

2024

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE REPORT

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About This Report

This report is the third Environmental, Social and Governance (ESG) Report (referred to as “this report”) issued by Shanghai Aiko Solar Energy Co., Ltd. (Stock code: 600732.SH), crafted to transparently disclose and showcase the Company's endeavors and performance in ESG aspects to stakeholders. The report has been reviewed by the Company's Board of Directors to guarantee its accuracy and integrity.

References

To streamline expression, “the Group” “the Company”, “AIKO”, and “we” in this report all refer to “Shanghai Aiko Solar Energy Co., Ltd.” In addition, the subsidiaries mentioned in this report are abbreviated as follows. “Guangdong AIKO”, “Foshan Base” refers to our wholly-owned subsidiary “Guangdong Aiko Technology Co., Ltd.”; “Zhejiang AIKO”, “Yiwu Base” refers to “Zhejiang Aiko Solar Technology Co., Ltd.”, the holding subsidiary of Guangdong Aiko; “Tianjin AIKO”, “Tianjin Base” refers to “Tianjin Aiko Solar Technology Co., Ltd.”, the wholly-owned subsidiary of Zhejiang Aiko; “Zhuhai Fushan AIKO”, “Zhuhai Base” refers to our wholly-owned subsidiary “Zhuhai Fushan Aiko Solar Technology Co., Ltd.”; “Zhuhai Hengqin AIKO” refers to our wholly-owned subsidiary “Zhuhai Hengqin Aiko Solar Technology Co., Ltd.”; and “Shandong AIKO”, “Jinan Base” refers to our holding subsidiary “Shandong Aiko Solar Technology Co., Ltd.”, “Chuzhou Base” refers to Zhejiang Aiko's wholly-owned subsidiary “Chuzhou Aiko Solar Technology Co., Ltd.”

Basis for Preparation

This report has been prepared in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (referred to as “GRI Standards”), the Climate-related Financial Disclosure Report by the Task Force on Climate-related Financial Disclosures (TCFD) (referred to as “TCFD”), the United Nations Sustainable Development Goals (SDGs), the IFRS Sustainability Disclosure Standard S1—General Requirements for Disclosure of Sustainability-related Financial Information (referred to as “IFRS S1”) and IFRS Sustainability Disclosure Standard S2—Climate-related Disclosures (referred to as “IFRS S2”) issued by the International Sustainability Standards Board (ISSB), and the Shanghai Stock Exchange Guideline No.1 on Self-Regulation of Listed Companies—Standardized Operations, the Shanghai Stock Exchange Guideline No.14 on Sustainability Reporting (Trial Implementation) (hereinafter referred to as “SSE Disclosure Guidelines”).



Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024, with some content of the report extending beyond this timespan.



Reporting Scope

This report covers Shanghai Aiko Solar Energy Co., Ltd. and its subsidiaries, consistent with the scope of the consolidated financial statements.



Data Sources

This annual compiles all the data from the Company's formal documents, internal statistics, and documents disclosed to the public.



Access to the Report

This report is presented in electronic versions that can be accessed from the Company's website (<https://aikosolar.com/en/>). In case of any discrepancy between the Chinese version and the English version of this report, the Chinese version shall prevail.

Message from the Chairman



Against the backdrop of a global energy transition, the solar photovoltaic (PV) industry, an essential pillar of renewable energy, continues to experience rapid growth alongside intense competition and fresh challenges. Guided by our mission to "empower transformation towards a carbon-free era", AIKO remains keenly aware of the evolving demands of the era, leveraging cutting-edge innovation to drive the age of zero-carbon new energy. We are firmly committed to advancing the transformation and upgrading of the PV sector, contributing to worldwide efforts in green energy transition.

The year 2024 marks a period during which AIKO strengthened its corporate governance and enhanced compliance operations. We have elevated our standards by progressively refining our governance framework, focusing on clarifying responsibilities under an ESG governance structure where the Board of Directors serves as the highest authority. We have improved the three-tier linkage mechanism of "governance-management-execution", formulated *AIKO Board Diversity Policy*, and bolstered board diversity and decision-making capabilities to fully integrate sustainability into our corporate governance. In addition, we have developed and published a suite of internal management policies, such as the *AIKO Business Ethics Management Policy*, the *Ethics Accountability Regulation*, and the *Employee Convention on Anti-bribery and Anti-corruption*, accepting supervision from all stakeholders and reinforcing our dedication to ethical operations and risk prevention. Embracing a spirit of self-reform and proactive transformation will remain the guiding principle for the future of our governance. We encourage senior managers to engage directly with frontline operations, identify issues, and resolve challenges. In doing so, we aim to rebuild leadership capabilities to ensure highly efficient, high-quality corporate operations.

In 2024, AIKO continued to create value and lead industry development. Despite cyclical headwinds in the PV sector, we achieved record-breaking sales in multiple overseas markets, and our solar cell shipments have ranked among the global leaders for several consecutive years. Our construction of the world's first pilot, "Carbon-free Society Demonstration Zone", on Dangan Island successfully commenced operations this year. This project stands as the globe's first "multi-energy complementary, multi-mode integrated, and multi-party interactive" new power system demonstration, showcasing innovative approaches to energy management. Furthermore, driven by our commitment to technological innovation, we established a European Zero-Carbon Research Institute to foster collaboration with governments on zero-carbon and clean energy systems,

helping shape a more sustainable global power system. We will persist in mapping out a zero-carbon future, integrating sustainable operating principles, leading the energy revolution, and seizing emerging opportunities in the PV industry.

This year of 2024 also saw AIKO focus on technological innovation and delivering value to customers. By the end of 2024, we had accumulated 16 years of expertise in PV cell R&D and manufacturing, including 9 years dedicated to N-type Back-Contact (BC) technology. We are confident that BC is a critical pathway to achieving the maximum efficiency of crystalline silicon cells. Innovation remains at the core of our development: we will continue to offer high-value products to our customers and drive the prosperity and growth of the PV sector. In 2024, we launched the "Quality Improvement and Efficiency Enhancement" R&D initiative to further our goal of "absolute product leadership", including enhancing the cost competitiveness of ABC modules and strengthening customer-centric module sales capabilities. Our total R&D investment exceeded RMB694 million this year, and we have accumulated 1,310 patents in China and abroad. Upholding respect for intellectual property rights, we advocate an open and collaborative approach as the industry's main theme. We are expanding the incremental value our products bring customers through disruptive innovation.

Reflecting on 2024, AIKO continued to make steady progress amid industry waves. In the coming year, we remain steadfast in promoting a "carbon-free society" through green initiatives that enable premium products and services. Guided by a firm belief in sustainable development, high ethical standards, and a spirit of bold innovation, we will make our mark with transformative technologies in the vast realm of new energy, laying a solid foundation for a more sustainable future for all.

Chairman of Shanghai Aiko
Solar Energy Co., Ltd.
Chen Gang

A handwritten signature in black ink, appearing to read 'Chen Gang', followed by a vertical line.

About AIKO

As a leading global new energy technology company, Shanghai Aiko Solar Energy Co., Ltd. has spent 16 years immersed in the new energy sector. Bringing together top R&D experts worldwide, AIKO focuses on the R&D and innovation of core solar PV technologies. We aim to provide global customers with high-efficiency, reliable solar cells, N-type ABC modules, and comprehensive PV energy solutions. We operate 3 major R&D centers, 6 production bases, and over 20 overseas branches.

AIKO has strategically positioned itself across key markets in Europe, establishing partnerships with most major channel partners in the industry and securing leading market positions in multiple countries. By the end of the reporting period, AIKO's N-type ABC modules were sold in over 50 countries and regions across China, Europe, Australia, Japan, South Korea, and beyond, engaging in partnerships with more than 500 customers. Together, these achievements form a globally integrated production and sales network.



16

years of engagement
in the new energy sector



3

major R&D centers



6

production bases



Over

20

overseas branches



AIKO's Cell & Module Accumulative Shipments

160 GW

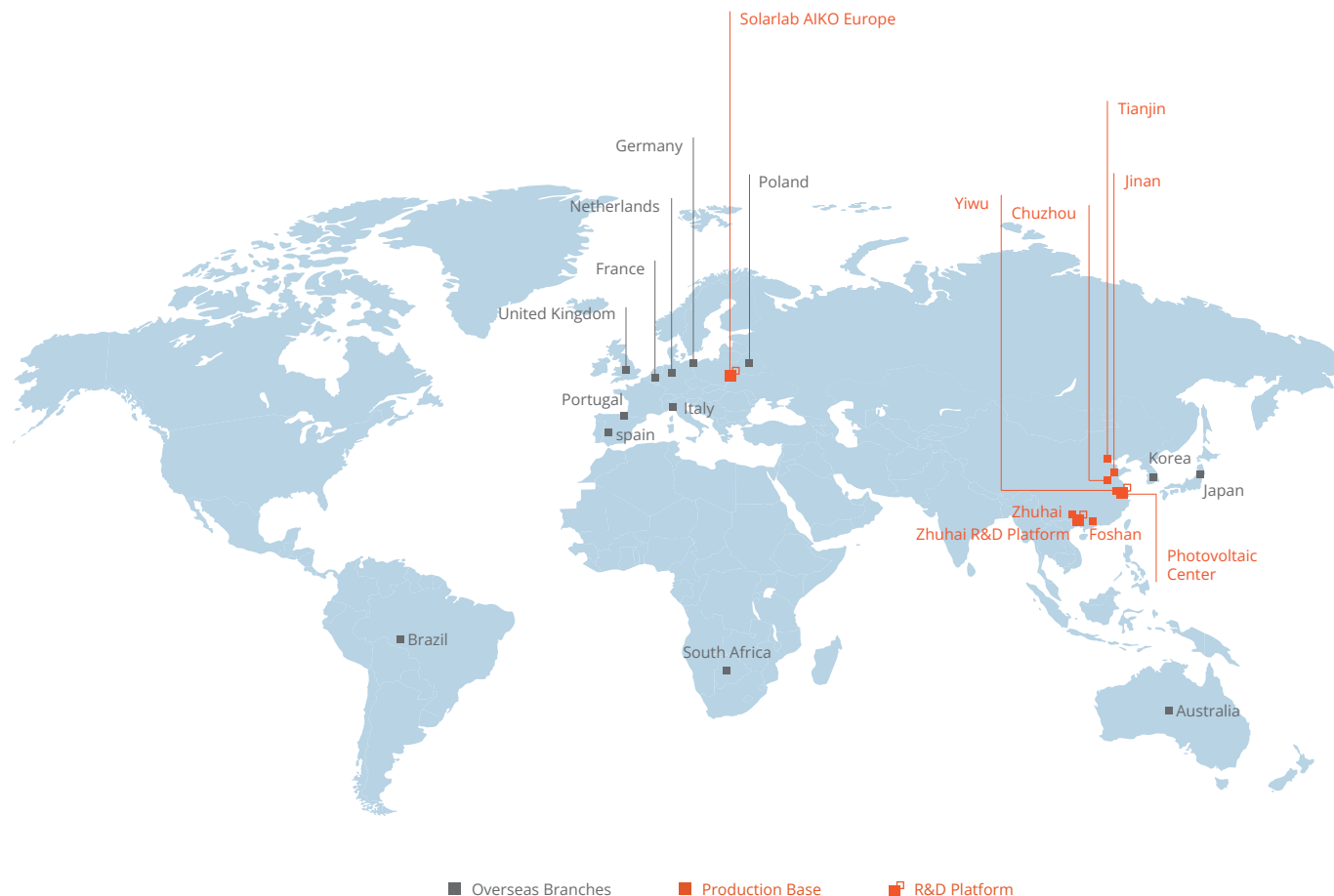
equivalent to ▾

• equivalent to **240** billion kWh of clean energy generated annually

• **128.784** million metric tons of annual CO₂ emission reductions

• **72** million metric tons of annual standard coal savings

• or annual planting of **357** million trees



AIKO's global manufacturing business

Our Business

By the end of 2024, leveraging profound technical expertise and strategic foresight in the PV industry, AIKO showcased a diversified business portfolio and strong growth potential. Centered on N-type ABC technology, we have established a fully integrated industrial chain, from high-efficiency solar cells to PV modules and PV-plus-storage solutions, while continuously driving technological innovation. In leading industry transformation, we are also accelerating global market expansion. Under the dual drivers of technology and market development, we have consolidated our leading position in the PV field, contributing to the global energy transition.

