



**IRICO**

**彩虹集團新能源股份有限公司**  
**IRICO GROUP NEW ENERGY COMPANY LIMITED\***

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 0438)

**2023**

**Environmental, Social and Governance Report**

\* For identification purpose only

This environmental, social and governance (“ESG”) report (the “Report”) was prepared to present the performance of environmental and social responsibility of IRICO Group New Energy Company Limited\* (the “Company”) and its subsidiaries (collectively, the “Group”) for the year from 1 January 2023 to 31 December 2023 (the “Reporting Period”). This Report was prepared with reference to the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and has complied with the “comply or explain” provisions set out in Part C of the Environmental, Social and Governance Reporting Guide.

The board of directors (the “Board”) of the Company is responsible for evaluating and determining the Company’s ESG-related risks, and ensuring that long-term effective ESG supervision mechanisms are in place. The management of the Company has confirmed to the Board that these mechanisms are effective. For further details, please refer to the section headed “Corporate Governance Report – Internal control system” in the 2023 annual report of the Company.

## Reporting Principles

The report follows the principles below:

**Materiality:** The content disclosed in this ESG report is sufficient to represent material issues related to the environmental and social factors of the Company, assisting our investors or shareholders in understanding the performance of the Company.

**Quantitative:** Key performance indicators for environmental aspects are explained and evaluated in a measurable method which can showcase the effectiveness of ESG policies and management systems.

**Balance:** The Company ensures that the information is presented in an unbiased manner which can reflect a comprehensive picture of the Company’s sustainability performance and avoid disclosure methods that affect decision-making or judgment of report reader.

**Consistency:** The Report follows the statistics disclosure methodology adopted in the previous annual Report, and makes meaningful comparisons of relevant environmental, social and governance data.

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## Part I Environmental

As global warming has severely affected the subsistence of human, large-scale utilization of clean energy and reduction of carbon emissions are the most effective ways to improve the issue of climate. The Company, being an important participant in the global clean energy industry, continues to drive the decline in the cost of the photovoltaic industry with the advances in science and technology, so as to expand the scale of application of clean energy. In addition, the Company continues to set benchmarks for energy conservation and emission reduction in the industry by virtue of its leading oxygen-fuel combustion furnace for photovoltaic glass and the energy saving and emission reduction technology in the main production lines, and has made good progress in the aspect of use of exhaust heat for generation of electricity, photovoltaic power generation, etc. The Company will make unremitting efforts for the larger-scale application of clean energy around the world, the transformation of energy structure, and the solution of global warming and others.

### Environmental Protection

The Group always highly values sustainable development, strives to boost effective utilization of resources and energy and pays close attention to climate and ecological issues. During the reporting period, the Group walked the green talk by promoting the application of oxygen-fuel combustion furnace technology in production of photovoltaic glass, adopting effective control measures in production and operation activities in accordance with Chinese laws and regulations, and building a long-term mechanism for environmental protection and energy conservation to build itself into a resource-saving and environment-friendly harmonious corporation.

### Environmental Management

The Group attaches great importance to environmental protection and abides by laws, regulations and technical requirements on environmental protection in China. Environmental laws and regulations in China related to the operation of the Group include the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment and the Law of the People's Republic of China on the Prevention and Control of Water Pollution, etc.

In order to enhance management, the Company established the Production and Operation Department at the headquarters with supervisors on safety and environmental protection responsible for establishing the management system on "environment, health and safety" and supervising the management on environmental protection and safety of the Group. All subsidiaries of the Group have established environmental protection and safety management offices and supervisors on environmental protection and safety responsible for their management on environmental protection and safety.

### Emissions

The Group strictly applies relevant national and local environmental laws and regulations, controls the emission of four types of pollutants (wastewater, exhaust gas, waste and noise) required by the state, and constantly introduces and develops new technologies and processes to reduce the emission of pollutants.

Ever since the commencement of production, the Group has been focusing on environmental protection and strictly followed the following relevant applicable environmental rules and standards:

Type	Standards/Rules
Exhaust gas	Air Pollutant Release Standard on Sheet Glass (《平板玻璃工業大氣污染物排放標準》) (GB26453-2011) Air Pollutant Release Standard on Glass Industry (《玻璃工業大氣污染物排放標準》) (GB26453-2022)
Wastewater	Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB8978-1996) and Level II standard under the Integrated Wastewater Discharge Standard for the Yellow River Basin (Shaanxi Section) (《黃河流域(陝西段)污水綜合排放標準》) (DB61/224-2011)
Noise	Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境噪聲排放標準》) (GB12348-2008)

During the reporting period, the Group strictly complied with the relevant laws and regulations that have a significant impact on the Group in terms of air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous pollutants.

