and skilled workers, offering economic rewards, academic exchanges, domestic and international study training, and research project support for those who earn expert or technician-level titles.

Construction of Innovation Platform

Jolywood is equipped with several scientific research and innovation platforms, including the Provincial Engineering Technology Research Center, the Provincial Enterprise Technology Center, the Jiangsu Postdoctoral Innovation Practice Base, the National Postdoctoral Research Station, the Jiangsu Graduate Workstation, the Jiangsu Foreign Expert Workstation, and the Jolywood-Baima Lake Photovoltaic Technology Joint Laboratory. Among these, Jolywood's Photovoltaic Thin Film Laboratory and Taizhou Jolywood's Testing Center have both received China National Accreditation Service for Conformity Assessment (CNAS) accreditation and operate in strict accordance with CNAS criteria and management system documents.



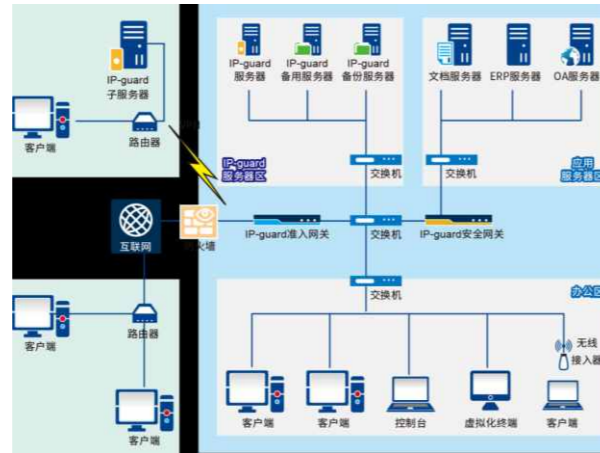
CNAS Laboratory Accreditation Certificate

Digitalization Construction

Amid the current global digitalization wave, Jolywood continues to stand at the forefront of technological innovation, actively embracing an information technology innovation strategy. The Company is committed to injecting continuous momentum into its development through digital technology upgrades.

Case IP-Guard Protecting Information Security, a New Milestone in Data Protection

Since 2006, Jolywood has implemented the IP-Guard information security platform. Through IP-Guard's precise permission management, data leakage prevention, and terminal security control features, the Company has established a comprehensive and multi-layered information security protection system.



Basic Architecture of Information Security Protection System

Case "Informationization, Intelligence, and Green Technology" in Intelligent Manufacturing

Taizhou Jolywood has established a new intelligent manufacturing model for high-efficiency n-type monocrystalline bifacial solar cells, featuring "informationization, intelligence, and green technology". This model integrates a secure and efficient industrial Internet system, creating an intelligent demonstration factory for the production of high-efficiency n-type monocrystalline bifacial solar cell modules, where "equipment connectivity, data interoperability, and information sharing" are key features. The factory has been recognized with honors such as the Jiangsu Province "Two-Oriented Integration" Management System Pilot Enterprise Certification, Jiangsu Province AAA-level "Two-Oriented Integration" Management System Evaluation Certificate, and the Jiangsu Province Smart Manufacturing Demonstration Workshop.

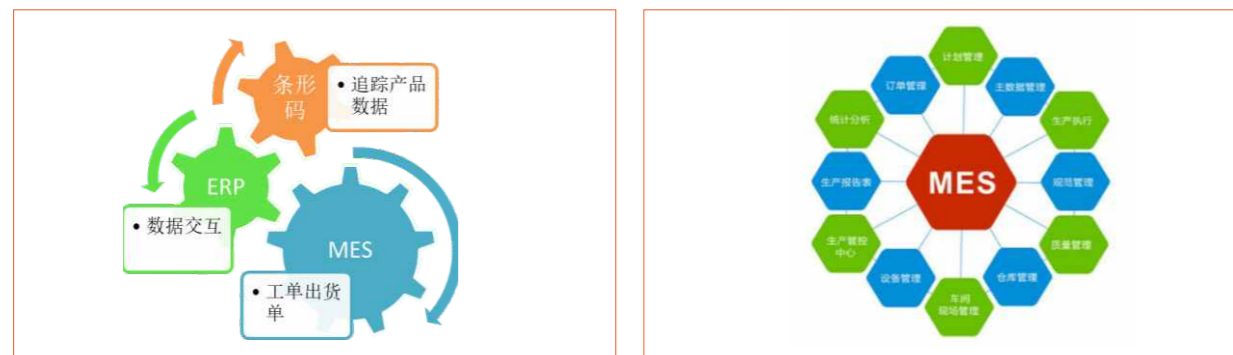


Smart Operation and Maintenance Platform

Case Intelligent Production, Leading Industrial Transformation

Jolywood's high-speed solar backsheet coating workshop was awarded the 2024 "Suzhou Demonstration Intelligent Workshop Certification". As a benchmark in the solar PV backsheet production field, the Company's workshop profoundly integrates advanced technologies such as the Internet of Things (IoT), big data, and cloud computing, achieving intelligent management of production processes. The intelligent scheduling system enables the workshop to precisely and efficiently allocate production tasks through ERP/MES systems, adjust production plans, and configure production lines flexibly according to order demands, ensuring smooth and efficient production processes.

Additionally, the workshop is also equipped with high-precision sensors and automated equipment with intelligent control systems that can monitor production status in real-time and adjust process parameters as needed, ensuring an efficient and stable production process. By introducing an intelligent system for automatic connection and customizing its transformation, Jolywood has significantly reduced labor costs.



ERP/MES System

Contributing to the Industry Development

Jolywood is committed to advancing the PV industry, actively assuming its responsibility for industry development. The Company fosters technical exchanges and collaborations within the industry by participating in industry seminars, engaging in industrial standard formulation, and sharing innovation outcomes, contributing to the high-quality development of PV technology and the creation of a sustainable global clean energy future.

Some of the standards that Jolywood participated in formulation are as follows:

Standard Number	Standard Name	Type of Standard	Date of Issuance	Date of Implementation
GB/T 41203-2021	Method for Accelerated Aging Test of PV Module Encapsulating Material	National Standard	2021-12-31	2022-07-01
GB/T 39750-2021	Technology Requirements of DC Arc-Fault Circuit Protection for Photovoltaic Power System	National Standard	2021-03-09	2021-10-01
GB/T 37663.2-2019	Outdoor Empirical Test Requirements for Distributed Photovoltaic In Warm Damp Dlimite - Part 2: Photovoltaic Backsheet	National Standard	2019-06-04	2020-01-01
GB/T 31034-2014	Insulating Back Sheet for Crystalline Silicon Photovoltaic(PV) Modules	National Standard	2014-12-05	2015-07-01
SJ/T 11722-2018	Backsheet Used for Photovoltaic (PV) Modules	Industrial Standard	2018-04-30	2018-07-01
T/CPIA 0069-2024	Coupled Environmental Stress Test Method for Photovoltaic Modules	Group Standard	2024-08-30	2024-09-15
T/CPIA 0055.1-2024	Crystalline Silicon Photovoltaic Cells - Part 1: n-type Photovoltaic Cells with Tunnel Oxide Passivating Contacts	Group Standard	2024-03-10	2024-03-15
T/CPIA 0063-2024 T/CSTE 0533-2024	Assessment Requirements for Quality Grading and "Forerunner" - Crystalline Silicon Photovoltaic Cells	Group Standard	2024-03-10	2024-03-15



Jolywood in the 20th China SoG Silicon and PV Power Conference



Jolywood in the 2024 APTV Forum

Industry-University-Research Cooperation

Jolywood is also deeply involved in technological innovation and industry-university-research cooperation. By collaborating closely with enterprises and universities, the Company leverages both parties' strengths and resources to jointly carry out scientific research projects, talent development, and technical exchanges. This cooperation helps introduce outstanding research talents and technological achievements, injecting new vitality into the development of the PV industry. Jolywood has established long-term industry-university-research collaborations with Soochow University, Sichuan University, and other domestic and international universities.

Case Exploring Industry Leading Technologies Together

In August 2024, the R&D team from Arkema Changshu Special Materials Co., Ltd. visited Jolywood where they had in-depth discussions on topics such as PV backsheet, PV encapsulants, green low-carbon coatings, and innovative product solutions. This visit by Arkema not only brought internationally leading R&D concepts and technological achievements to Jolywood, but also laid a solid foundation for future cooperation between the two parties.



Exploring Industry Leading Technologies with Arkema's R&D Team

Case Industry-Academia Integration to Achieve Win-Win Outcome between School and Enterprise

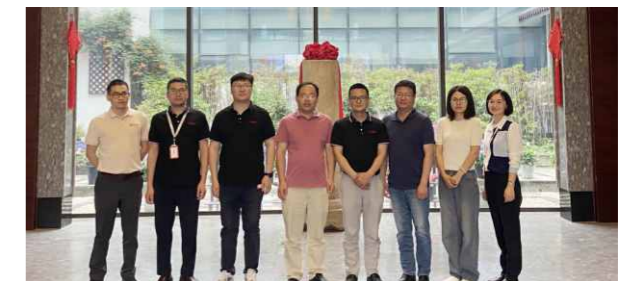
During the reporting period, Jolywood also collaborated with several universities and enterprises. In April 2024, the Company engaged in discussions at Nanjing University, exploring the current technological frontiers and discussing new paths for the deep integration of industry-university-research development. In June, Jolywood and Nanjing Tech University held in-depth talks on integrating industry, academia, and research, talent development, and the transformation of research results. In July, Jolywood co-hosted a seminar with North University of China and held a ceremony for the unveiling of a joint PV graduate training base.



Cooperation with North University of China



Cooperation with Nanjing Tech University



Cooperation with Nanjing University

Intellectual Property Protection

Jolywood strictly complies with the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, and other relevant laws and regulations. The Company continues to advance the development of its intellectual property management system in accordance with national standards GB/T29490-2023. The Company adheres to the management principle of "strengthening intellectual property protection and avoiding intellectual property risks" and has designated personnel to handle all intellectual property matters. Furthermore, Jolywood has developed 22 system documents, including the *Intellectual Property Management Manual* and *Compilation of Intellectual Property Management System*, covering the entire process from acquiring, maintaining, and utilizing intellectual property to management, thereby establishing a complete intellectual property management system.