N-type ABC cells and modules

AIKO's ABC product lines cater to a broad range of applications: "Stellar series" for utility-scale power plants, "Comet series" for commercial and industrial settings, "Neostar series" for residential use, and "Nebula series" for lightweight modules, covering mainstream PV scenarios. These product lines feature breakthroughs in power output and efficiency and distinct technical advantages such as high bifaciality, enhanced shading tolerance, superior temperature coefficients, and low degradation.

In 2024, AIKO introduced the "Infinite" module solution, marking a comprehensive upgrade in technology and processes from wafer production to cells and modules. By eliminating the inter-cell gap and concealing the busbars, we maximized cell coverage within the module, substantially boosting the light-receiving area and power generation efficiency. Coupled with high-resistance, low-oxygen wafers, and OBB soldering, these advancements further reduce optical losses and overall power generation costs. These technical enhancements significantly improve module efficiency and reliability and deliver greater returns for customers, strengthening our leadership in the global PV market.



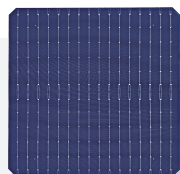
PERC cell

We strove to explore the potential demand for traditional products, optimize the order structure, enhance marketing efforts targeting overseas clients, and maximize the maintenance of the traditional product market.



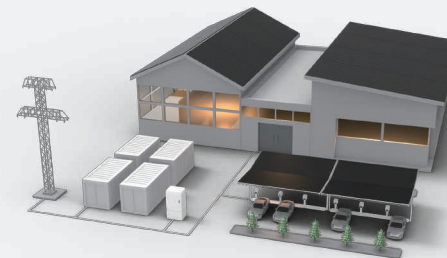
N-type TOPCon cell

We upgraded some PERC production lines to TOPCon technology, establishing a dual-technology driven product strategy for our solar cells.



>>> Solutions <<<

Responding to evolving policies and market demands, we have built a "1+3+N" smart energy solution service framework centered on high-efficiency ABC modules. Integrating power electronics and digital technologies, we provide specialized solutions for green factories, smart power stations, and zero-carbon industrial parks. This comprehensive approach, from "zero-carbon on the generation side" to "carbon reduction on the grid side", "carbon reduction on the demand side", and "carbon-saving dispatch", offers a one-stop service that optimizes the lifecycle of power generation and minimizes electricity costs for our customers.



Looking Ahead: From the P-Type Era to the N-Type Era

Recognizing the rapid advent of the N-type photovoltaic era, AIKO has proactively undertaken a comprehensive upgrade from products to strategy. By leveraging high conversion efficiency and outstanding performance, we provide customers with more efficient and reliable solar solutions. As of the end of the reporting period, our products have achieved leadership in multiple fields. Looking ahead, we will continue to strengthen our global presence, enhance brand influence, and inject new momentum into the global photovoltaic industry.

Technological Innovation Global No.1

1st to invent and achieve the bifacial, metrology, and classification technology

1st to invent and mass-produce tubular PERC

1st to mass-produce 210mm monocrystalline PERC cells

1st to mass-produce 166mm monocrystalline PERC cells

No.1 in global shipment of PERC cells in 2018

Product Efficiency Global No.1

No.1 in global shipment of PERC cells in 2019

1st to achieve Ag-free metallization technology

No.1 in production efficiency of high-quality silicon commercial cells for **26** consecutive months

1st to achieve integrated production of 10GW cell components

1st to invent N-type ABC technology, reaching the theoretical limit of high-efficiency silicon cells

Customer Value Global No.1

1st to achieve high-reliability BC component OBB technology

1st to achieve BC component bifaciality rate of up to 75%

1st to achieve silicon component production efficiency of 25%

1st to install photovoltaic power stations on Mount Everest

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Annual Awards

In 2024, we received numerous prestigious awards and recognitions from professional media, authoritative organizations, and industry leaders for our outstanding efforts in brand image, technological research and development, quality control, business management, and social responsibility.

Tera-Watt Diamond Award

SNEC PV+ 17th (2024) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition Organizing Committee

2024 "Smart PV Pilot Demonstration Enterprise"

Ministry of Industry and Information Technology of China

China Photovoltaic Industry Association – Outstanding Contribution Award (2014-2024)

China Photovoltaic Industry Association

Tier 1 PV Module Maker List

Bloomberg New Energy Finance (BNEF)

2024 PV Magazine Annual Module Award

PV Magazine

2024 Red Dot Design Award

Design Zentrum Nordrhein Westfalen

Global Top 500 New Energy Enterprises

China Energy News Co., Ltd.,
China Energy and Economy Research Institute

2024 Fortune China 500

Fortune China 500 Summit

2024 Carbon Neutrality Technology and Application Excellence Case in Architecture and Environment

Committee on Engineering and Environment, World Federation of Engineering Organizations & Specialized Committee on Renewable Energy and Carbon Neutral Architecture, China Society for Urban Studies

2024 Extraordinary Contribution Enterprise Award

Green Energy Industry Development Association

2024 Technical Innovation Pioneer Award

5th International Sci-Tech Innovation Festival Organizing Committee

Top 10 PV Module Brands of the Year

IN-EN.com, CHN Energy Research Institute

PVBL Top 100 Solar PV Brands in the World Certificate

Ne21.com, NETT, Photovoltaic Brand Lab

PVBL 2024 Global Most Influential Distributed Solar PV Brand

Ne21.com, NETT, Photovoltaic Brand Lab

13th "Polar Star Cup" 2024 Annual Influential PV Module Brand

mguangfu.bjx.com.cn

Weike Cup OFweek 2024 Ultra-high-efficiency PV Module Award

OFweek.com

ESG Management

AIKO continues to upgrade its ESG strategic goals, improve its ESG governance structure, and integrate these into its development model. Over time, this will form a sustainable development system with unique AIKO characteristics.

ESG Strategic Goals

Embracing the vision that "a carbon-free energy-based civilization spells a flourishing future, beneficial for the long-term harmony of humanity and our planet's ecology", AIKO has set its company strategy. We aim to offer revolutionary PV energy products (solar cells, ABC modules) and contextualized solutions through extreme technological innovation, empowering enterprises to achieve growth while promoting the long-term development of the new energy sector.

AIKO remains focused on innovation breakthroughs in product technology and engineering manufacturing capabilities, emphasizing enhancing photoelectric conversion efficiency. We offer high-efficiency, high-quality PV products to global customers, fueling the acceleration of the global carbon-free energy revolution.

ESG Governance

Effective ESG governance is crucial in ensuring stable operations and seizing development opportunities. AIKO has established an ESG governance structure with the Board of Directors as the highest authority. We formulate and continuously improve the Implementing Rules of the Strategy and Sustainable Development Committee, and are committed to gradually integrating ESG-related tasks into our management system, steadily advancing ESG matters.

Supervision	Board of Directors	Overseeing and monitoring the Company's ESG-related risks and key issues (including, but not limited to, energy, water resources, climate change, labor rights, business ethics, etc.), development strategy, and governance structure.
Decision-making	Strategy and Sustainability Committee	- Overseeing ESG (including, but not limited to, energy, water resources, climate change, labor rights, business ethics, etc.) work plans, target-setting, implementation, and performance assessment, providing management insights; - Integrating ESG with the Company's operational strategy, incorporating ESG considerations into strategic planning.
Management	ESG Working Group (coordinated by the President's Office)	- Reviewing the accuracy of ESG reports and performance data; - Coordinating the work of the ESG execution team; - Regularly reporting ESG progress to the Strategy and Sustainability Committee.
Execution	Functional departments, including Human Resources Department, Environmental Health and Safety (EHS) Department, Procurement Department, Quality Management Department, Legal Department, Factory Administration Department, and production bases	- Regularly reporting ESG work to the President's Office; - Responsible for collecting ESG-related data and preparing ESG reports; - Integrating ESG issues into the management of each department.

AIKO's ESG governance framework

Stakeholder Communication

AIKO proactively understands the expectations and concerns of stakeholders and develops diversified, targeted communication strategies to improve and implement the Company's sustainable business strategy.

Key stakeholders	Governmental bodies and regulators	Shareholders and investors	Employees	Customers	Suppliers	Community
Expectations and requests	■ Paying taxes under laws ■ Operating under laws ■ Contributing to the local economy ■ Technological innovation capabilities ■ Response to climate change ■ Anti-bribery and anti-corruption	■ Creating value for shareholders ■ Safeguarding the interests of shareholders ■ Improving corporate governance ■ Preventing and controlling operational risk ■ Information disclosure	■ Safeguarding the rights and interests of employees ■ Providing employees with growth opportunities ■ Improving employee welfare ■ Focusing on occupational health ■ Strengthening democratic communications	■ Protecting the rights and interests of customers ■ Guaranteeing the quality of products and services ■ Integrity and responsibility fulfillment ■ Value creation	■ Fair competition ■ Transparent procurement ■ Stable partnership	■ Building harmonious communities ■ Working for public interest ■ Local environmental protection
Communication channels	■ Paying taxes consciously ■ Accepting supervision ■ Regular work report ■ Improving the capabilities of innovation and R&D ■ Leading local development with special industries ■ Providing stable job opportunities	■ Shareholder meetings ■ Company announcements and regular reporting ■ Strategy meetings and roadshows ■ Onsite receptions and hotline for investors ■ Interactions and exchanges with the capital market, SSE e-interactive website	■ Employee representatives' meeting ■ Discussions with front-line employees ■ Employee satisfaction survey ■ Employee feedback ■ Cultural activities and sports, and care activities ■ Professional skill training opportunities	■ Customer Satisfaction Survey ■ Customer complaints and feedback management (via telephone, emails, and WeChat) ■ Technological discussions	■ Disclosing bidding information ■ Supplier performance assessment ■ Long-term strategic cooperation ■ Phone calls and emails ■ Technological discussions and factory audits	■ Volunteer activities ■ Donations ■ Protecting community environment ■ Supporting public construction in communities ■ Poverty relief through industry development and education

Materiality Assessment

During the reporting period, AIKO adopted a dual materiality assessment principle to evaluate annual material issues. We considered the impact and financial importance of issues raised by internal and external stakeholders, identifying and analyzing issues of higher materiality and forming a materiality issue matrix to disclose and respond to key topics.

