



2024

Henan Ancai Hi-Tech Co., Ltd.
**Environmental, Social and
Governance Report**

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About This Report

Introduction

This Report is the first *Environmental, Social and Governance Report* of Henan Ancai Hi-Tech Co., Ltd. (referred to as "Ancai Hi-Tech", "the Company", "we" or "us"). The purpose of this Report is to comprehensively demonstrate the Company's commitment to environment, social and governance management in its operational processes to investors, employees, partners, and other stakeholders.

Compilation Basis

This Report is prepared in accordance with the *Guidelines No. 14 of the Shanghai Stock Exchange for Self-regulation of Listed Companies - Sustainability Report (Trial)* and the requirements of the *Global Reporting Initiative Standards* (GRI Standards).

Reporting Scope

The scope of this Report encompasses Henan Ancai Hi-Tech Co., Ltd. and its subsidiaries. This Report is published annually, covering the period from January 1, 2024 to December 31, 2024. Some content or data may refer to previous years or extended to future years. This Report is presented in Chinese Renminbi (RMB).

Data Source

Unless otherwise stated, the data in this Report is derived from the Company's disclosed periodic reports or interim announcements, as well as internal statistical data. Some data may include historical information.

Addressing and Representation

In this Report, "Ancai Hi-Tech", "the Company", "we" or "us" refers to Henan Ancai Hi-Tech Co., Ltd. and its subsidiaries.

Abbreviation	Full Name
Ancai Hi-Tech, the Company, we or us	Henan Ancai Hi-Tech Co., Ltd.
Henan Investment Group	Henan Investment Group Co., Ltd
Ancai Photovoltaic New Materials	Henan Ancai Photovoltaic New Materials Co., Ltd.
Ancai Photothermal Technology	Henan Ancai Photothermal Technology Co., Ltd.
Ancai Energy	Henan Ancai Energy Co., Ltd.
Jiaozuo Ancai	Jiaozuo Ancai Advanced Material Co., Ltd.
Xuchang Ancai	Xuchang Ancai New Energy Technology Co., Ltd.
Xinhe Industry	Puyang Xinhe Industry Development Co., Ltd.

Access Options

You can download the electronic version of this Report from the website of the Shanghai Stock Exchange (www.sse.com.cn) or Henan Ancai Hi-Tech Co., Ltd. (www.acht.com.cn) and obtain more information on corporate social responsibility.

If you have further inquiries, questions, or feedback regarding this Report, you can contact the Company through the following contact information:

Address: South Zhongzhou Road, Anyang City, Henan Province

Tel.: 0372-3732533

E-mail: achtzqb@acht.com.cn

Address by Chairman of the Board

Over the past three decades, Ancai Hi-Tech has always adhered to the corporate mission of "challenging the world's advanced level and contributing to the civilization of human society". We started with the operation of CRT electronic glass, becoming a symbol of the national industry at that time. Today, we have transformed and deepened our presence in the field of new energy, committed to promoting green and low-carbon development. We have diversified our business into photovoltaics, photothermal, natural gas, pharmaceutical glass, and intelligent manufacturing. Through challenges and achievements, Ancai Hi-Tech remains dedicated and determined.

Against the backdrop of the "carbon peaking and carbon neutrality" goals leading global green transformation, Ancai Hi-Tech deeply integrates the ESG concept into strategic decision-making and business practices. In 2024, we built a foundation of compliance governance, driven by green development, with a focus on creating a harmonious society. Through these efforts, we were able to promote the sustainable development of the Company and contribute to the co-creation of social value.

Green practice

Implementing the carbon peaking and carbon neutrality strategy throughout the entire chain to safeguard the ecology. We actively respond to the international consensus on reducing greenhouse gas emissions and mitigating climate change. We deeply adhere to the development concept of "Lucid waters and lush mountains are invaluable assets " and actively practice the national "carbon peaking and carbon neutrality" strategy. We contribute to optimizing the energy structure, aiming to apply lower-carbon and more energy-efficient models and technologies in various aspects of production and operations. From the construction of green factories and the promotion of clean energy utilization to the implementation of energy-saving projects and the refined management of waste and pollutants, we have consistently protected the green mountains and clean water of this land through actions. We strive to leave a better ecological environment for future generations.

Innovation-driven development

Scaling technological heights to lead the low-carbon transformation. We implement a strategy of promoting enterprise development through technology and effectively promote technological innovation. Since establishment, we have been consistently focused on the research and development of high-end glass. We rely on a mechanism of technological innovation, building innovative platforms and a robust R&D system. We have increased investment in research and development, aiming to achieve product and process innovation. We bravely scale the heights of technological innovation and adhere to innovation for development. We continue to drive innovation through ongoing research and development, using technological breakthroughs to propel the industry's low-carbon transformation.

Co-building ecological system

Creating a transparent supply chain for value symbiosis. We co-build an ecological system with our suppliers to achieve value symbiosis. We establish a supplier access mechanism, provide technical assistance, and assist suppliers in enhancing their product and service levels. We establish a "Sunshine Procurement" platform to ensure transparency and fairness in the supply chain, safeguarding the legitimate rights and interests of upstream and downstream enterprises. We strive to create a sustainable partner ecosystem, deepen strategic collaboration, and achieve value symbiosis in the supply chain.

Quality-centric

Full-process control to create a benchmark for responsible manufacturing. We adhere to "responsible manufacturing" with a focus on customer needs. We value customer experience and precisely control the entire process of product design, development, manufacturing, and sales services. With excellent quality and dedicated service, we have earned customer recognition and established long-term, mutually trusted relationships with domestic and international customers.

Employee-centric

Building a happy workplace and empowering mutual growth. The Company always prioritizes its employees and builds a happy workplace. We pay attention to employees' occupational health and create a "Healthy Ancai" system. We provide employee care from various aspects such as compensation, training, and recreational activities to enrich their personal lives outside of work. We fully guarantee employees' rights and development, achieving mutual growth between the Company and its employees.

Social responsibility

Assisting in rural revitalization and achieving win-win development. In response to the national call and the practice of rural revitalization, we fulfill our social responsibility. We promote the development of surrounding industries by focusing on our own development. This includes procuring logistics and transportation services from the surrounding areas and creating employment opportunities, achieving mutual benefits and win-win outcomes.

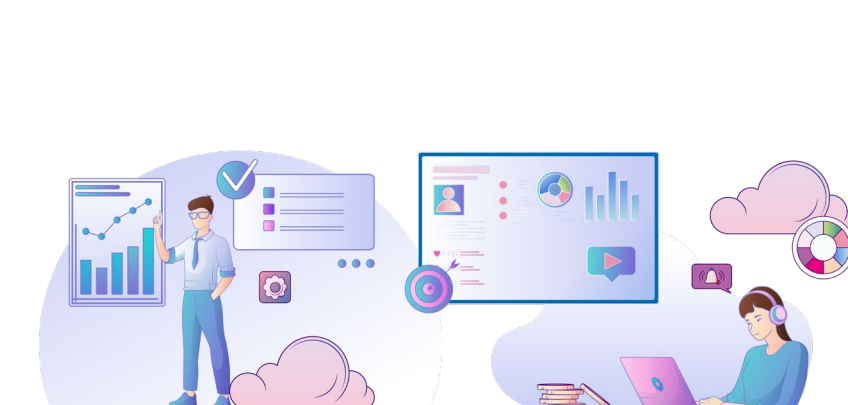
Compliance as the foundation

Establishing a strong foundation for standard operations. Ancai Hi-Tech upholds the concept of operating in compliance with laws and regulations. We continuously improve our governance system, enhance risk management mechanisms, and uphold business ethics. We have built a management structure with clear responsibilities and well-defined division of labor. By strengthening the coordination and cooperation among departments and ensuring smooth process connections, we comprehensively enhance the level of standardized operations.

Party building leadership

Empowering modern governance patterns. The Company strengthens Party building leadership, leverages grassroots Party organizations as strongholds, and encourages Party members to serve as exemplary models. This promotes the deep integration of Party building work with production and operation, creating a new pattern of efficient governance for a modernized enterprise. This solidifies the foundation for sustainable development.

With the winds blowing in our sails, we courageously shoulder heavy responsibilities and forge ahead. We express our gratitude to the shareholders, partners, and counterparts who have supported and cared for the development of Ancai Hi-Tech over the years. Ancai Hi-Tech deeply understands the importance of responsibility and compassion in business value. We will always adhere to promoting human well-being as our starting point. Together with our shareholders, we strive for development, share growth with our employees, achieve harmonious coexistence with nature, and resonate with society. Let the starlight of responsibility converge into a brilliant galaxy that illuminates the future!



徐东伟

Henan Ancai Hi-Tech Co., Ltd.
Chairman of the Board Dongwei Xu

Key ESG Performance Data



Economic performance



Operating revenue

RMB **4.339** billion



Total tax

RMB **169** million



Governance performance



Number of General Meeting of Shareholders held

2



Number of Board of Directors' meetings held

9



Number of Board of Supervisors' meetings held

6



Number of incidents of commercial bribery and corruption

0



Environmental performance



Environmental protection investment

RMB **70.0617** million



CO₂ emissions

919,400 tons of CO₂e



Reduction in CO₂ emissions through clean energy adoption

83,200 tons of CO₂e



Amount of recycled water

92,903,900 tons



Total amount of waste recycled

138,517.50 tons



Social performance



R&D investment

RMB **123** million



Safety investment

RMB **19.1522** million



Employee social security contributions

RMB **72.4339** million



Employee training coverage rate

100%



Social public welfare investment

RMB **639,300**

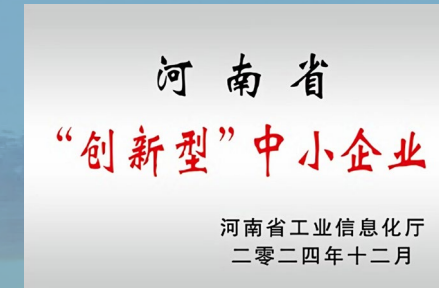
Honors and Awards



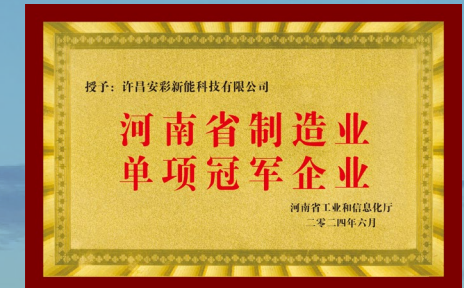
Ancal Hi-Tech
2024-Advanced Unit in Party Building Work
Communist Party Committee of Anyang State-owned Enterprises



Xuchang Ancal
2024-Green Factory of Henan Province
Department of Industry and Information Technology of Henan Province



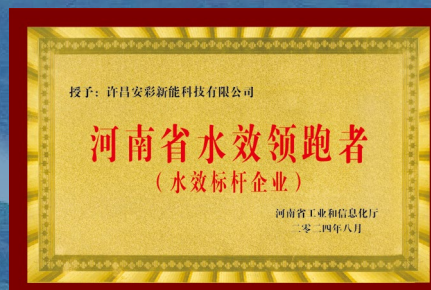
Ancal Photothermal Technology
2024-Innovative SMEs of Henan Province
Department of Industry and Information Technology of Henan Province



Xuchang Ancal
2024-Single Champion Enterprise of Manufacturing Industry in Henan Province
Department of Industry and Information Technology of Henan Province



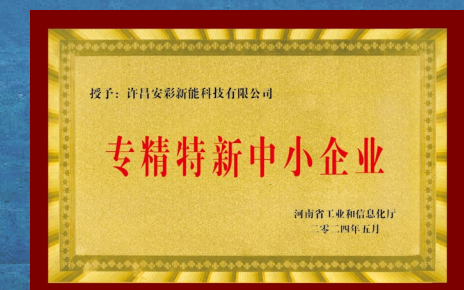
Xuchang Ancal
2024-Leading Enterprise in Manufacturing Industry of Henan Province
Department of Industry and Information Technology of Henan Province



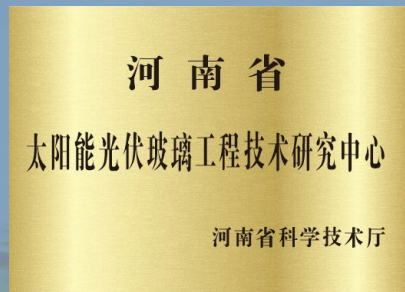
Xuchang Ancal
2024-Provincial Leader in Water Efficiency
Department of Industry and Information Technology of Henan Province



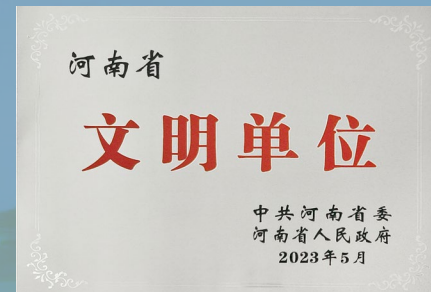
Ancal Photovoltaic New Materials
2024-Hi-tech Enterprise
Department of Science and Technology of Henan Province



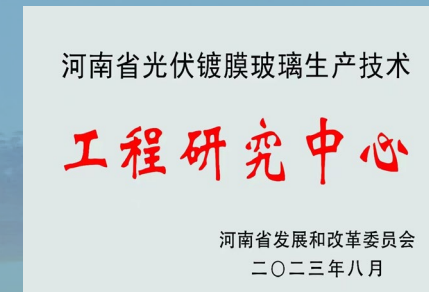
Xuchang Ancal
2024-Specialized, Refined, Differential, and Innovative SMEs
Department of Industry and Information Technology of Henan Province



— Jiaozuo Ancai —
2024-Solar Photovoltaic Glass Engineering Technology Research Center of Henan Province
Department of Science and Technology of Henan Province



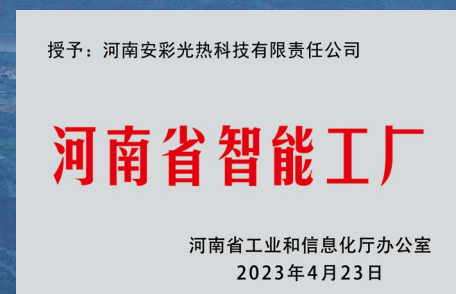
— Ancai Hi-Tech —
2023-Civilized Unit of Henan Province
The Communist Party of China Henan Provincial Committee and the People's Government of Henan Province



— Ancai Photovoltaic New Materials —
2023-Engineering Research Center of Henan Province
Development and Reform Commission of Henan Province



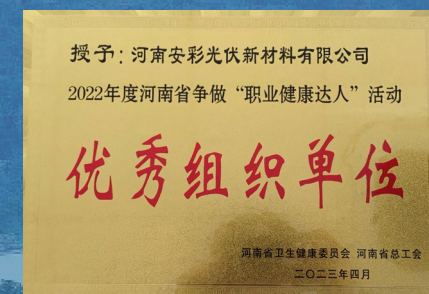
— Ancai Photothermal Technology —
2023-Demonstration Enterprise of Digital Transformation of Henan Province
Department of Industry and Information Technology of Henan Province



— Ancai Photothermal Technology —
2023-Intelligent Factory of Henan Province
Department of Industry and Information Technology of Henan Province



— Ancai Photovoltaic New Materials —
2023-Advanced Unit in Clean Production
Department of Ecology and Environment of Henan Province



— Ancai Photovoltaic New Materials —
2023-"Occupational Health Expert" and Excellent Organization Unit
Health Commission of Henan Province and Henan Federation of Trade Unions



01

Introduction to Ancai High-Tech

About Ancai Hi-Tech

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ESG Management

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Contributing to the United Nations
Sustainable Development Goals (SDGs)



About Ancai Hi-Tech

Henan Ancai Hi-Tech Co., Ltd., formerly known as Anbo Corporation, was approved as a key construction project during the "Seventh Five-Year Plan" in China. It was established in 1984 and officially registered as Ancai Hi-Tech in 1998, with its core business focusing on glass encapsulation. In 1999, Ancai Hi-Tech was listed on the Shanghai Stock Exchange.

Since its establishment, the Company has been dedicated to the research, development, and manufacturing of high-end glass. Its business covers various sectors, including photovoltaics, photothermal, natural gas, pharmaceutical glass, and intelligent manufacturing. Through our efforts, we have achieved significant milestones, including expanding our presence from a single location to multiple sites, transitioning from homogeneous competition to a high-end market position, and extending our business from product-oriented operation to an integrated industry chain approach.



Year of foundation

1998




Name of the Company

Henan Ancai Hi-Tech Co., Ltd.



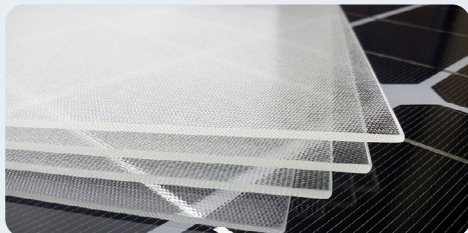
Stock exchange

Shanghai Stock Exchange
(Stock Code: 600207)



Main products and business

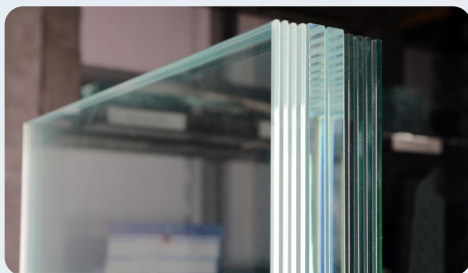
Photovoltaic glass, photothermal glass, natural gas, pharmaceutical glass, quartz tubes, intelligent manufacturing, etc.