In 2024, Jolywood obtained the GB/T29490-2013 Intellectual Property Management System Certification, and Jolywood (Suzhou) Solar Material was recognized as a qualified unit in the Jiangsu Province Enterprise Intellectual Property Management Standardization Evaluation.

By the end of the reporting period

The Company has accumulated a total of **310** authorized patents, including **136** invention patents and **174** utility model patents authorized.
 During the reporting period, Jolywood filed **64** invention patent applications, and **15** were granted.



Intellectual Property Management System Certification

Intellectual property risk mitigation measures:

- ① Conduct intellectual property research in advance for proposed R&D projects;
- ② Formulate disclosure plans for research outcomes in a timely manner, conduct patent searches and evaluations, and apply for patents for eligible inventions;
- ③ Perform Freedom-to-Operate (FTO) analysis for technologies used in products to be launched;
- ④ Strengthen intellectual property training to raise employee awareness of intellectual property protection;
- ⑤ Continuously monitor industry-related intellectual property disputes, organize analyses by relevant intellectual property and technology personnel, and take preventive measures for addressing any issues related to invalidity or technological circumvention.

Product Quality Management

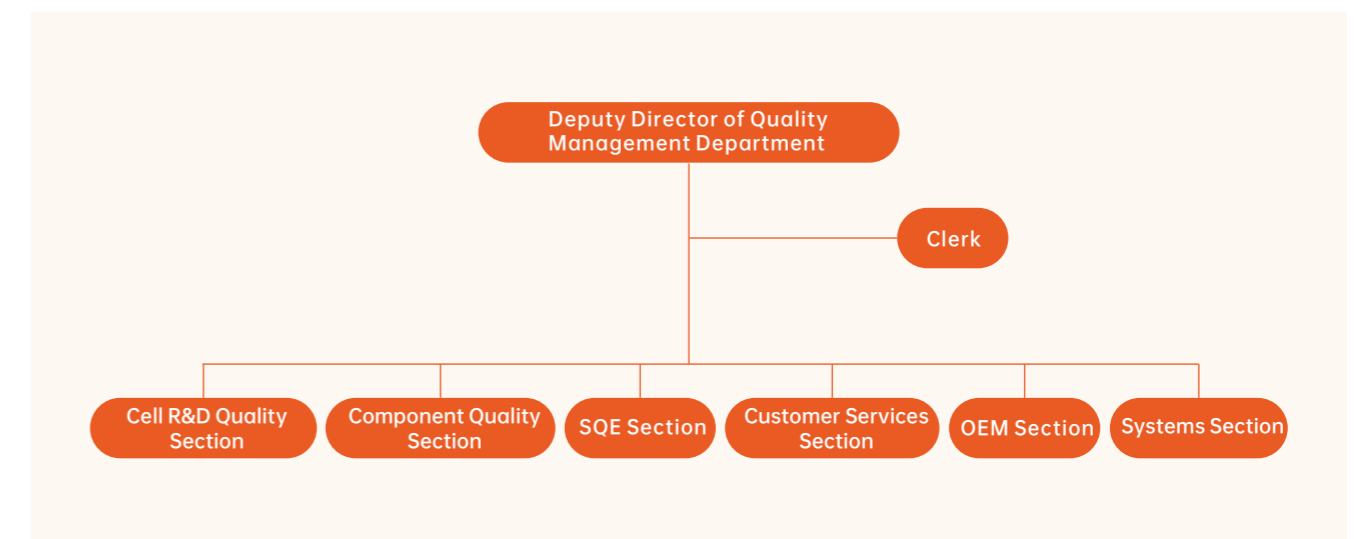
Overview of Product Quality

Jolywood believes that excellent product quality is the cornerstone of building brand competitiveness. The Company strictly adheres to the *Law of the People's Republic of China on Product Quality* and other relevant laws and regulations, establishing and improving a quality management system. Throughout the full product lifecycle, Jolywood implements the quality management policy of "Striving for Excellence, Reliability, Durability, and Satisfactory Service", aiming to deliver high-quality products and services to customers. During the reporting period, the company did not experience any major quality incidents.

Product Quality Management

The Company has developed multiple product quality management systems, including the *Quality Manual*, *Product Identification and Traceability Procedure*, *Product Quality Control Procedure*, and *Equipment and Facility Management Control Procedure*. We also have set up a quality management organizational structure, with the Quality Department as the primary responsible unit, and defined responsibilities and authority, as well as rewards and penalties to continuously improve the planning, implementation, supervision, and review of the quality management system to ensure the product and service quality. Jolywood has obtained certifications including the ISO 9001 Quality Management System, the enhanced reliability certification for n-TOPCon single-glass bifacial PV modules, and the new IEC standard certification for n-TOPCon single-glass bifacial transparent backsheet PV modules.

Organizational Structure of the Quality Department for Cell Module Business





ISO 9001 Quality Management System Certification of Jolywood/Jolywood Minsheng/Shanxi Jolywood/Taizhou Jolywood



Enhanced Reliability Certification for n-TOPCon Single-Glass Bifacial PV Modules and New IEC Standard Certification for n-TOPCon Single-Glass Bifacial Transparent Backsheet PV Modules

Energy Management Strategy

Type of Risk/ Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Risk	Reputation risks	Low	High	Short-, medium-, and long-term	Operations, downstream	Medium	Decreased operating income	Improve product quality management capabilities and strictly control product quality.
	Market risk	Low	Medium	Short-term	Operations	Medium	Decreased operating income	Increase R&D efforts, accelerate new technology innovation, update and iterate, and build product barriers.

Type of Risk/ Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Opportunities	Policy opportunities	High	Medium	Short-, medium-, and long-term	Operations	High	Business growth	Seize the opportunity of rapid industry development and product innovation in the sector.
	Technical opportunity	Medium	High	Long-term	Operations	High	Reduced operating costs	Accelerate the application of TOPCon New technology, continually reduce TOPCon product costs, and seize the technological advancement in the industry; Improve workshop processes and continuously lower component costs.

Product Quality Impact, Risk and Opportunity Management

Jolywood's quality risk management follows a systematic approach, combining forward-looking and retrospective strategies, aiming to identify, assess, control, and audit quality risks to ensure products meet customer satisfaction and quality standards, improve production efficiency, and to reduce costs.

Jolywood has established internal management procedures, such as the *Risk and Opportunity Management Procedure*, *Organizational Risk Management*, and *Potential Process Failure Mode and Effects Analysis*, and developed a combined qualitative and quantitative risk and opportunity management mechanism to proactively respond to and manage relevant quality risks. By conducting a SWOT analysis of both internal and external environmental factors and the Company's current situation, Jolywood identifies risks and opportunities; departments assess risks based on frequency and impact on objectives, determining risk levels; corresponding response measures are proposed for different risk levels, and responsibilities are assigned to departments, which are then recorded in the *Form of Risk and Opportunity Identification and Response*. Additionally, risk and to validate the effectiveness of these measures. During the reporting period, Jolywood invited a third-party institution to audit the quality management system, and no major quality risks were found.

Control of Nonconforming Products

In accordance with the quality management system requirements, Jolywood has formulated the *Nonconforming Product Control Procedure* to ensure timely and effective handling of nonconforming products. This procedure covers nonconforming products from suppliers' materials, outsourced processing, customer materials, semi-finished products during the process, finished products, and returned nonconforming customer goods. It prevents these nonconforming products from entering the next production stage or being delivered to customers, avoiding unintended use or delivery of nonconforming products. Additionally, Jolywood implements corrective actions and preventive actions for nonconforming products in accordance with the *Corrective Action and Preventive Action Control Procedure*.

Quality Incident Level	Response Measures
General and Above	The In-Process Quality Control (IPQC) needs to compile statistics and require relevant departments to implement improvements during the quality meeting.
Serious and Above	A <i>Quality Abnormality Form</i> must be issued. Within 24 hours of discovering the issue, the form should be sent by email to the responsible department and relevant units. The responsible department must investigate the cause and implement corrective actions. The investigation results must be fully replied to within 24 hours, based on the <i>Quality Abnormality Form</i> email.
Major and Above	The responsible department must respond to the <i>Quality Abnormality Form</i> within 24 hours and provide an 8D report.

Product Traceability System

The Company utilizes the Manufacturing Execution System (MES) to trace the information of modules and cells by attaching component and cell barcodes, as well as detailed information, to create digital records. This ensures that product information is traceable throughout the process. Additionally, during the manufacturing process, we record the transit information for each step of production. If a defect occurs, it can be recorded and frozen at the corresponding station, effectively preventing defective products from entry into the next process.

Quality Training and Activities

The Company vigorously promotes the construction of a quality culture. Through quality management-themed training, "Quality Month", and other activities, we continuously stimulate employees' sense of responsibility for quality and advocate for full employee involvement in quality management.

During the reporting period

The Company organized **119** quality training sessions, with **522** employees participating.

Case 2024 "Quality Month" activities successfully held at Taizhou Jolywood

In September 2024, Taizhou Jolywood successfully held the "Quality Month" launch ceremony. With the theme "Quality Supports Business Development, All Employees Co-create a Bright Future", a series of colorful and meaningful activities were held during "Quality Month".



Individual Knowledge Competition



Skills Competition



"Quality Month" Launch Ceremony



Professional Skills Training



Awarding of Certificates and Bonuses

Product Quality Metrics and Targets

The Company set the 2024 product quality targets, and these targets have been achieved during the reporting period.

During the reporting period

The Company conducted **14** quality risk assessments, **5** internal quality audits for the year, and **3** third-party sampling inspections. There were no products that needed to be withdrawn or recalled for health and safety reasons, and no major product or service safety and quality incidents occurred.