2024 ESG materiality identification process



AIKO materiality matrix in 2024



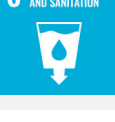
AIKO 2024 ESG Materiality Issue List

 Environmental	Issue	Original issue	Adjustment reason
	Clean energy opportunities* ¹	Clean energy opportunities	No adjustment
	Response to climate change*	Response to climate change	No adjustment
	Energy management	Energy governance	Name adjustment (refer to Chinese version)
	Product lifecycle management	/	New issue, added to match industry focus with corporate management priorities
	Pollutant and waste management	Waste management	Name adjustment, a more comprehensive presentation of corporate management actions and performance
	Water resources management	Water resources management	No adjustment
	Environment management	/	New issue in response to Shanghai Stock Exchange disclosure guidelines and industry focus
	Eco-friendly development	Eco-friendly development	No adjustment
 Social	Product quality management*	Product quality	Name adjustment
	Customer service and satisfaction*	Customer rights	Name adjustment
	Technological innovation*	Technological innovation	No adjustment
	Sustainable supply chain management*	Sustainable supply chain management	No adjustment
	Information security and privacy protection	Information security and privacy protection	No adjustment
	Occupational health and safety	Occupational health & and safety	Name adjustment (refer to Chinese version)
	Rights and interests of employees	Human resources management	Issue split for the targeted presentation of management actions and performance
	Talent attraction and retention	Human resources management	Issue split for the targeted presentation of management actions and performance
	Diversity, equality and inclusion	Human resources management	Issue split for the targeted presentation of management actions and performance
	Social relations and social contribution	Community relations	Name adjustment, a more comprehensive presentation of the Company's focus on and contributions to social issues
 Governance	Risk management and compliance operations*	Risk management and compliance	Name adjustment
	Business ethics and anti-corruption*	Business ethics, anti-corruption	Issue integration
	Corporate governance	Corporate governance	No adjustment
	Intellectual property protection	/	New issue in response to Shanghai Stock Exchange disclosure guidelines
	ESG governance	/	New issue in response to Shanghai Stock Exchange disclosure requirements
	Stakeholder engagement	Stakeholder engagement	No adjustment

¹ Issues marked with an "*" carry material significance from both a financial standpoint and an impact perspective.

Response to United Nations Sustainable Development Goals (UN SDGs)

During the reporting period, AIKO, combining the United Nations Sustainable Development Goals (UN SDGs) with its strategy and operations, has identified the SDGs most relevant to the material issues of concern to its stakeholders and implemented responsive measures.

UN SDGs	In this report	Associated material issues	Our responses	Highlights in 2024
 1 NO POVERTY	Creating Sustainable Value with Partners	Social relations and social contribution	- Made donations to support the philanthropic cause - Fulfilled corporate responsibility through engagement in volunteer activities	- Donated RMB5 million to the Beijing Insight Institute of Big Data Management Science - Participated in the "One-day Charity Donation" event for three consecutive years since 2022 - Donated RMB50,000 to the Zhuhai Charity Federation · Doumen Charity Fund to support community greening upgrades and renovations, in pursuit of the new development philosophy - Total annual charitable donations amounted to RMB5.25 million
 3 GOOD HEALTH AND WELL-BEING	Growing with Employees for Talent Development	Occupational health and safety	- Established a comprehensive environmental health and safety management system - Regularly identified occupational health risks - Offered employees complimentary health screenings	- ISO 45001 occupational health and safety management system certification coverage of 100% - Free annual health checkups for employees reached a 100% coverage rate
 4 QUALITY EDUCATION	Growing with Employees for Talent Development	Talent attraction and retention	- Built systematic talent development mechanisms and multi-dimensional career development channels - Provided support for employee educational advancement to empower career growth	100% coverage of performance evaluation for employees - Trained over 990 mentors - Built a full-cycle employee development system, achieving 100% coverage for domestic and international workforce - Accumulated a total of 128,790.46 training hours in the year
 5 GENDER EQUALITY	Growing with Employees for Talent Development	- Diversity, equality and inclusion - ESG governance	- Developed fair and impartial recruitment and promotion standards to foster a diverse, equal, and inclusive workplace - Provided welfare activities for female employees	- Organized 4 care activities for female employees - Established 3 activity clubs for female employees and conducted 24 events
 6 CLEAN WATER AND SANITATION	Embracing Responsibilities for Ecological Harmony	Water resources management	- Set water conservation goals for products - Developed diversified alternative water sources - Took water resource recycling measures - Advanced a water-saving program across the supply chain	- The water consumption per unit for ABC cells decreased by 76% in 2024 compared to 2023, surpassing the target of a 10% reduction - Alternative water sources accounted for 43.65% of total usage - Nudging key material suppliers to implement water conservation projects with 2.5 million tonnes of water saved
 7 AFFORDABLE AND CLEAN ENERGY	Quality First, Leading Technological Innovation	- Clean energy opportunities - Technological innovation	- Consistently drove technological innovation to enhance clean energy efficiency - Designed and manufactured superior PV products to enable a carbon-free society	- Achieved an average conversion efficiency of 27.3% for mass-produced ABC cells - Achieved a bifaciality rate of ≥ 75% for ABC modules
 8 DECENT WORK AND ECONOMIC GROWTH	Growing with Employees for Talent Development	Talent attraction and retention	- Implemented long-term compensation incentives to promote stable employment in regions where we operate - Strengthened industry-academia research collaboration to drive technological innovation and talent cultivation	Established AIKO European Zero-Carbon Research Institute

UN SDGs	In this report	Associated material issues	Our responses	Highlights in 2024
	Quality First, Leading Technological Innovation	- Clean energy opportunities - Product lifecycle management - Product Quality Management - Technological innovation - Intellectual property protection	- Developed high-efficiency, high-power products - Deepened cooperation with partners across multiple scenarios	Secured IEC 62941 PV Industry Management System Certificate
	Stable Operation and Excellent Corporate Governance	Business ethics and anti-corruption	Conducted business activities with high ethical standards, committed to a fair and honest market environment	- Launched the <i>Integrity Questionnaire</i> to 382 suppliers - Established three dedicated columns: "Integrity Dynamics", "Integrity Culture", and "Complaint and Reporting", with a total of 1,237 followers
	ESG Management Feature: Empowering Transformation Towards a Carbon-free Era	- ESG governance - Stakeholder engagement	- Strengthened collaboration with peers and the community to achieve sustainable communities and cities - Explored the building of carbon-free towns, islands, and cities	- Developed the zero-carbon project on Dangan Island - Empowered facilities-based agriculture through new energy systems
	Embracing Responsibilities for Ecological Harmony	- Environment management - Energy management - Pollutant and waste management - Product lifecycle management	- We strengthened the environmental management system, enhanced resource and energy utilization efficiency, and reduced pollutant emissions - Integrated green, low-carbon concepts into product lifecycle management	100% production bases have secured ISO 14001 Environmental Management System Certificate - Environmental protection investments amounted to RMB133.93 million 114 energy-saving projects implemented, saving 168,885.3 MWh annually - Compared with 2023, the electricity consumption per unit of ABC cells decreased by 38.77%, and the electricity consumption per unit of ABC modules decreased by 45.94%. Both have achieved the target of a 15% reduction
	Embracing Responsibilities for Ecological Harmony	Response to climate change	- Monitored climate change-related policies, improved internal governance and response plans, identified climate risks, and enhanced climate resilience - Increased the proportion of clean energy use, promoted green electricity purchasing and rooftop PV projects, reduced carbon footprint	- Purchased 37.19 million kWh of green electricity - Rooftop PV generated a total of 13.0302 million kWh - Established national green factories and low-carbon (near-zero carbon) demonstration enterprises
	Stable Operation and Excellent Corporate Governance	- Risk management and compliance operations - Business ethics and anti-corruption	- Strengthened risk management and internal control compliance to ensure stable business operations - Conducted business ethics training for all employees and suppliers to create a clean and transparent environment	- Engaged external experts for a 6-hour internal control system training session for the Company's 109 senior managers, including the Chairman, vice presidents, Financial department, and Change Project Team - Provided business ethics training for all employees and suppliers
	Creating Sustainable Value with Partners	Social relations and social contribution	- Engaged in industry-academia research cooperation, supporting university academics, teaching, and graduate job opportunities - Facilitated supplier exchanges	- Established industry-academia research collaboration with domestic and international universities and research institutes - Held training and communication activities for suppliers

ESG Training and Empowerment

To facilitate the management team and key business personnel's understanding and mastery of ESG knowledge, AIKO has organized multiple ESG-themed training sessions hosted by the Shanghai Stock Exchange and third-party institutions for its Board of Directors, Supervisory Committee, senior managers, and personnel from relevant ESG departments, covering ESG information disclosure, related-party transactions, business ethics, ESG ratings, and investments.

During the reporting period, ESG-themed training sessions were attended by the Company's directors, supervisors, senior executives, and heads of business lines



14

ESG-themed training sessions



with

321 participants



training

729.5 hours

Annual ESG Honors and Awards

▶	Granted the highest-grade award of Annual ESG Transparency Award—Excellence Award	EUPD Research
▶	2024 Typical Case in Dual Carbon S&T	China Energy News Co., Ltd., China
▶	2024 Top ESG Performers in the PV Industry	PV-Tech
▶	Frontier Award	4th Carbon Trading and ESG Investment Cooperation and Development Conference
▶	3rd International Green Zero-Carbon Festival—2024 ESG Model Enterprise Award	Syobserve.com
▶	ESG "Golden Dawn Award"	Securities Market Weekly
▶	ESG New Benchmark Enterprise Award	Stockstar
▶	2024 ESG Model Listed Company Award	Organizing Committee of the 14th Philanthropy Festival
▶	2024 SMM and D&B List of New Energy Enterprises in ESG—Award of Excellence in ESG	Dun & Bradstreet and Shanghai Metals Market
▶	Green Pioneer Case at the "Green Development with Finance" Forum	3rd Green Finance Forum
▶	2024 Guancha Syndicate ESG Model Enterprise Selection—S&T and Innovation Pioneer Award	Guancha Syndicate

Performance Highlights in 2024

¥ Economic Performance

Annual revenue	Deeply engaged in the new energy sector for	Cumulative cell & module shipment exceeding
RMB 11.155 billion	16 years	160 GW

🌍 Environmental Performance

Annual electricity savings	ABC cell electricity consumption per unit decreased by	ABC module electricity consumption per unit decreased by
168,885.3 MWh	38.77 % ↓ compared to 2023	45.94 % ↓ compared to 2023
PERC cell electricity consumption per unit decreased by	Annual water savings	ABC cell water consumption per unit decreased by
37 % ↓ compared to 2021	1,952.2 thousand tonnes	76 % ↓ compared to 2023
PERC cell water consumption per unit decreased by	Use of alternative water sources increased by	ISO 14001 Environmental Management System certification coverage
45 % ↓ compared to 2021	47 % compared to 2023	100 %

🛡️ Social Performance

Total number of employees	Number of R&D personnel	R&D investment	Cumulative number of patent applications
7,566	665	RMB 694 million	2,649
Cumulative number of authorized patents	Provincial and municipal-level innovation platforms established	Number of information security and privacy breaches	Traceability rate of tin-containing material raw materials
1,310	11	0	100 %
Proportion of compliant mineral usage	Coverage of tin-containing material suppliers signing the Supplier Code of Conduct	Coverage of anti-corruption training for suppliers	Supplier communication meetings held over
100 %	100 %	100 %	600
Employee training coverage	Annual organizational atmosphere satisfaction score	Customer satisfaction score	Customer complaint resolution rate
100 %	91	94.8	100 %

📋 Governance Performance

 1 female director accounting for 14.3 %	 3 independent directors accounting for 42.9 %	 5 professionals accounting for 71.4 %	Integrity training sessions for the Board of Directors and Audit Committee 3 Special integrity training sessions for sensitive position employees 6	Integrity training sessions for management trainees, supervisors, managers, and directors 9 Coverage of integrity training for new employees 100 %	Sent integrity initiative statements to 594 major suppliers Number of legal cases filed due to violations of anti-corruption policies 0
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Our Membership in Organizations and Associations



Joined the Carbon Neutrality Committee of China Energy Conversation Association



Signed the Women's Empowerment Principles (WEPS)



Joined the United Nations Global Compact (UNGC) maintains regular and active communication with UNGC

Social Responsibility Audits & Certifications

Our Zhuhai Base has accepted the Sedex Members Ethical Trade Audit

Our Guangdong Base and Shenzhen AIKO Digital Energy have obtained SA8000 certification



SA8000 Management Certificate granted to Guangdong AIKO



SA8000 Management Certificate granted to Shenzhen AIKO



Our ESG Ratings in 2024



WIND ESG rating



CCXGF



SynTao Green Finance



Sino-Securities Index



Feature

Empowering Transformation Towards a Carbon-free Era

AIKO Scenario-based Solutions

We integrate new energy with digital technology, continuously exploring the "PV +" model, and deeply understand the challenges and differences in varied PV application scenarios for customers, providing customized research, development, and manufacturing to deliver maximum value. We aim to drive global green technological innovation and practice through R&D and innovation, strategically positioning ourselves in the global new energy market and continually providing powerful energy for a zero-carbon society.