Photovoltaic Glass



Medium Borosilicate Glass



Ultra-clear Float Glass, Photothermal Glass



Quartz Tube Products



Headquarters

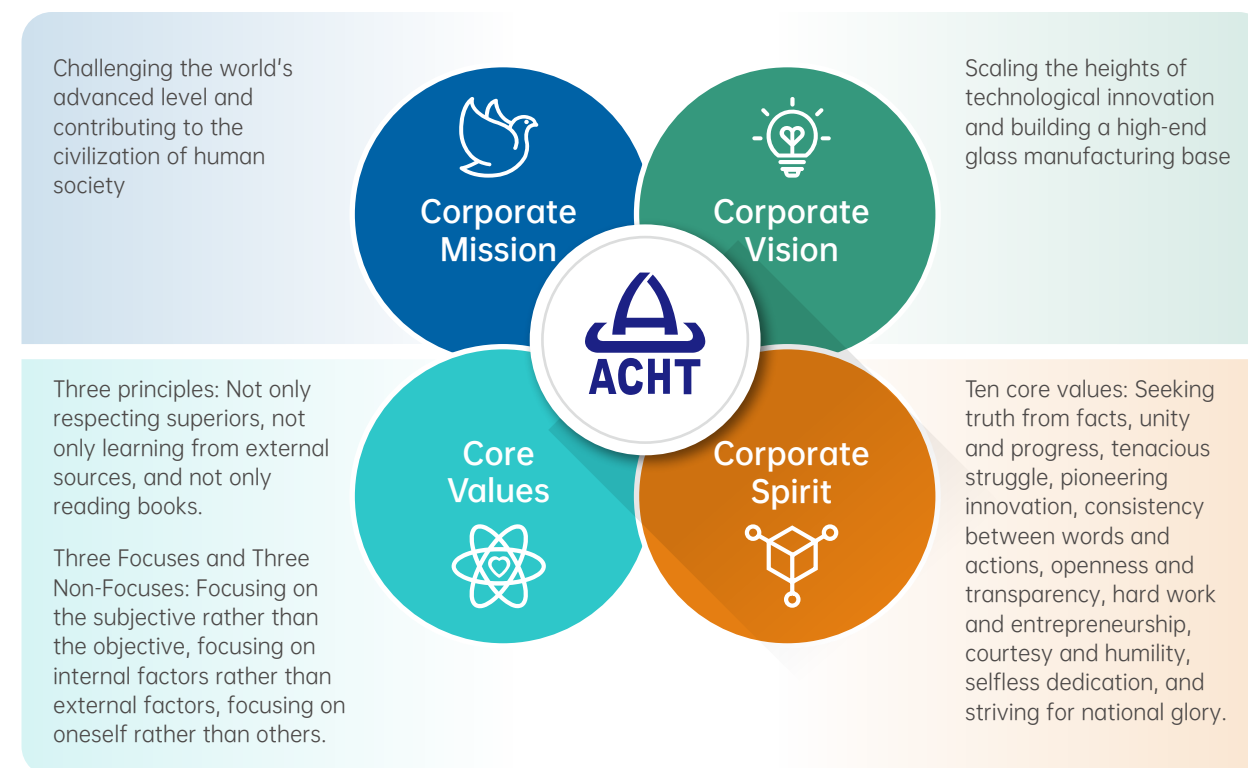
Anyang City, Henan Province



Main Operating Locations

Anyang City, Jiaozuo City, Xuchang City, Puyang City, Henan Province, etc.

Corporate Culture



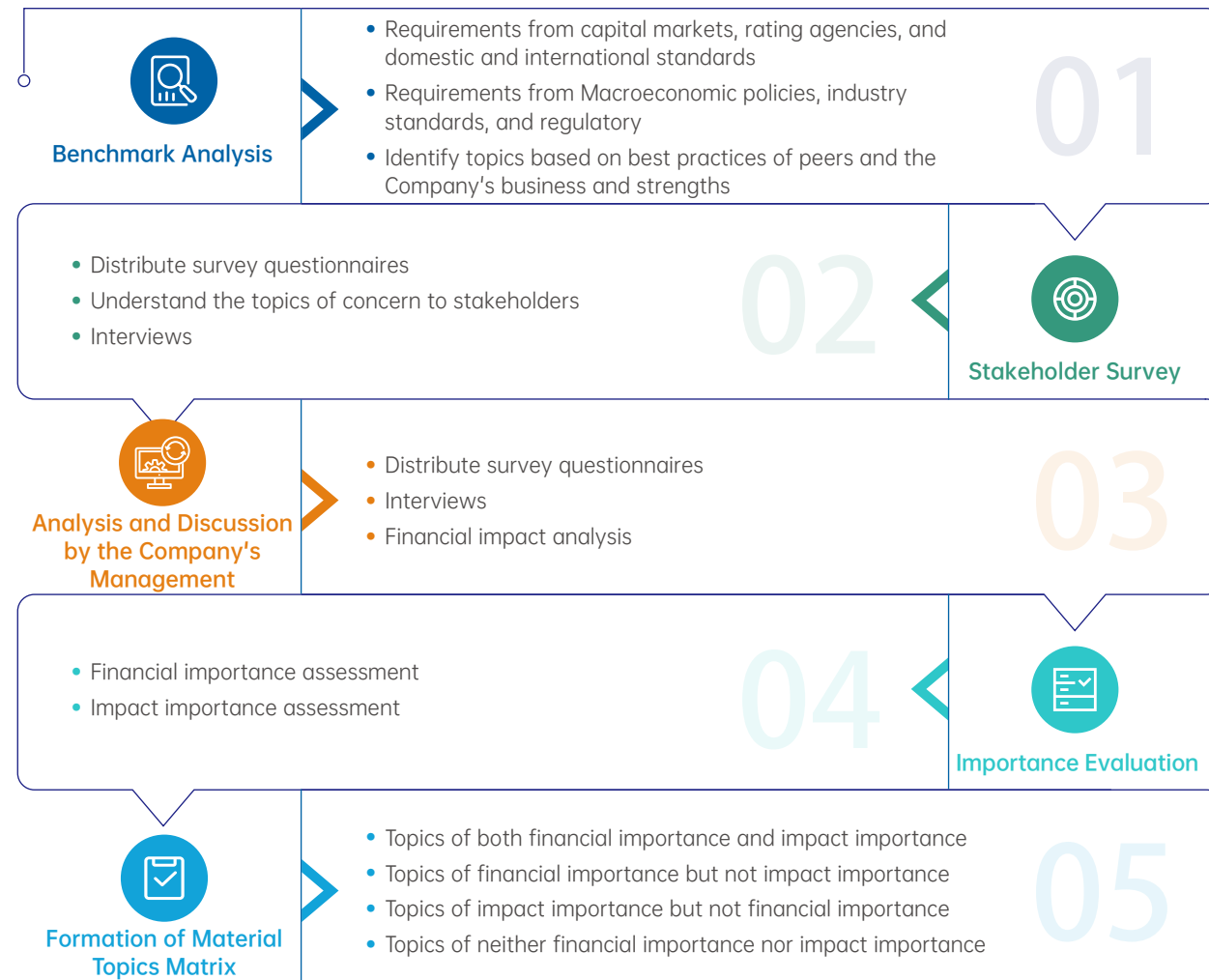
ESG Management

Analysis of Material Topics

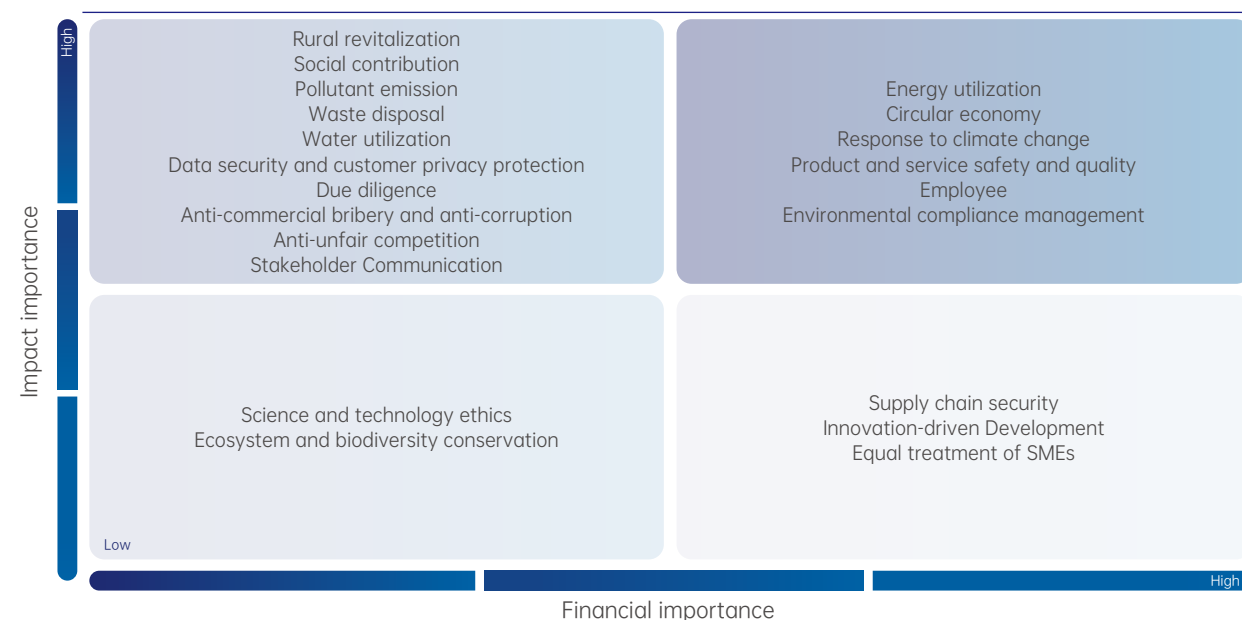
The Company carries out material management and analysis of ESG topics, identifies core topics of concern to stakeholders, and provides responses. In 2024, the Company conducted identification and assessment through a questionnaire survey, identifying a total of 21 material topics. Analysis was conducted based on "impact importance" and "financial importance," and a material topics matrix was created, providing a visual and effective decision-making guide for the development and implementation of ESG strategies.



Process of identifying material topics:



Material Topics Matrix of Ancai Hi-Tech



Note: The topics of science and technology ethics, ecosystem and biodiversity conservation have little relevance to the Company's business.

Stakeholder Communication

Ancai Hi-Tech places high importance on communication with stakeholders and maintains an open and transparent communication philosophy. The Company has established efficient and regular communication mechanisms, continuously enriching and expanding communication channels. This allows Ancai Hi-Tech to promptly understand the expectations and demands of various stakeholders and strive to translate them into actions. The Company works closely with stakeholders, fostering collaboration and promoting synergistic development to achieve mutual benefits and win-win outcomes.

Stakeholders	Material Topics of Concern	Main Communication Methods and Channels
Shareholders and investors	<ul style="list-style-type: none">Stakeholder communicationDue diligence	<ul style="list-style-type: none">The Company's official website and Official WeChat AccountGeneral Meeting of ShareholdersRegular reports and announcementsEarnings presentationInvestor hotline and E-mailSSE E-interaction platformInvestor on-site research
Government and regulatory bodies	<ul style="list-style-type: none">Environmental compliance managementResponse to climate changePollutant emissionWaste disposalAnti-commercial bribery and anti-corruptionAnti-unfair competitionDue diligence	<ul style="list-style-type: none">Conference communicationDaily regulatory communicationInformation disclosure and submission
Employee	<ul style="list-style-type: none">Employee	<ul style="list-style-type: none">Workers' congressStaff symposiumWorking meetingsEmployee trainingEmployee satisfaction surveyStaff activitiesWork evaluations
Customers	<ul style="list-style-type: none">Product and service safety and qualityData security and customer privacy protection	<ul style="list-style-type: none">Daily communicationCustomer serviceSatisfaction survey
Suppliers and business partners	<ul style="list-style-type: none">Supply chain securityEqual treatment of SMEs	<ul style="list-style-type: none">Supplier evaluation and auditingSupplier trainingDaily communication
Industry associations	<ul style="list-style-type: none">Innovation-driven developmentScience and technology ethics	<ul style="list-style-type: none">Industry association organizationsIndustry exchange activities
Community and the public	<ul style="list-style-type: none">Social contributionRural revitalizationResponse to climate changeEcosystem and biodiversity conservationEnergy utilizationWater utilizationCircular economy	<ul style="list-style-type: none">Environmental protection managementResource conservation measuresPublic welfare activitiesCharitable donationsRural revitalizationVolunteer services

02

Corporate Governance and Party Building Leadership

Ancai Hi-Tech consistently upholds the concept of operating in compliance with laws and regulations. We continuously improve our corporate governance system, enhance risk management mechanisms, and uphold business ethics. At the same time, the Company strengthens Party building leadership, promoting the integration of Party building work with production and operation to improve quality and efficiency. This helps establish a modern and efficient governance framework in the Company.

Corporate governance	19
Business ethics	22
Party building leadership	23



Contributing to the United Nations Sustainable Development Goals (SDGs)

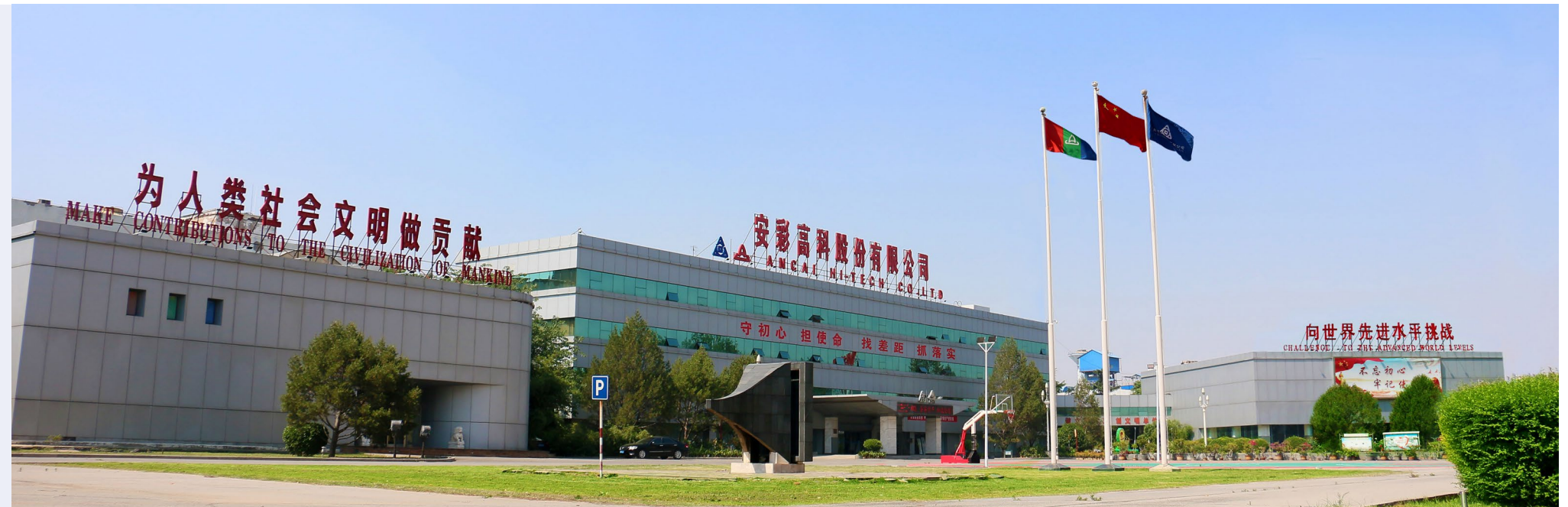
8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance

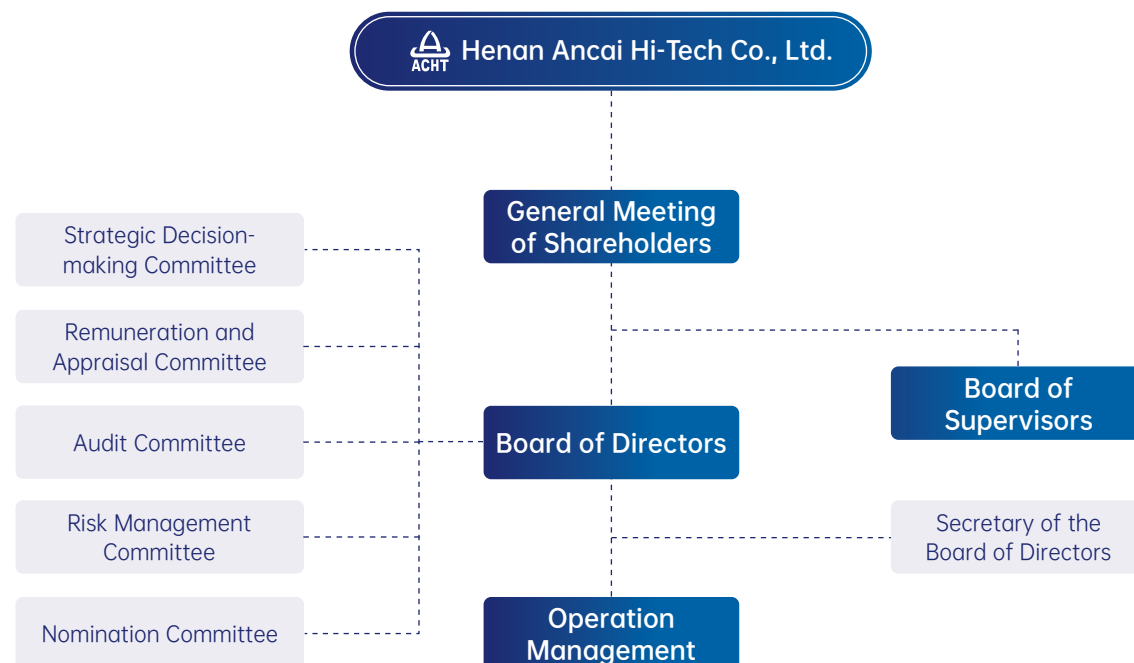
Ancal Hi-Tech focuses on building a management structure with clear responsibilities and well-defined division of labor. By strengthening departmental collaboration and smooth process connections, an efficient and intensive operating mechanism is formed. Based on this foundation, the Company continuously optimizes its business development and management models, enhances the level of standardized operations, and establishes a solid foundation for sustainable development.



Corporate Governance Framework

The Company is committed to building a scientific and efficient governance system. In accordance with laws and regulations such as the *Company Law* and the *Securities Law*, the Company formulates its *Articles of Association*, scientifically plans layouts, and establishes a reasonable and clear governance structure. With sound decision-making capabilities, the Company achieves coordinated operations among various departments.

Structure Chart of Ancal Hi-Tech



The General Meeting of Shareholders is the highest decision-making body of the Company, responsible for making decisions on the Company's operating policies, investment plans, and reviewing and approving reports from the Board of Directors and Board of Supervisors. During the reporting period, the Company held 2 General Meetings of Shareholders.



The Board of Directors is responsible for implementing the resolutions of the General Meeting of Shareholders, formulating the Company's basic systems, and deciding on the Company's operating plans. The Board of Directors consists of 7 directors, including 1 chairman of the Board, and 3 independent directors. The Board of Directors has established committees, including the Audit Committee, Strategic Decision-making Committee, Nomination Committee, Remuneration and Appraisal Committee, and Risk Management Committee. Each committee carries out its responsibilities as outlined in the *Articles of Association* and authorized by the Board of Directors. During the reporting period, the Company held 9 Board of Directors' meetings.