Protection of Customers' Rights and Interests

Customer Service Management System

Jolywood strictly adheres to the *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests*, and has developed management systems and regulations such as the *Measures for Management of Customer Complaint Handling*, *Sales Order and Contract Review Process*, and *Customer Service Management Procedure*. These documents clearly define the standards for complaint handling and compensation services. Through various channels, including a hotline, email, and on-site consultations, the Company actively listens to customer feedback, promptly addresses customer needs, and fully protects customer rights and interests, aiming to earn customer trust and recognition through high-quality service.

Customer Complaint Handling and After-Sales Management

The Company handles customer complaints according to the *Customer Complaint Handling Process* as per the following standardized procedures: First, collect relevant information regarding the defective product; second, determine the responsible department and identify the preliminary cause; third, communicate with the customer and respond to the issue, develop and verify improvement measures, and then handle product returns and exchanges; finally track customer feedback, optimizing products while effectively resolving the complaint.

During the reporting period

The Company has achieved a **100%** customer complaint resolution rate.

Customer Satisfaction

The Company has established and follows the *Customer Satisfaction Control Procedure*, regularly conducting customer satisfaction surveys through face-to-face meetings, phone interviews, emails, WeChat, and questionnaires.

During the reporting period

The Company's customer satisfaction rate was **86.97%**, with **468** valid survey responses.

Customer Service Training

Jolywood attaches great importance to the training of its customer service team. Through training programs for customer service staff, sharing of complaint case studies, marketing training, and other initiatives, the Company continuously enhances the profession quality and service capability of its customer service personnel.

Case 2024 Sales Team Empowerment Training Camp of Jolywood

In June 2024, just before the highly anticipated industry events SNEC and Intersolar, Jolywood held a special "Sales Team Empowerment Training Camp" to enhance the sales skills and business knowledge of its team. Over 120 participants, including sales, technical support, and marketing personnel from various business units, participated in the training.



Sales Team Empowerment Training Camp

Responsible Marketing

Jolywood adheres to a responsible marketing philosophy, with integrity as its foundation, resisting false advertising to ensure that product information is authentic and reliable. The Company strictly follows the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, establishing a responsible marketing material review and supervision mechanism. It enforces strict controls over the review processes for printing and external communication of promotional materials, ensuring that all promotional content is authentic, transparent, and protects consumers' right to know and choose. During the reporting period, the Company did not have any incidents related to product labeling violations or marketing non-compliance.

During the reporting period

The Company organized **55** responsible marketing training sessions, with **74** employee participants and a total of **1,282.60** hours of training.

Information Security and Privacy Protection

Jolywood is committed to enhancing its capabilities in information security and privacy protection, including infrastructure, business operations, and talent pipeline development. The Company strictly follows the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other national laws and regulations, and has established various rules and regulations, including the *Measures for Management of Group Information Security* and *Network and Information Security Emergency Response Plan*. The Company has formed an Information Security Working Group to implement monitoring, control, and the implementation of information security and privacy protection responsibilities, and classifies data to ensure its confidentiality, integrity, and availability. During the reporting period, no incidents of data security breaches or customer privacy breach were reported at the Company.

As for information security management, the Company applies technologies such as security operation and maintenance bastion hosts, application disaster recovery, data disaster recovery, operation and maintenance platforms, and hyper-converged platforms to enhance information protection and prevent data leaks. Additionally, the Company provides continuous information security training for employees and continues to improve its information security management system.

While strengthening its own systems, Jolywood actively engages in technical exchanges and collaborations with leading industry security technology companies, especially in proactive defense, where the Company uses AsiaInfo Security's EDR-class defense products. In the next step, the Company plans to explore applications based on situation awareness + AI to provide Jolywood with secure and high-value information services.

Sustainable Supply Chain

Governance of Supply Chain

Jolywood places a high priority on supply chain management, considering it as a key driver of business growth, ensuring product quality, enhancing market competitiveness, and achieving sustainable development. The Company strictly follows local laws and regulations in its operational areas and has established regulations such as the *Supplier Management Manual*, *Supplier Development Control Procedure*, and *Supplier Evaluation Management Control Procedure*. This forms a comprehensive supply chain management process, covering all links from supplier selection to daily monitoring and performance evaluation, ensuring high quality and sustainability within the supply chain. In procurement management, Jolywood has established rules such as the *Bidding Management System* and *Procurement Management Control Procedure*. Procurement contracts include product liability, confidentiality clauses, and integrity agreements. The Company's supply chain management organization mainly consists of the procurement departments of various business units, the Quality Management Department, the Technology R&D Department, and the Process Department.

Supply Chain Strategy

Risk Type	Risk Factor	Risk Description	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Supply Chain Disruption	International political relations and changes in trade barriers	<ul style="list-style-type: none"> Trade wars, geopolitical conflicts, etc., may lead to trade restrictions or sanctions, thereby hindering the Company's export business; Changes in trade policies, including tariff barriers, non-tariff barriers (such as quotas and licensing systems), as well as strengthened anti-dumping, anti-subsidy measures, may adversely affect the Company's export business. 	Low	Medium	Mid-term	Operations	Medium	<ul style="list-style-type: none"> These changes could lead to increased export costs, affecting the Company's sales revenue and profit margins 	<ul style="list-style-type: none"> Continuously monitor changes in the macroeconomic situation, promptly analyze global market trends in the PV industry, and thoroughly study and apply international rules to formulate strategies for addressing overseas trade barriers; Flexibly adjust business strategies and diversify market layout; Strengthen the Company's risk control management to ensure timely identification and response to potential policy risks.

Risk Type	Risk Factor	Risk Description	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Price Volatility	Currency exchange rate fluctuations	<ul style="list-style-type: none"> The Company engages in goods and technology export businesses. The appreciation of the Renminbi (RMB) may lead to a decrease in international market demand. Additionally, converting foreign currency revenues to local currency after exchange may reduce profits. 	Medium	Low	Mid-term	Operations	Low	<ul style="list-style-type: none"> Cost increase 	<ul style="list-style-type: none"> The Company strives to match foreign currency income with foreign currency expenditures to reduce foreign exchange risk; Use financial instruments for hedging, such as entering into forward foreign exchange contracts to mitigate exchange rate risks associated with revenues settled in USD.
	Raw material price Volatility	<ul style="list-style-type: none"> The Company mainly operates in the mid-to-lower reaches of the industry chain, making it vulnerable to changes in upstream raw material prices. Short-term or abnormal fluctuations in raw material prices may expose the Company to risks such as increased production costs or inventory depreciation. 	Medium	Medium	Mid-term	Operations	Medium	<ul style="list-style-type: none"> Cost increases (raw material price increases) Inventory depreciation (raw material price decreases) 	<ul style="list-style-type: none"> Flexibly adjust procurement strategies according to market conditions and production plans, and reasonably control inventory levels; Actively secure production capacity from high-quality material suppliers and continuously develop new suppliers to ensure stable raw material supply, comprehensively enhancing supply chain management capabilities.

Opportunity Type	Probability of Occurrence	Probability of Occurrence	Impact Magnitude	Impact Timeframe	Value Chain Links of Impact	Priority Ranking	Potential Financial Impact	Response Measures
Digital Transformation of the Supply Chain	<ul style="list-style-type: none"> Through the integration of advanced information technologies such as IoT, big data, and artificial intelligence, the Company's supply chain management becomes more intelligent and automated, thereby improving the supply chain's responsiveness and decision-making accuracy and enhancing the adaptability of enterprises to market changes, while enhancing collaboration and transparency across the supply chain. 	Medium	High	Long-term	Operations	High	<ul style="list-style-type: none"> Reduced operating costs 	<ul style="list-style-type: none"> Actively promote digital transformation and introduce advanced digital systems.

Supply Chain Impact, Risk and Opportunity Management

Management Process

Risk Identification	Sustainable development has become a key consideration in supplier access, annual audits, and performance evaluations. It is used to comprehensively assess potential risks in the supply chain related to environmental impact, labor rights, occupational health and safety, raw material quality, compliance, and business ethics.
Risk Assessment	Propose targeted prevention or corrective actions based on identified supplier risks, along with necessary support and assistance; continuously monitor the implementation of corrective measures and their effectiveness until the supplier risks are eliminated.
Risk Monitoring	Analyze the superficial and deep causes of the risks and their consequences, standardize risk monitoring and response measures.
Risk Management	Based on the risk analysis results, further clarify the risk control elements, and continuously optimize management policies, evaluation systems, emergency plans, and training plans.

Strengthening Supply Chain Management

Supply Chain Management Measures

Supplier Access

On-site review on new suppliers of direct materials for production:

- ☉ Supplier quality management system (organizational structure, policies and objectives, customer service, document control, etc.);
- ☉ Product and process control (product planning, on-site production management, inspection control, test equipment control, warehouse management, etc.);
- ☉ Financial status;
- ☉ Toxic and harmful chemical substance control (HSPM);
- ☉ Environmental management requirements, social responsibility (BSCI), and anti-terrorism requirements.

Evaluation results:

- ☉ 90 ≤ score ≤ 100: Directly included as a qualified supplier;
- ☉ 60 ≤ score < 90: Qualified supplier (conditionally accepted, based on the completion of corrective actions within 30 days. On-site confirmation may be arranged if necessary);
- ☉ Score < 60: trial supplier If product trial is qualified, small-batch supply can be tested. The status will be evaluated for conversion based on the trial period; (this supplier may have certain deficiencies but can improve over time).

Supplier Evaluation

Each business unit's SQE is responsible for evaluating supplier performance, including monthly, semi-annual, and annual evaluations. The evaluation factors include: quality, delivery, service cooperation, technical support, and financial cooperation, with ratings based on performance.

Supplier Categorization

Based on the performance evaluation score, suppliers are classified into A, B, C, D, and E grades. A dynamic and scientific classification management system is adopted, considering suppliers' annual audits, other ad-hoc audits, delivery performance, new project implementation, and other information.