Residential Scenario

Neostar Series

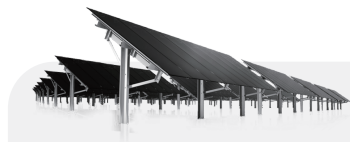
Ultimate Efficiency | Premium Aesthetics | Ultra-Safety



C & I Scenario

Comet and Nebular Series

Powerful Green Energy | Higher Returns | Ultra-Safety



Utility Scenario

Stellar Series

Higher Power | Lower LCOE | Reliable Performance

Residential scenarios

Supporting Efficient Power Generation for Residential PV

We assisted a hotel in Xinxiang to tackle high electricity costs during the summer and the limited conditions for installing PV modules. The project improved installation capacity and energy generation within the same area. The reliable packaging process prevents the intrusion of oil and dust, meeting the customer's need for cost reduction and efficiency enhancement.



AIKO assists Xinxiang Hotel in Meizhou, Guangdong with its photovoltaic project renovation

Commercial scenarios

The World's Highest Altitude PV and Storage Supercharging Station

The integrated PV and energy storage project in the Mount Sagarmatha National Park is located at an altitude of 4,285 meters. We used N-type ABC double-glass 645W modules to build this world's highest-altitude PV and storage supercharging station. These modules have undergone rigorous hail and load testing, demonstrating exceptional resistance to micro-cracking. Leveraging ultra-high-resistance, low-oxygen N-type wafers, bipolar passivated contact technology, and robust encapsulation processes, they achieve low degradation and outstanding durability. Integrated with Huawei's advanced supercharging terminals, the modules deliver stable, high-efficiency performance under extreme environmental conditions, with an anticipated annual power generation of 254,000 kWh, supplying clean energy to the Everest liquid-cooled supercharging station and enabling new energy vehicles to harness solar power at the roof of the world.



AIKO's N-type ABC dual-glass 645W modules power the world's highest-altitude integrated PV-storage supercharging station

Industrial scenarios

Combining Efficient Power Generation with Architectural Aesthetics

We supported the retrofit of the CapitaLand Mall PV project, which faced high electricity costs, significant power demands, and partial shading issues. By deploying AIKO's N-type ABC modules with a total installed capacity of 1.2 MW, the project gained multiple advantages: High conversion efficiency and shading optimization: Under limited rooftop space and dynamic shading, these modules enabled a 10% increase in installed capacity compared to TOPCon products. In Changsha, Hunan Province, where summers are marked by intense sunlight and high temperatures, AIKO's modules maintain long-term high power output thanks to a superior temperature coefficient (-0.26%/°C) and low annual degradation rate (0.35%). Besides, shading optimization lowers energy losses, while high-temperature mitigation reduces the risk of hotspots and fire hazards. The modules' all-black aesthetic meets the sophisticated appearance requirements of commercial projects in urban centers.



AIKO supports the photovoltaic renovation project of CapitaLand Mall

Industrial scenarios Combining Efficient Power Generation with Architectural Aesthetics

The PV power generation project at Jinan Jiayi Logistics Park utilizes the limited roof area to install PV systems. The project spans 25,000 square meters, with a total installation capacity of 4.875 MW. With a full-grid-connected mode, the estimated annual electricity generation is 5.7924 million kWh, with annual sales revenues expected to exceed RMB2 million.



AIKO efficiently utilizes idle rooftops in the industrial park for photovoltaic system installation

Industrial scenarios Helping High-energy Consumption Building Materials Enterprises in Energy Savings and Green Transformation

Taishan Gypsum (Jiangyin), a high-energy consumption building materials enterprise, faces significant electricity demands and limited rooftop space. The project occupies 31,400 square meters with an installation capacity of 4.2 MW, generating approximately 4.4 million kWh annually. The PV station meets its electricity needs and supports its green, low-carbon transformation. The project saves 1,320 tonnes of standard coal annually, reducing carbon emissions by 2,361.04 tonnes, significantly lowering electricity costs, and bringing substantial financial benefits.



AIKO's PV power station project supports Taishan Gypsum's energy transition

Centralized scenarios Developing the Fishery-PV Complementation Mode for Centralized Power Stations

The Hezhou North Fishery-PV Complementation centralized project is in Zhuhai, Guangdong, south of the Tropic of Cancer. The project covers 7,800 mu (around 5,200,000 m²) and uses AIKO's N-type ABC modules, with a total installation capacity of 398.9 MWp. The expected annual electricity generation is 4.7 million kWh, which will reduce carbon emissions by 252,200 tonnes annually, equivalent to planting 700,600 trees. In addition, it will reduce ash and dust emissions, save water, and lower wastewater discharges, providing significant energy, environmental, and social benefits. The project uses the "fishery-PV complementation" model, with water-based electricity generation and fish farming below the surface, maximizing ecological and aquaculture benefits and achieving efficient resource utilization.



Hezhou North Fishery-PV Complementation centralized project

Multi-scenario integrated applications The zero-carbon project on Dangan Island

The zero-carbon project on Dangan Island, developed by AIKO, demonstrates the transition to a zero-carbon island by promoting clean energy, offering a practical example of zero-carbon society construction. Previously reliant on diesel power generation, Dangan Island consumed 198,000 kWh annually, with electricity prices as high as RMB3.28/kWh, and suffered from low generation efficiency and significant pollution. AIKO introduced a micro-grid system consisting of PV, energy storage, charging, and wind power systems without changing the existing power consumption model. The system, covering around 1,120 square meters of public space, integrates "wind, solar, storage, and charging" with the diesel backup system. The project saves 91.42 tonnes of fuel annually, reducing CO₂ emissions by 104.54 tonnes per year, equivalent to planting 5,438 trees. It also considerably lowers electricity costs for residents, saving approximately RMB200,000 annually. The safer and more reliable power system enhances residents' safety and improves their quality of life. The Dangan Island project is a model zero-carbon scenario for islands and coastal cities relevant to inland rural areas.



Zero-carbon project on Dangan Island

Stable Operation and Excellent Corporate Governance

01

Excellent corporate governance is the foundation for sustainable development and a safeguard for maximizing the interests of all stakeholders. We integrate high-quality, sustainable development concepts into our corporate strategy and management to continuously strengthen standardized operation, enhance the quality of the Board of Directors' operation, and optimize the structure of the Board of Directors and the Specialized Committees, improving the overall governance level.

Material topics of sustainability covered in this chapter

- Corporate governance
- Risk management and compliance operations
- Business ethics and anti-corruption
- Stakeholder engagement
- ESG governance

UN SDGs addressed in this chapter



Enhancing Corporate Governance

In strict accordance with applicable laws and regulations and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Listing Rules of Shanghai Stock Exchange*, local laws and regulations of overseas operating locations, as well as company policies such as the *Articles of Association* and *Rules of Procedure for Shareholder Meeting*, we have established a corporate governance structure with clearly delineated organizational frameworks and well-defined responsibilities. Meanwhile, we maintain proactive communication with our stakeholders to improve our corporate governance.

Governance structure

Our governance structure consists of the Shareholder Meeting, the Board of Directors, the Supervisory Committee, and the Management, ensuring a comprehensive decision-making mechanism. The Board of Directors is supported by several Specialized Committees: The Nomination Committee, the Strategy and Sustainability Committee, the Compensation and Review Committee and the Audit Committee, all of which assist the Board of Directors in performing its duties and advancing the compliant, reasonable, and efficient governance within the Company.

The decision-making and supervisory matters of the Shareholder Meeting, as well as the Board of Directors and its Specialized Committees, are conducted in strict compliance with operational norms and the Company's relevant policies. During the reporting period, we held 3 Shareholder Meetings, 9 Board Meetings, and 6 Supervisory Committee Meetings.

AIKO's Structure for the Shareholder Meeting, Supervisory Committee, Board of Directors, and the Specialized Committees under the Board of Directors



Nomination Committee

Researches the selection criteria and procedures for directors and executives, selects qualified candidates, assesses their qualifications and provides recommendations.

The Nomination Committee has
3 members

independent directors
2 members



Strategy and Sustainability Committee

Researches and proposes recommendations on the Company's long-term development strategy, major investment decisions, and significant ESG-related management matters.

The Strategy and Sustainability Committee has
5 members

independent director
1 members



Compensation and Review Committee

Researches the performance assessment standards for directors and executives, assesses their qualifications and provides recommendations, formulates the compensation policies and plans for directors and executives, and monitors the implementation of the Company's compensation policies.

The Compensation and Review Committee has
3 members

independent director
2 members



Audit Committee

Reviews the Company's financial information, supervises and assesses internal controls, reviews and monitors the results of internal audits, and supervises and assesses external audit activities.

The Audit Committee has
3 members

independent director
3 members

Board diversity and independence

The diversity and independence of the Board of Directors are key factors in safeguarding shareholders' interests and maintaining the company's stable development. During the reporting period, we formulated and published the *AIKO Board Diversity Policy*. In the selection of board members, the Company takes into full consideration the benefits of diversity across multiple dimensions, including educational background, industry experience, professional expertise, knowledge, gender, age, cultural background, geographic origin, and ethnicity. By integrating diverse perspectives and ways of thinking, the company aims to enhance the objectivity of the Board, strengthen its decision-making capabilities, and improve overall corporate governance.

Regarding the Company's independence, AIKO has formulated and implemented the *Independent Director Policy* and established specialized meetings for independent directors, clarifying their responsibilities and authorities at various levels and improving the Board's decision-making efficiency and standardized operations. A 3-year average tenure for directors is stipulated by the Company, with reappointment allowed upon completion of the first term. Independent directors are limited to a maximum tenure of 6 years.

Compensation for executives

To establish an incentive and constraint mechanism compatible with the modern corporate system, ensure the fairness of AIKO's compensation system, promote long-term value creation, and prevent ethical risks, the Company developed the *AIKO Performance Compensation Clawback Policy* during the reporting period. This policy applies to the senior management of the Group and all subsidiaries. It links performance bonuses and long-term and immediate incentives to the Company's financial and sustainability performance indicators, combining short-term benefits with long-term interests.

Additionally, the Company semi-annually and annually conducts assessments and feedback on executives' individual performance based on the *Individual Performance Management Rules*. For executives who fail to achieve preset performance goals or conduct actions that violate the Company's values or harm its interests, the Company will reclaim performance-based compensation or cancel any unfulfilled portion based on the completion of the performance goals.

Moreover, the Company integrates ESG performance indicators into executives' compensation performance assessment. The assessment includes but is not limited to energy management, water resource management, waste management, corporate governance structure, compliance management, anti-corruption, and business ethics management, ensuring that the management team strictly follows sustainability principles.

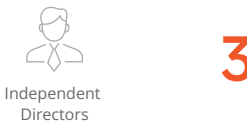
Executives' compensation performance assessment

ESG performance indicators
(includes but is not limited to)



Key performance

As of the end of the reporting period, the Company's Board composition is as follows:



²"Professionals" refer to financial experts and industry-specific experts, classified according to the MSCI ESG Ratings.
Our industry-specific experts: Chen Gang and Shen Honglie.
Our financial experts: Liang Qijie, Shen Yu, and Xu Liping, as detailed in our 2024 Annual Report.