The Board of Supervisors is primarily responsible for reviewing the Company's regular reports, examining the Company's financial statements, and overseeing the conduct of directors and senior management in their duties. The Board of Supervisors consists of 3 supervisors, with 1 serving as the chairman of the Board of Supervisors. During the reporting period, we held 6 Board of Supervisors' meetings.



During the reporting period, the Company held

2 General Meetings of Shareholders



the Company held

9 Board of Directors' meetings



we held

6 Board of Supervisors' meetings

Investor Relations Management

In accordance with regulations such as the *Guidelines for Investor Relations Management of Listed Companies* and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the Company has formulated the *Investor Relations Management Measures of Ancai Hi-Tech* to strengthen communication and exchange with investors.

The communication methods mainly include: Setting up a dedicated investor hotline for telephone communication, answering investors' questions on the SSE E-interaction platform, holding regular earnings presentation and irregular interactions with securities firms and other institutions, inviting small and medium shareholders to attend the General Meeting of Shareholders, and occasionally publishing operational updates through the Company's Official WeChat Account.



Compliant Operations

Ancai Hi-Tech has established an information disclosure system and an internal control system. By standardizing information disclosure, the Company ensures compliance and transparency in its operations. By strengthening risk control management, it safeguards the Company's sustained and stable operations.

Field	Main Laws and Regulations
Listing standards	<i>Company Law, Securities Law, and Rules Governing the Listing of Stocks on Shanghai Stock Exchange</i>
Product services and liability	<i>Product Quality Law</i>
Intellectual property protection	<i>Patent Law Trademark Law</i>
Environmental protection	<i>Environmental Protection Law, Water Pollution Prevention and Control Law, Prevention and Control of Atmospheric Pollution Law, and Prevention and Control of Environmental Pollution by Solid Waste Law</i>
Employment	<i>Labor Law and Labor Contract Law</i>
Occupational health & safety	<i>Prevention and Control of Occupational Disease Law and Work Safety Law</i>

The Company strictly complies with the relevant laws and regulations regarding information disclosure. It discloses regular reports, interim announcements, and other significant information to the public through the Shanghai Stock Exchange's website and the Shanghai Securities News. The Company ensures that the disclosed information is true, accurate, complete, timely, and fair, thereby safeguarding the rights of investors to be informed and make decisions. The Company has been honored by the China Association for Public Companies as an "Outstanding Practice Case of the Board Office of Listed Companies in 2024".

Internal Risk Control

The Company has established a risk management system, which consists of the Board of Directors, the Risk Management Committee, the Risk Management Department, various functional departments, and subsidiaries. In accordance with the provisions of the *Company Law* and the *Basic Norms of Enterprise Internal Control*, the Company has formulated the *Risk Management Measures, Internal Control Management Measures, Internal Control Evaluation Management Measures, and Audit Management Measures*, among others. Based on strategic and operational objectives, the Company determines risk management strategies, covering key aspects such as risk identification, assessment, response and monitoring. The implementation is carried out in processes including production, procurement, sales, financial activities, asset management and personnel management. The implementation is evaluated, supervised, improved and refined to ensure the Company operates in a standard and sound manner.

In 2024, the Company conducted an evaluation of the reasonableness of internal control design and the effectiveness of internal processes. An internal control evaluation report for 2024 was issued, along with an internal control audit report by the auditing firm. The main business areas and matters included in the Company's evaluation scope are as follows: internal environment (including organizational structure, development strategy, human resources, social responsibility, and corporate culture), risk assessment, information communication, internal supervision, financial activities (including fundraising, investments, and fund operations), procurement, asset management (including inventory, equipment, and buildings), sales operations, research and development, project management, guarantee business, financial reporting, comprehensive budgeting, contract management, information systems, among others. In 2024, the Company's internal control system was effectively implemented, capable of meeting the requirements of company management and the needs of company development, and achieving the goals of internal control.

Business Ethics

Compliance operations and integrity are guarantees for the steady development of the Company. Ancai Hi-Tech adheres to the principles of integrity, fairness, and transparency, shaping a positive corporate reputation. The Company operates in strict compliance with laws and regulations, respecting the rights of partners and safeguarding customer privacy and business secrets. The Company firmly opposes unfair competition, actively promotes fair competition, and collaborates with all parties to build a healthy and orderly market ecosystem to support the sustainable development of the Company. The Company has established a closed-loop governance system that integrates institutions, supervision, reporting, and publicity to regulate ethical conduct and enhance the awareness of integrity and self-discipline among leaders and employees.



Institutional Development

- Measures for Supervision, Inspection, and Accountability of the Main Responsibility and Supervisory Responsibility for Party Conduct and Clean Governance, Management Measures for the Integrity Records of Leading Cadres, and Management Rules for Disciplinary Inspection and Supervision Handling of Letters and Visits and Whistleblowing.



Supervision and Management

- Accepting supervision and inspections from government authorities such as the Provincial Department of Finance and the Audit Department;
- Strengthening internal control management, continuously promoting the building of the digital supply chain system, establishing "three lines of defense" for business supervision, functional supervision, and specialized supervision, continuously consolidating the supervision effectiveness of the digital supply chain system in bulk raw materials and finished goods storage and transportation management. Adopting information automation control processes (such as ERP systems) to reduce human interference.



Complaints Management

- Establishing "four forms of decadence" reporting platform, hotline, email, mailbox, and other channels for complaints or reports, strictly maintaining the confidentiality of reporters' personal information;
- Promptly investigating upon receiving complaints, implementing accountability, proposing rectification measures, and forming a closed-loop management.



Learning and Promotion

- Conducting anti-corruption culture building and training in various forms, launching the "Integrity Ancai" Official WeChat Account, producing "Integrity Talks" short-form videos to create an ethical and upright working environment and atmosphere;
- During the reporting period, a total of 159 people including leaders and personnel in key positions signed the integrity commitment letter. There were no incidents of commercial bribery or violations related to corruption.



Party Building Leadership

Ancai Hi-Tech deeply understands the ideology of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. The Company implements the *Work Regulations for the Primary-level Organizations of State-owned Enterprises of the Communist Party of China (Trial)* and continuously strengthens the primary responsibility of Party organizations at all levels in Party governance and discipline enforcement. It practices "value-based Party building" and comprehensively improves the overall level of Party building work.

Based on the *Constitution of the Communist Party of China* and the *Regulations on the Implementation of the Main Responsibility of Party Committees (Party Leadership Groups) for Comprehensive and Strict Governance the Party*, the Company has established the *Party Building Work Meeting System* and the *Party Building Assessment Measures*. Following the principle of "focusing on work to promote Party building and promoting development through effective Party building", the Company promotes the deep integration of Party building work and production and operation. It ensures that Party building work and production targets are aligned, processes are integrated, and implementation is synchronized. Efforts are made to create a closed-loop system of Party building empowerment, aiming to guide and ensure high-quality development of the enterprise through high-quality Party building.

In 2024, the Party Committee of Ancai Hi-Tech actively carried out relevant work under the theme of "strengthening Party building, establishing a foundation, and forging new achievements". Efforts were made to promote organizational innovation and successfully completed the acceptance of the first batch of "Five-Star" Party branch creations by higher-level Party committees. Thematic education campaign was conducted with concrete measures, aiming to guide Party members in following Party discipline, establishing rules, promoting positive atmosphere, and enhancing immunity against misconduct. Efforts were made to cultivate industry "pioneers". Three comrades were honored with titles such as "2024 National Model Worker in the Mechanical, Metallurgical, and Building Materials Industry", "Labor Model of Henan Province", and "March 8th Red Flag Bearer of Jiaozuo City". They actively demonstrated the exemplary and leading role of Communist Party members in frontline production.

"Celebrating the Birthday of Our Motherland, Showcasing Youthful Charm" Theme Speech Competition

Case

In September 2024, to celebrate the 75th anniversary of the founding of the People's Republic of China, Ancai Hi-Tech organized a theme speech competition titled "Celebrating the Birthday of Our Motherland, Showcasing Youthful Charm". The competition aimed to showcase the spirit and dedication of Ancai employees in their roles, as well as to enhance team cohesion.



Speech by the Participants in the Competition

Case

Collaboration in Party Building for Green Development

In April 2024, the 4th Party branch of Ancai Hi-Tech and the 1st Party branch of Anyang City Ecological Environment Monitoring and Safety Center jointly organized a themed Party Day event titled "Building a Strong City, Taking the Lead, and Pioneering New Achievements".



Group Photo of the Party Day Event



03

Product Innovation and Supply Chain Management

Ancal Hi-Tech adheres to an innovation-driven development strategy, focusing on key technological areas and continuously making breakthroughs. The Company has established a quality management system, adhering to high-quality product and service standards. It actively collaborates with customers to explore the optimal solutions for industry applications. Working together with suppliers, the Company aims to build an efficient and reliable supply chain.

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Contributing to the United Nations
Sustainable Development Goals (SDGs)



Innovation-driven Development

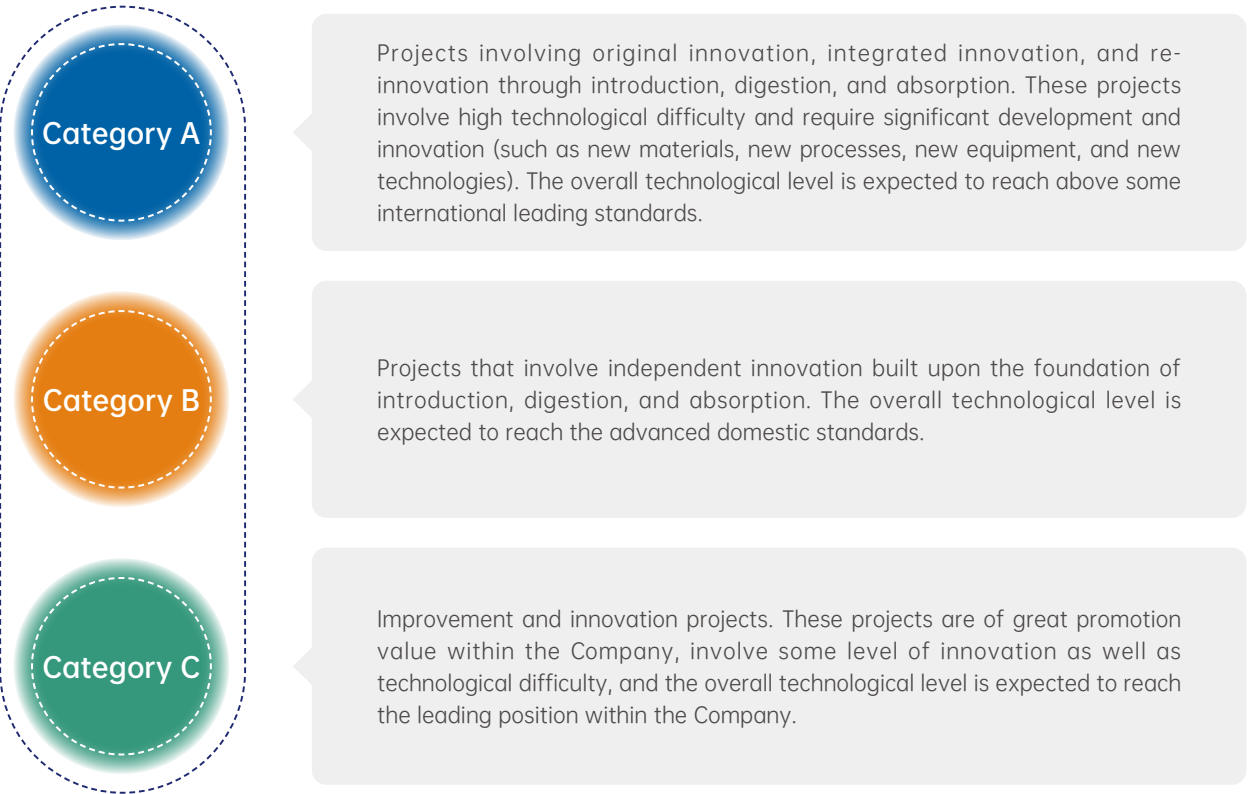
Innovation is the inexhaustible driving force for enterprise development. "Integration of education, production, and research" and "treating digestion and absorption equal to research, and treating innovation equal to invention" are important components of the Company's culture. With the support of systems and research platforms, the Company has established a four-pillar system consisting of strategic planning, organizational structure, resource allocation, and results transformation. This has built a complete closed loop for trend forecasting, technological breakthroughs, and industrial transformation, leading to a series of research and development achievements. In 2024, the Company's total research and development investment amounted to RMB 123 million.

Technology Research and Development System

The Company implements a strategy of promoting enterprise development through science and technology. It has formulated regulations such as the *Management Measures for Research and Development*, *Management System for Research and Development Project Funds*, *Management Measures for the Introduction of Outstanding Talent*, and *Organization, Implementation and Incentive Reward System for the Transformation of Scientific and Technological Achievements*. These regulations standardize research and development management and stimulate innovative vitality.

The Company attaches great importance to the establishment of research and development platforms and has a national enterprise technology center, a post-doctoral workstation, and has invested in the establishment of Ancai Glass Research Institute to strengthen independent research and development. In addition, the Company focuses on integrating external resources and continuously strengthens cooperation with universities and research institutes. It creates a multi-level and open research and development platform matrix, providing strong support for technological breakthroughs and industrial upgrading.

The Company deepens the management of technological innovation projects, dividing them into three categories based on their importance and innovativeness:



The Company provides rewards for employees' achievements in scientific and technological innovation, technological research and development, and technological breakthroughs. Each year, the Company conducts evaluations for the "Science and Technology Innovation Award", "Technological Innovation Award", and "Technical Paper Award". Additionally, the Company occasionally establishes the "Small Change and Innovation Award" to inspire employees' innovative.

Intellectual Property Protection

Intellectual property protection serves as a protective barrier for enterprise innovation and development. The Company has formulated the *Patent Management Measures* in accordance with the *Patent Law* and the *Anti-Unfair Competition Law* to regulate the processes of patent application, trademark registration, and protection of trade secrets. The Company has established an intellectual property right protection system based on the principles of "creation, protection, operation, and prevention". It clearly defines the responsibilities and collaboration mechanisms of R&D, manufacturing, legal affairs, marketing, and other positions to ensure that the Company realizes maximum intellectual property value and risk control.

R&D Innovation Achievements

R&D innovation is a vital driver for the Company's development. Since its establishment, the Company has always focused on the research and development of functional glass and high-end glass. It continuously promotes technological innovation and conducts ongoing research and exploration in various product fields such as colored display glass, solar glass, medium borosilicate pharmaceutical glass, high-end energy-saving glass for buildings, LCD glass, and ultra-thin glass for electronic information displays. The Company has applied for more than 470 patents in total. During the reporting period, the Company filed 43 patent applications and obtained 44 authorized patents, including 3 invention patents. The Company currently holds a total of 191 valid authorized patents, including 26 invention patents.



Innovation achievements:

Ancai Photovoltaic New Materials, Jiaozuo Ancai, Xuchang Ancai, Ancai Photothermal Technology, and Xinhe Industry have been recognized as "National High-tech Enterprise" and "Specialized, Refined, Differential, and Innovative SMEs". The Company was recognized as a high-tech enterprise and a specialized, refined, differential, and innovative enterprise in photovoltaic, photothermal, and pharmaceutical glass sectors.

Ancai Photovoltaic New Materials, Xuchang Ancai, and Ancai Photothermal Technology have been recognized as "Intelligent Factories" in Henan Province.

Jiaozuo Ancai was awarded the "Fourth Batch of Intelligent Photovoltaic Pilot Demonstration Projects" by the Ministry of Industry and Information Technology. Xuchang Ancai was honored as the "2024 Single Champion Enterprise of Manufacturing Industry in Henan Province" and the "Leading Enterprise in Manufacturing Industry".

Case

Innovative Breakthrough in Photothermal Glass Technology

In 2024, Ancai Photothermal Technology intensified its efforts in exploring core of photothermal glass technologies, resulting in a significant improvement in production efficiency. Focusing on the key technical indicator of transmittance in photothermal glass, the Company strengthened its innovation efforts. Through persistent efforts, the formulation of photothermal glass raw materials was further optimized, and process control was greatly enhanced. As a result, the product's full-spectrum transmittance and visible light transmittance surpassed those of competitors in the industry.



Breakthrough in online dynamic cutting accuracy for photothermal glass. The online dynamic cutting accuracy of 3mm thin glass reached the same level as offline static cutting accuracy, enabling the direct collection of products online and overcoming a technical challenge in the industry.



Achieving the record for the shortest material changeover time. The technical team carefully prepared and optimized the process. By switching from ultra-clear float glass to photothermal glass material, the material changeover time was reduced by 35% compared with the shortest time in history.



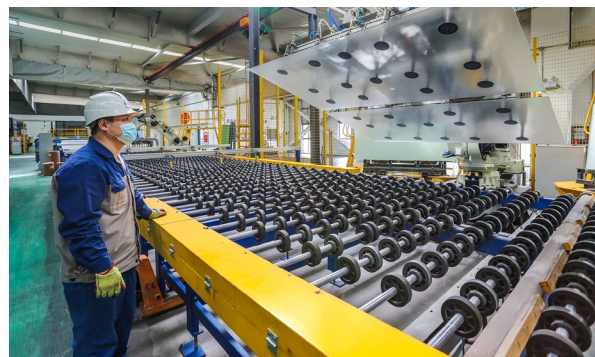
Achieving a record-high production yield of high-quality products. Through the implementation of lean management throughout the entire production process, the yield of high-quality 3mm photothermal glass increased by 15%, leading to a significant improvement in overall efficiency.