Emissions from the production of the Group mainly include greenhouse gases (carbon dioxide), exhaust gas (dust, oxynitride and sulfur dioxide), wastewater, hazardous waste and harmless waste (grinding sludge and cullet). In 2023, emissions from its enterprises in Xianyang, Yan'an, Hefei and Shangrao amounted to 894,185.48 tonnes of carbon dioxide in total, i.e. 52.91 tonnes of carbon dioxide per 10,000 square meters of products; emissions after meeting relevant standards included: dust in exhaust gas from photovoltaic furnaces of 19.20 tonnes, sulfur dioxide of 165.56 tonnes, oxynitride of 320.08 tonnes, wastewater of 4,142,700 tonnes and chemical oxygen demand (COD) of 19.64 tonnes. A total of 81.08 tonnes of hazardous waste and 5,678.20 tonnes of harmless waste (grinding sludge) were discharged, all of which have been disposed based on relevant standards. All harmless waste (cullet) was recycled.

## Part I Environmental (Continued)

### Online Monitoring, Supervisory Monitoring and Independent Monitoring

In order to gain effective and accurate understanding of the real-time emission of pollutants from the Group in the long term, the Group has developed an annual monitoring plan to monitor the emission of key pollutants. Online exhaust gas monitoring systems connected with local environmental authorities have been installed for photovoltaic furnaces in Yan'an, Hefei and Shangrao to effectuate real-time monitoring by the governmental authorities on the emission of exhaust gas.

During the reporting period, the Group also appointed a third-party monitoring agency to monitor the emission or discharge of exhaust gas, wastewater and noise by the Group. Monitoring results show that exhaust gas, wastewater and noise of the Group have been emitted or discharged after meeting relevant standards and the requirements of relevant laws and regulations of China.

During the reporting period, all environmental facilities of the Group maintained stable operation and received regular maintenance. The Group established an operation account to manage and control the emission of pollutants after meeting relevant standards.

## Part I Environmental (Continued)

### Promoting Environmental Management System

The Group has obtained the ISO14001:2015 environmental management system certification on the production of photovoltaic glass to improve the environmental management. The implementation of the environmental management system has effectively reduced the cost of the Group on waste management and the consumption of energy and materials.

### Environmental Protection Target and Completion

The Group strictly implemented the “three synchronizations” system (i.e., environmental facilities should be designed, constructed and operated in tandem with design, construction and operation of principal engineering projects) in environmental impact assessment and protection. It also invested capital into environmental protection, monitored the normal and stable operation of environmental facilities, developed circular economy, improved the water recycling rate, fully recycled waste heat, and advanced measures on energy saving and emission reduction, thereby ensuring the emission and discharge of the “Three Wastes” (i.e., exhaust gas, wastewater and solid waste) met relevant standards.

In 2023, the Group earnestly followed the laws and regulations on environmental protection. Major pollutants were discharged after meeting relevant standards and the disposal of solid waste was legal. There were no environmental incidents in the Group during the reporting period.

### Training on Environmental Protection

While closely monitoring the environmental impacts of its production and operation activities and striving to meet the target of environmental protection, the Group vigorously promotes environmental responsibility and awareness among its employees and provides them with training on environmental protection. The Group makes detailed training plans at the beginning of every year and regularly updates its employees on the latest laws and regulations on environmental protection. Meanwhile, the Group actively participates in various trainings and symposiums on environmental protection organised by provincial and municipal environmental authorities and industry associations, which has further enhanced the professional skills of the environmental protection managers of the Company.

## Part I Environmental (Continued)

### Use of Resources

The Group strictly abides by the requirements of the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China and other laws and regulations, and conducts comprehensive utilization or recycling of waste, wastewater and waste heat generated during production process, with the aim of fulfilling corporate environmental responsibility, pursuing green sustainability, reducing energy consumption, enhancing competitiveness, saving energy for the country and saving costs for enterprises.

### Reducing Energy Consumption and Emissions with Oxygen-fuel Combustion Furnaces

With the self-developed "photovoltaic glass oxygen-fuel combustion furnace technology with 750 tonnes/day and its industrialization", the Group conducted ceramic integrated flue gas ultra-low purification process for denitrification, desulfurization and de-dusting on smoke of combustion furnaces with the photovoltaic glass oxygen-fuel combustion technology at the production bases in Yan'an and Hefei, and reduced natural gas consumption by over 20%. Therefore, the Group, while ensuring safe and stable operation of its production system, achieved satisfactory results in clean production, energy saving and emission reduction, maintaining a leading position in the industry.