Shareholders' rights and interests

In strict accordance with internal documents, such as the *Investor Relationship Management Policy* and the *Information Disclosure Management Policy*, we enhance communication and interaction with investors through multiple channels, including the Shareholder Meeting, investor open days, performance briefings, roadshows, hotlines, and emails.

Key performance

In 2024



we issued stock exchange announcements

113



held performance briefings and investor open days

5



participated in or hosted online and offline research sessions

260+

In line with the principle of investor-centric development, we released the 2024 "Quality Improvement, Efficiency Enhancement, and Return on Investment" Action Plan in June 2024 to continuously advance the Company's high-quality development and improve investment value.

We have defined the decision-making principles and authorities for related-party transactions in our internal management policies, including the *Articles of Association* and the *Related Party Transaction Decision-making Policy*, ensuring that related-party transactions do not harm the Company's or non-related shareholders' interests. When reviewing related-party transactions, the Company follows the appropriate review procedures based on the transaction amount and the nature of the matters involving the General Manager, the General Manager's Office, independent director meetings, the Board of Directors, the Supervisory Committee, or the Shareholder Meeting. During this review process, the Company focuses on reviewing the necessity, reasonableness, and fairness of related-party transactions to ensure that they do not harm the interests of the Company and its shareholders. Furthermore, we regularly update our list of related parties, and integrate an automatic identification function for related parties into our internal OA system, effectively improving the monitoring and management of related-party transactions.

Additionally, to safeguard the rights of shareholders, particularly minority shareholders, we have established shareholder voting mechanisms and return systems, including cumulative voting, separate voting for small and medium-sized investors, and online voting to protect their rights to information, participation, and returns.



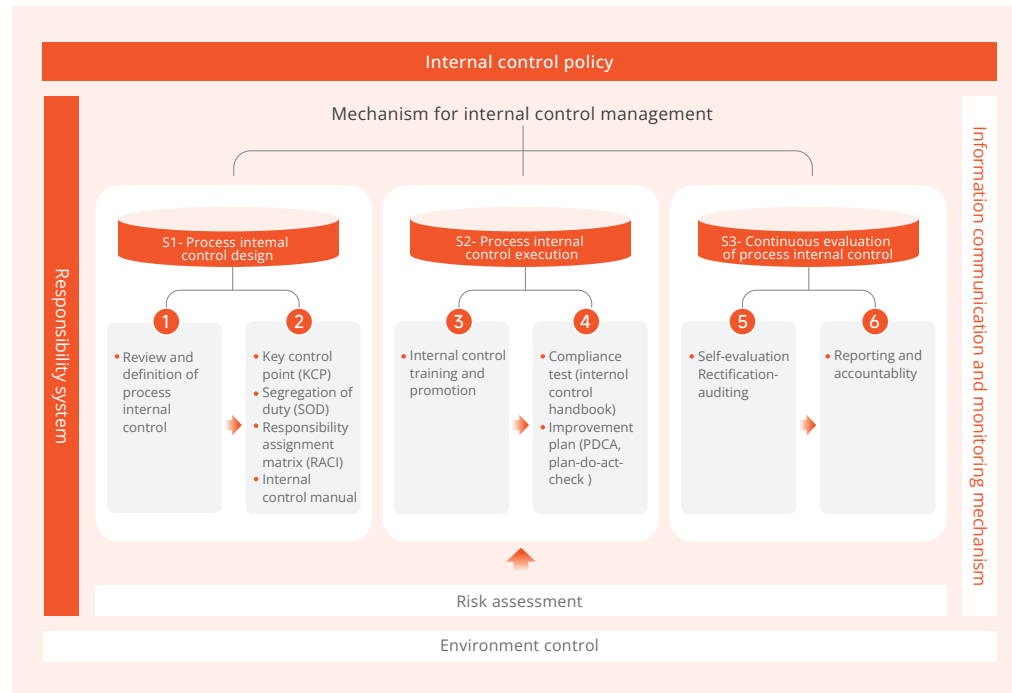
Comprehensive Risk Management

We have long prioritized risk management, paying close attention to various risks in the Company's business lines and operational processes. According to domestic and international laws and regulations as well as guidelines such as the *Internal Control-Integrated Framework* and *Enterprise Risk Management - Integrating with Strategy and Performance* issued by the Committee of Sponsoring Organizations (COSO), we have established and continually optimized our risk and internal control management systems, ensuring that all business operations are standardized while improving our risk defense capabilities. The Audit Committee serves as the highest authority for internal control and risk management, with the Audit Department responsible for full-process risk management and internal control, both "proactive and retrospective".

Internal control and compliance

Following policies such as the *Basic Standards for Enterprise Internal Control*, *Internal Audit Policy* and *Audit Management Procedures*, we have improved our internal control mechanism with the two-tier audit management system consisting of the Audit Committee and the Audit Department. We strengthened control in high-risk areas, and developed guidelines such as the *Guidelines for Key Control Point (KCP) Management*. By identifying key control points, focusing on the effectiveness of execution, and employing appropriate measures such as segregation of duties and proper authorization, we effectively ensured the accuracy and reliability of internal control monitoring data.

Internal Control Mechanism of AIKO



During the reporting period, we created an audit risk map and developed an annual audit work plan in line with our strategic goals, operational objectives, and regulatory requirements for listed companies. Our Audit Department also carried out audits throughout all business areas of the Company, supporting the Company's governance and enhancing its internal control system. Additionally, based on audit results, we develop improvement plans for the next phase and ensure the implementation of related tasks, fostering a positive cycle of internal control.

We also make efforts to cultivate employees' compliance awareness. Through training initiatives such as the Morning Sun Project (Manager Succession Candidates Program), specialized training on risk and internal control, WeLink public account promotions by the Audit Department, AIKO's internal publications, the W3 Office Integrated Platform Knowledge Community, and internal control mechanisms and documents, we continue to empower employees with the foundational knowledge and tools for risk and internal control management.

During the reporting period, we hired external experts to provide 6 hours of specialized internal control system training for 109 key employees, including the Company's Chairman, several vice general managers, finance team members, and the Change Management Project Team, further enhancing the compliance awareness of the management and key personnel.

Key performance

In 2024

Published	with	Completed external training and experience-sharing sessions	
29	9,173	4	times
internal control-related articles	reads		
Conducted	with	across	Covered PO ³ , PC ⁴ , and managerial employees across
39	2,248	19	16
"online + offline" internal control-related training sessions	person-time	departments	process areas

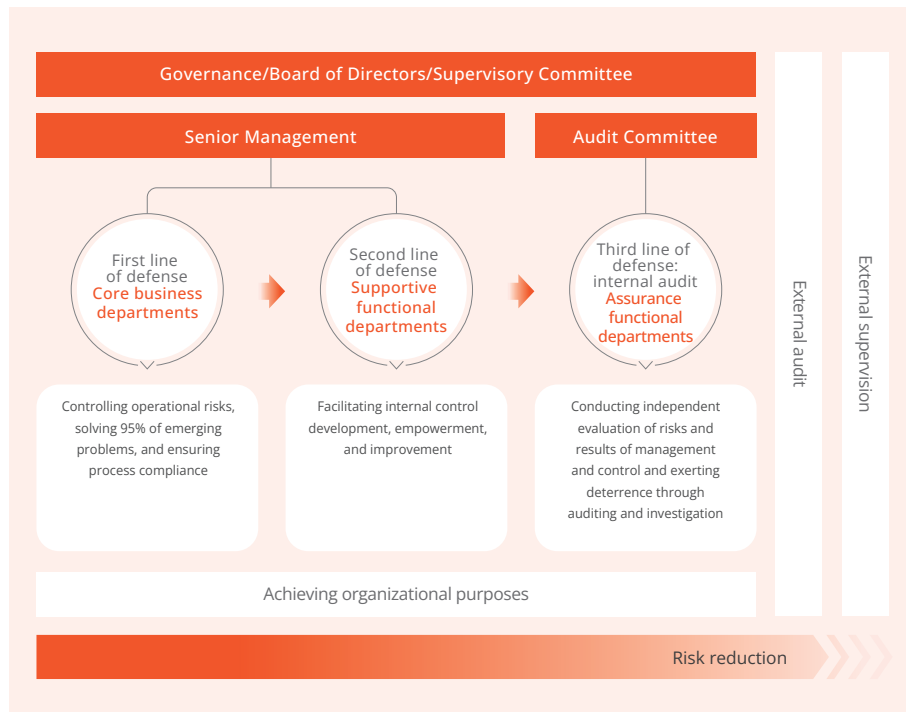
³ PO is the acronym for Process Owner, the person responsible for a process.

⁴ PC is the acronym for Process Controller, the core operation team of a process.

Risk management

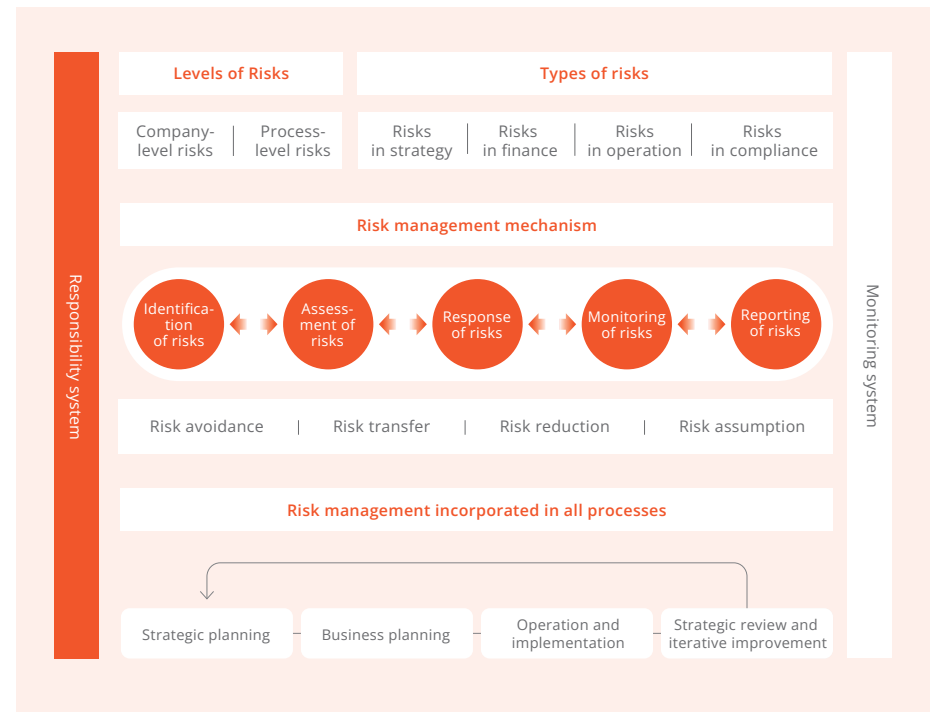
Based on the *Three Lines of Defense Model* issued by the *Institute of Internal Auditors (IIA)*, we formulated the "Three Lines of Defense Structure" fitting our operational characteristics. This framework provides comprehensive and multi-dimensional defense against risks in our strategic, operational, reporting, and compliance areas. The Audit Committee, as the highest responsible body, regularly reviews the risk management activities of the Audit Department and reports to the Board of Directors. We continually refine the roles and responsibilities of the risk management team, effectively advancing top-level design and promoting risk management tools and methods, thereby empowering the Company's risk management capabilities.

AIKO's Three Lines of Defense Against Risks



We have released internal regulations such as the *Risk Management Provisions* and *Guidelines for Risk Identification and Assessment Management*. These internal guidelines prioritize risk identification and assessment in high-risk domains in procurement from various dimensions, including risk identification, risk assessment, and risk response. Meanwhile, we established a set of risk assessment criteria to determine risk levels based on factors such as probability and impact.