Case

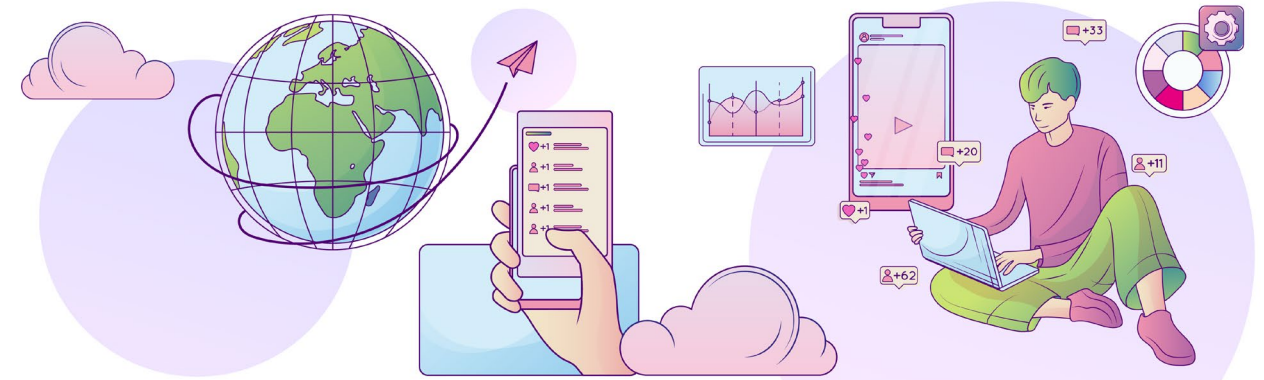
Glass Antifungal Optimization Project

In response to "alkali spotting" (sodium ion precipitation) during the storage process of ultra-clear glass products, Ancai Photothermal Technology conducted technological research and enhancement. It optimized the formulation of raw materials, achieving improved antifungal effects and product cleanliness for ultra-clear glass products. Additionally, the project effectively reduced production costs, resulting in annual cost savings of approximately RMB 700,000.

Technological breakthroughs in photothermal glass products have contributed to the expansion of the market. In 2024, Ancai Photothermal Technology established good cooperative relationships with the China Solar Thermal Alliance and several leading downstream enterprises. It also reached supply agreements with various solar thermal power station construction companies. As a result, the brand's effect became significant. Photothermal glass orders account for approximately 50% of the domestic market share.

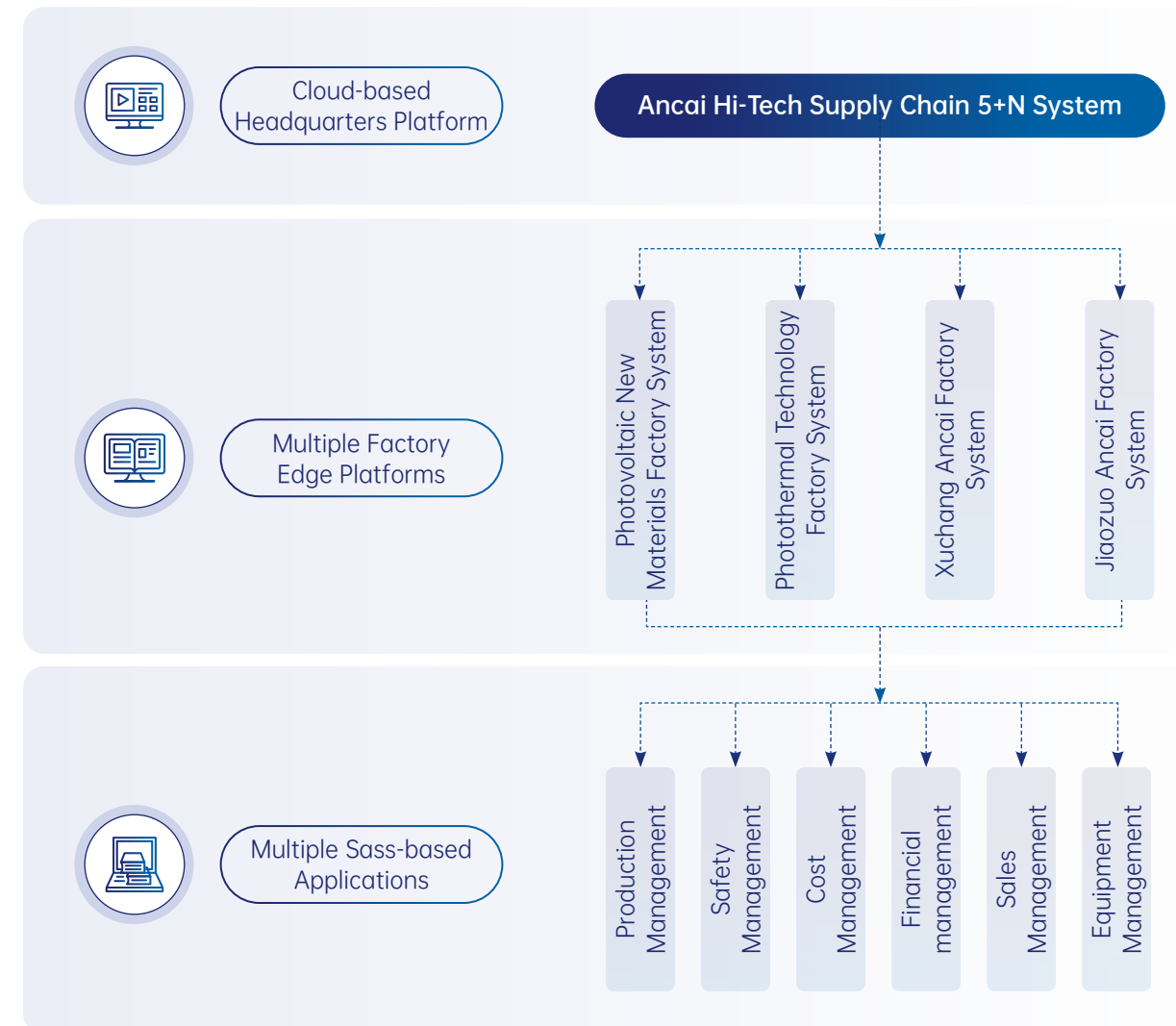


Precision Operation of Intelligent Robotic Arm



Digital Transformation

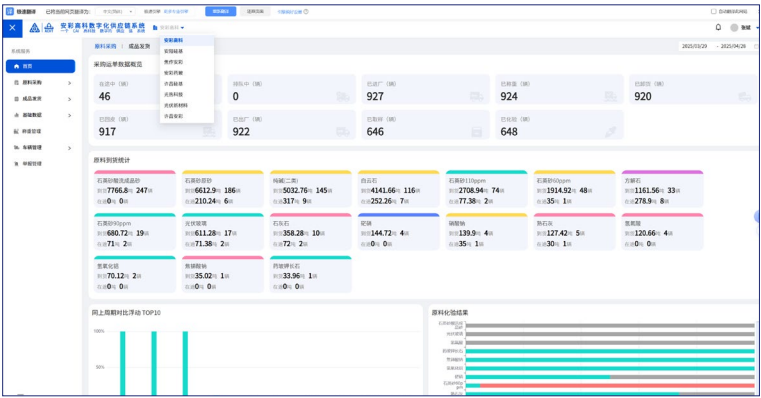
The Company actively promotes digital transformation by planning a framework model of "Cloud-based Headquarters Platform + Multiple Factory Edge Platforms + Multiple SaaS-based applications". This model covers six modules: production management, safety management, cost management, financial management, sales management, and equipment management. It spans across four factory areas and establishes a collaborative manufacturing management platform. This enables real-time collection of production and operational data and enhances the level of precision management.



Case

Digital Supply Chain Management System

The Company has established a mechanism to prevent and control supply chain fraud risks by developing a digital supply chain monitoring and management system. The system focuses on procurement logistics and sales logistics, integrating business data from various stages, including procurement, sales, gate management, measurement, and warehousing. It utilizes automation control technology, network technology, video technology, computer technology, and database technologies. It combines multiple anti-fraud measures to remotely monitor measurement management and logistics operations, thus creating a closed-loop logistics information system.



Digital Supply Chain System

Case

Xuchang Ancai Intelligent Factory

Based on the new generation of information technologies such as Industrial Internet, cloud computing, big data, artificial intelligence, Internet of Things, and blockchain, the Company has built an industrial metaverse platform. The digital twin of the kiln serves as the core, constructing three major applications: kiln metaverse, comprehensive production control, and kiln control assistant decision-making. By integrating information technology and manufacturing technology, the production process is made intelligent, digitalized, and flexible, enabling data analysis to improve processes, quality, and lean production. This ultimately leads to the creation of an intelligent benchmark factory in the photovoltaic glass industry and an industrial Internet platform for the glass industry.

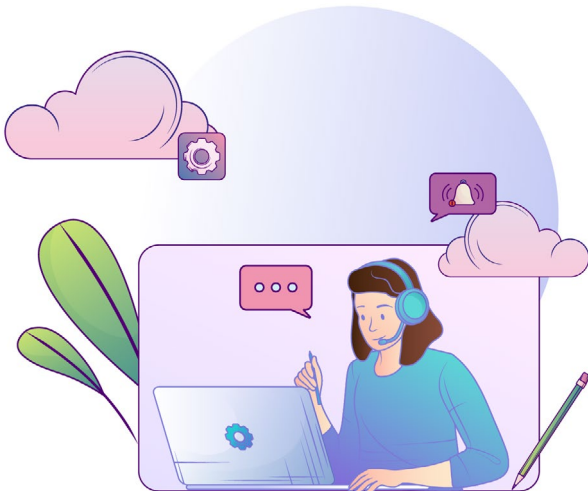


Control Room of the Metaverse Intelligent Factory

Product Responsibility

Products are the Company's business card, and services are the bridge connecting customers. The Company has established a comprehensive research and development, production, and sales system. It precisely and effectively controls the quality control processes. With high-quality products and sincere services, the Company has earned the trust of a wide range of customers. Customer privacy protection is a reflection of the Company's integrity. The Company pays attention to network and information security management to ensure the security of customer information.

The Company has formulated the *Anti-Monopoly Control Procedures* in accordance with the *Anti-Monopoly Law* and strictly implemented the procedures. This is to prevent and stop monopolistic behaviors, and to protect fair competition in the market.



Product Safety and Quality

Product safety and quality are the lifeblood of the Company. Each business division and subsidiary of Ancai Hi-Tech has established a quality management organization and quality management team responsible for quality management and supervision. Adhering to the quality concept that "product quality stems from production ", the Company has established a holistic control system for raw materials, product research and development, production, inspection, shipping, and quality feedback. Standardized management measures are implemented in process technology, product technology, product quality and safety, quality inspection, warehousing, and transportation to ensure the provision of high-quality products for customers. By the end of the reporting period, the Company and its subsidiaries have all passed the GB/T 19001-2016/ISO 9001:2015 quality management system certification.

Types of Certificates	Quality Management System Certificate	3C Certificate
Execution Standard	GB/T 19001-2016/ISO 9001:2015	CTC/TC-OP01/3.1
Ancai Hi-Tech	✓	
Ancai Photovoltaic New Materials	✓	✓
Jiaozuo Ancai	✓	✓
Xuchang Ancai	✓	✓
Ancai Photothermal Technology	✓	✓
Pharmaceutical Glass Project Department	✓	
Puyang Xinhe	✓	
Ancai Semiconductor	✓	



Quality Management System Certificate

Jiaozuo Ancai was awarded the "First Prize of Quality Management Team" in the Chinese electronic information industry. Ancai Hi-Tech was also honored with the title of "Advanced Unit in Quality Management Achievement Competition" in Anyang City.

Measures for Raw Material Quality Control

Emphasizing source control, the Company has established systems such as *Raw Material Standards*, *Raw Material Analysis Methods*, and *Guidelines for Raw Material Testing*. It continually optimizes and improves laboratory analysis methods and inspection processes during actual operations. This helps to enhance inspection efficiency and timely information transmission, ensuring the control of raw material quality and safeguarding the quality of products.

Product Quality and Safety Control Measures

- Standardize the inspection of raw materials and use qualified raw materials;
- Scientifically allocate the amount of raw materials and ensure accurate measurement;
- Provide high-quality equipment and professional talent resources, ensuring both hardware and software support. Use advanced production and testing equipment;
- Continuously conduct professional and skills training for employees, enhancing their awareness and operational proficiency in quality;
- Provide timely and professional pre-sales, in-sales, and after-sales services.

Product Quality Improvement Measures

- Benchmark the quality level of domestic and international peer companies, understand and master the current quality status of mainstream products in the market;
- Analyze glass defect data to identify and improve relatively weak areas;
- Upgrade and transform equipment according to market conditions and customer requirements;
- Learn and apply quality management tools, continuously optimize quality management methods, and improve product quality and service quality;
- Closely monitor the usage of products by customers and continually improve the quality control level in the manufacturing process based on customer feedback.

Customer Service

Customer service is the last mile of the Company's quality management. The Company adheres to customer-oriented principles, formulating regulations such as the *User Service Management Regulation*, *Quality Information Feedback Management System*, and *Customer Satisfaction Testing Procedures*. Continuous improvement is made in the customer service system to enhance customer satisfaction.



Customer service

- Actively conduct customer visits to introduce products and maintain relationships, gaining a deep understanding of customer needs.
- During the reporting period, there were more than 500 times of communication with customers, and the Company participated in 4 ESG training sessions provided by customers.



Industry communication activities

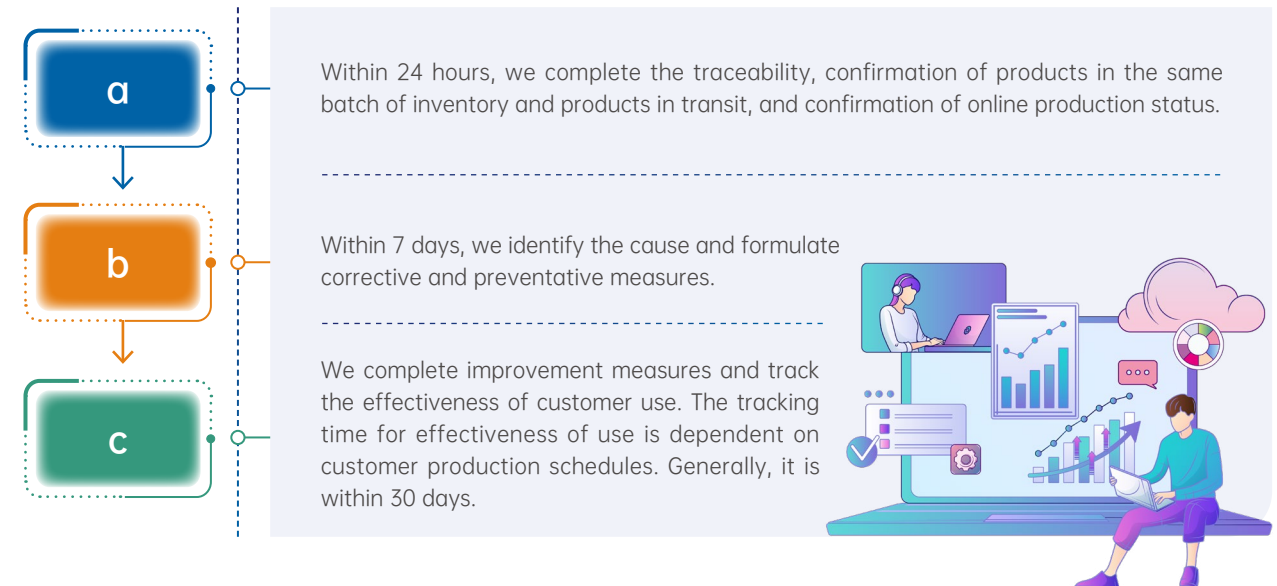
- The Company participated in 3 technical seminars and 4 industry exhibitions to understand industry trends and showcase the Company's strength and brand to customers and the market.



Customer satisfaction survey

- We regularly conduct customer satisfaction surveys, with questions set in various dimensions such as market marketing services, product quality and services, and overall situation. We analyze the survey results to understand customer concerns and improve service quality. During the reporting period, the questionnaire response rate was 100%, and customer satisfaction exceeded 98%.

Handling procedures of product quality feedback:



The Company places great importance on customer experience. Over the past 17 years of operation in the photovoltaic glass sector, it has established strong mutual trust and long-term strategic partnerships with numerous leading domestic and international customers. This is attributed to the Company's high and stable product quality, as well as its attentive service. The "Ancai" brand has gained a good reputation in the industry. In 2024, the Company was selected as an "the Excellent Partner" by TZE and named an "the Outstanding Supplier" by DMEGC.



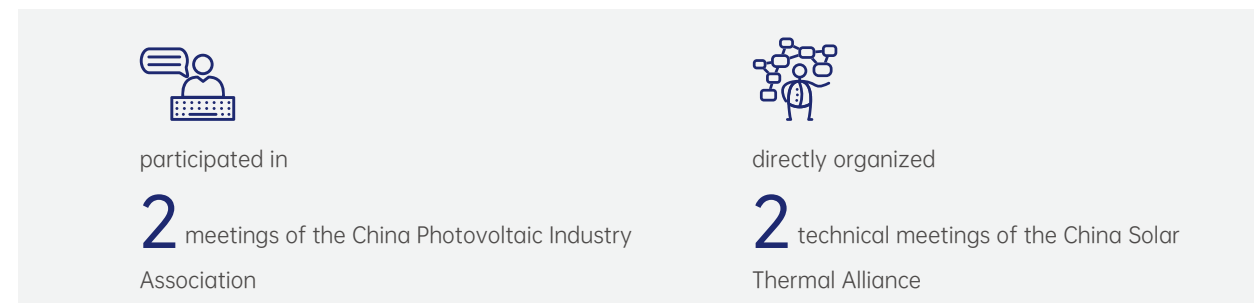
Company Quality Month Communication with the Monitoring Department

Industry Communication

The Company actively conducts and participates in industry communication activities. Ancai Photovoltaic New Materials is a council member of the China Architectural and Industrial Glass Association and has participated in the formulation of national standards such as the *Solar Glass-Part 1: Ultra-clear Patterned Glass* and *Light Weight Thermally Strengthened Glass*. In 2024, Ancai Photovoltaic New Materials participated in 2 meetings of the China Photovoltaic Industry Association.

Xuchang Ancai is a council member of the Henan Energy Efficiency Technology Association. In 2024, it participated in industry and technical meetings on *Comprehensive Standardization Technical System for the Solar Photovoltaic Industry*, *Specification for the Evaluation of Zero Carbon Factories*, and *Guidelines for the Evaluation of Super Energy Efficiency Factory*.