Power consumption in 2022

*Unit: kWh*

Headquarters and Xianyang IRICO Photovoltaic Glass Co., Ltd. ("Xianyang Photovoltaic")	21,367,200
IRICO (Hefei) Photovoltaic Co., Ltd.* ("Hefei Photovoltaic")	243,636,153
IRICO Yan'an New Energy Co., Ltd.* ("Yan'an New Energy")	160,199,200
Total	425,202,553

## Part I Environmental (Continued)

### Reducing Energy Consumption and Emissions with Oxygen-fuel Combustion Furnaces (Continued)

Power consumption in 2023	Unit: kWh
Xianyang Photovoltaic	54,857,880
Hefei Photovoltaic	269,430,280
Yan'an New Energy	91,330,748
Jiangxi IRICO Photovoltaic Co., Ltd. ("Jiangxi Photovoltaic")	108,031,380
<b>Total</b>	<b>523,650,288</b>

In 2023, the Group effectively improved its production efficiency through improvement of production process and adoption of new technologies and equipment. In 2023, the total power consumption of the Group increased by 23.15% from 425,202,553 kWh in 2022 to 523,650,288 kWh, while the total production output increased by 46.71% year on year. Per unit power consumption for photovoltaic glass production in 2023 was 3.05 kWh/square meter, decreasing by 16.21% from 3.64 kWh/square meter in 2022.

Natural gas consumption in 2022	Unit: cubic meters
Headquarters and Xianyang Photovoltaic	0
Hefei Photovoltaic	128,950,414
Yan'an New Energy	48,350,700
<b>Total</b>	<b>177,301,114</b>

Natural gas consumption in 2023	Unit: cubic meters
Xianyang Photovoltaic	0
Hefei Photovoltaic	130,062,445
Yan'an New Energy	25,827,333
Jiangxi Photovoltaic	52,087,729
<b>Total</b>	<b>207,977,507</b>

## Part I Environmental (Continued)

### Reducing Energy Consumption and Emissions with Oxygen-fuel Combustion Furnaces (Continued)

The Group reduced natural gas consumption through enhanced internal management, strict evaluation and adoption of technical improvement measures. In 2023, the total natural gas consumption of the Group increased by 17.30% from 177,301,114 cubic meters in 2022 to 207,977,507 cubic meters, while the total production output increased by 46.71% year on year. Per unit natural gas consumption in 2023 was 1.21 cubic meters/square meter, decreasing by 20.39% from 1.52 cubic meters/square meter in 2022.

### Wastewater Utilization and Treatment

The Group has made multiple efforts on water saving and emission reduction. All photovoltaic glass plants in Hefei, Yan'an, Xianyang and Jiangxi are equipped with wastewater treatment systems with an annual treatment and recycling of 4.4173 million tonnes of industrial wastewater. The reuse rate of water was over 80%.

The recycling-oriented treatment process of industrial wastewater of the Group is as follows:

Wastewater collection pool→Raw wastewater pool→Preliminary sedimentation pool→Coagulation pool→Condensation pool→Sedimentation pool→Intermediate pool→Multi-media filter→Recycling pool→Grinding process

In addition, the Group enhanced routine management on facilities to ensure the facilities to operate in good condition and reduce the discharge of wastewater to avoid its impacts on the environment. Through the water recycling system, it also reduced water consumption and better managed the use of water resources by the Group.

Water consumption in 2022	Unit: tonnes
Headquarters and Xianyang Photovoltaic	13,677
Hefei Photovoltaic	1,540,373
Yan'an New Energy	763,742
Total	2,317,792

## Part I Environmental (Continued)

### Wastewater Utilization and Treatment (Continued)

Water consumption in 2023	Unit: tonnes
Xianyang Photovoltaic	91,849
Hefei Photovoltaic	1,480,119
Yan'an New Energy	488,361
Jiangxi Photovoltaic	593,326
Total	2,653,655

In 2023, the total water consumption of the Group increased by 14.49% from 2,317,792 tonnes in 2022 to 2,653,655 tonnes, while the total production output increased by 46.71% year on year. Per unit water consumption in 2023 was 154.79 tonnes/10,000 square meters, decreasing by 21.96% from 198.34 tonnes/10,000 square meters in 2022. The Group did not encounter any problems or difficulties in ensuring sufficient water supply for production.

### Waste Heat Utilization

In order to reduce energy consumption and production cost, the Group vigorously promotes heating with waste heat at the production bases in Yan'an and Hefei, and has reduced a heating fee of more than RMB600,000 every year. The bases in Hefei and Jiangxi use waste heat for power generation and the power generated for the year amounted to 49.3654 million kWh, all for its own use. The targets of energy saving, emission reduction, cost cutting and efficiency improvement has been achieved.

### Photovoltaic Power Generation

The Group actively responded to the national policy calls, seized the opportunities of energy structure adjustment and "dual carbon" development, and promoted the distributed photovoltaic power programs in Xianyang, Hefei and Yan'an, with 11.5786 million kWh power generated through photovoltaic power programs for the year, all for its own use, which transformed solar energy into power, achieved the utilization of recyclable energy and contributed green and clean energy to society.