AIKO's Risk Management Mechanism



Adhering to Business Ethics

We remain committed to upholding honesty and integrity in all business activities and operations and adhere to the highest standards of business ethics when conducting operations in various regions, with the aim of fostering a fair and honest market environment and ensuring the sound and orderly development of the market.

Business ethics management

Management mechanism

We have developed several management policies, including the *AIKO Business Ethics Management Policy*, *Ethical Accountability Management Regulations*, *Employee Convention on Anti-bribery*, and *Anti-corruption*, and *Anti-fraud Code*. These policies serve as guidelines and safeguards for ethical business practices, with all subsidiaries following the Group's internal policies to establish relevant rules and regulations. In these policies, we emphasize a zero-tolerance approach to corruption, money laundering, and unfair competition, setting up corresponding management mechanisms to regulate internal business conduct and establish a transparent and ethical corporate atmosphere.

To ensure the effectiveness of these policies, the Board of Directors established the Audit Committee as the highest authority on business ethics, which supervises and manages the Company's internal business ethics standards. The Audit Department's monitoring team is responsible for coordinating and advancing specific tasks related to business ethics and anti-corruption efforts. We use a "prevention, supervision, follow-up, and optimization" procedures to systematically manage business ethics, continuously improving the management mechanism and reinforcing our ethical culture.

We regularly conduct annual reviews of business ethics violations and issues related to insufficient awareness of business ethics, evaluating corruption risks from various perspectives. We identify and focus on high-risk business areas and positions through review and risk assessment processes, deepening the understanding of business ethics management and improving management processes and internal control procedures.

Additionally, we issue an annual integrity survey to all employees to assess their understanding and practice of ethical conduct. Based on the survey results, we strengthen management in weaker areas. In 2024, we collected 2,573 valid survey responses and, based on the findings, promoted internal management requirements and conducted integrity training, enhancing employees' awareness of ethical practices.



AIKO's Business Ethics Management Procedures

Supplier business ethics management

We place great importance on the business ethics of our partners and are committed to preventing any incidents related to commercial bribery and corruption. During the collaboration process, suppliers are required to sign the *Anti-Bribery and Anti-Corruption Agreement and Commitment of Integrity*. Furthermore, the *Code of Conduct* and *Supplier Code of Conduct* have been in place to clearly define the business ethics requirements for suppliers.

To effectively manage suppliers' compliance with business ethics, we require suppliers to establish and implement management systems to ensure compliance with the codes of conduct. Those management systems must be regularly reviewed and assessed by the senior management of suppliers to ensure effectiveness and reviewed by the Company to ensure compliance with our business ethics standards. In 2024, we sent *Integrity Questionnaire* to 382 suppliers to gauge their recognition and engagement with business ethics and integrity practices.

Furthermore, AIKO and other photovoltaic companies established the PV Industry Anti-Bribery Exchange Platform called Sunshine Circle. This platform is dedicated to discussing common anti-bribery issues in the PV industry and promoting integrity across the value chain.

Case

"Honest Collaboration for Win-Win Future" Themed Meeting

In March 2024, AIKO and leading companies such as LONGi and TBEA organized a themed meeting titled "Honest Collaboration for Win-Win Future". The meeting focused on integrity risk areas and key issues, with audit and compliance leaders from participating companies sharing their anti-bribery work experiences and strategies. Topics discussed included integrity issues in the photovoltaic workforce, establishing a framework for future communication, and fostering collaboration for a cleaner industry. This event enhanced communication and mutual support among industry peers and jointly built a clean and ethical environment for the photovoltaic sector.



“阳光圈子” 成立大会暨第一次线下论坛

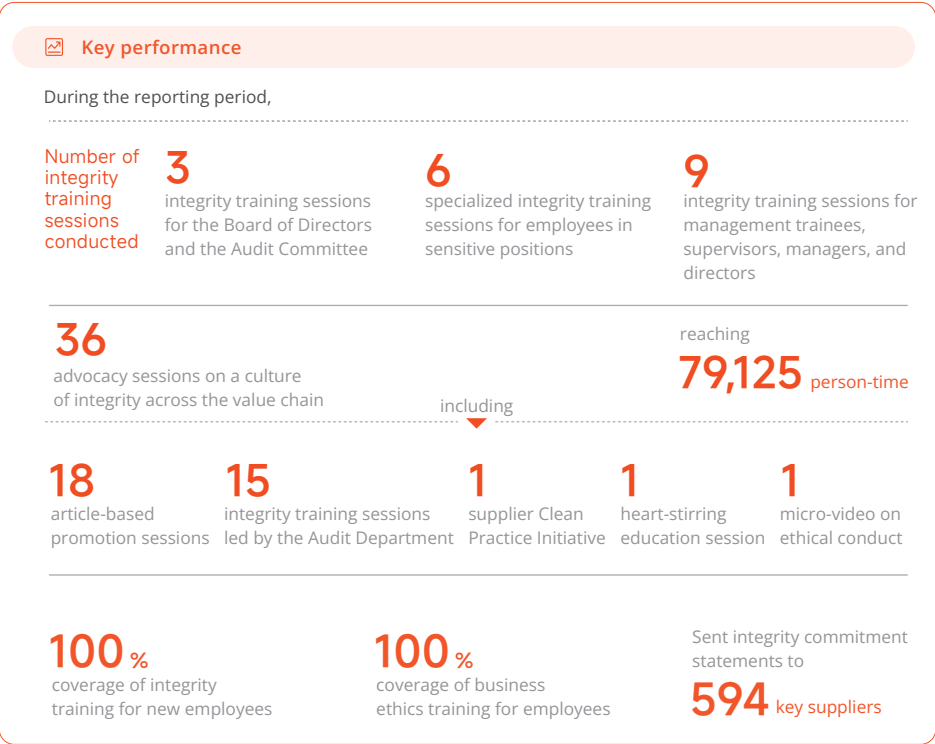
Sunshine Circle Inauguration and First Forum

Business ethics training and advocacy

With a training program on anti-corruption and business ethics for all employees, contractors, and suppliers, we keep innovating in its training approach, promoting a culture of integrity throughout the entire value chain and raising awareness of anti-corruption policies for overseas employees. In 2024, we continued innovations by creating the AIKO Integrity WeChat official account with three key columns: "Integrity Dynamics", "Integrity Culture", and "Complaints and Reporting". These initiatives accumulated 1,237 followers. Through the WeLink Audit WeChat official account, Integrity AIKO WeChat official account, and email communications, we pushed business ethics promotion articles to all our employees and contractors.



AIKO's Key Position Managers Visit Zhejiang Central Integrity Education Base



Supervision, auditing, and reporting mechanisms

To strengthen the supervision and examination of both internal and external business ethics, we conduct audits covering the Company's entire range of operations at least once every three years and carry out non-regular internal business ethics audits. In 2024, we conducted business ethics audits in areas such as administrative services, warehousing, and chemical testing, reviewing the implementation of the business ethics code, business compliance, investigation and handling of ethical violations, and providing recommendations and supervisory improvements.

We encourage employees, suppliers, partners, and other stakeholders to report any suspected violations of laws or regulations. We have developed the *Complaint and Reporting Management Regulations*, which comprehensively standardizes the management of complaints and reports. We have established diverse reporting channels, including email, phone, and WeChat official accounts, to ensure accurate and efficient receipt and processing of all reports.

Whistleblower protection

If a whistleblowing report occurs, our Audit Department will assign specialists to assess the reporting information, ensuring the legal rights of the whistleblower are protected. Measures such as anonymizing the source of the report will be taken, and support in consultation and legal assistance will be provided to the whistleblower in emergencies. We operate a closed-loop management system for complaints and reports, classifying and investigating each complaint and ensuring proper reception, handling, and feedback. If a complaint is verified as legitimate, our management will determine appropriate disciplinary actions, including termination of employment or business relations, with the Audit Department providing feedback to the whistleblower regarding the investigation and actions taken.

Moreover, we treat the personal information, materials, and interview content related to whistleblowers with strict confidentiality and prohibit any retaliation against the whistleblower, witnesses, or investigators. Any retaliation against whistleblowers, witnesses, and investigators is strictly prohibited, and will result in disciplinary measures such as dismissal, termination of cooperation, and legal accountability.

During the reporting period, we received 43 business ethics complaints and investigated 7 violations of the business ethics code, with a resolution and rectification rate of 100%. No lawsuits were involved due to violations of anti-corruption policies.

AIKO's Integrity Complaints and Reporting Channels



Email

audit@aikosolar.com



Hotline for complaint and reporting

+86-0579-89987350



Mail

R&D Building, 699 Haopai Road, Suxi Town, Yiwu City, Zhejiang Province - Audit Department



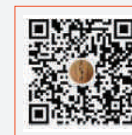
WeLink Business

Application "AIKO Audit Department - Fraud complaint and report"

AIKO Integrity
WeChat official account



Audit and Supervision
WeChat official account



Quality First, Leading Technological Innovation

02

As an advocator of the zero-carbon energy transformation, AIKO remains committed to prioritizing quality. We continuously refine our R&D and innovation, focus deeply on customers' scenario-specific needs, and strengthen measures such as intellectual property protection, information security, and safeguarding business secrets. We are committed to providing customers with efficient, reliable, and green products and services, unwaveringly advancing our efforts toward the zero-carbon vision.

Material topics of sustainability covered in this chapter

- Clean energy opportunities
- Product lifecycle management
- Product quality management
- Technological innovation
- Intellectual property protection

UN SDGs Addressed in this Chapter



Pursuing Lean Production

AIKO has long been upholding the customer-oriented principle with the ambition of being the front-runner in terms of high-quality products. Our guideline is to meet a customer's need, and our evaluation standard is the better quality and lower cost of products. With these concepts in mind, we have charted the mid- and long-term quality strategy with specific roadmaps to achieve our goals. To establish a full-value chain quality management system for improving quality management and systematic capability, a model based on Crosby's 4P Solutions has been set up where three emphases have been integrated: The Zero Defect concept, the ISO 9001 quality management system and the reform of the process.

Quality management system

Quality management strategy

AIKO has established company-wide quality goals and a "three-step" strategic plan to guide the Company through a comprehensive transformation – from engineering thinking to customer-centric thinking, from manual control to digital control, and from centralized management to capability centers. This transformation aims to shift from traditional quality management to total quality management.

Three-Step Quality Strategy

Quality Goal

We focus on customer values and lead the PV industry with high quality products to become the go-to choice for customers seeking exceptional value.

Stage I

- Enhancing methods for management and control under laws and maintaining the quality advantage of PERC cells together with the quality advantage of ABC modules.

Stage II

- Promoting digitalization and organizational development to help our customers be aware of the quality advantages of ABC modules/TOPCon products.

Stage III

- Achieving the comprehensive systematization to reveal the quality advantages of all product lines for our customers.