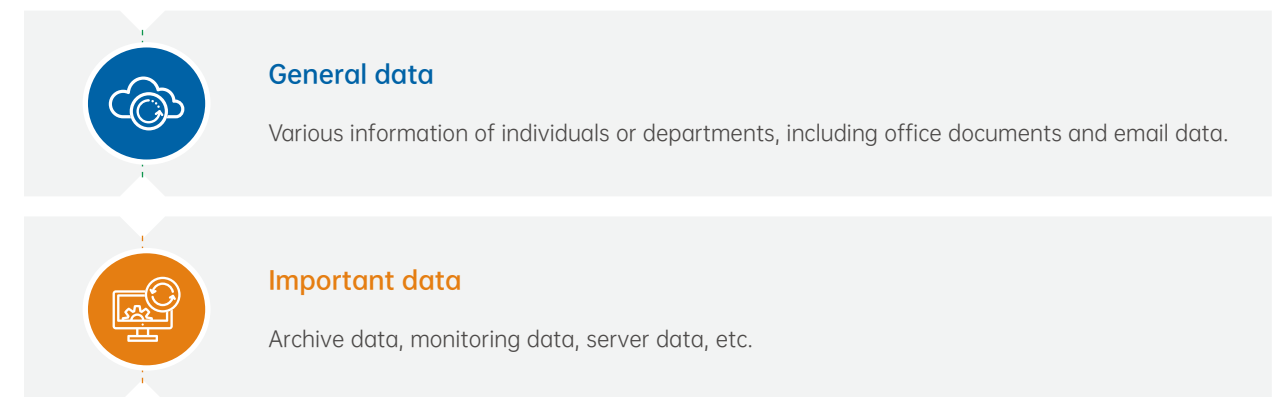
Ancai Photothermal Technology continues to deepen strategic cooperation with leading companies in the industry. It focuses on three areas: photothermal glass technology research and development, industrial development of ultra-clear float glass, and collaborative optimization of the supply chain system. Together, they aim to create a research and production base for high-end glass products. In 2024, Ancai Photothermal Technology directly organized 2 technical meetings of the China Solar Thermal Alliance and participated in the China Shanghai International Glass Industry Technology Exhibition. This provided insights into industry trends, deepened communication and collaboration, and set the direction for their own development.



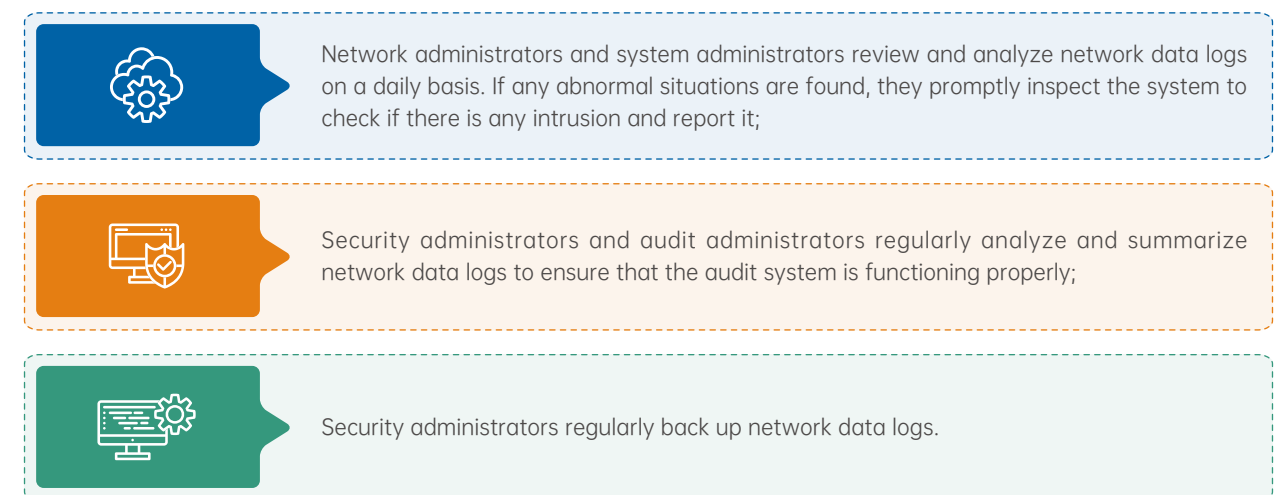
Data Security and Customer Privacy Protection

The Company has established a leadership group to oversee network security and supervision. In accordance with the *Cybersecurity Law*, the Company has formulated regulations including *Network Security Management Regulations*, *Data Backup and Hierarchical Classification Management Regulations*, *Data Security*, *Network and Information Security Incident Emergency Plan* and *Information Asset Management System*. These measures aim to strengthen network information security management and protect customer privacy. During the reporting period, the Company did not experience any data security issues or incidents of customer privacy breaches.

Data classification management:



Log analysis management:



Case

Information Database Problem and Information Technology Equipment Emergency Drill

During the drill, we simulated a scenario where there was a severe database failure. The objective was to quickly restore business operations by performing a switch to the primary or secondary database. We utilized database backups to expedite the process of rebuilding the database and restoring it to the latest state. Single-point devices in the network topology pose a significant security risk to enterprise networks. In the event of a single-point device failure, information management personnel must respond quickly and perform fault localization. This enables them to identify and resolve the issues causing network communication interruptions.

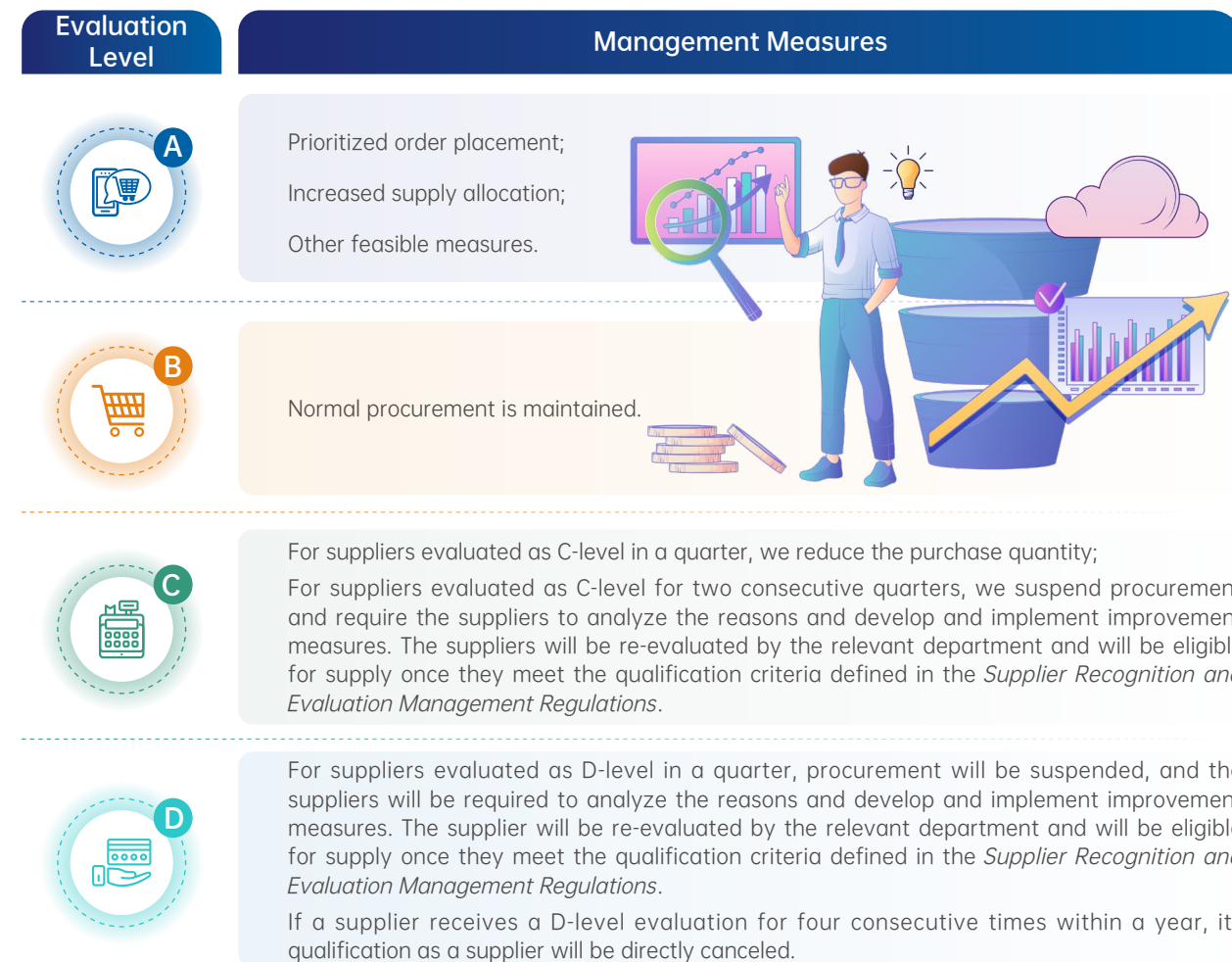
Supply Chain Security

Based on the principles of "safety, transparency, and sustainability" in supply chain management, the Company has established a supply chain management system. It implements strict supplier admission mechanisms to ensure quality control from the source. The Company conducts multidimensional assessments of its partners' quality management systems, environmental responsibilities, occupational health and safety, and supply guarantee to ensure that the purchased products and services comply with quality, environmental, and occupational health and safety standards.

Suppliers Management

The Company has formulated a *Supplier Code of Conduct* that encompasses standards related to business ethics, human rights, health and safety, and environmental protection. We have also developed the *Supplier Environmental Management Notification* to ensure effective implementation of quality, environmental, occupational health and safety management systems, as well as the ROHS management system (based on the *Restriction of Hazardous Substances Directive*, a mandatory standard set by the EU to regulate the use of hazardous substances in electrical and electronic products).

The *Supplier Recognition and Evaluation Management Regulations* have been formulated to conduct rigorous qualification certification for qualified suppliers in accordance with the relevant processes. Performance evaluations, including quality, price, delivery time, and service, are conducted quarterly or irregularly to assist suppliers in improving their product quality and service levels. Based on the evaluation results, corresponding dynamic management measures are taken to create a favorable supply environment for the suppliers.



For qualified suppliers, the Company conducts regular audits and evaluations of their actual supply performance in terms of supply quantity, quality, service, and price. If necessary, quality control personnel and representatives from the user departments are organized to audit and evaluate the supplier's production control processes offline. During these visits, they communicate on quality standard requirements and assist the supplier in continuously improving their product quality and service levels.

Equal Treatment of SMEs

The Company fully respects and protects the legitimate rights and interests of suppliers and has established good cooperative relationships with the main suppliers. The Company continuously improves its procurement-related systems, enhances the supply environment, and reasonably arranges the payment plan for procurement funds. We ensure timely payment to suppliers as agreed and have no outstanding payments to private companies or SMEs.

Transparent Procurement

The Company has formulated the *Procurement Management Measures* and *Bidding and Procurement Supervision and Management Measures* in accordance with national laws and regulations such as the *Bidding Law* to regulate bidding and procurement behaviors. During the bidding and procurement process, the Company emphasizes integrity and discipline. We require all suppliers to sign the *Integrity Commitment*, *Integrity Contract*, and *Anti-Commercial Bribery Agreement*. The Company's procurement supervision department monitors the bidding and procurement process to prevent potential corruption risks and ensure that the procurement work is conducted in an "open, fair, just, competitive, merit-based, and honest and trustworthy" manner.



04

Environmental Management and Sustainability

The Company adheres to the concept of green development and integrates internal operations with the ecological environment through a systematic approach. It aims to establish a harmonious and symbiotic development model, protect the green mountains and clean water, and create a sustainable future. In 2024, the Company has invested a total of RMB 70,061,700 in environmental protection initiatives.

Environmental management system	41
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Contributing to the United Nations Sustainable Development Goals (SDGs)



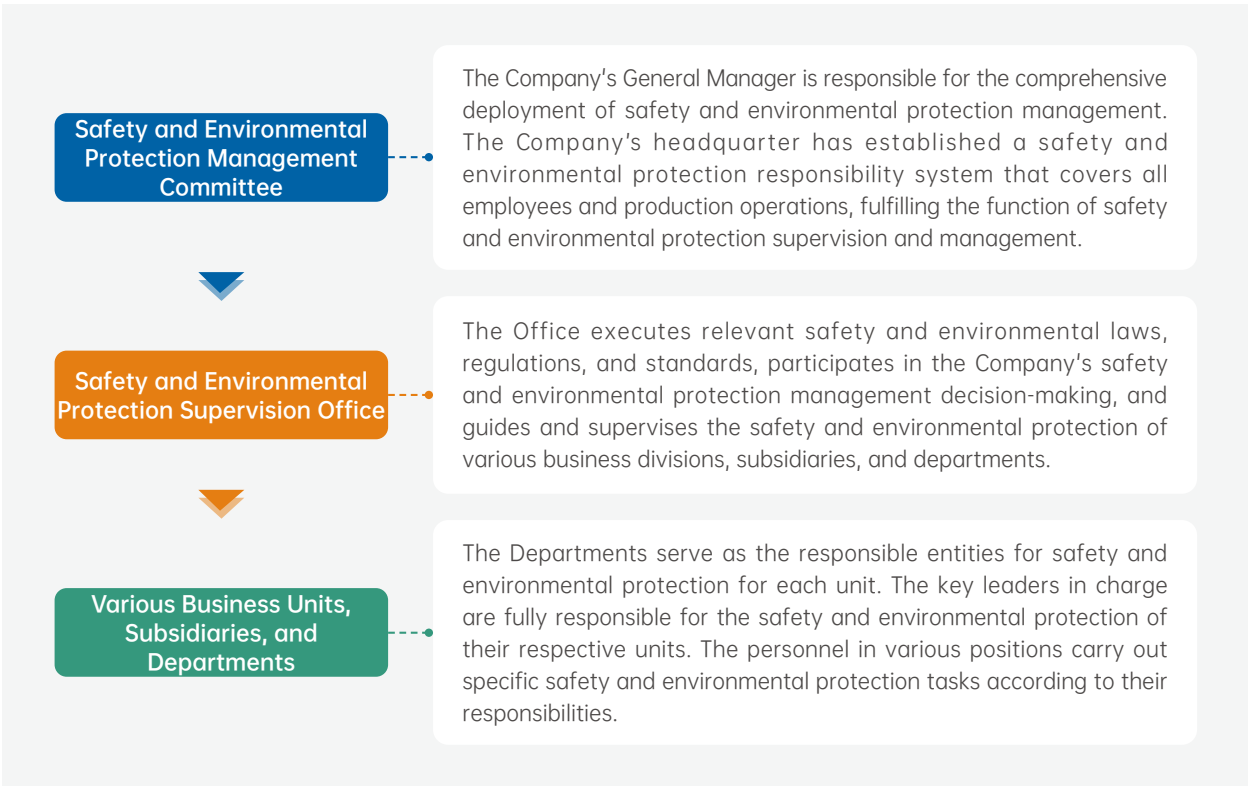
Environmental Management System

Organizational Structure for Environmental Management

The Company implements a "One Position, Dual Responsibilities" management model involving "safety + environmental protection" and has established an organizational structure for safety and environmental protection. This structure oversees the management of environmental protection and safety throughout the Company. It has also established a system of safety and environmental responsibilities that are executed by various departments to achieve the goals of safety and environmental management.



Organizational Structure for Safety and Environmental Protection Responsibility of Ancai Hi-Tech



Environmental Management System

The Company strictly adheres to the *Environmental Protection Law* and follows the principles of legal compliance, all-employee participation, whole-process control, and risk prevention. It has formulated environmental protection system materials, which cover policy requirements, environmental objectives, organizational responsibilities, environmental performance monitoring and management, employee training and assessment, as well as emergency plan and prevention, with an emphasis on comprehensiveness and compliance. During the reporting period, the Company did not experience any significant environmental incidents or environmental penalties.

Environmental Management System Certification

The Company attaches great importance to ecological conservation and pollution prevention. It actively fulfills its social responsibilities and carries out environmental management system certification. Both the Company and its major subsidiaries have obtained certification for ISO 14001:2015 Environmental Management System. They have also undergone assessments and acceptance inspections by local, municipal, provincial, and national environmental protection departments. Most of the subsidiaries have been rated as A-level Environmental Performance Enterprises, indicating that they have achieved the highest level of environmental governance in the industry, these companies can continue production or implement limited production during periods of heavy pollution emergencies, and they take autonomous measures to reduce emissions.

Environmental Management System Certificate	Environmental A-Level Certification
Ancai Hi-Tech	✓
Ancai Photovoltaic New Materials	✓
Jiaozuo Ancai	✓
Xuchang Ancai	✓
Ancai Photothermal Technology	✓
Pharmaceutical Glass Project Department	✓
Xinhe Industry	✓



Environmental Management System Certificate

Environment Impact Assessment

The Company pays attention to the environmental impacts of projects throughout their lifecycle. From design to implementation, it employs scientific environmental impact assessments and comprehensive process control to effectively balance production and environmental requirements. The goal is to minimize the environmental impacts of project operations to the greatest extent possible.

Development of Environmental Awareness

The Company promotes standardized environmental management and conducts multi-level environmental training to ensure that all employees have a deep understanding of and implement the concept of green development. This strengthens the Company's ability to fulfill its social responsibility in environmental protection.



Environmental Emergency Management

The Company adheres to the principle of "prevention first, combining prevention with emergency plan". It has established an environmental emergency management system based on the characteristics of its business, and has formulated an *Emergency Plan for Sudden Environmental Incidents* and implemented the responsibility of environmental protection.

Case

Environmental Emergency Resource Management and Drills

In 2024, Ancai Photothermal Technology conducted a comprehensive survey of environmental emergency resources and evaluated the building of emergency plan team based on the technical specifications outlined in the *Guidelines for Environmental Emergency Resource Survey* by the Ministry of Ecology and Environment. They also improved the report on environmental emergency resource survey. For high-risk substances, Ancai Photothermal Technology carried out specialized environmental emergency capability building. It systematically assessed the risks of sudden environmental incidents that could cause secondary environmental pollution, such as leaks, fires, and explosions, and organized a specialized emergency drill for ammonia leakage to validate the effectiveness of its emergency plan through practical exercises. This further enhanced its ability to prevent and respond to environmental risks.



Environmental Emergency Drill

Energy Utilization

The Company adheres to the concept of green and low-carbon development. Through measures such as improving management systems, optimizing production processes, and constructing green factories, it applies lower-carbon and more energy-efficient models and technologies throughout its production and operation processes. The Company implements energy-saving and emission reduction measures to enhance energy efficiency.

Energy Management

The Company responds to national energy-saving and carbon reduction policies and adheres to the energy policy of "complying with laws, innovation, energy-saving, emission reduction, clean production, and green development". It continuously improves its energy management system and has established *Energy Management Regulations, Manuals, and Procedure Documents* as well as *Provisional Measures for Energy Conservation*. Our workplaces are monitored and controlled for energy usage.