Supplier Audit

Supplier Audit Plan is developed based on supplier performance, and evaluations are conducted with the *Supplier Audit Checklist* combined with on-site reviews. Attention is paid to the supplier's ESG performance. For major non-conformities discovered during audits, suppliers are urged to take effective corrective actions and preventive actions. The implementation and effectiveness of these actions are verified, and quality improvement assistance or elimination may be applied as the case may be.

Case 2024 Annual Supplier Safety Training for Hazardous Chemicals

In August 2024, Shanxi Jolywood organized a supplier safety training for organized hazardous chemicals. The training content included the purpose of hazardous chemicals unloading safety training, risk analysis of unloading safety, on-site unloading safety hazards, safety requirements for unloading operations, emergency response to emergencies, and the company's penalties for violations.



Supplier Safety Training for Hazardous Chemicals

Supply Chain Metrics and Targets

Indicator	Objective	Achievement
Coverage of procurement contract integrity clauses	100%	Achieved

Sustainable Supply Chain Development

The Company treats all small and medium-sized enterprises equally when selecting suppliers and simultaneously develops high-quality local suppliers. Based on sales forecasts, the Company adjusts production and inventory plans flexibly to better cope with supply chain uncertainties, ensuring continuous production and on-schedule delivery, thus effectively reducing potential supply chain disruption risks. Furthermore, the Company actively encourages suppliers to obtain international management system certifications such as ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, guiding suppliers to adopt responsible management practices, enhancing the entire supply chain's ability to fulfill responsibilities and sustainable development potential.

Jolywood firmly refuses to procure, use, or sell conflict minerals. The Company conducts rigorous checks on its supply chain to ensure that no part of the supply chain involves conflict minerals. Additionally, the Company has established the *Code of Conduct for Suppliers and Partners*, which explicitly prohibits suppliers and partners from purchasing, selling, or using conflict minerals. In addition, it incorporates the traceability of the supply chain into the supplier audit and evaluation system. The Company actively guides and encourages suppliers to implement product traceability management, ensuring the reliability of the Company's supply chain system in conflict minerals management.

04

Recruiting Talents and Caring for Employees



Protection of Employees' Rights and Interests

Talent Recruitment Management

Compliant Employment

Jolywood upholds the core concept that talent is the Company's primary resource and that corporate development is driven by talent. The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and human rights standards. It has established a series of talent recruitment and employee management systems, including the *Recruitment Management System*, *Labor Contract Management System*, *Measures for Management of Employee Resignation*, and *Attendance Management System*, to regulate employee recruitment, retention, resignation, and contract renewal processes. This ensures a sound talent selection mechanism and the creation of a high-quality talent pool.

The Company encourages the recruitment of talent with diverse backgrounds and specialties to ensure the diversity of its workforce. It uses a variety of social recruitment channels, including online recruitment, headhunting services, internal referrals, agency recruitment, group recruitment, and reemployment of former employees. It also actively attracts talent through campus recruitment channels such as information sessions, job fairs, and online presentations. The Company continues to recruit talent through channels such as rights protection, performance evaluations, rank promotions, and welfare systems. Additionally, the Company actively responds to national calls and recruits veterans and disabled individuals through channels such as online recruitment, the Veterans Affairs Bureau, and the Disabled Persons' Federation.

Diversity Management

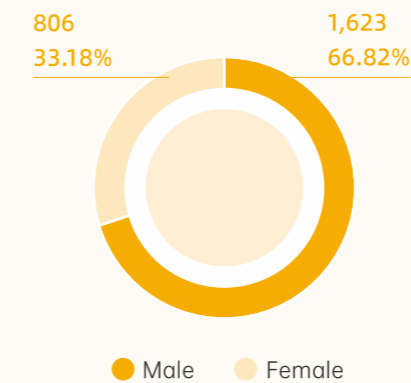
The Company emphasizes inclusivity and diversity, practicing principles of equal pay for equal work and equal employment opportunities. It explicitly stipulates that no employee should be discriminated against on the grounds of gender, race, age, or other factors in areas such as recruitment, promotion, or salary, and strongly opposes any form of discrimination, harassment, forced labor, or child labor, while actively protecting the justified and legitimate rights and interests of employees. The Company has implemented an age verification mechanism in the recruitment process and strictly prohibits hiring individuals under the age of 18; developed a remedial procedure in place in the event of accidental hiring of child labor. The Company also provides a dedicated human rights complaint and reporting hotline, email, or online platform, encouraging employees to report discrimination, harassment, forced labor, or gender inequality through internal channels.

During the reporting period

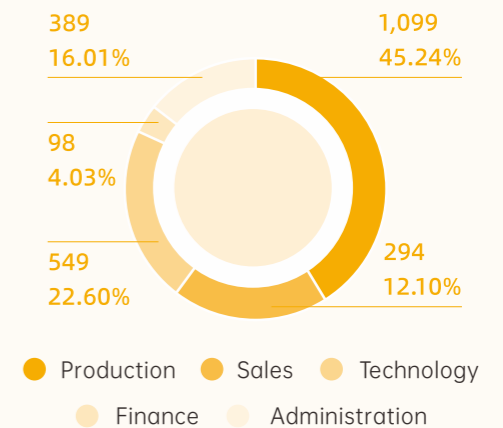
The total number of employees in the Company was **2,429**, including **7** disabled employees, **13** minority ethnic group employees, and **1** minority ethnic group employee in the management team.

The labor contract signing rate was **100%**, and there have been no incidents of child labor or forced labor.

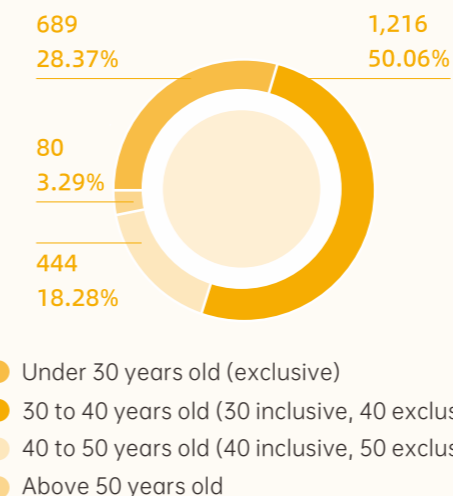
Employee Structure by Gender



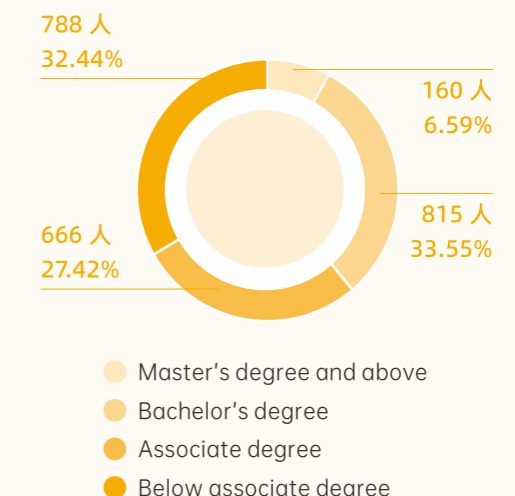
Employee Structure by Profession



Employee Structure by Age



Employee Structure by Education Level



Compensation and Benefits System

Compensation Management

Jolywood adheres to the "fairness, motivation, and development" compensation design philosophy to attract talent, inspire employee enthusiasm and creativity, and promote the Company's overall sustainable and healthy development. The Company develops employee compensation management systems such as the *Jolywood Position Level Compensation Band* and *Performance Management System*, in accordance with the *Labor Law of the People's Republic of China* and other relevant laws and regulations. These systems are tailored to the Company's actual situation, following the principles of "external competitiveness, internal differentiation, and legal compliance". It divides the salary structure into fixed and variable income components, with long-term incentives in place. By using diversified compensation incentives, the Company aims to boost employee enthusiasm and creativity, driving sustainable and sound growth.

The Company's performance management is result-oriented, with process considerations serving as reference. It continuously improves the performance management system based on Key Performance Indicators (KPIs), integrating ideas from Balanced Scorecard (BSC) and Personal Performance Commitment (PBC) to focus on organizational and individual performance. Additionally, the Company has established a performance feedback and appeal mechanism, allowing employees to reflect issues or provide suggestions through channels such as the HR public email, the CEO's email, or the HRBP of business departments.

Welfare System

Employee welfare is an important part of the Company's compensation management system. To continuously improve employees' happiness, sense of gain, and trust, Jolywood has formulated welfare management measures, such as the *Measures for Management of Welfare* and *Holiday Management System*, and implements an 8-hour standard workday system with a flexible leave policy. The Company strictly controls average working hours per employee, and compensates employees who work extended hours accordingly. The Company provides a range of employee benefits, including five social insurance policies and one housing fund, statutory holidays, paid leave (annual leave, marriage leave, bereavement leave, maternity check-up leave, maternity leave, breastfeeding leave, caregiving leave, family planning leave, etc.), annual physical examinations, union benefits, subsidies, and other benefits. Jolywood is committed to building a welfare culture unique to it employees.

Statutory benefits	Company welfare	Labor union benefits
<ul style="list-style-type: none"> ⊙ Social insurance and housing provident fund ⊙ Statutory holidays ⊙ Paid leave 	<ul style="list-style-type: none"> ⊙ Annual leave ⊙ Festive benefits ⊙ Anniversary gifts ⊙ Work meals ⊙ Annual health check-ups ⊙ Department team building ⊙ Subsidies 	<ul style="list-style-type: none"> ⊙ Labor union activities ⊙ Labor union gifts

During the reporting period

The Company achieved a **100%** social insurance coverage rate, with an average of **6.22** days of paid annual leave per employee. The percentage of employees receiving regular performance and career development assessments was also **100%**.

Employee Incentives

In order to further enhance employees' work enthusiasm, the Company implements an equity incentive plan to stabilize talent, aligning employees' personal development with the Company's long-term goals. This motivates employees to participate in and contribute to the Company's long-term value growth, strengthens the team's cohesion and collaborative spirit, and injects vitality into the Company's long-term development.