The Group initiated the rooftop photovoltaic power generation program in 2012 whereby the distributed photovoltaic power stations were set up on the roofs of existing factories. This program beautified the appearance of buildings, leveraged existing resources to generate power for self-use, realized the sustainable development of clean power in certain regions, obtained certain economic benefits and achieved mutual benefits between enterprises and the state.

## Part I Environmental (Continued)

### Photovoltaic Power Generation (Continued)

Packaging materials (wood) consumption in 2022 *Unit: tonnes*

Headquarters and Xianyang Photovoltaic	217
Hefei Photovoltaic	6,000
Yan'an New Energy	3,105.24

Total 9,322.24

Packaging materials (wood) consumption in 2023 *Unit: tonnes*

Xianyang Photovoltaic	1,131.50
Hefei Photovoltaic	826.00
Yan'an New Energy	1,802.12
Jiangxi Photovoltaic	2,744.40

Total 6,504.02

The Group effectively reduces the use of packaging materials and avoids waste by reducing the backlog of inventory, avoiding excessive requisition of materials, enhancing recycling management and appraisal, promoting innovative management and recycling of packaging materials and increasing the usage and recycling of iron frame. In 2023, all factories of the Group consumed 6,504.02 tonnes of wooden packaging materials in total, decreasing by 30.23% from 9,322.24 tonnes consumed in 2022, while the total production output increased by 46.71% year on year. Per unit consumption of wooden materials in 2023 was 0.38 tonnes/10,000 square meters, decreasing by 52.5% from 0.80 tonnes/10,000 square meters in 2022.

### The Environment and Natural Resources

In response to the government's call for environmental protection and energy conservation, the Group continues to implement green office practices and cultivates staff environmental awareness through training and education in an effort to reduce the impacts of the Group's management and daily operation activities on the environment. The measures adopted by the Group include: using energy-saving lightings, working online, minimizing use of paper, reducing energy consumption by switching off idle lightings, computers and electrical appliances, use of teleconferencing as an alternative to business travel; setting a specific temperature for use of air conditioners and ensuring effective use of cars; monitoring production and office power consumption on a monthly basis with statistics properly kept for monthly appraisal; and making a maintenance plan for major electrical equipment to avoid over-consumption of electricity due to the aging of equipment.

### Environmental Protection and Sustainable Development

The Group promotes the use of green energy to minimize the harms of global climate changes caused by greenhouse effect and helps achieve carbon neutrality through its vigorous development of solar photovoltaic glass business.

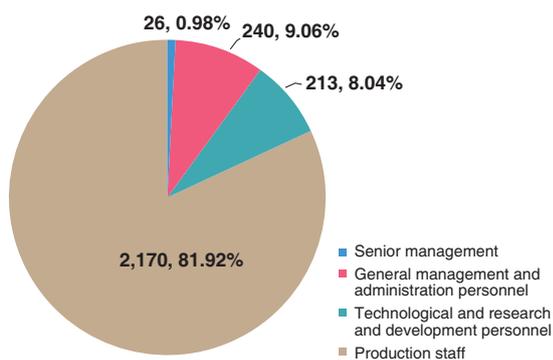
## Employment and Labour Practices

### Employment

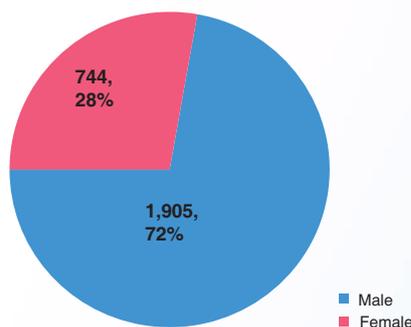
As at 31 December 2023, the Group had a total of 2,649\* incumbent employees, all of whom were full-time employees, were of PRC nationality and working in the PRC, and approximately 0.98% were senior management personnel, 9.06% were general management and administrative personnel, 8.04% were technological and research and development personnel, and 81.92% were production employees.