We set energy efficiency targets and break down annual energy consumption targets for production workshops according to energy management needs and historical energy consumption. An assessment mechanism and reward-punishment system are established to ensure the implementation of energy-saving measures in all production units. Subsidiaries of the Company, such as Photovoltaic New Materials and Xuchang Ancai, have obtained certifications for the energy management system GB/T 23331-2020/ISO 50001:2018. Xuchang Ancai has also achieved certification for the intelligent green and low-carbon management system according to the technical specifications of the CTS ZY 007-2024 digitalized green low-carbon evaluation and management system. The product energy consumption has reached the national benchmark (GB 21340-2019, the National Standard of the People's Republic of China).

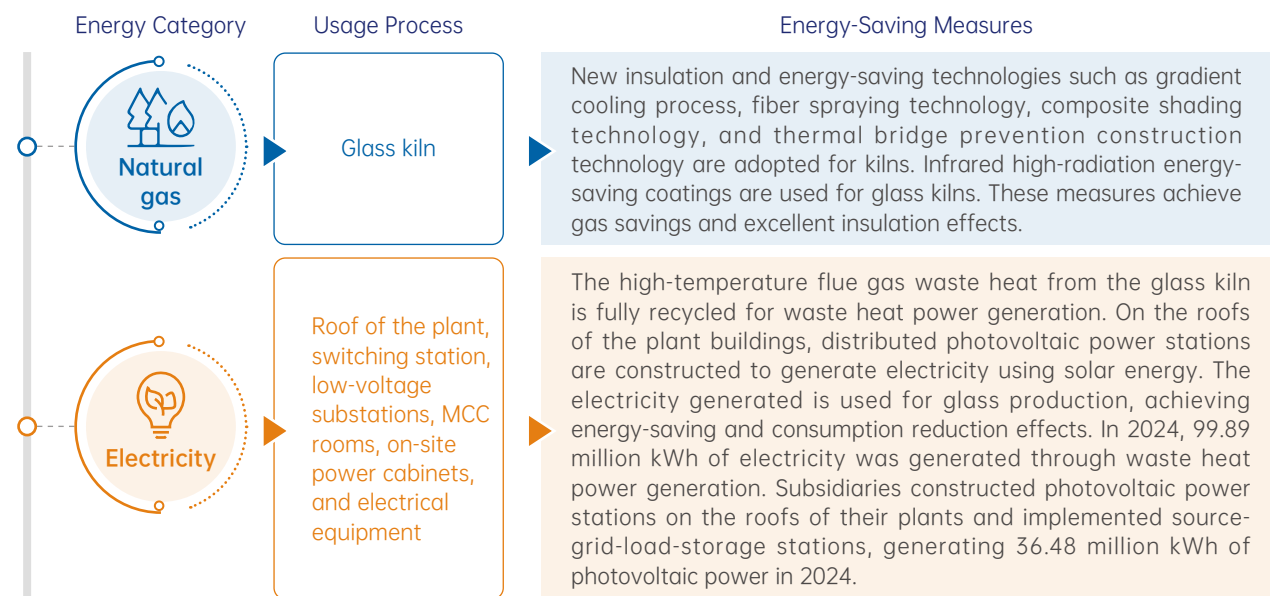
Indicator	Unit	Data in 2024
Total direct energy consumption	Ton of standard coal equivalent	317,821.57
Total indirect energy consumption	Ton of standard coal equivalent	41,634.08
Total energy consumption	Ton of standard coal equivalent	375,307.55
Clean energy usage	Ton of standard coal equivalent	15,851.90

Note: Direct energy consumption comes from natural gas; indirect energy consumption comes from purchased electricity; total energy consumption consists of the sum of direct energy, indirect energy, and clean energy consumption; clean energy usage includes waste heat power generation, rooftop photovoltaic plants, and source-grid-load-storage.






Energy Conservation and Consumption Reduction

The Company implements a series of innovative projects and technological transformations to improve processes and upgrade production equipment, reducing resource consumption. Targeting production processes and energy consumption structure, energy-saving technology upgrades are carried out in multiple key areas. At the same time, resource recycling is promoted, energy efficiency management is strengthened, energy costs are significantly reduced, and resource waste is minimized.

Major energy usage and energy-saving measures:



Display of Some Projects on Energy Conservation and Consumption Reduction of Production Equipment

Reducing energy consumption of the dryer adsorption tower regeneration: Optimizing the drying and regeneration modes, reducing the regeneration frequency by 5.89 times per day, resulting in a daily electricity saving of 566 kWh.

Recovery of overflow material cooling water: Recycling and reusing the cooling water, saving 30 tons of tap water per day, achieving zero direct discharge.

Recovery of purified water in the oxygen production system: Collecting and reusing the purified water discharged from the nitrogen discharge well, saving 36 tons of purified water per day.

Delaying the start of the refrigeration machine: Installing air conditioners for local cooling, and extending the operating time of the refrigerating machine, which results in a daily electricity saving of 1,880 kWh.

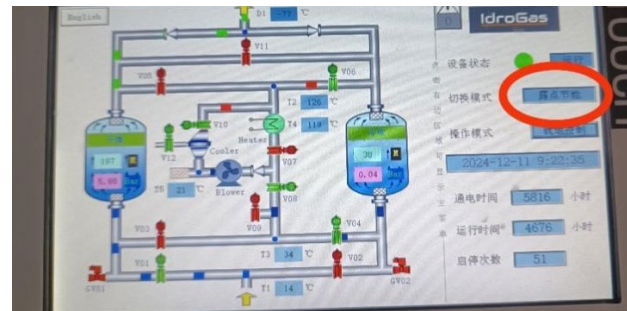
Shutting down fans: Based on seasonal and process requirements, shutting down certain air conditioning fans, resulting in a daily electricity saving of 260 kWh.

Optimizing the cleaning machine program, reducing the frequency of the rapid cooling fan in the tempering furnace, and shutting off the heating of the curing furnace during the processing of perforated steel plates in the screen printing process, which results in a daily electricity saving of 8,000 kWh.

Case

Reducing Energy Consumption of Dryer Adsorption Tower Regeneration

The Pharmaceutical Glass Project Department optimized the operation mode of the compressed air dryer by upgrading from a scheduled switching mode to a dew point energy-saving mode. The regeneration interval was extended while ensuring that the dew point of the compressed air meets the process standards. By implementing these optimizations, the average daily number of regenerations of the equipment was reduced, resulting in an annual electricity saving of over 20,000 kWh.



Dew Point Energy-saving Mode of the Dryer

Clean Energy

The Company integrates the promotion and application of clean energy, including natural gas, solar power generation, and industrial waste heat power generation, into its business practices. It optimizes the energy structure and supports low-carbon sustainable development. Ancai Energy, a subsidiary, is primarily engaged in natural gas pipeline transportation, delivering natural gas to industrial enterprises and urban gas companies along the pipeline. Subsidiaries and glass kilns use clean energy, such as natural gas, as fuel. Solar power projects are built on the roofs of subsidiaries and factories, harnessing solar energy as clean energy for electricity generation. The electricity generated is used for the production, optimizing the energy structure, reducing operational costs, and effectively reducing greenhouse gas emissions. Subsidiaries fully recover the high-temperature flue gas waste heat from glass kilns and utilize it for waste heat power generation. This not only recovers heat but also generates electricity for use in glass production, reducing enterprise costs and achieving significant economic, environmental, and social benefits.

- ✓ Ancai Photovoltaic New Materials, Ancai Photothermal Technology, Jiaozuo Ancai, Xuchang Ancai, Pharmaceutical Glass Project Department, and Anyang Silicon-Based New Materials have a combined rooftop solar power station capacity of over 30 MW, capable of generating approximately 35 million kWh of electricity annually.
- ✓ Source-grid-load-storage is a new power operation mode that integrates "power generation, power grid, load, and energy storage" in a holistic planning approach. Subsidiaries are constructing source-grid-load-storage photovoltaic power generation and energy storage projects. The generated electricity is used for internal production needs without causing impacts on the power grid, while effectively reducing production costs.
- ✓ Ancai Photovoltaic New Materials, Jiaozuo Ancai, and Xuchang Ancai have completed and are constructing source-grid-load-storage photovoltaic power generation projects with a capacity of 6 MW, capable of generating approximately 6.1 million kWh of electricity annually.



Rooftop Photovoltaic Power Generation Project



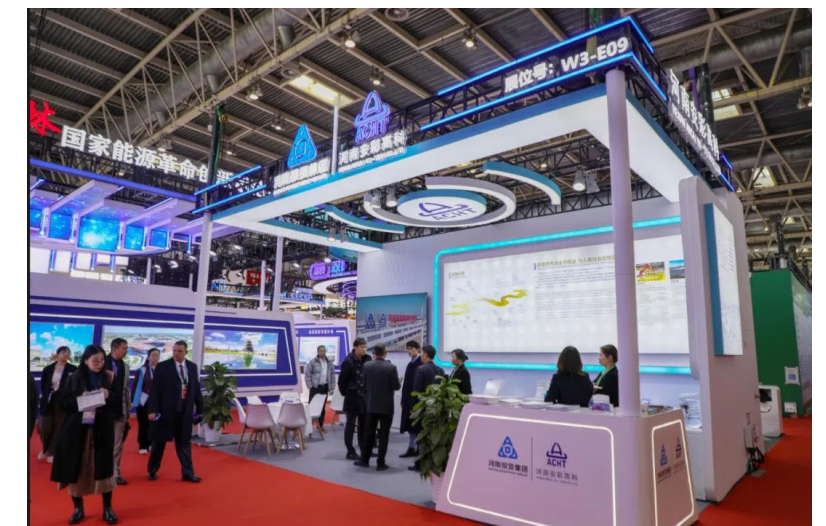
Energy Storage Facilities for the Source-grid-load-storage Project

Case

Ancai Hi-Tech Participates in the Second China International Supply Chain Expo

On November 26, 2024, Ancai Hi-Tech, as one of the representatives of clean energy supply chain enterprises, participated in the second China International Supply Chain Expo (CISCE) in Beijing as part of the Henan delegation. More than 600 key enterprises from global industrial and supply chains exhibited at the event. A total of 13 enterprises from Henan Province participated in the CISCE, with Ancai Hi-Tech representing the clean energy supply chain sector.

At the subsequent communication, Ancai Hi-Tech, as a representative of Henan exhibitors, delivered a speech, expressing its commitment to closely following the pace of high-quality development of the "the Belt and Road". Leveraging the unique geographical advantage of Henan Province, Ancai Hi-Tech actively engages in extensive external cooperation to create integrated vertical development and application scenarios for "Photovoltaic + Photothermal" and transform the supply chain into a "win-win chain", contributing new strength to the clean energy industry.



Booth of Ancai Hi-Tech

Water Utilization

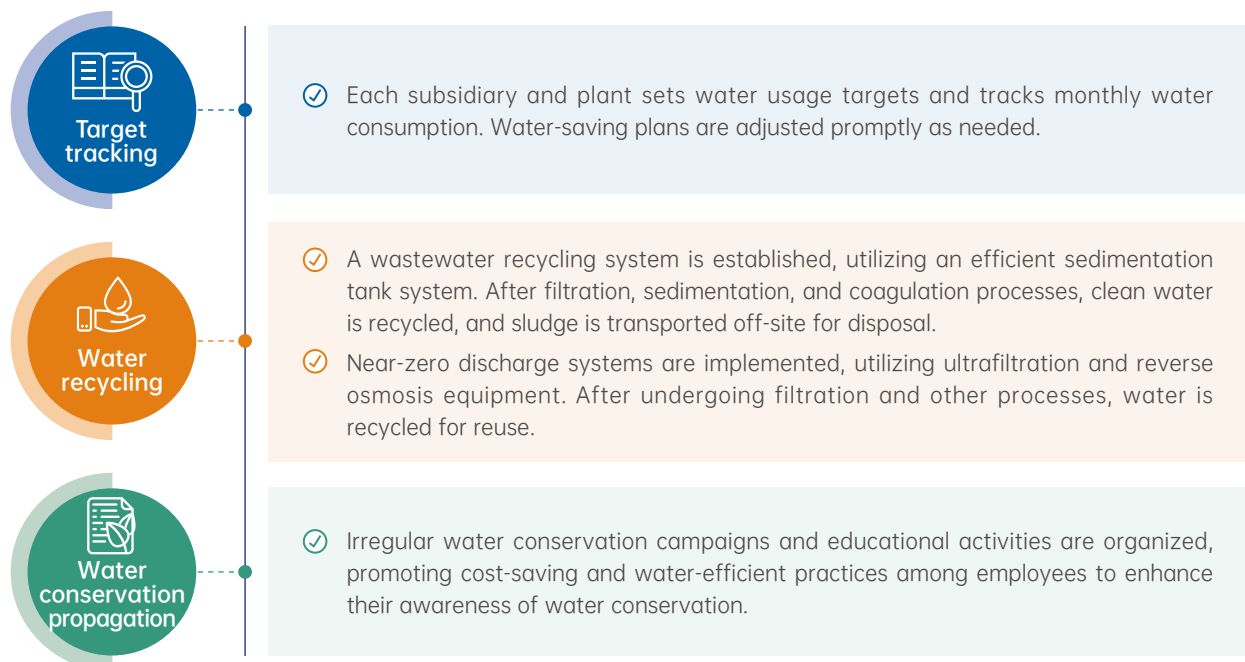
The Company implements the *Water Law of the People's Republic of China*, has established a water-saving leadership group and water-saving management office, and established a water-saving target responsibility mechanism. All production workshops, departments, and units cooperate and collaborate to implement water-saving responsibilities and deepen the awareness of water conservation among all employees.



Water Conservation

The Company values the recycling and efficient utilization of water resources in the production process. By optimizing process flows, promoting water recycling, and implementing water-saving technologies, water consumption in the production process is reduced. During the reporting period, the Company achieved a recycling water reuse of 92.9039 million tons.

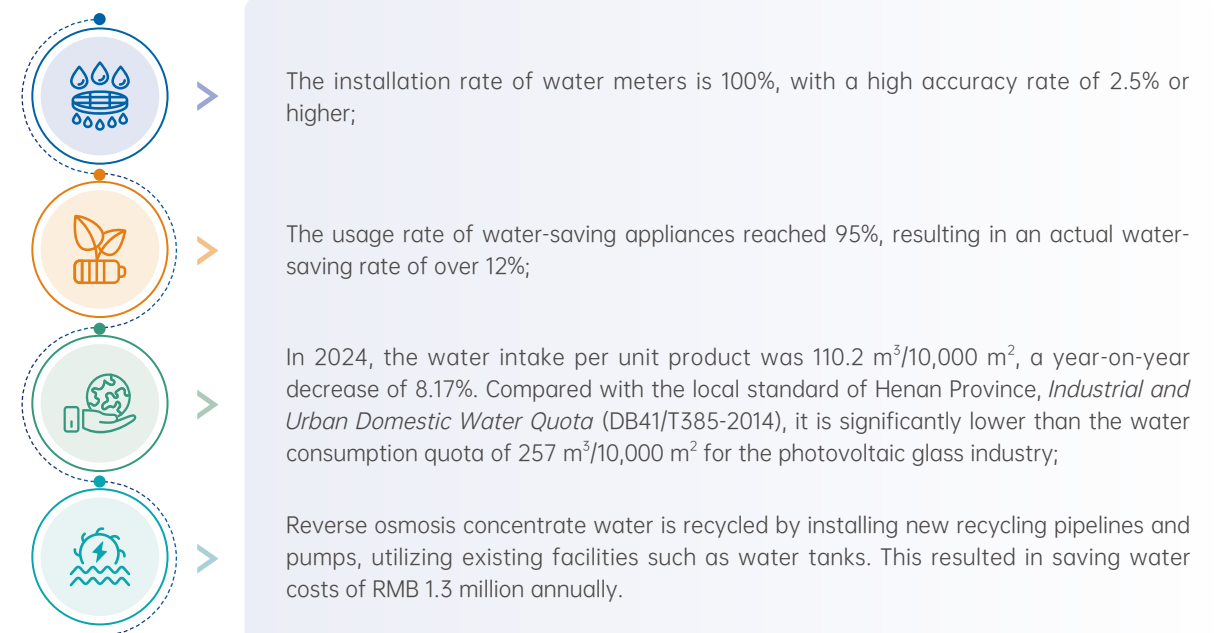
Water conservation and management measures:



Case

Water Conservation Action

Ancai Photovoltaic New Materials conducted a self-assessment for water conservation based on the *Guidelines for the Evaluation of Water-Saving Enterprises* (GB/T7119-2006) and complied with all the basic requirements.



Waste and Pollutant Management

Waste Gas Management

The Company places high importance on protecting the environment, preventing pollution, and fulfilling our social responsibilities. Regarding waste gas management, the Company has developed *Pollutant Emission Standard* and *On-site Emergency Plan for Waste Gas Pollution Sources* in accordance with the national the *Prevention and Control of Atmospheric Pollution Law*, *Regulations on the Management of Pollutant Discharge Permits*, and industry standards. These plans cover controlling emissions at the source, process management, monitoring and supervision, and compliance assurance measures.

The Company designs and constructs glass kilns to high standards, incorporating advanced technology and equipment for the treatment of flue gas. Each kiln is equipped with flue gas pollutant treatment systems for desulfurization, denitrification and dust removal, achieving the comprehensive management approach that integrates source reduction, process control, and end-of-pipe compliance. The pollutant emissions are superior to the national low standards, and the main environmental indicators have been reviewed and accepted by the district, municipal, provincial, and national environmental protection departments. Ancai Photovoltaic New Materials, Ancai Photothermal Technology, Jiaozuo Ancai, Xuchang Ancai, and Ancai Neutral Boron-Silicate Pharmaceutical Glass projects have all obtained the environmentally-friendly A-level performance enterprise certification.

The main types of waste gas of the Company and their treatment methods:

Management Standard	Type of Waste Gases	Production Link	Treatment Methods
<i>Emission Standard of Air Pollutants for Glass Industry</i> (GB26453-2022)	Dust waste gas	Ingredient mixing process	High-altitude emission after bag filtration
	Flue gas from glass kiln	Generated during the melting process in the kiln	SCR (Selective Catalytic Reduction) + NID (Nitric Acid Desulfurization) + bag filtration
	Waste gas from rolling and coating	Finishing workshop	RTO

The Company's waste gas emission standards, treatment measures and emission volumes:


Emission Standard	Key Control Indicators	Monitoring Methods	Treatment Measures	Approved Total Emission	Emissions in 2024
<i>Emission Standard of Air Pollutants for Glass Industry</i> (GB26453-2022)	Nitrogen oxide	Chemiluminescence method (Online)	Selective catalytic reduction (SCR)	715.77t/a	401.18t
	Sulfur dioxide	Ultraviolet fluorescence method (Online)	NID semi-dry method	223.51t/a	54.33t
	Particulate	Laser forward scattering (Online)	Membrane-coated bag filter	40.4t/a	6.85t
	VOCs	FID (Flame ionization detection) (Online)	Activated carbon adsorption + zeolite roller + regenerative thermal oxidizer (RTO)		

Ancai Photovoltaic New Materials, Jiaozuo Ancai, Xuchang Ancai, Ancai Photothermal Technology, and Ancai Neutral Boron-Silicate Pharmaceutical Glass projects adhere to the relevant provisions of the *Measures for the Disclosure of Environmental Information (Trial)* to enter the basic production information, pollution discharge information, construction and operation of pollution control facilities, environmental impact assessment of construction projects, information on other environmental protection administrative permits, emergency plans for sudden environmental incidents, self-monitoring plans for the environment, and other relevant environmental information into the relevant information disclosure platform. They disclose relevant environmental information and accept social supervision.