The Company has also formulated the *Measures for Management of Employee Stock Ownership Plan* to standardize and institutionalize the management of the employee stock ownership plan, continuously promoting the profit-sharing mechanism. Since going public, the Company has launched four rounds of the employee stock ownership plan, following the principles of "compliance with the law, voluntary participation, and self-risk assumption". On November 3, 2024, the fourth phase of the employee stock ownership plan reached its expiration and was not extended. The stocks held by the fourth-phase employee stock ownership plan were fully sold through centralized bidding after the first lock-up period expired (from November 4, 2021 to November 3, 2024). A total of 227,672 shares were sold, accounting for 0.02% of the Company's total share capital. The earnings from such stock sale were all attributed to the holders.



Talent Cultivation and Development

Employee Training System

Training Management System

Jolywood upholds the core concept that talent is the Company's primary resource and that corporate development is driven by talent. To establish a systematic human resources development system and a learning organization, and to promote the continuous appreciation of human capital and management advancement, Jolywood, based on the principles such as alignment with strategy and business objectives, a focus on practical outcomes, and a combination of training and self-learning, has established the *Training Management System*. This system aims to enhance the standardization, institutionalization, professionalism, and digitalization of training management. The training management system focuses on four main series: leadership competencies, professional competencies, general skills competencies, and new employee training. It emphasizes the development of leadership and professional talent teams and includes multi-level vertical training (group-level, company-level, and department-level) alongside horizontal training models such as onboarding, daily internal training, and external training. This holistic approach cultivates a talent pool with unified culture and values, solid capabilities, and excellent work ethics, driving the high-quality development of talent and further implementing the Company's overall strategic goals.

Online Learning Platform

Jolywood has built an online learning platform (Jolywood Classroom), which encourages employees to engage in fragmented learning through virtual classrooms, micro-courses, and multimedia interactive lessons, continuously improving employees' professional qualities and skills, and ensuring enhanced work quality and performance. In 2024, Jolywood Classroom (the online learning platform) accumulated a total of 11,908 hours of learning, with 1,242 participants, and offered a total of 1,240 courses. These courses include leadership competencies, professional competencies, general skills competencies, and internal systems.

Internal Trainer Mechanism

Jolywood has established and continuously improved its Craftsmanship Plan to systematically empower internal trainers. The Company develops and optimizes its own course resources, extracts the organization's best practices and wisdom, enhances knowledge retention and transfer abilities, and strengthens internal trainers' course development and teaching capabilities. This process gradually improves the Jolywood curriculum system, further solidifying the construction of the internal trainer team and addressing the Company's strategic development and talent cultivation needs. In 2024, the Company trained 44 new trainers and developed 44 courses.

Training Evaluation and Assessment

To enhance the trainees' training effectiveness, Jolywood has established the *Training Evaluation and Assessment Mechanism*, utilizing a four-tier evaluation model to conduct comprehensive and in-depth training assessments of talent. At the reaction evaluation level, the Company gathers employee feedback on training content, trainers, facilities, etc., through surveys to continuously optimize the training experience and improve employee satisfaction. At the learning evaluation stage, it employs written exams, practical assessments, and other methods to ensure that employees truly master the knowledge and skills imparted during training, laying a solid foundation for their career development. At the outcome evaluation stage, the Company measures employees' actual contributions to business development, including performance improvement, cost control, customer satisfaction, and other key metrics. These factors serve as the basis for evaluating employee value and potential. Additionally, each business department is required to set specific training and assessment goals aligned with the Company's business development to ensure that employees continuously absorb knowledge and improve their skills, fostering a learning organization atmosphere.

Employee Training Programs

Jolywood emphasizes the comprehensive development of its employees and has signed joint training letter of intent with partner universities to conduct in-service education and degree advancement programs. The Company encourages and supports employees in pursuing higher education and professional title applications. The Company conducts customized training for employees at different positions and levels, offering training programs such as new employee training, professional skills development, leadership training, and safety training. Jolywood held 6 key training sessions, totaling 81 hours of training, with 329 employee participants. Taizhou Jolywood conducted 191 key training sessions, totaling 373.50 hours of training, with 3,644 participants. The Company also launched over 15 annual training programs across different areas (technical competencies, general skills competencies, marketing), with more than 100 participants in each session, and conducted leadership training through both internal and external training formats, with over 2 sessions held.

During the reporting period

The Company conducted **947** training sessions, with **30,656** participants and **118,005.40** hours of training, and the average training time per employee of **48.58** hours, achieving a training coverage rate of **99%**.



New Employee Training



Professional Skills Training



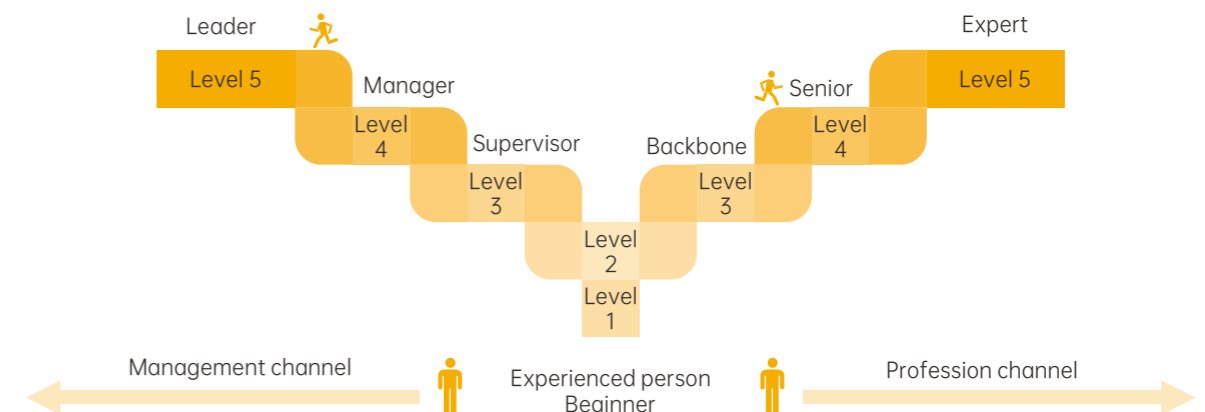
Leadership Training



In-service Academic Advancement

Talent Development Pathways

The Company has established a comprehensive management and professional dual-channel promotion system, outlined in *the Position System Management Measures*, to standardize the promotion process, define promotion standards and criteria, and provide employees with a robust career development path. The Company fully respects employees' individuality and preferences, with a focus on cultivating and developing high-level technical talents. By offering training courses and advancement pathways, the Company motivates employees to continuously improve their job competency. In addition, the Company encourages lateral career transitions and provides employees with job transition learning packages, enabling them to quickly master new job responsibilities in a short period.



Strengthening Employee Care

Democratic Governance and Communication

Jolywood highly values democratic management, supporting employees in playing an ownership role and driving full participation in corporate decision-making and governance. The Company has implemented the *Union Management System* and established a Labor Union and Employee Congress. Through various communication channels such as employee communication platforms, employee forums, suggestion boxes, workshop bulletin boards, emails, phone calls, and face-to-face meetings, the Company actively listens to employees' demands and ensures their rights to be informed, participate, express, and supervise. This promotes mutual collaboration and good communication among employees and further fosters the harmonious and stable development of the Company.

Furthermore, the Company regularly conducts two-way communication between itself and employees through performance evaluations, employee interviews, complaint mechanisms, and satisfaction surveys. During the reporting period, to fully capture "employees' voice" and systematically understand their genuine thoughts, the Resource Management Center of the Company conducted an employee satisfaction survey focusing on aspects such as communication mechanisms, work environment, employee training and development, and fair treatment. The survey results were compiled into the *2024 Employee Satisfaction Survey Analysis Report*.

Case Labor Union Member Congress

On March 15, 2024, the Labor Union of Taizhou Jolywood held its union representative congress with the participation of 56 union representatives. The conference read out the *Approval of the Shareholding Union's Agreement on the Re-election of the Labor Union of Jolywood (Taizhou) Solar Technology Co., Ltd.* and reviewed the *Measures for Election of the Labor Union (Draft)*, approved the list of ballot monitors and announced the list of vote counters, and theelected the members of the Third Committee of the Union, the Women's Workers' Committee, and the Financial Audit Committee.



Member Representative Congress



Case Employee Symposium

During the reporting period, to more effectively understand the real-time status of employees and care for their well-being, Jolywood and its subsidiaries have actively organized company-level and departmental employee symposiums, addressing and resolving work-related issues, strengthen internal communication, and continuously improve employee satisfaction and loyalty. This further contributes to creating a more harmonious and inclusive corporate culture, laying a solid foundation for the Company's sustained improvement and long-term development.



Employee Symposium

Protection of the Rights and Interests of Female Employees

Jolywood advocates gender equality and actively cares for and protects female employees' rights and well-being. The Company strictly adheres to the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, *Special Regulations on the Labor Protection of Female Employees*, and relevant laws and regulations, and clearly specifies in the *Leave Management Policy* that female employees who comply with national family planning policies are entitled to maternity checkup leave, maternity leave, breastfeeding leave, and family planning leave. The Company also encourages and supports the promotion of female employees in leadership and management positions, aiming to narrow gender gaps in job positions and salaries.

To further care for female employees, the Company has established maternity rooms to provide convenient facilities for pregnant and breastfeeding employees. In addition, every year, the Company organizes events to celebrate the International Women's Day (March 8), offering activities and benefits to continuously improve the happiness, sense of belonging, and satisfaction of female employees.



Maternity Room



International Women's Day Activity

Employee Activities and Care

Jolywood has always adhered to a people-centered approach, consistently caring for employees' work and life. Through a series of employee activities and support initiatives, the Company sincerely provides warmth and benefits for employees, conveying care and support from the organization. The Company provides living supplies for employees in need, alleviating the hardships of employees and their families; focuses on the educational needs of employees' children, offering support to employees whose children are taking the college entrance examination; organizes summer and winter holiday care programs for employees' children, helping to address the challenge of holiday childcare; hosts various activities and events, such as Spring Festival celebrations, Lantern Festival activities, Family Day, and corporate-basketball friendly matches, creating a warm and energetic work environment that strengthens the Company's cohesion.