The total number and composition of employees of the Group are as follows:

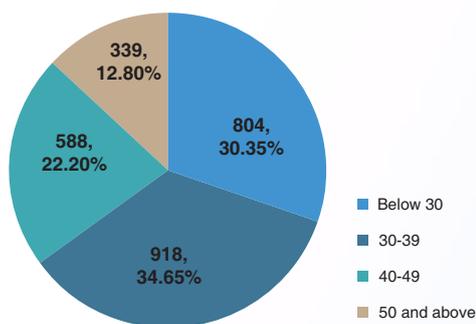
**Structure of Incumbent Employees in 2023**



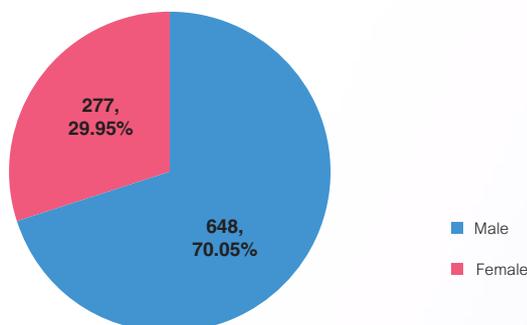
**Gender Ratio of Incumbent Employees in 2023**



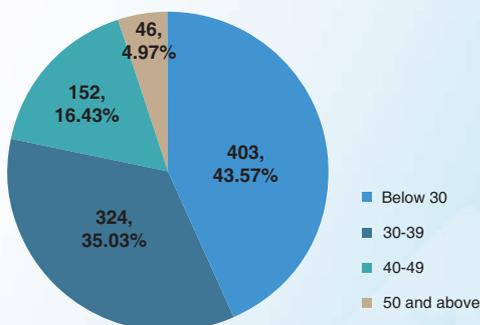
**Age Structure of Incumbent Employees in 2023**



**Employee Turnover Rate by Gender**



**Employee Turnover Rate by Age**



## Part II Social (Continued)

### Employment and Labour Practices (Continued)

#### Employment (Continued)

The Group has established a comprehensive welfare system suitable for corporate development and employee promotion, and developed a remuneration management system and a scheme on continued improvement of remuneration to provide employees with attractive remuneration and benefits. Employee remuneration is composed of basic salary, performance-linked salary and individual rewards and penalties, which is subject to adjustment in line with the Company's performance, employee job value, personal ability and performance, and social development level. In addition, in accordance with national regulations, the Group makes contributions to social insurance and housing provident fund for its employees and provides them with various benefits including paid leave and holidays, home leave, high temperature subsidy and heating subsidy, thereby arousing their enthusiasm for work and ensuring high quality and reliability of the Group's products and services.

Throughout 2023, the Group has complied with relevant laws and regulations in terms of recruitment and promotion, working hours, holidays, equal opportunities, anti-discrimination and other benefits.

\* *Excluding dispatched employees*

## Development and Training

From the purpose of improving the basic quality, strengthening basic management and business competence, the Group provides comprehensive and diversified training programs to its employees. From the purpose of enhancing employees' skills, business competence, professional qualities, the Group proactively explores various education and training methods suitable for its employees, emphasizes safety awareness education of all staff, and further enhances skills training for management and technical personnel. Employees enable to acquire new knowledge, skills, solutions and thoughts from various trainings, thereby laying a foundation for better discharging their duties and sustainable operation and development of the Company.

Training subjects	Training contents
Workplace safety	Integrated Training of Three Systems of Quality, Environment, Occupational Health and Safety Management for the Year 2023, Training on Review and Renewal of Qualification Certificates for Safety Director and Management Personnel, Resumption of Power System, etc.
Quality management	Training on 4-Lines ISRA Air Bubble Specification Equipment, Training on Determination of Standard for OMM Inspection, Training on BIPV Building-integrated Photovoltaics, etc.
Management skills	Agile Curriculum Development and Internal Trainer Training, Interpretation of Summary of Industrial Projects and Strategic Planning of the Group, Enterprise Comprehensive Operation and Management Sand Table, and Development Strategy Under the Background System of Carbon Peak and Carbon Neutralization, etc.
Courses on Ideological and Political Education	Network Training Course for the Spirit of the 20th CPC National Congress, Outline of Learning Xi Jinping's Thought on Ruling-by-law, etc.
Training for Reserve	Young Talents CEC 2023 Training Course for Young and Middle-aged Science and Technology Talents, Structured Thinking and Expression, and Leisurely sailing – process design and process optimization, etc.

## Part II Social (Continued)

### Development and Training (Continued)

In 2023, there were a total of 145 training programs for the Group, with a total of 7,838 training hours. The Group also encourages employees to learn by themselves to support their personal development.

Indicator	2023
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Average training hours per employee and percentage of employees trained (%)	3 hours (100%)
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Total training hours and percentage of employees trained by gender and employee category (%)

By gender	Total training hours	Average training hours	Percentage of employees trained
Male	5,606	3	100%
Female	2,232	3	100%

By employee category	Total training hours	Average training hours	Percentage of employees trained
Senior management personnel	571	22	100%
General management and administrative personnel	1,388	6	100%
Technological and research and development personnel	1,876	9	100%
Production workers	4,003	2	100%

### Gender diversity

The Group is committed to developing various channels to attract diverse talents and provide equal opportunities for more women, as well as building a platform for equal employment and career development for women. Due consideration was given to ensuring the proportion of female employee in recruitment, and the proportion of female employees remained above 27% all the year round.