Wastewater Management

The Company strictly controls wastewater management, builds wastewater treatment and reuse facilities, and ensure that wastewater discharge meets the standards and resource utilization through the implementation of water recycling, quality-based treatment and wastewater recycling.

Main wastewater types and treatment methods:

Emission Standards	Types of Wastewater		Production Link	Treatment Methods
<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)		Softened water wastewater	Cooling water	After undergoing water treatment processes such as filtration, sedimentation, and coagulation, water is recycled. Excess water is discharged through the wastewater pipe network.
		Purified water wastewater	Heat recovery boiler	
		Grinding water	Finishing workshop	
		Cleaning wastewater	Finishing workshop	After passing through a separate water recycling system in the plant area, 90% of the water is reused for production, while 10% is discharged through the drainage system.
		Circulating cooling water drainage	Heat recovery boilers, glass melting kilns, and compressed air stations	
	Other domestic wastewater		Daily operations of the administrative departments, production departments, and canteens	After undergoing treatment in septic tanks and grease traps, the wastewater is discharged into the sewage pipe network.

Case

Comprehensive Water Resource Recycling in the Workshop

In April 2024, Ancai Photothermal Technology initiated a comprehensive water resource recycling project in the power workshop. Over 160 tons of wastewater generated during the production process was recovered and reused after undergoing softening treatment in the firefighting water pool. Currently, the daily average discharge of wastewater from the workshop has decreased from over 200 tons to about 60 tons, resulting in a daily water saving of approximately 140 tons.



the daily average discharge of wastewater from the workshop has decreased from over 200 tons to about

60 tons



resulting in a daily water saving of approximately

140 tons



Equipment for Comprehensive Utilization and Transformation of Water Resources

Solid Waste Management



According to the *Prevention and Control of Environmental Pollution by Solid Wastes Law* and the *National Catalogue of Hazardous Wastes*, the Company has established the *Regulations on Solid Waste Management* and implemented corresponding management measures and procedures for different types of solid waste. Additionally, through the establishment of an Internet of Things (IoT) system, intelligent management of hazardous waste generation, transportation, storage, transfer, etc. is achieved. This system complies with national requirements for the management of hazardous waste and avoids potential non-compliant behaviors resulting from human intervention. During the reporting period, the Company did not have any incidents involving illegal disposal of waste.

Indicators	Unit	Data in 2024
Total amount of non-hazardous solid waste	Tons	148,304.25
Total amount of hazardous solid waste	Tons	76.352
Total amount of recycled waste	Tons	138,517.50

The Company implements recycling measures for certain types of waste:

Criteria	Types	Processes	Treatment Measures
<i>Standards for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes</i> (GB18599-2020)	Broken glass	Cold-end cutting	100% recycling of broken glass from the production process
	Dust	Ingredient mixing process	Dust collector collects dust directly, returning it as raw material to the production process, achieving a 99% recycling rate.

Main waste types and treatment methods:

	Types of Waste	Production Link	Treatment Measures
 Non-hazardous waste	Scrap aluminum edges and corners	Hollow Tempering Workshop	Outsourced to qualified companies for resale
	Grinding sludge	Wastewater reuse	Outsourced to qualified companies for disposal
	Desulfurization slag	Desulfurization and denitrification	Recycled by building material companies
	Waste refractory bricks	Kiln	Recycled by refractory material manufacturers
 Hazardous waste	Spent activated carbon	VOC waste gas treatment	Collected and periodically disposed of by qualified hazardous waste disposal institutes
	Spent catalysts	Desulfurization and denitrification	
	Waste oil	Equipment service and maintenance	
	Waste packaging materials	Deep processing	
	Waste batteries	Forklift transportation	

Noise Management

The Company prioritizes noise pollution control, ensuring that noise emissions from equipment such as cutting machines comply with the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008). We implement effective measures to reduce noise pollution and mitigate its impacts on the surrounding environment.

Chemical Safety

The Company emphasizes the management of hazardous substances and major hazard sources involved in production and operation processes. We have developed regulations and systems such as the *Regulations on the Safety Administration of Dangerous Chemicals* and the *Management System for Hazardous Substances and Major Hazard Sources*. We conduct inspections and identification of major hazard sources, strictly regulates inbound and outbound management, and controls the risks associated with hazardous chemicals. A chemical warehouse has been established to categorize and store chemicals in different areas, creating a safe and environmentally friendly production environment to ensure the safety and health of employees.

Response to Climate Change

The Company actively promotes energy conservation, emission reduction, and circular clean production in line with the national "carbon peaking and carbon neutrality" strategy. We adheres to the concept of green development and contributes to carbon neutrality goals by reducing carbon emissions through technological innovation and efficient resource utilization.

The Company actively addresses climate change by using natural gas as a clean energy source for glass kilns. The cumulative greenhouse gas emissions (Scope 1 + Scope 2) of Ancai Photovoltaic New Materials, Ancai Photothermal Technology, Jiaozuo Ancai, Xuchang Ancai, and the Pharmaceutical Glass Project Department amount to 919,400 tons of carbon dioxide equivalent. Moreover, the Company actively builds distributed rooftop solar power stations and waste heat power generation facilities. The electricity generated from clean energy sources is used for its own glass production, resulting in a reduction of 83,200 tons of carbon dioxide equivalent in greenhouse gas emissions. During the reporting period, the Company invested RMB 10.1485 million in greenhouse gas emission reduction.

Indicators	Unit	Data in 2024
Scope 1	Tons CO ₂ equivalent	712,678.64
Scope 2	Tons CO ₂ equivalent	206,679.84

Note: The greenhouse gas emissions statistics cover Ancai Photovoltaic New Materials, Ancai Photothermal Technology, Xuchang Ancai, Jiaozuo Ancai, and the Pharmaceutical Glass Project Department. Scope 1 emissions mainly come from natural gas and raw materials, while Scope 2 emissions mainly come from purchased electricity.

Green Factory Construction

The Company adheres to the requirements of national and Henan Province's green manufacturing system, organizing production and operation around resource conservation, low-carbon energy, and clean production. It is committed to the development direction of green, low-carbon, and intelligent manufacturing, combining advanced technologies and management methods to continuously make breakthroughs in energy conservation, emission reduction, efficient resource utilization, and environmental protection. Ancai Photovoltaic New Materials and Xuchang Ancai have established a digital energy and carbon management center, enabling functions such as energy monitoring, carbon emissions accounting, and carbon asset management. This comprehensive data support for energy conservation and carbon reduction management helps the Company achieve its dual control targets for energy conservation and carbon emissions. Ancai Photovoltaic New Materials and Xuchang Ancai have been recognized as "Green Factories" in Henan Province, following the standards and principles of factory intensification, harmless raw materials, clean production, waste resource utilization, and low-carbon energy.

Case

Creating a Green Factory

Ancai Photovoltaic New Materials and Xuchang Ancai employ technologies such as efficient and energy-saving combustion, low-temperature waste heat power generation, and single kiln multi-line production to reduce energy consumption and enhance their level of greenness. They have also constructed rooftop solar power stations to reduce greenhouse gas emissions. The establishment of an online energy consumption monitoring system promotes digital energy management. Improvements in raw material control and production processes have been made to produce green and low-carbon products. In terms of pollution control, they adhere to the requirements of the *Environmental Protection Law* for "Three Simultaneities", reducing particulate matters and gas emissions, and enhancing environmental protection. They also implement the recycling and comprehensive utilization of waste glass, creating a green development model.



Waste Heat Utilization Facilities



Solar Photovoltaic Power Generation Facilities

05

Employee Care and Social Welfare

The Company prioritizes people and gives back to society by practicing employee care and engaging in social welfare activities. Through humane care, the Company fosters employee engagement and solidarity. Through philanthropic actions, the Company demonstrates its corporate responsibility and collaborates with employees and various sectors of society to build a harmonious and better future.

Employee rights and benefits	55
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Occupational health and work safety	61
Social responsibility and public welfare	64

Contributing to the United Nations Sustainable Development Goals (SDGs)



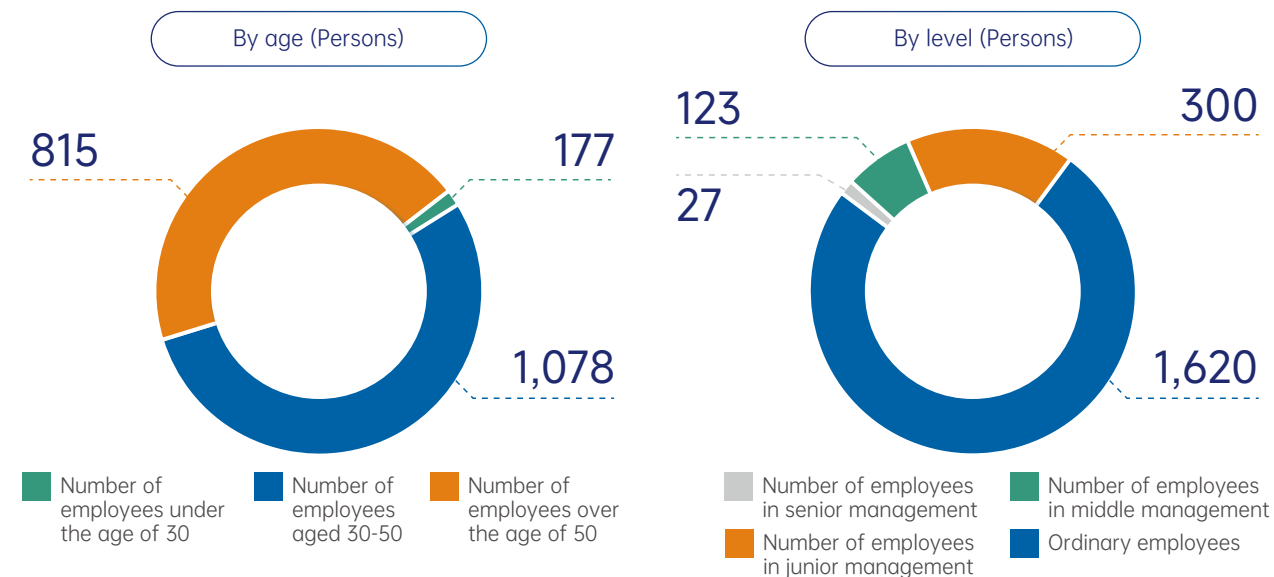
Employee Rights and Benefits

The Company adheres to national laws and regulations such as the *Labor Law* and the *Labor Contract Law*. It has established systems such as the *Labor Contract Management Measures*, *Human Resources Planning Management Measures*, and *Recruitment Management Measures* to ensure lawful and compliant employment, protect the rights and interests of workers, and create a fair and just employment environment. During the reporting period, there were no incidents of forced labor, child labor, or discrimination within the Company.

Total number of employees



Employee turnover rate



Diversity and Inclusion

The Company advocates for equal freedom for all employees and promotes workplace inclusivity. Any form of targeted discrimination is strictly prohibited. Equal development opportunities and welfare protection are provided for groups such as veterans and people with disabilities. The Company currently employs 28 individuals with disabilities, 15 retired military officers, 8 retired veterans, and 260 in-service veterans. Every year, the Company arranges employment opportunities for people with disabilities, providing them with the most suitable conditions in terms of workload, labor protection, and welfare.



Protection of Employee Rights and Interests

The Company places great importance on protecting employee rights and interests and prioritizes democratic communication. It has established a democratic management system, with the Staff Congress as the core framework, to safeguard employees' rights to information, participation, expression, and oversight. The Company regularly conducts the "Promote Enterprise Development with Our Creative Ideas" campaign to solicit employees' rational suggestions, strengthening employees' sense of ownership and allowing them to fully voice their opinions and deeply participate in the Company's development, fostering a harmonious corporate atmosphere.

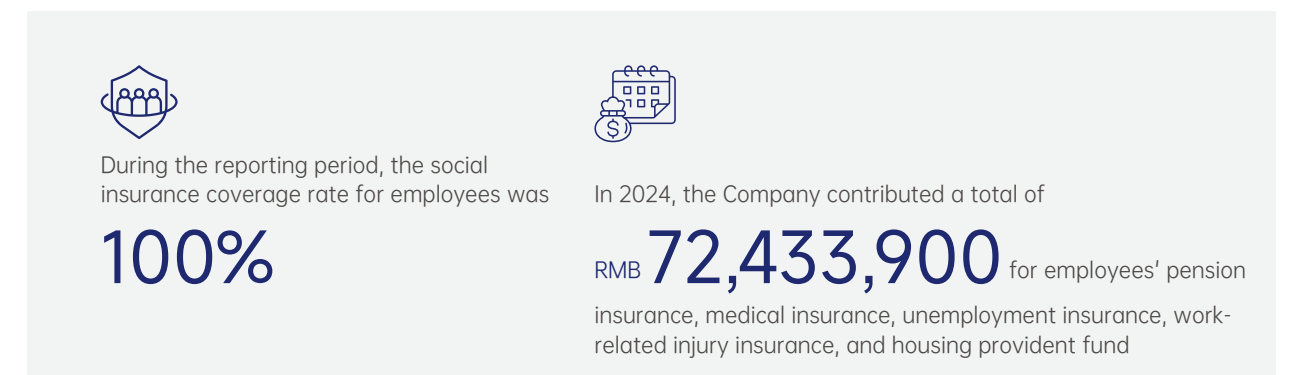
During the reporting period, the Company successfully held the Ancai High-Tech's Staff Representative Congress and deliberated and passed relevant agendas, such as the appointment of alternate members of the second session of the Trade Union Committee and personnel matters. Throughout the year, a total of 273 rational suggestions were collected and annual "Gold Ideas" and "Silver Ideas" selections were conducted.



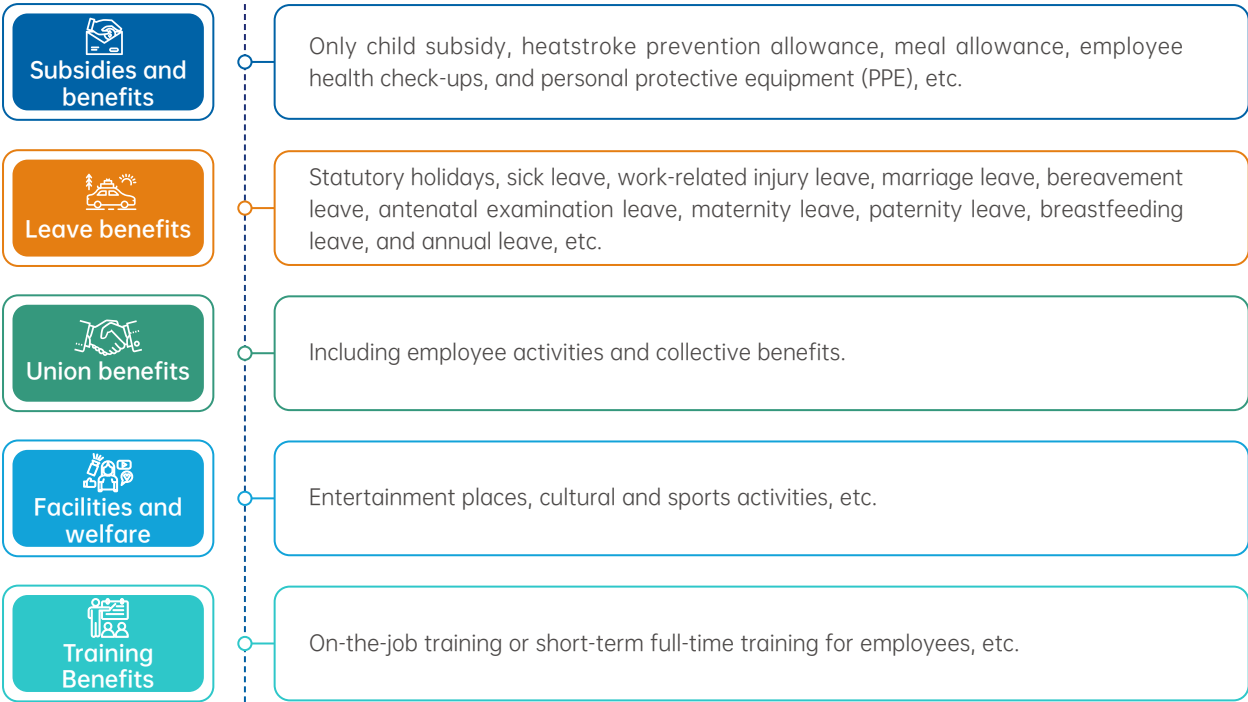
the Second Session of the Third Staff Congress

Compensation and Benefits System

The Company has established a comprehensive compensation and benefits system, adhering to the principles of "job-based pay" and "merit-based rewards". We implement a scientific and modern performance management mechanism and has formulated and implemented the *Compensation Management System* and *Employee Benefits Management System* to fully motivate employees' enthusiasm and creativity. The Company complies with national and local regulations by providing social insurance and housing provident fund contributions for employees, ensuring the protection of their legitimate rights and interests. During the reporting period, the social insurance coverage rate for employees was 100%.



A variety of benefits are provided for employees, including:



Care for Female Employees

The Company places great importance on the care for female employees and organizes annual health check-ups for them. On occasions like Mother's Day and Women's Day, the Company plans activities to enrich the spiritual and cultural lives of female employees, enhancing their sense of happiness and belonging. This creates a harmonious and warm corporate culture.

Case

Hosting an Exciting Women's Day Event Blossoming with Creativity

In 2024, on the occasion of the 114th International Women's Day, the Company organized fun activities such as making embossed table lamps and themed flower arrangements.