Strict Adherence to Safety Standards

Occupational Health and Safety

Occupational Health and Safety

Jolywood has established the "Happy Work, Happy Striving, Physical and Mental Health" occupational health and safety policy, developed a series of occupational health and safety management documents, including the *Occupational Health and Safety Management Manual*, *Occupational Disease Prevention and Management System*, *Occupational Disease Hazard Detection, Testing, and Evaluation Management System*, *Occupational Health and Safety Risk Management Mechanism*, and *Occupational Disease Hazard Accident Handling and Reporting System*. It has also set up a professional occupational health management organization and established a comprehensive occupational health and safety management system. The Company conducts occupational disease hazard detection and employee health checkups, and sets up occupational health monitoring files for employees exposed to occupational disease hazards. Furthermore, it comprehensively implements occupational health at every step from safety protection training, occupational hazard monitoring and assessment, risk management, to control measures, with a strong emphasis on safety management that prioritizes human life and physical well-being. These efforts aim to promote the physical and mental health of all employees and create a safe, healthy, and comfortable working environment. In 2024, the Company and its subsidiaries passed the Occupational Health and Safety Management System Certification and Occupational Health Technical Service Agency Qualification Certification.



ISO 45001 Occupational Health and Safety Management System Certification of Jolywood/Shanxi Jolywood/Taizhou Jolywood



Occupational Health Technical Service Agency Qualification Certification

During the reporting period

The Company's special operations personnel certification rate was **100%**; the investment amount of work-related injury insurance was RMB **2,298,300**; the work-related injury insurance personnel coverage rate was **100%**; the employee physical examination coverage rate was **100%**; the occupational disease hazard factor detection rate was **100%**; the occupational disease hazard factor monitoring pass rate was **100%**; and the number of new occupational diseases was **0**.

Employees' Mental Health

The Company attaches great importance to employees' mental health, and thus has established an "Employee Mental Health Open Day", set up mental health workshops, and regularly organizes mental health awareness activities and discussion sessions. These initiatives provide employees with a platform to express their thoughts, share experiences, and alleviate stress, offering professional psychological support and guidance. The Company actively promotes the creation of a healthier, more harmonious, and positive corporate culture by ensuring full participation and comprehensive care for employees. This approach continuously enhances employees' sense of happiness and belonging, laying a solid foundation for the Company's long-term and stable development.

Work Safety Management

To strengthen the foundation of work safety and improve safety management, Jolywood has formulated a series of safety management regulations based on the *Law of the People's Republic of China on Work Safety* and other relevant laws and regulations, including the *Regulations for Production Safety Accident Prevention Management*, the *Regulations for Production Safety Accident Prevention Management*, the *Work Safety Responsibility System*, and the *Measures for Management of Work Safety Supervision*. The Company has implemented a digitalized work safety management system, employing scientific and efficient management methods and technical tools to prevent and address various safety risks and accidents. By establishing and implementing a dual-prevention work mechanism for safety risk grading and control and potential hazard identification and rectification, it actively supervises and inspects its work safety efforts, promptly eliminating potential work safety hazards. All production activities are aligned with and serve the need for safety, ensuring the achievement of work safety and civilized production.

During the reporting period

The Company's work safety investment amounted to RMB **11.4041** million, with **zero** work safety accidents and **zero** total work-related injuries.

Work Safety Targets

Jolywood has developed the *Measures for Management of Work Safety Responsibility and Assessment* and the *Detailed Rules for Work Safety Goal and Responsibility Assessment*. The Company also compiles an annual work safety goal assessment plan, integrates work safety objectives into departmental performance assessments, and requires department heads to sign the 2024 *Work Safety Target Responsibility Agreement* to ensure the implementation of safety responsibilities and target management. At the beginning of the year, the Work Safety Committee released the annual EHS targets for the entire Company. These targets are broken down to departments and reviewed monthly, with safety performance summarized and submitted to the Human Resources Department for performance evaluation. Based on safety performance results, the General Manager and department heads undergo safety performance assessments.


Work safety targets of Jolywood for 2024		Target fulfillment
Casualty	Death and serious injury accidents 0	All completed
Fire	Major fire accidents 0	
Environmental Protection	Major environmental accidents 0 Conforming disposal rate of hazardous waste 100%	
Fire Safety Inspection	Regular maintenance and repair of fire protection facilities Utilization rate of fire-fighting facilities and equipment 100%	
Occupational Health	Detection of occupational disease hazard factors in the workplace: no less than once Rate of occupational health check-ups for employees 100% Incidence of occupational diseases: 0	
Special Equipment	Compliance rate of special equipment detection 100%	
Training	100% coverage of three-level safety education and training for new employees Certification rate of the main person in charge, safety management personnel and special operation personnel 100%	
Identification of Hidden Hazards	Rectification rate for hidden dangers 100%	
Drill	On-site response plan drills: organized at least once every six months	

Safety Management Measures

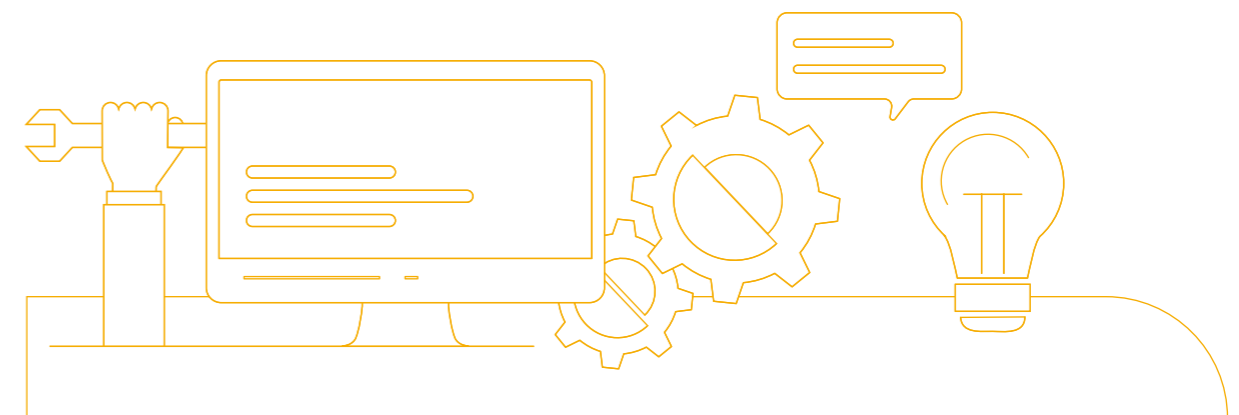
To implement the work safety work policy of "Safety First, Prevention as the Main Focus, and Comprehensive Management", and to improve the emergency management system for unexpected events, Jolywood and its subsidiaries have developed and implemented safety emergency plans, including the *Work Safety Accident and Emergency Plan* and *Emergency Preparedness and Response Control Procedure*. These plans and procedures are designed to prepare for identified potential emergencies, conduct various emergency drills, and continually improve the overall emergency rescue capabilities to effectively safeguard employees' lives and property.

The Company has established the *Regulations for Work Safety Accident Prevention Management*, defining and categorizing safety accidents, outlines the preventive measures in advance, with updates based on past safety accident occurrences and potential safety hazards in various departments. These measures aim to prevent all types of work safety accidents and maintain normal production operations.

Jolywood actively conducts hazard source identification and special hazard inspections. During the reporting period, Taizhou Jolywood identified 127 potential hazards, with no major hazard sources. Of these, 14 represented significant risks, 59 were classified as general risks, and 54 as low risks. In addition, the Company conducted a total of 10 special hazard inspections, identifying 84 hazards, with 741 routine inspections, achieving a 100% completion rate for corrective actions within specified deadlines.

 **During the reporting period**

The Company has achieved a **100%** corrective action rate for identified hazards and conducted **55** emergency drills.



Case **Hydrofluoric Acid Spill Emergency Drill**

On February 23, 2024, the Company's workshop conducted an emergency drill on handling hydrofluoric acid splashes to the eyes. The drill aimed to improve the establishment of emergency response teams across the Company's departments, enhance the emergency handling capabilities of departmental response teams in dealing with hydrofluoric acid burns, raise awareness of risk prevention, and strengthen self-rescue and mutual rescue skills. The drill also clarified the responsibilities of the emergency response teams.



Hydrofluoric Acid Spill Emergency Drill

Management of Hazardous Chemicals

Jolywood has formulated *Hazardous Chemicals Safety Management System*, specifying rules for the transportation, storage, safekeeping, and use of hazardous chemicals. By taking management measures for hazardous chemicals such as proper classification storage, anti-toxic and anti-leakage procedures, compliant operations, regular inspections, regular training, and emergency response and drills, the Company continuously strengthens the safe management of hazardous chemicals during production operations across the Company and its subsidiaries, thus eliminating potential hazards associated with hazardous chemicals.

Case **Chemical Spill Emergency Rescue Drill**

On June 21, 2024, the Safety and Environmental Protection Department of Jolywood organized a chemical spill emergency rescue drill. The exercise enabled emergency team members to practice on-site emergency responses, enhancing their ability to organize effective emergency activities in case of a sudden event, thereby reducing damage to individuals, the environment, and property.



Chemical Spill Emergency Rescue Drill

Stakeholder Safety Assurance

While ensuring the occupational health and safety of employees, Jolywood also pays great attention to the safety management of its stakeholders. The Company has developed safety management regulations, such as the *Outsourced Work Safety Management Manual*, *Safety Management Rules for External Units and Personnel*, *Regulations for Contractor EHS Management*, *Regulations for Contractor On-site Work* and *EHS Management System for Related Parties*. These rules and regulations set out clear guidelines for managing the work safety of external personnel. Contractors entering the facility are subject to qualifications checks, and their workers must undergo safety education and training and pass the relevant assessment, and are required to wear safety helmets as specified. Regular emergency drills and safety training activities are organized for contractors to ensure mutual safety and jointly maintain a good working environment.