The Group strives to make every employee have a full sense of belonging, encourages employees to pursue success regardless of gender, and gives due consideration to increasing the proportion of female employees when training reserve talents and making promotion. As at 31 December 2023, 28% of employees were female and 14% of management were female.

### Occupational Health and Safety

The Group has set up a safety management and enforcement organisation, which is equipped with full time safety personnel, and formulated the Safety Production Guidelines, Emergency Management Rules and other rules; and established the occupational health and safety management system. Each year, a qualified third party will be engaged to conduct external audit to ensure the continued and effective operation of the system.

The Group equips its employees with labour protection facilities and supplies including gloves, safety shoes, etc. Meanwhile, the Group also posts safety warning signs at workplaces to remind employees to prevent occurrence of safety incidents. Each year, employees are placed on medical checkups to ensure their physical health. The Group organises a number of training courses on occupational health and safety every year to enhance the health and safety skills of employees. At ordinary times, the Group performs safety inspections and emergency drills to eliminate safety hazards and enhance employees' safety awareness.

Summary of certain campaigns:

In March 2023, the Group held the "3.15 Fire Safety Week" campaign in which safety publicity was conducted by hanging fire safety banners, making fire safety signboards, organising fire drills for relevant employees, replacing firefighting equipment, and completing lightning protection and grounding tests at factory areas.



## Part II Social (Continued)

### Occupational Health and Safety (Continued)

In June 2023, the Group's annual "safety production month", the Group organised 10 special emergency drills for key areas and positions including photovoltaic furnace and calendaring at each of the Group's production bases involving more than 732 employees, to test the operability and adaptability of the emergency plans. In addition, the Group comprehensively evaluated the drill results with a view to constantly optimizing the emergency plans and improving staff's emergency handling capacity to ensure safe production of the Group.



In November 2023, as a response to the national initiative, the Group arranged "11.9 Fire Control Publicity Month". A variety of activities such as fire warning education and fire emergency drill were carried out and special inspections were conducted for fire-fighting equipment, electrical appliances and utility pipelines to identify and rectify safety hazards, creating a strong atmosphere for fire control publicity.



## Occupational Health and Safety (Continued)

2023 Health and safety performance	Performance
Number of work-related casualties	0
Number of loss days due to work injury	0
Number of accidents	0
2022 Health and safety performance	Performance
Number of work-related casualties	0
Number of loss days due to work injury	0
Number of accidents	0
2021 Health and safety performance	Performance
Number of work-related casualties	0
Number of loss days due to work injury	0
Number of accidents	0

In the above three years, the occurrence rate of various safety accidents of the Group was zero. The Group strictly abided by the relevant laws and regulations that had a significant impact on the Group in respect of providing safe working environment and safeguarding employees from occupational hazards.

## Labour Standards

In formulating the Recruitment Management Process, the Group strictly abided by the Labour Contract Law of the People's Republic of China, the Regulations on Prohibition of Child Labour and other laws to prevent child labour. Child labour is strictly prohibited by the Group. Further, in order to guarantee the health and safety of employees, the Group strictly prohibits forced labour. All employees are required to undergo relevant trainings before they start work. The union organisation of the Group also plays an active role in guaranteeing employees' interests.

Since its listing, the Group has never used any child labour or forced any employees to work. The Group has complied with the relevant laws and regulations.

## Part III Production and Operation

### Supply Chain Management

The Group manages its procurement and supply chain based on formulating procurement plans for market order-centric production organizations at each production base. Through a standardized bidding process, the Group was able to standardize procurement process, optimize supplier base, share procurement information, supervise procurement process, reduce procurement costs, enhance the informatization of procurement, and establish and optimize business relationships between subordinate enterprises with appropriate suppliers, thereby eventually developing a high-quality supplier base. Further, by sunshine purchasing which was achieved through the establishment of a strategic purchase partnership and market-oriented bidding process, the Group successfully reduced the purchasing price of products, improved the quality of purchased products and increased the service quality of suppliers.