Blooming in the Warm Spring Breeze - DIY Embossed Table Lamp



Flower Arrangements as a Tribute to Women's Day - Fragrance-filled Flowers and a Clean and Ethical Spirit - Themed Flower Arrangements

Employee Care

The Company adheres to the "people-oriented" philosophy and maintains close contact with employees with the trade union as a bond. It actively provides assistance for employees in need, supports the education of employees' children, helps special employee groups and retired military officers, and fosters a "family culture" atmosphere to protect employee rights and interests.

Measures		Actions in 2024
Staff Activities	Organization of various cultural and sports activities	25 activities were conducted
Love and Mutual Assistance Fund	Educational assistance activities	9 children of workers in difficulty were assisted
Dormitory Welfare	Staff dormitories	126 staff apartments were upgraded and renovated
Skills Competition	Organization of skills competitions	1 provincial-level competition and 1 factory-level competition were held
Support for Special Groups	Assistance for seriously ill and disadvantaged employees	Assistance was provided for 82 disadvantaged employees, with a total of RMB 133,000 in condolence payments; medical assistance was provided for employees with 339 cases, with a total of over RMB 400,400 in assistance.
Skills Training	Employee skills training	10 special training sessions totaling 136 hours were conducted.
Talent Care	Rest and relaxation activities for model workers and craftsmen	Rest and relaxation activities were organized for 6 model workers and craftsmen.

The Company held a variety of rich and colorful staff cultural, sports, and holiday celebration activities; promoted a healthy and civilized lifestyle; created an open and united cultural atmosphere; supported the all-around development of employees; enhanced team cohesion and employee belonging.



the "Golden Sunflower Cup" Employee Basketball Game



the "Ode to the Motherland" Revolutionary Song Competition

Talent Training and Development

The Company upholds the concept that talent is the most important resource for its development. It adheres to the principles of "respecting the value of talent, shaping the quality of talent, and dedicating to talent growth". The Company encourages employees to do their best, unleash their inherent potential, and foster innovation, aiming to achieve mutual growth of company benefits and employee value. During the reporting period, the Company conducted multiple sessions of employee training, covering a 100% participation rate. The investment in training amounted to RMB 232,000.

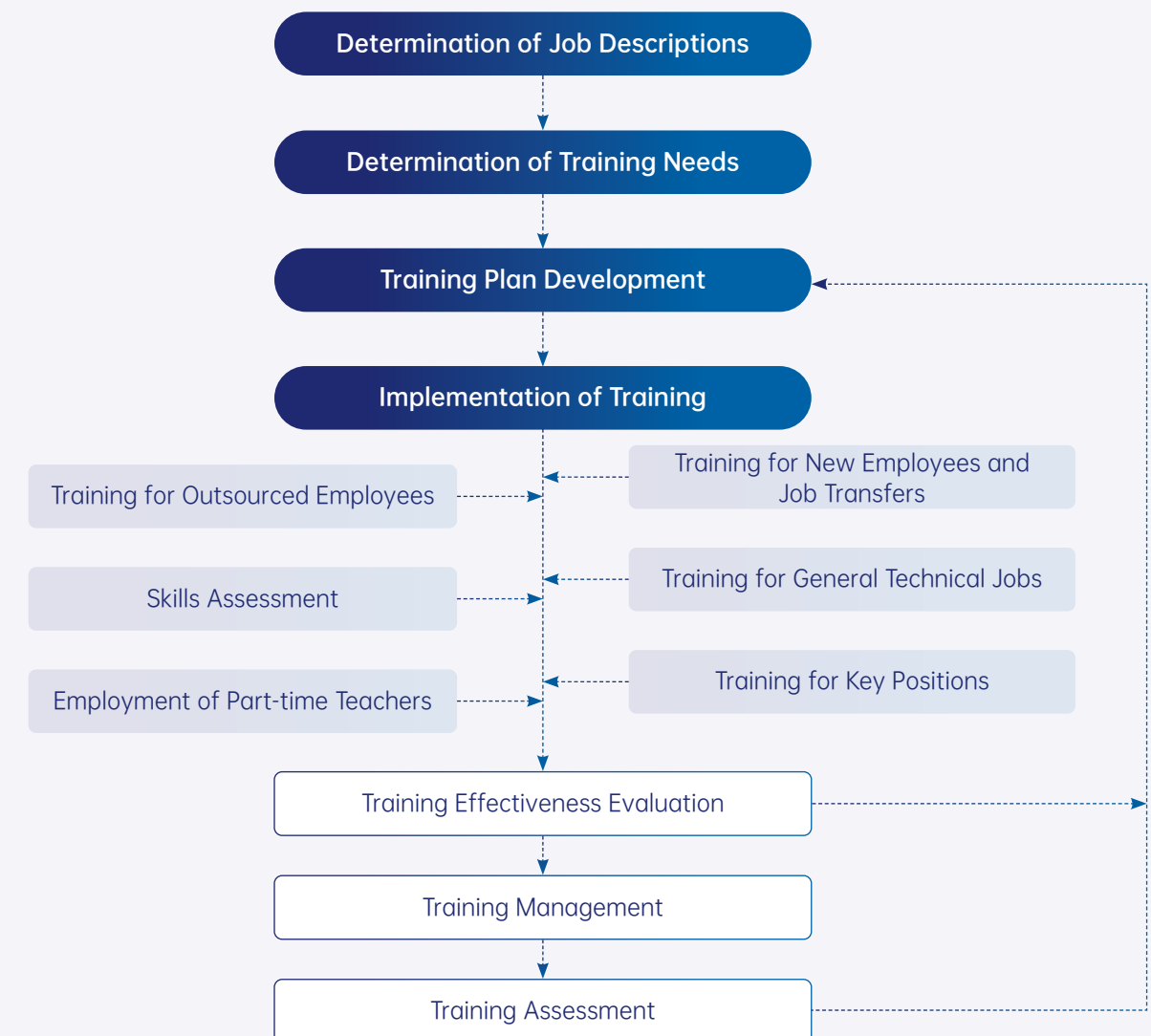


Training System

In accordance with the development plan and annual operational management goals, the Company has formulated and implemented systems such as the *Employee Training Management Procedure*, *Reserve Talent Management Measures*, and *Company-wide Talent Enhancement Program*. These systems promote comprehensive improvement in talent development, unlock the intellectual potential of employees, strengthen the building of the talent pool, and meet the Company's needs for enhancing the qualifications of various types of talents.



Employee Training Flowchart



Building a Talent Pool

Implementing a strategy of "strengthening the Company through talents", the Company has established a comprehensive talent development mechanism, emphasizing the training of skilled talents. The goal is to build a talent team with integrity, loyalty, dedication, practical innovation, frankness, responsibility, and tenacity.

During the reporting period, the Company introduced high-end talents through collaborations with the Glass Research Institute, R&D centers, and post-doctoral workstations. Collaborations with universities were established for joint training and targeted recruitment of professional and technical personnel. The Company also partnered with vocational and technical colleges to establish internship and training bases to cultivate frontline operators. For professional and technical personnel, a mentoring system is implemented. Talent development is included in the Company's performance evaluation scope, with key technical positions having specific training and assessment indicators. Talent reserves are planned and a talent promotion channel is established.



University-Enterprise Cooperation Reached Between School of Materials Science and Engineering, Henan Polytechnic University and Jiaozuo Ancai

Occupational Health and Work Safety



Work Safety

The Company implements a "One Position, Dual Responsibilities" management model for safety and environmental protection, having established an organizational structure for safety and environmental protection to oversee the management of work safety and environmental protection throughout the entire company. In accordance with laws and regulations such as the *Work Safety Law* and the *Basic Norms for Work Safety Standardization of Enterprises*, the Company has formulated the *Compilation of Work Safety Management Systems*, which covers various aspects such as safety inspections, risk management, emergency safety, and workplace accidents.

Work safety measures:

- Implementing overall responsibility for work safety among all employees**
Establishing a work safety responsibility system, setting work safety objectives, and having all employees sign work safety responsibility agreements
- Establishing and improving work safety regulations and operating procedures**
Developing and implementing work safety regulations and operating procedures based on the characteristics of processes, equipment, and positions
- Implementing a dual prevention system for risk classification and control and hidden danger investigation and governance**
Establishing a list of risk sources and implementing risk classification and control measures; conducting hidden danger investigation and governance through daily inspections and monthly inspections
- Developing and implementing emergency response plans for production safety accidents**
Developing emergency response plans for production safety accidents and organizing drills according to requirements
- Conducting informatization construction for work safety**
Establishing and utilizing an informatization platform for work safety
- Strengthening work safety education and training**
Developing and implementing annual work safety education and training plans
- Ensuring investment in work safety**
Allocating funds as required for necessary work safety conditions, and extracting and utilizing work safety expenses



Work Safety Inspections and Emergency Drills



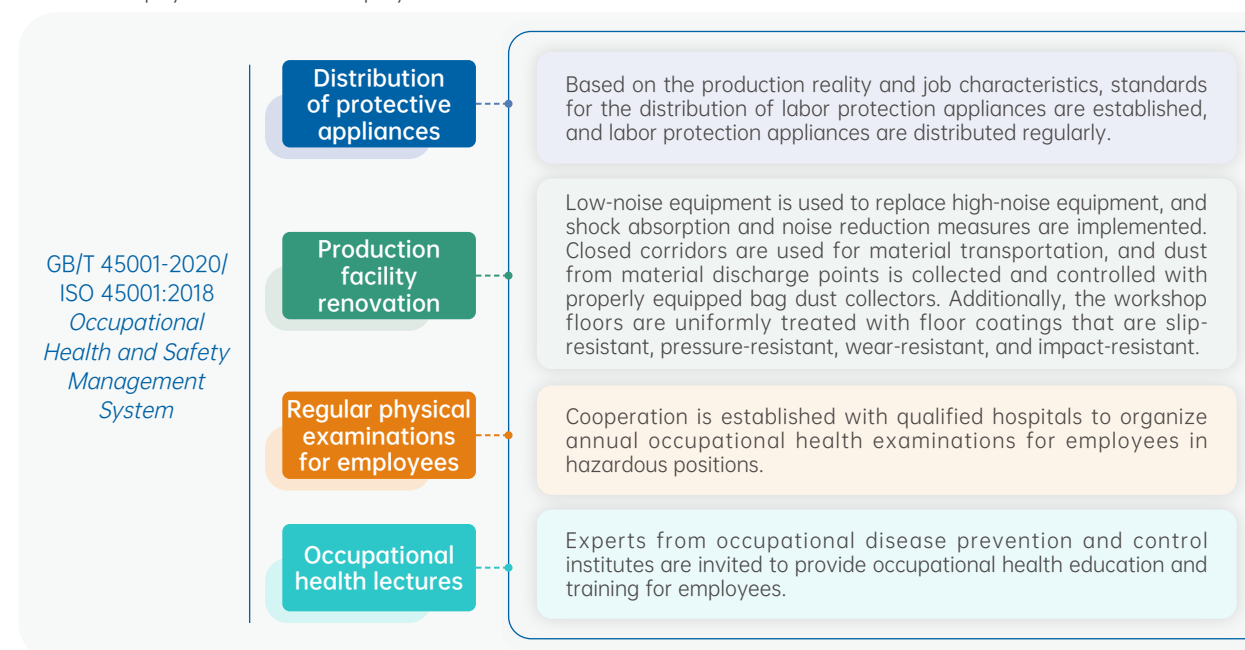
Case

"Hundred-Mile Journey" Spring Route Safety Inspection in 2024

Ancai Energy's West-East Gas Pipeline in the northern Henan province is an important energy supply channel. In March 2024, Ancai Energy conducted the "Hundred-Mile Journey" spring route safety inspection activity. A total of 78 staff members, including cadres and employees, actively participated in the event. They were divided into 30 groups to conduct on-foot inspections of the 206-kilometer northern Henan branch pipeline, as well as 12 valve rooms and other facilities. Throughout the inspections, a total of 48 potential risks that could affect the safety of the pipeline, such as pressure issues, were identified. These risks were promptly categorized and rectified to ensure the safe and smooth operation of the natural gas pipeline. This activity further enhances the Company's commitment to "Gas Supply to Northern Henan, Venturing Far and Wide", and establishes a solid safety barrier for the Company's high-quality development.

Occupational Health

Employee health is not only crucial to the operation of the Company but also to the personal happiness of individuals and their families. The Company earnestly implements the requirements of laws and regulations such as the *Occupational Disease Prevention and Control Law*, the *Regulations on Occupational Health Management in the Workplace*, and the *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance*. The Company adheres to the principle of "prevention first, combining prevention and control" and the principle of "classified management, comprehensive governance". It comprehensively promotes the prevention and control of occupational diseases and ensures the physical health of employees.



The Company and its subsidiaries, including Ancai Photovoltaic New Materials, Jiaozuo Ancai, Xuchang Ancai, Ancai Photothermal Technology, Pharmaceutical Glass Project Department and Xinhe Industry have obtained the GB/T 45001-2020/ISO 45001:2018 certification for occupational health and safety management systems. During the reporting period, the Company purchased work-related injury insurance worth RMB 1.4501 million for all employees and work safety liability insurance worth RMB 10,800 for employees in special positions. No occupational disease hazards to employees occurred.



Occupational Health and Safety Management System Certificate



Ancai Energy Conducts the 22nd Occupational Disease Prevention and Control Law Promotion Week Activity



Ancai Photothermal Technology Conducts Employee Mental Health Intervention Training

Social Responsibility and Public Welfare

While achieving stable development, the Company actively responds to national and government calls, practices rural revitalization, and proactively engages in public welfare activities such as providing medical assistance, supporting education, and aiding the needy. The Company actively fulfills its social responsibilities and brings warmth and assistance to vulnerable groups.

In 2024, the Company directly added more than 80 new labor jobs in the surrounding area and indirectly generated employment opportunities for over 150 people, thus accelerating the pace of rural prosperity in the Company's vicinity. During the reporting period, the Company spent approximately RMB 137 million on local logistics and transportation services and around RMB 98 million on purchasing wood products and packaging materials. Through these actions, the Company promoted the development of local rural industries and achieved mutually beneficial outcomes. The Company also connected with assistance villages and provided care and support for families in need during the Double Ninth Festival and Spring Festival. Additionally, the Company ensured timely and full payment of employment security funds for disabled individuals to support their employment opportunities. The Company organized various volunteer services, accumulating a total of 120 volunteer attendances in activities such as green and low-carbon initiatives, promoting civilized transportation, city cleaning, and voluntary blood donations. Through these practical actions, the Company fulfilled its social responsibilities. Jiaozuo Ancai actively established a collaborative relationship with Shangtun Village in Boai City, - "Village-Enterprise Co-construction". During festivals like the Spring Festival, "99" Public Welfare Day, and the Double Ninth Festival, the Company conducted activities to bring warmth to the village through visits, targeted donations, and themed party activities, actively fostering harmonious relationships between the village and the enterprise. Ancai Photovoltaic New Materials adhered to the philosophy of "Caring for the Rural, Pride in Assisting Agriculture". The Company purchased over 14,300 catties of vegetables from Gaobeihe Village in Longquan Town, Long'an District, effectively solving the problem of vegetable oversupply for local farmers. Furthermore, a cooperation agreement was signed with Maofeng Planting Professional Cooperative in Gaobeihe Village, Long'an District, to jointly promote agricultural development.

Case

Activity of Assisting Students in Autumn

The Activity of Assisting Students in Autumn was conducted. Research was conducted on families of employees facing difficulties to gain a deep understanding of the challenges and needs their children face in terms of education and employment. Assistance was provided for students through ideological education, scholarships, and skill training. Employment assistance was given to university graduates, encouraging innovation and entrepreneurship. With a pragmatic approach, support was provided to help children from families facing difficulties successfully complete their studies and achieve employment as soon as possible.

Case

Voluntary Blood Donation Service Activity

In June 2024, on the occasion of the 21st World Blood Donor Day, an activity with the theme "Illuminate Life through Blood Donation" was organized. Volunteers actively participated, demonstrating the spirit of volunteer service through their practical actions of "dedication, friendship, mutual assistance, and progress".

At the event site, under the professional guidance of medical personnel, volunteers successfully completed the blood donation process. They used their warm blood to convey hope and continued life with love. This activity showcased the high sense of social responsibility and dedication to society among the Company's employees.



Voluntary Blood Donation Service Activity

Appendices

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Reader Feedback Form

Reader Feedback Form for Environmental, Social and Governance Report 2024

Thank you very much for reading this Report! Please provide us with your valuable feedback or suggestions for this Report to help us improve future reports and better meet your reading needs.

1. What is your identity?

- ☐ Government Agency
- ☐ Media/Public
- ☐ Employee
- ☐ Shareholder
- ☐ Business Partner
- ☐ Customer
- ☐ Social Organization
- ☐ Regulatory Authority
- ☐ Other (please specify)

2. What information would you like to learn from this Report?

- ☐ Company introduction
- ☐ Financial Performance-related content
- ☐ Communication with stakeholders
- ☐ Work safety
- ☐ Content related to business partners
- ☐ Employment and working environment content
- ☐ Energy conservation and emission reduction
- ☐ Charitable donations
- ☐ Response to climate change
- ☐ Other (please specify)

3. Do you think if the content and layout of the report are helpful in finding relevant information?

- ☐ Yes
- ☐ No

4. What content in this Report satisfies you the most?

- ☐ Introduction to Ancai High-Tech
- ☐ Corporate Governance
- ☐ Business Ethics
- ☐ Party Building Leadership
- ☐ Innovation-driven Development
- ☐ Product Responsibility
- ☐ Supply Chain Security
- ☐ Environmental Management
- ☐ Energy Utilization
- ☐ Water Utilization
- ☐ Waste and Pollutant Management
- ☐ Response to Climate Change
- ☐ Circular Economy
- ☐ Employee Rights
- ☐ Talent Development
- ☐ Occupational Health and Safety
- ☐ Social Welfare

5. What content needs further improvement in this Report?

- ☐ Introduction to Ancai High-Tech
- ☐ Corporate Governance
- ☐ Business Ethics
- ☐ Party Building Leadership
- ☐ Innovation-driven Development
- ☐ Product Responsibility
- ☐ Supply Chain Security
- ☐ Environmental Management
- ☐ Energy Utilization
- ☐ Water Utilization
- ☐ Waste and Pollutant Management
- ☐ Response to Climate Change
- ☐ Circular Economy
- ☐ Employee Rights
- ☐ Talent Development
- ☐ Occupational Health and Safety
- ☐ Social Welfare

6. Your comments or suggestions for this Report.

Your Information:

Name:

Company:

Position:

Tel.:

E-mail:



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