Governance

Quality management policies

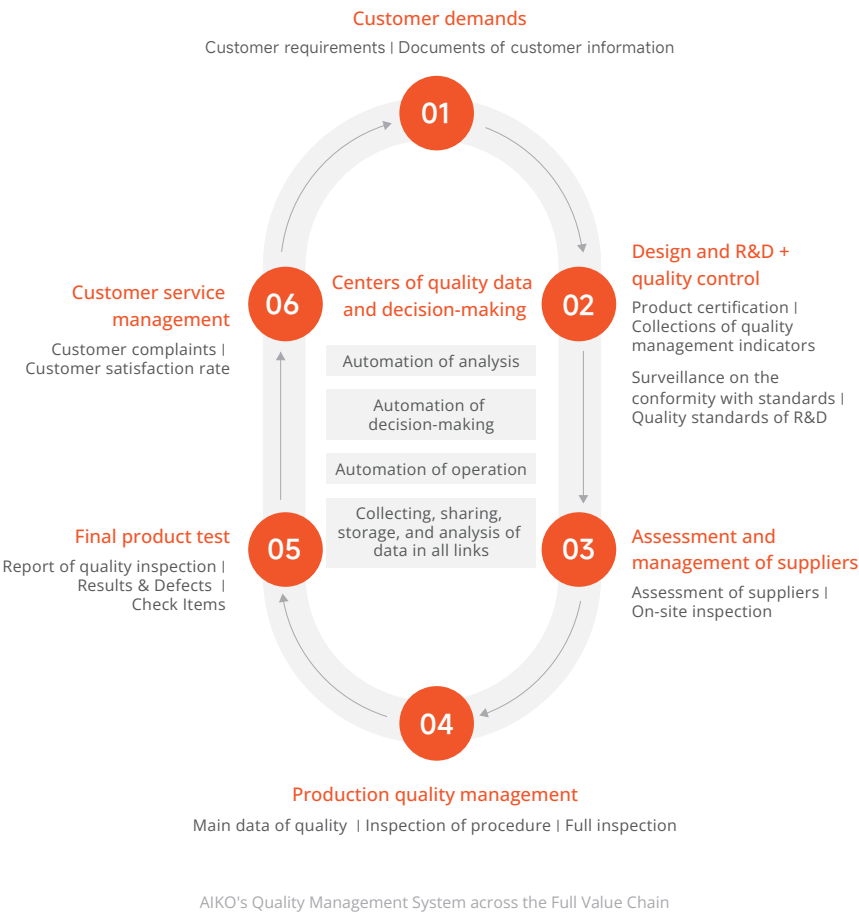
AIKO observes national laws like the *Product Quality Law of the People's Republic of China* and has issued internal policies according to the IEC standard of cells and PV modules, including the *Modules Management Procedures for Quality Lab*, the *Management Policy for Quality Lab*, the *Exception Handling Procedures*, the *Final Quality Control Standard Operating Procedures*, the *Shipment Quality Control Standard Operating Procedures*, so as to standardize our quality management practices and guide us to be the front-runner in terms of high-quality products through product standards that exceed the requirements of the IEC by achieving superior quality management standards.

Impact, risk, and opportunity management

Potential risks and opportunities	Description	Potential impacts	Management measures
In response to issues of double materiality: Product quality management			
Risk			
Quality stability	If the Company fails to pay sufficient attention to quality management, it may lead to unstable product quality or even defective products. This could result in product recalls, company reputation damage, and negative financial impacts.	Increase in non-operating expenses	- Secured multiple third-party authoritative certifications, including ISO 9001, IEC 62941, CNAS, etc. - Built a product lifecycle quality management process
Opportunity			
Digital intelligence transformation	The development and application of digital intelligence tools and systems help us achieve technological iteration and upgrades, ensuring stable and reliable product quality, improving quality and efficiency, and helping us maintain a competitive edge in the market.	Increase in revenue	- Introduced quality management tools from benchmark enterprises and conducted relevant training to empower our quality management - Advanced the construction of an intelligent quality monitoring center, implemented automated systems for digital management, and established an information-driven laboratory

Quality management procedure

AIKO prioritizes customer needs and product quality, continuously building and improving its quality management procedure across the full value chain. This process ensures quality control throughout production, from raw material procurement to manufacturing and product delivery.



Key quality management elements	Key measures	Results
 Design, R&D, and quality control	- Enhance reliability testing capabilities - Reliability testing - Power generation demonstration projects - Secured authoritative certifications	- Invented measures for accelerated experiments such as DH, TC, HF, and PCT⁵, the application of which lowers the cost of energy consumption for experiment by 40% and shortens the experiment duration by 52% - Released single-panel UV substitution solutions, improving UV reliability test efficiency by over 10 times - Successfully conducted tests and accurate analysis of the performance and reliability of products and materials like PERC/TOP-Con/ABC and other related modules, etc. - Established 7 exploratory solar generation projects, including residential and commercial/industrial sloped roofs, flat roofs, and ground-mounted stations in diverse settings like grasslands, mountains, gravel, cement surfaces, and sunrooms - Our testing center successfully passed CNAS⁶ certification in 2024, which reflects third-party recognition of our technical strength and testing capabilities
 Assessment and management of suppliers	- Introduced benchmark enterprises' quality management tools - Implemented QCC⁷ improvement projects for raw materials - Conducted supplier training and empowerment	- Introduced Bosch's benchmark supplier quality management tools, promoting fundamental tools like Bosch 14Q, Cg/Cgk, MSA, CPK, and SPC⁸ for 80% of raw material suppliers - We conducted raw material supplier QCC improvement projects in 2024, completing 10 quality and efficiency enhancement projects that improved product raw material quality stability
 Production quality management	- Utilized SPC statistical methods to monitor and analyze the production process, reducing product defects and improving overall quality - Established an exception-handling process with the general manager as the highest responsible person, implementing graded management of exceptions - We implemented digital management and built an information-driven laboratory	- In 2024, we launched the ABC product reliability assurance project, monitoring 17 sub-goals with a 100% achievement rate. We implemented 100% online SPC monitoring for key processes in ABC products - Established a digital management reporting system to automatically collect, determine, and push data on key positions, accelerating the discovery of exceptions and improving processing efficiency
 Final product test	- Enhanced the capacity of the smart quality surveillance center by combining the automatic surveillance system with the mechanism of on-site response to abnormality; adopted the MES⁹ for production traceability, quality information management, production reporting, and equipment data collection in a closed-loop management system - Established an automated system for detecting defects, significantly improving finished product quality, including automatic repeatability testing, automatic inspections, EL AI¹⁰ rejudging systems, and material verification systems	Increased the on-site timely resolution rate of anomalies by around 15%
 Customer service management and continuous improvement	- Implemented a customer complaint prevention management project, conducting pre-emptive electrical performance, reliability, and safety checks at customers' locations by gaining an in-depth understanding of the processes and environments in which customers use the products - Collected customer feedback and market demand, continuously improved and optimized products to ensure timely follow-up on quality issues and customer health and safety concerns - Developed <i>Customer Return/Exchange Processing Guidelines</i> to manage return/exchange requests and protect customer rights	Achieved 100% project site visit rate and 100% customer complaint case closure rate in 2024

⁵ DH: Damp-heat; TC: Temperature Cycling; HF: Humidity-Freeze-Cycle Test; PCT: Pressure Cooker Test.

⁶ CNAS: China National Accreditation Service for Conformity Assessment.

⁷ QCC: Quality Control Circle.

⁸ 14Q (Quality-Basics): 14 Quality Value Streams; Cg: Gauge Capability; Cgk: Gauge Capability Index; MSA: Measurement System Analysis; CPK: Process Capability index; SPC: Statistical Process Control.

⁹ MES (Manufacturing Execution System): A comprehensive system for production information management, specifically designed for the workshop execution layer of manufacturing enterprises.

¹⁰ EL (Electroluminescence) and AI (Artificial Intelligence): EL AI integrates electroluminescence detection technology with AI algorithms to detect and assess defects in PV cells and modules.

Training and empowerment

We regularly conduct training sessions on quality tools, including the application of fundamental tools such as DFMEA, PFMEA, QCC, SPC, MSA, and 8D¹¹. Employees are encouraged to engage in application exchanges to share knowledge and experiences, continuously improving our product quality management. In 2024, quality management training sessions increased by 20% compared to 2023.



Case

AIKO Supplier Quality Tools Empowerment Training to Strengthen Supplier Quality Stability Management

In March 2024, AIKO conducted a "Bosch-Supplier Management Method" training session for supplier quality department personnel. AIKO helped suppliers enhance their raw material quality management through knowledge sharing and application exchanges on quality tools such as 14Q, Cgk, and process release, ensuring the stability of product quality from the source.



AIKO Supplier Quality Tools Empowerment Training



Case

AIKO's "Quality Priority for Market Success" Quality Management Training to Improve Employee Process Management and Operational Efficiency

In September 2024, AIKO introduced Huawei's benchmark quality operations management methods and conducted a Quality Priority for Market Success training session for employees in the Quality Operations Department. The training enriched employees' knowledge of quality management and operations, including the construction of digital management reports and process data performance-driven methods, enhancing employee process management and quality operation efficiency and helping us improve our product quality management and operations.



AIKO Employee Quality Management Training

Quality management indicators and goals

To strengthen the effective management of product quality, AIKO has established and implemented a quality indicator library project, including key indicators such as the timely case closure rate for major exceptions, the cycle time for closing exceptions, and the number of occurrences of exceptions. We also set quality goals for different product categories, covering the end-to-end quality pass rate, power generation, power warranty, and the number and proportion of product recalls for ABC modules.



Key performance

In 2024,

the Company experienced no product recalls or regulatory incidents related to product health and safety; Regarding product performance, for the same area, the installation capacity of ABC modules was over 6% higher than that of TOPCon modules, with better temperature coefficients and lower degradation. The total power generation was higher than that of TOPCon modules.

Quality management system and product certification

AIKO continues to advance the construction and certification of its quality management system. All our bases have passed the ISO 9001 Quality Management System certification during the reporting period, achieving 100% coverage. In addition, in 2024, we secured the IEC 62941 PV Industry Management System Certificate, adding another authoritative certification to ensure our products' high quality and reliability.

The Company focuses on product performance optimization and technological innovation, ensuring full compliance with international standards and market access requirements and guaranteeing high-quality, high-reliability, and high-safety products. As of the end of this reporting period, AIKO's products have earned several authoritative certificates¹², including TÜV, CE, CQC, UK MCS, ETN listing, Italy Fire Safety, Korea KS, Australia CEC listing, and US UL.

In special application scenarios, our products have also passed stringent testing by PVEL¹³ including salt mist, sand dust, ammonia, PID¹⁴, LETID¹⁵ and other environmental adaptability certificates, demonstrating exceptional product quality and reliability.

¹² TÜV: Technischer Überwachungsverein, a globally recognized certification mark; CE: European Conformity; CQC: China Quality Certification; MCS: Microgeneration Certification Scheme; ETN: Etude de Technique Nouvelle; KS: Korea Standard; CEC: Clean Energy Council; UL: Underwriter Laboratory.

¹³ PVEL: PV Evolution Labs.

¹⁴ PID: Potential Induced Degradation.

¹⁵ LETID: Light and Elevated Temperature Induced Degradation.

¹¹ DFMEA: Design Failure Mode and Effects Analysis; PFMEA: Process Failure Mode and Effects Analysis; QCC: Quality Control Circle; SPC: Statistical Process Control; MSA: Measurement System Analysis; 8D (Eight-Discipline): Team-oriented problem-solving methodology.

R&D and Innovation Management

Ongoing technological innovation is the core driver of steady development in the PV industry. We remain committed to innovation-driven growth and independent R&D, keep optimizing and upgrading its R&D innovation management system, strengthen our R&D team, enhance intellectual property protection, and strive to forge new productivity through advancing innovative technologies, contributing to the industry's progress.

R&D and innovation management system

R&D strategy

AIKO has formulated a "Quality Improvement and Efficiency Enhancement" R&D strategy and integrated it into the Company's 2024 overall strategic plan , with a focus on building cost competitiveness for ABC modules.