- I. The Group has formulated the Purchase Management Rules and the Management Measures for Bidding Process and Contract Review, and digitalized the bidding and contract approval procedures in full process with joint participation of the Company's legal and financial departments for strict regulation over purchasing activities, to ensure the normal operation of production systems. Details are set out as follows:
  - (I) Sourced product information base and supplier information base are established; the budgetary price for bidding is determined by comparison with the market price; a pricing process is set up whereby the price of a product to be purchased from suppliers is determined through electronic bidding; and finally, a supplier with the highest ranking in bidding, the best service and good contract performing conditions and capabilities will be selected;
  - (II) A bidding review and contract approval system is established within the Group to implement compliance management of review and approval for purchase contracts; at the same time, each procurement unit effectively utilizes the NC electronic management system to achieve full-process management from planning, procurement, warehousing to settlement.
- II. Optimization of supplier management system:
  - (I) Supplier incentive mechanisms are established, whereby suppliers who are assessed as excellent will gain priority in respect of distribution of products to be supplied, long-term cooperation, etc. Supplier incentive mechanisms are implemented and performance of suppliers will be evaluated, thereby procuring the suppliers to improve constantly. Sound and reasonable appraisal methods are employed to evaluate the effects of cooperation with individual suppliers and evaluation results will be fed back to the suppliers. The Group will discuss the causes of problems together with the suppliers and take improvement measures accordingly.

## Part III Production and Operation (Continued)

### Supply Chain Management (Continued)

- (II) Casual reciprocal visits to and from manufacturers with good reputation and solid strength will be scheduled so as to create a sound cooperation atmosphere. Strategic purchase framework agreements are signed to create a win-win model.
  - (III) Suppliers who have long been falling short of the quality requirements of the Group's plants and failed to make improvements or those who have deeply flawed quality management systems will be suspended or recused in relation to their supplier qualifications as recorded in the Catalogue of Qualified Suppliers. The Group will monitor material quality on a long-term basis and carry out regular review on all suppliers to secure sustainable supply of quality materials and services. For the selection of suppliers, the Group will give priority to those with the Certification of the ISO9001 Quality Management System, the Certification of the ISO14001 Environmental Management System, the Certification of the OHSAS18001 Occupational Health and Safety Management System and other certifications under same conditions. We pay more attention to the environmental protection efforts of suppliers in the annual review on certain suppliers.
- III. Enhancement of risk control management. Before the bidding for the procurement of general production materials and equipment, the bidder shall be subject to strict qualification review, and the bidding shall be conducted on the electronic procurement platform. For major projects, a qualified bidding company is entrusted to carry out bidding in accordance with relevant national laws and regulations to ensure the openness, fairness and impartiality of project construction procurement. The legal affairs, discipline inspection and supervision of the Group participate in the management and monitoring of the contract review process in the whole process, and timely identify and effectively prevent behaviors of breach of laws or regulations in the procurement process.

Geographical distribution	Number of suppliers
PRC	96

## Part III Production and Operation (Continued)

### Product Liability

During the Reporting Period, the quality control and testing of the Group's photovoltaic glass products covered the entire life cycle of product quality, including: incoming quality control (IQC) during the production process, quality control of semi-finished products between processes, outgoing quality control (OQC), sampling, and in-process quality control (IPQC) in terms of process; product surface defect inspection, size inspection, optical performance testing, mechanical performance testing, weather resistance testing, and electrical performance testing in terms of inspection content; full product inspection and spot-check in terms of testing methods.

Based on the quality control results of photovoltaic glass, the following evaluation and classification are made:

1. Qualified products, which can be used directly or for further production with satisfactory inspection results with specified quality standards and requirements.
2. Defective products, which will be returned or repaired with unsatisfactory inspection result with specified quality standards and requirements.
3. Hand-selected products, which require additional manual selection and processing with certain satisfactory inspection results with specified quality standards and requirements.

Product quality control shall ensure:

1. Accuracy: The inspection results should be accurate to ensure the quality of the product.
2. Comprehensiveness: Covering various key indicators and performance parameters of photovoltaic glass.
3. Feasibility: The inspection methods and equipment should be feasible and reliable, easy to be integrated into the production line.
4. Uniformity: Ensuring consistency in quality among different batches of photovoltaic glass.
5. Traceability: The inspection results of each piece of photovoltaic glass should have clear records and be traceable.
6. Efficiency: The quality control process should be efficient and fast, without affecting production progress and delivery cycles.

The Group is committed to producing high-quality photovoltaic glass and attaches great importance to product quality and company reputation. All products are strictly tested according to the established product quality standards and have successfully obtained various domestic and foreign certifications, mainly including: GB/T19001-2016/ISO 19001:2015 Quality Management System Certificate, and China Compulsory Certification (3C).

## Part III Production and Operation (Continued)

### Product Liability (Continued)

During the Reporting Period, the Group conducted its business in strict accordance with the requirements of the environmental management system and the occupational health and safety management system, and there were no product recalls due to safety and health reasons. For product and service complaints, the sales personnel will visit the site and give feedback to the technical and quality department of each production base, and each production base will arrange professional after-sales personnel to deal with them in a timely and effective manner through on-site visits, face-to-face meetings and other specific methods. In 2023, the Group had no major customer complaints. At the same time, the Group attaches great importance to the protection of intellectual property rights, timely reports and protects the formed intellectual property rights, and signs relevant confidentiality agreements in relation to important intellectual property projects.