Construction of Safety Culture

Safety education and training are a critical component of the Company's work safety management efforts. Jolywood has established a *Work Safety Training and Education Management System* to regulate safety education at the Company, workshop, and team levels. This includes training, coaching, and reassignment for in-service staffs. In terms of safety skill improvement, each department regularly provides employees with safety risk theory training and safety operation assessments for SOPs concerning their specific positions. Assessment results are tied to employee performance. The Company also includes safety-related deductions in performance assessments. For example, in the event of a safety violation or accident, the employee's performance for that month is reset to zero, and safety performance indicators are set to zero for a year if a work injury occurs. Additionally, a safety inspection mechanism and improvement reward system are in place to reward or penalize employees for safety violations or improvements.

During the reporting period, the Company held the 2024 "Work Safety Month" activities, which included a series of safety education and training activities, such as basic safety knowledge training, special equipment safety training, work safety responsibility training, safety management training for electric welding operations, standardized safe operation training, and accident case warning education. These efforts aimed to continuously strengthen employees' safety awareness and bottom-line thinking, and to foster a proactive, positive, and health-oriented safety culture.

During the reporting period

The Company conducted **277** safety education training sessions with **12,472** participants, totaling **60,591.25** hours of training. The coverage rate for safety education and safety risk prevention training was both **100%**.

Case Warehouse Fire Safety Drill

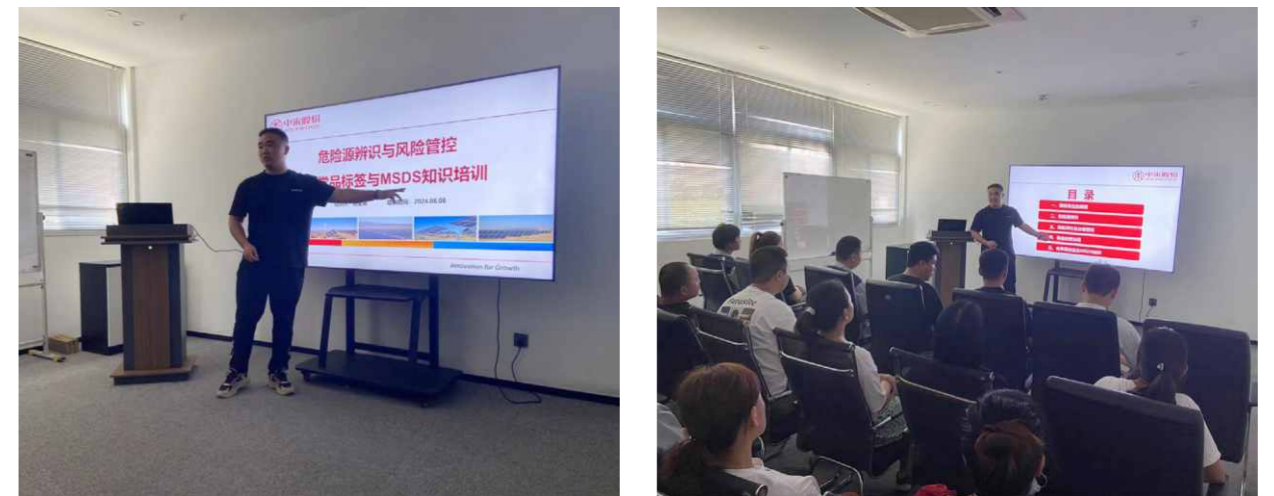
On November 11, 2024, Jolywood conducted a safety training session on hazard identification and risk control. The Company's Safety and Environmental Protection Department provided comprehensive training for all personnel of the Warehouse Section, covering topics such as fire hazard identification and prevention, emergency evacuation procedures, operating procedures for fire extinguishers, and fire hydrant usage. This training aimed to enhance employees' understanding of key safety considerations in their daily work and to promote more standardized and regulated operational practices.



Warehouse Fire Safety Drill

Case Hazard Source Identification and Risk Control Safety Training

On August 8, 2024, Jolywood conducted a safety training session on hazard identification and risk control, focusing on the causes of accidents, classification and identification methods of hazards, risk assessment and hierarchical control measures for departmental job positions, hazard rectification, and case studies of accidents. The Company also organized an examination on hazard identification and risk control, chemical labeling, and MSDS knowledge. This aimed to further strengthen employees' safety awareness and prevention capabilities, thereby reinforcing the foundation for the Company's work safety.



Hazard Source Identification And Risk Control Training



05

Striving for Goodness, Pursuing a Bright Future



While focusing on its sustainable development, Jolywood actively responds to the national call for businesses to give back to society by actively shouldering social and moral responsibilities and participating in various public welfare initiatives. The Company adheres to the spirit of humanistic care and practices traditional Chinese virtues and contemporary corporate social responsibility through activities such as visiting elderly care homes and supporting fire departments.

Case **Fire Department Visit on "August 1" Army Day**

On August 1, 2024, in celebration of Army Day, Taizhou Jolywood carried out a "Summer Cooling" initiative for frontline workers. The company delivered refreshments, rice, cooking oil, and other supplies to the Jiangyan District Fire and Rescue Brigade and the Jiangyan Economic Development Zone Professional Fire Brigade, extending sincere greetings and holiday wishes to the firefighters dedicated to frontline duties.



Fire Department Visit

Case **Visit to Elderly Care Home**

Respecting and caring for the elderly is a traditional virtue of the Chinese nation. In August 2024, Taizhou Jolywood organized a charitable visit themed "Red Care Conveys Party Affection, Jolywood Volunteers Warm the Sunset Years". A team of 13 representatives from the company's Party Branch and labor union brought carefully prepared supplies, including rice, cooking oil, and watermelons, to Dexin Elderly Care Home in Sanshui Subdistrict to visit the residents, offering companionship and expressing heartfelt care.



Visit to Elderly Care Home

Future Outlook

Advancing together towards a green future. Jolywood remains committed to its original mission of "Same Sunshine, More Value". Driven by technological innovation, the Company continues to pursue its vision of becoming a "Cultivator of Green Energy", fulfilling its responsibilities and commitments through concrete actions and contributing to the realization of carbon neutrality.

On this journey, Jolywood will focus on core technological innovation, continuously enhancing product performance and market competitiveness. Additionally, we will deepen our "PV +" model, exploring integration scenarios with agriculture, construction, and other sectors to develop diverse green energy solutions. In addition, we will also continue to improve our ESG management system, strengthen communication and cooperation with stakeholders, promote the construction of a green supply chain, and assist upstream and downstream enterprises in achieving sustainable development goals. Furthermore, in line with the national "Carbon Peaking and Carbon Neutrality", Jolywood will make more contributions to global climate change efforts by reducing carbon emissions produced during production and operations through energy-saving measures and resource recycling.

Looking ahead, Jolywood will adapt to trends and forge ahead with determination. We will further strengthen the synergies across our business segments, taking steady steps and innovative actions to actively respond to the expectations of our shareholders, customers, employees, and the broader society. We are committed to building a green, low-carbon, and sustainable future, continuing to work hard and collaborating with all stakeholders to create a brighter tomorrow.



Appendix

Key Performance Form

Governance Performance				
Category	Indicator	Unit	2023	2024
Corporate Governance	General Meeting of Shareholders Convened	Times	5	3
	Number of Resolutions Approved at Shareholders' Meetings	Item	25	15
	Number of Board Members	Person	9	9
	Meetings of the Board of Directors Convened	Times	12	6
	Number of Resolutions Approved by the Board of Directors	Item	56	40
	Total Number of Meetings of Board of Supervisors	Times	10	5
	Number of Resolutions Approved by the Board of Supervisors	Item	33	27
Information Disclosure	Number of Reports Disclosed Externally	Copy	165	107
	Number of Penalties for Violations in Information Disclosure	Times	0	0

Environmental Performance				
Category	Indicator	Unit	2023	2024
Environmental Management	Total Environmental Investment	RMB 10,000	6,251.25	4,350.48
	Environmental Protection Taxes Paid	RMB 10,000	23.26	13.22
	Environmental Incidents	Case	0	0
	Incidents of Violation of Laws and Regulations in the Environmental Field	Case	0	0
	Conforming Rate Observed in Pollutant Monitoring	%	100	100
	Synchronized Operation Rate of Environmental Facilities	%	100	100
	Compliance Rate of "Three Simultaneities" in Environmental Protection for Construction Projects	%	100	100
	Number of Environmental Training Sessions	Session	4	7

Environmental Performance				
Category	Indicator	Unit	2023	2024
Environmental Management	Number of Participants in Environmental Training	Training participants	120	254
Water Resource	Total Freshwater Consumption	10,000 tons	369.84	343.31
	Wastewater Discharges	10,000 tons	278.58	264.86
Pollutant Emissions	Quantity of General Waste Generated	10,000 tons	1.69	1.26
	Quantity of General Waste Disposed of	10,000 tons	1.69	1.26
	Quantity of Hazardous Waste Generated	Ton	26.78	378.73
	Quantity of Hazardous Waste Disposed	Ton	26.78	378.73
	Waste Disposal Compliance Rate	%	100	100

Employee performance					
Category	Indicator	Unit	2023	2024	
Employee Employment & Diversity	Total Number of Employees	Person	4,064	2,429	
	Number of Employees with Disabilities	Person	9	7	
	Number of Employees of Minority Nationalities	Person	20	13	
	Number of Employees of Minority Nationalities in the Management	Person	1	1	
	Percentage of Contract Workers	%	100	100	
	Number of Dispatched Workers	Person	190	314	
	Social Insurance Coverage Rate	%	100	100	
	Percentage of Employees Underwent Regular Performance and Career Development Assessments	%	100	100	
Employee Composition	Number of Employees by Region	Chinese Mainland	Person	4,053	2,419
		Hong Kong, Macao, and Taiwan, China and Overseas	Person	11	10
	Number of Employees by Gender	Female	Person	1,122	806
		Male	Person	2,942	1,623
	Number of Employees by Profession	Production	Person	2,230	1,099
	Sales	Person	296	294	