During the Reporting Period, the Group has complied with relevant laws and regulations that have material impacts on the Group in respect of the health and safety, advertising, labelling, consumers' information protection and privacy matters of products and services provided as well as methods of redress.

### Anti-corruption policies and related training

The Group has formulated a number of policies such as Implementation Measures of IRICO Group New Energy Company Limited (several requirements on the Integrity in Business by Leaders of Stateowned Enterprises), Requirements on the Implementation of Registration of the Acceptance of Gifts by Leading Cadres of IRICO Group New Energy Company Limited and Measures for the Supervision and Administration of Tendering and Bidding of IRICO Group New Energy Company Limited, to promote the system under which no one dares to or can be corrupted or thinks of committing corruption, and strictly implement governing documents from the perspectives of uncorrupt practice, conversation reminder, supervision and inspection, accountability, etc., so as to form a sound punishment and prevention system. At the same time, the Group will enhance the publicity of anti-corruption laws and regulations, carry out a number of special rectification and self-inspection and self-correction work, continue to do a good job in the supervision and inspection of duty crimes, seriously manage abuse of power, and advocate the construction of the culture of integrity within the Group through various forms of anti-corruption warning and education activities, and create a clean working environment.

The Group has formulated the Complaint via Letters and Visits Maintenance System of IRICO Group New Energy Company Limited and the Complaint Handling Measures of IRICO Group New Energy Company Limited to ensure that the Company's complaint reporting channels are smooth. Whistleblowers can report to the Group's discipline inspection and supervision department with corruption cable through various petition channels. The discipline inspection and supervision department classifies the problem cable according to the Complaint Handling Measures. If there is any suspicion or concrete evidence of corruption and bribery after investigation, it will be transferred to the corresponding judicial authority in a timely manner in accordance with the law.

## Part III Production and Operation (Continued)

### Anti-corruption policies and related training (Continued)

During the Reporting Period, the Group conducted a series of trainings, including “Style Building, Focusing on the “Key Minorities” on the Top to Set Examples, “Regulations of the CPC on Disciplinary Action”, “Communique of the Second Plenary Session of the 20th Central Commission for Discipline Inspection”, and “Notification of Negative Cases of Violation of Laws and Disciplines of Shaanxi Provincial Commission for Discipline Inspection”, through video training and other means, totaling 4 class hours.

The business operations of the Group are in line with the standards of business conduct as prescribed in relevant applicable laws and regulations. During the Reporting Period, the Group was not involved in any material legal proceedings in relation to bribery and graft.

### Community Involvement

#### Care for employees

The Group always adheres to the concept of “being people-oriented and caring for employees” and cares about the lives of employees. The Group provided supplementary medical insurance of RMB501,239 to 232 persons, mutual insurance of RMB22,700 to 319 employees, and survivor’s subsidies of RMB6,905. The Group visited 13 employees in difficulties during the Spring Festival to offer relief funds of RMB33,000; carried out high-temperature condolence programs at each of industrial bases and allocated relief funds of RMB80,000 in summer; carried out “Golden Autumn Student Aid” activity to express condolences to 5 aid recipients approved by the Group; distributed anti-influenza medicines to employees in winter, further demonstrating corporate responsibility and commitment through practical actions.

#### Enrichment of employees’ cultural life

The Group’s trade union organized all female employees to visit and study at the Zhao Mengtao Memorial Hall, the first ideological and political education base for employees in Shaanxi Province, and held children’s calligraphy and painting exhibitions, parent-child photo exhibitions, and parent-child handicraft DIY activities, organized 30 employee families to participate in the parent-child reading audio-visual production activity “Book Fragrance Helping to Grow Together”, and organized handmade sachets for the Dragon Boat Festival, health knowledge seminars, artistic flower arrangement activities, and jointly carried out dumpling-making events, “Fragrant Dumplings Welcome the Winter Solstice, Building Harmony between the Park and Enterprise”, with Zhigu Park Property. The Group’s labor union organized employees to participate in the women’s aerobics competition, table tennis competition and book-telling competition. The labor union of Jiangxi Photovoltaic of the Group organized a basketball friendship match with Qinhuangdao Glass Industry Research and Design Institute to promote communication with basketball as a medium between the institute and the Company for mutual development.

## Part III Production and Operation (Continued)

### Community Involvement (Continued)

#### Corporate Culture

The Group publicizes corporate culture to all employees through convening seminars, distributing corporate culture brochures, thematic discussions, etc., aiming to discover the deep connotation of corporate culture and enhance cohesion, which helps each employee to have a deeper understanding of corporate culture at work.

During the Reporting Period, through interviews and hosting various forms of meetings, all employees were able to understand the core values of the corporate culture and enhance their recognition of the corporate culture.