Employee performance					
Category	Indicator	Unit	2023	2024	
Employee Composition	Number of Employees by Profession	Technology	Person	965	549
		Finance	Person	85	98
		Administration	Person	488	389
	Number of Employees by Academic Qualification	Master's Degree or Above	Person	159	160
		Bachelor's Degree	Person	1,052	815
		Associate Degree	Person	1,208	666
		Below Associate Degree	Person	1,645	788
Protection of the Rights and Interests of Female Employees	Proportion of Female Managers	%	19.40	24.50	
	Number of Employees on Maternity Leave	Person	25	31	
	Return Rate from Maternity Leave	%	100	100	
	Number of Employees who Took Parental Leave	Person	8	10	
	Return Rate from Parental Leave	%	100	100	
Employee Training & Development	Number of Employee Training Sessions	Session	1,183	947	
	Total Number of Persons Trained	Training Participants	26,702	30,656	
	Employee Training Rate	%	97	99	
	Total Training Hours	Hour	242,182.45	118,005.40	
	Average Training Hours per Employee	Hours/Person	59.59	48.58	
	Number of Internal Transfers or Job Applications by Employees	Person	951	196	
	Percentage of Internal Transfers or Job Applications by Employees	%	23.40	8.07	
Work Safety	Number of Work Safety Accidents	Case	0	0	
	Total Number of Work-related Injuries	Person	0	0	

Employee performance					
Category	Indicator	Unit	2023	2024	
Work Safety	Lost Work Hours Rate per Million Working Hours	%	0	0	
	Lost Time Injury Rate (LTIR) per Million Working Hours	%	0	0	
	The Number of Security Emergency Drills	Session	45	55	
	Investment in Work Safety	RMB 10,000	1,819.90 ¹	1,140.41	
	Coverage Rate of Safety Education and Training	%	100	100	
	Coverage Rate of Safety Risk Protection Training	%	100	100	
Occupational Health	Percentage of Special Operators Licensed	%	100	100	
	Investment in Work-related Injury Insurance	RMB 10,000	222.56	229.83	
	Coverage Rate of Work-related Injury Insurance for Employees	%	100	100	
	Coverage Rate of Physical Examinations for Employees	%	100	100	
	The Detection Rate of Occupational Disease Hazards	%	100	100	
	Pass Rate of Occupational Disease Hazard Detection	%	100	100	
	Number of New Cases of New Occupational Diseases	Case	0	0	

¹ Due to the update of data collection, measurement and calculation methods, a retrospective adjustment of the amount of safety

Product Performance					
Category	Indicator	Unit	2023	2024	
Innovation and R&D	Investment in R&D	RMB 100 million	3.13	2.47	
	R&D Investment as a Percentage of Main Business Revenue	%	2.56	4.06	
	Total R&D Team Members	Person	965	549	
	Proportion of R&D Personnel to Total Employees	%	23.75	22.60	
	Number of Members in the R&D Team by Academic Qualification	Bachelor's Degree	Person	430	229
		Master's Degree	Person	75	68
		Others	Person	460	252
	R&D Team Divided by Gender	Male	Person	-	451
Female		Person	-	98	

Product Performance					
Category	Indicator	Unit	2023	2024	
Innovation and R&D	Number of Members in the R&D Team by Age	Under 30 Years Old	Person	581	246
		Under 30 Years Old	Person	345	255
		30-40 Years Old	Person	39	48
	Total Cumulative Number of Authorized Patents	Case	279	310	
	Cumulative Number of Authorized Invention Patents	Case	121	136	
	Cumulative Number of Authorized Utility Model Patents	Case	158	174	
	Number of Overseas PCT Patents	Case	15	15	
	Specialized, Refined, Differentiated and Innovative Enterprise	Nos.	1	1	
	National High-tech Enterprise	Nos.	4	4	
	Postdoctoral Workstation	Nos.	1	2	
Products and Services	Number of Products that are Required to be Withdrawn and Recalled for Health and Safety Reasons	Case	0	0	
	Negative Public Opinions Regarding Products of the Company	Times	0	0	
	Amount Involved in Accidents with Major Safety or Quality Responsibilities Related to Products or Services	RMB 10,000	0	0	
	Customer Complaint Resolution Rate	%	100	100	
	Number of Valid Customer Satisfaction Questionnaires Distributed	Copy	353	468	
	Customer Satisfaction	%	88.37	86.97	
	Number of Participants in Special Training on Responding to Customer Complaints	Training participants	536	466	
	Total Hours of Special Training on Customer Complaint Response	Hour	512	412	
	Number of Sessions of Special Training on Customer Complaint Response	Times	37	32	
	Number of Customer Complaint Response Assessments	Times	37	31	
Supplier Management	Number of Customer Information Leakage Incidents	Case	0	0	
	Number of Suppliers Suspended Due to Non-compliance	Units	0	0	
	Number of Prospective Suppliers Rejected Due to Non-compliance	Units	0	0	
	Coverage of Procurement Contract Integrity Clauses	%	100	100	

Indexes

Global Reporting Initiative (GRI) Content Index

Chapters and Sections	GRI Standards	
About This Report	2-2/2-3/2-4	
Letter from the Chairman	2-17	
About Jolywood	2-1/2-6/2-18/201-1	
Sustainable Development Management	2-9/2-10/2-11/2-14/2-16/2-22/2-24/3-1/3-2/3-3	
Topic: Pioneering Green Energy Solutions to Accelerate Low-Carbon Industry Transition	203-1/203-2	
Compliance Governance, Strengthening the Foundation	Consolidation of the Leading and Steering Role of Party Building	/
	Corporate Governance Compliance	2-9/2-10/2-11/2-12/2-15
	Strengthening Compliance and Internal Control	2-23
	Improving Investor Relations Management	2-8
Green, Low-Carbon, Energy Conservation, and Efficiency Enhancement	Adherence to Business Ethics	2-23/2-27/205-2/205-3/206-1
	Responding to Climate Change	201-2/305-4/305-5
	Environmental Compliance Management	303-4/305-7/306-1/306-2/306-3/306-5
	Resource Consumption Management	301-1/301-2/301-3/302-1/302-3/302-4/303-3
Excellence in Innovation and Quality Service	Focus on Ecological Protection	304-1
	Technological Innovation and Research & Development	2-28/203-2
	Product Quality Management	416-1/416-2
	Protection of Customers' Rights and Interests	417-1/418-1
Recruiting Talents and Caring for Employees	Sustainable supply chains	204-1/308-2/414-1/414-2
	Protection of Employees' Rights and Interests	2-7/2-19/2-20/2-30/201-3/401-1/401-2/405-1/405-2/406-1
	Talent Cultivation and Development	404-4/404-2/404-3
	Strengthening Employee Care	401-3
Striving for Goodness, Pursuing a Bright Future	Strict Adherence to Safety Standards	403-1/403-2/403-3/403-4/403-5/403-9/403-10
		/
Future Outlook	/	
Appendix	/	

Index Table of Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial)

Dimension	S/N	Topics	Article	Chapters and Sections Corresponding to this Report
Environment	1	Responding to Climate Change	Articles 21–28	Responding to Climate Change
	2	Pollutant Emissions	Article 30	Environmental Compliance Management
	3	Waste Disposal	Article 31	Environmental Compliance Management
	4	Ecosystem and Biodiversity Protection	Article 32	Focus on Ecological Protection
	5	Environmental Compliance Management	Article 33	Environmental Compliance Management
	6	Energy Utilization	Article 35	Resource Consumption Management
	7	Water Resource Utilization	Article 36	Resource Consumption Management
	8	Circular Economy	Article 37	Resource Consumption Management
Social	9	Rural Revitalization	Article 39	Striving for Goodness, Pursuing a Bright Future
	10	Contribution to Society	Article 40	Striving for Goodness, Pursuing a Bright Future
	11	Innovation Driven Development	Article 42	Technological Innovation and Research & Development
	12	Technology Ethics	Article 43	Technological Innovation and Research & Development
	13	Supply Chain Security	Article 45	Sustainable Supply Chains
	14	Equal Treatment of Small and Medium-Sized Enterprises	Article 46	Sustainable Supply Chains
	15	Product and Service Safety and Quality	Article 47	Product Quality Management, Protection of Customers' Rights and Interests
	16	Data Security and Customer Privacy Protection	Article 48	Protection of Customers' Rights and Interests
	17	Employees	Article 50	Protection of Employees' Rights and Interests; Talent Cultivation and Development; Strengthening Employee Care, Strict Adherence to Safety Standards
Sustainable Development Related Governance	18	Due Diligence	Article 52	Sustainable Development Governance
	19	Stakeholder Communication	Article 53	Stakeholder Communication
	20	Anti-commercial Bribery and Anti-corruption	Article 55	Adherence to Business Ethics
	21	Anti-unfair Competition	Article 56	Adherence to Business Ethics

Feedback Form

Dear reader,

Thank you for reading the *Jolywood 2024 Environmental, Social and Corporate Governance (ESG) Report*. In order to continuously promote the improvement and enhancement of Jolywood's efforts in the areas of ESG, we sincerely invite you to complete the feedback form and answer the relevant questions to assist us in further improving this report.

1. Which of the following stakeholders is most relevant to you in relation to Jolywood?

Government or Regulatory Agency Shareholder/Investor Employee Supplier Client & Customer Industry Association or Research Institution Public Welfare or Community Organization Media Others

2. Your overall assessment of this ESG report:

Very Good Good Average Below Average Poor

3. How do you think we have fulfilled our social responsibilities?


Very Good Good Average Below Average Poor


4. How would you rate the information disclosure, layout design, and readability of this report?


Very Good Good Average Below Average Poor

5. Any comments or suggestions on our ESG performance and this report?

You can contact us through the following modes:

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