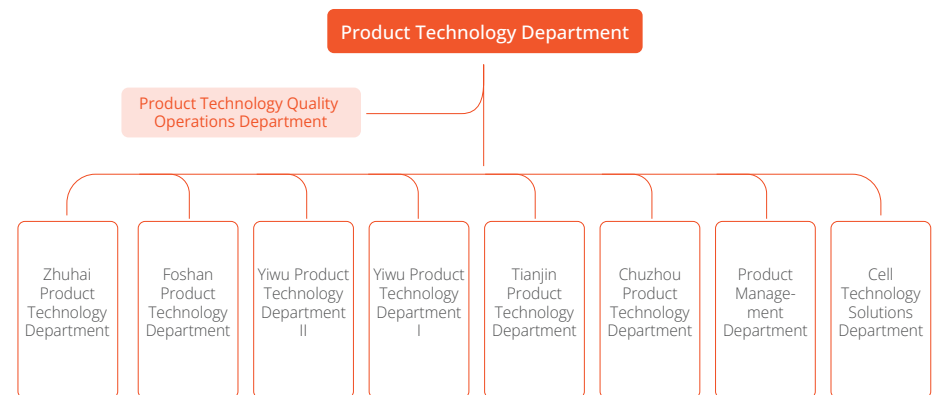
"Quality Improvement and Efficiency Enhancement" R&D Strategy



Governance

Governance structure

AIKO has built a clear, well-defined governance structure for R&D and innovation, continuously improving the framework. We have established multiple R&D departments, with the Product Technology Department responsible for the competitiveness of mass-produced products, ensuring their commercial success. The Product Technology Department comprises the Product Technology Quality Operations Department, Product Management Department, Cell Technology Solutions Department, and relevant base product technology departments. The Product Technology Quality Operations Department is responsible for project management, demand management, and comprehensive operations management, and the Product Management Department focuses on product planning and roadmap management. The Company has established the Cell Technology Solutions Department for cell technology, responsible for customer communication, promotion, and customer demand collection for PERC and TOPCON cell technologies. Additionally, we have set up product technology departments at the Chuzhou, Tianjin, Yiwu, Foshan, and Zhuhai bases, responsible for improving product quality and efficiency for batteries, modules, and other related products.



Product Technology Department Organizational Structure

To continually strengthen our overall scientific research capabilities, we have established a Technology Advisory Committee, inviting industry experts such as university professors and researchers from research institutes to provide guidance and support on basic theory and cutting-edge technologies for our R&D team.

AIKO R&D Staff Structure

In 2024



Total R&D personnel
665

Proportion of R&D personnel¹⁶
8.79%

R&D personnel composition by educational background



Doctor
31

Master
121

Bachelor
320

Management policies

AIKO keeps improving the management policies related to product R&D and innovation. In 2024, we introduced new management policies, such as the *Procedures for Development of Module Products* and the *Management Regulations for Module Development Technology Transfer*, standardizing management processes for new module product development, technology transfer, model naming, certification, and other aspects. We also encourage employee innovation by optimizing the employee innovation incentive policies. We have developed and implemented the *Rules for Diversified Incentive Management of Product Technology Department*, *Rules for Product Technology Department Performance Management*, *R&D Project Incentive Management Regulations*, and other policy documents. These policies help establish a diversified incentive mechanism, including bounties, outstanding individual awards, excellent department awards, and excellent project recognition, to encourage employees to contribute to R&D and innovation.

¹⁶ The calculation method for the proportion of R&D personnel in the company is consistent with the annual report, specifically: the total number of R&D personnel is divided by the total number of employees.

Impact, risk, and opportunity management

Potential risks and opportunities	Description	Potential impacts	Management measures
In response to issues of double materiality: Technological innovation, Clean energy opportunities			
Risk			
Intensified market competition	With the boom of the PV industry, market competition is becoming increasingly intense as existing enterprises expand capacity and new market entrants emerge, which may lead to a decline in product prices and reduced market share, negatively affecting our operating revenue.	Decrease in revenue	- Formulate and implement the "Quality Improvement and Efficiency Enhancement" strategy - Establish strategic alliance with suppliers for quality improvements at the source - Build an R&D platform and a technology exchange platform, enhancing industry-academia-research collaboration to boost product efficiency
Opportunity			
Clean energy opportunities	As governments worldwide are increasing their support for renewable energy, a comprehensive R&D and innovation management system will help us capture policy and market opportunities. We can meet the growing market demand for high-efficiency PV products through technological innovation and product upgrades.	Increase in revenue	- Implement a diversified incentive mechanism to encourage employee participation in R&D - Provide training and empowerment to enhance employees' R&D capabilities - Maintain continuous R&D investments, iterating cutting-edge technologies and innovative products to meet customer needs comprehensively - Strengthen intellectual property protection and business secret confidentiality mechanisms

Management platforms

AIKO actively builds technological R&D platforms and technological exchange platforms to constantly strengthen our independent innovation capabilities. These platforms form a complete R&D platform system including R&D departments, such as the Kuafu Lab, the Jupiter Lab, the Product Technology Department, the Testing Center, and the Industrial Automation Lab; 11 provincial-level and municipal-level innovation platforms located in Zhejiang, Guangdong, and Tianjin; as well as cooperation platforms co-established with overseas research institutions. Among these platforms, the AIKO Key Enterprise Research Institute has undertaken more than 20 provincial and municipal science and technology projects and won a Zhejiang Provincial Science and Technology Progress Award.

AIKO's Provincial Research and Innovation Platforms

Zhejiang Provincial R&D Center at High-tech Enterprise

Zhejiang AIKO Cell Enterprise Institute

Zhejiang Provincial Enterprise Technology Center

Zhejiang AIKO Key Enterprise Research Institute

Zhejiang Post-doctoral Program Station

Guangdong Provincial Enterprise Technology Center

Guangdong Provincial Key Laboratory for Crystalline Silicon Solar Cell Technology and Applications

Guangdong Solar PV Engineering Technology Research Center

Tianjin Municipal Enterprise Technology Center

Zhuhai Solar PV Devices (AIKO) Engineering Technology Research Center¹⁷

Zhuhai Municipal Enterprise Technology Center

¹⁷ On August 14, 2024, the Zhuhai Solar PV Devices (AIKO) Engineering Technology Research Center was approved.

Training and empowerment

To continuously enhance employees' R&D and innovation capabilities and unlock their creative potential, AIKO offers targeted skill-building and knowledge-sharing programs for employees at different levels. In 2024, the Company adopted a learner-centered, practice-based training approach, combining business development with hands-on experience, and integrating general and specialized knowledge. Over 30 training sessions were held, focusing on general knowledge, cell-specific knowledge and skills, and module-specific knowledge and skills. These sessions were aimed at employees in the Product Technology Department, as well as those involved with TOPCon and ABC cells and modules. More than 1,800 employees participated in these training sessions.

Case

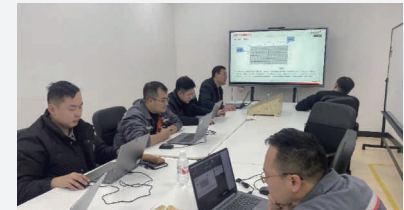
Technical Seminars and Knowledge Sharing to Inspire New Ideas for Employee Innovation

In May 2024, AIKO held a technology-sharing session on TOPCon for R&D engineers. Employees gained insights into TOPCon passivated contact technology and factors affecting the preparation of tunneling oxide layers through sharing and discussion, providing new perspectives for improving TOPCon cell efficiency.



AIKO TOPCon Technology Seminar and Training

In December 2024, AIKO organized a knowledge-sharing session on the ABC Module Product Design Specifications for R&D engineers. The session covered design principles, basic structures, layout designs of ABC module products, and the use of FMEA¹⁸ for risk identification and control, deepening employees' understanding of ABC module products' design standards.



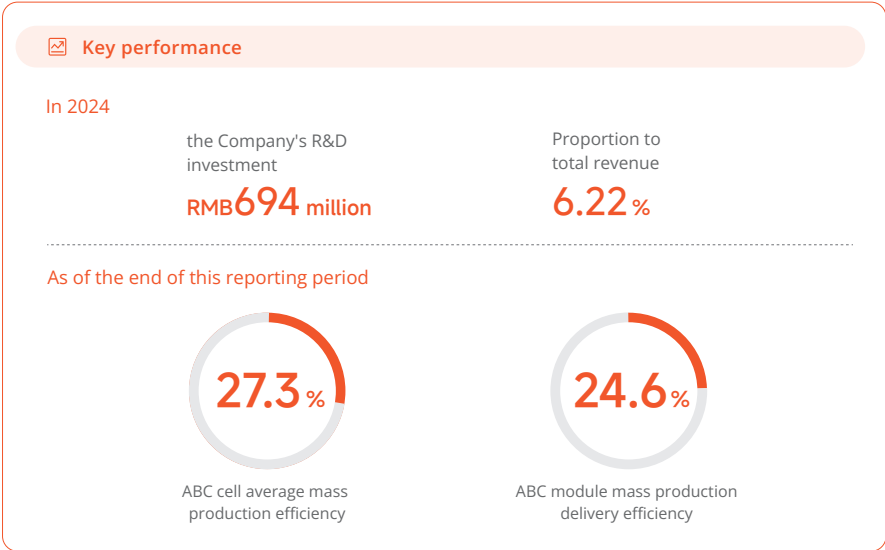
AIKO's Training on ABC Module Product Design Specifications

¹⁸ FMEA (Failure Mode and Effect Analysis) is a systematic methodology to identify potential failure modes and their causes.

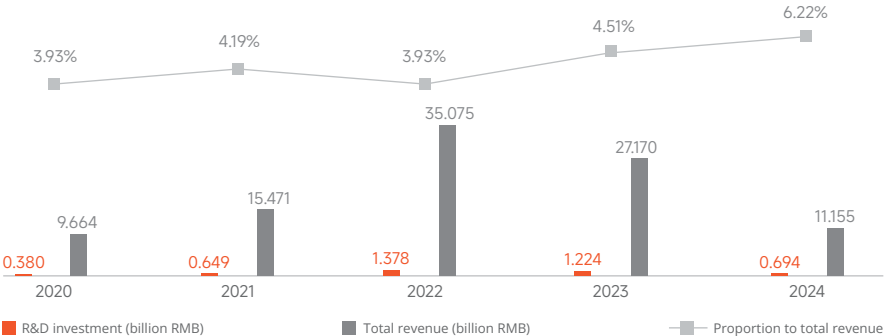
R&D and innovation indicators and goals

Product and technical innovation achievements

With ABC technology as its core, AIKO has pioneered silver-free mass production of PV cells worldwide, establishing a core competitive advantage grounded in absolute leadership in PV conversion efficiency. The "infinite" module efficiency has been significantly raised to over 25%, marking a new milestone in industry-wide production efficiency.



Continuous investment in technology R&D



AIKO's R&D Investment and Its Proportion of Total Revenue (2020-2024)

Innovations	Stage of production	Technological progress
○ Wafer: Ultra-high resistivity	Wafer	Ultra-high resistivity (>500 Ω·cm), low oxygen (oxygen impurity concentration <10 ppma), high carrier lifetime (>1,000 μs), fulfills the high quality requirements of silicon wafers for BC solar cells
○ Cell structure	Cell	Full area illumination, all-silicon power generation, all passivating contact, and full back contact have fulfilled the critical conditions for achieving a maximum efficiency of 29.56%
○ Cell patterning	Cell	By developing femtosecond, picosecond, and sub-picosecond ultrafast lasers, semiconductor circuit design in the chip level is achieved
○ Cell metallization coating	Cell	Large-scale and low-cost coating technology 100% replaces silver paste printing technology
○ Invention and application of BC function	Cell	Partial shading optimization, anti hot-spot, high temperature restriction ability
○ OBB design and laser string welding	ABC module	Achieve high reliability, flexibility, and simple process for module manufacturing
○ Infinite module technology	ABC module	The area ratio of cells to module increased by 7.2%, and module overall efficiency reaches 25%+
○ Dual-Glass BC module	ABC module	Dual-Glass ratio≥75%

Intellectual property rights protection

AIKO strongly emphasizes intellectual property rights (IPR) protection, with its Intellectual Property Department responsible for handling patent and trademark-related matters. We have enacted management policies such as the *General Rules for IPR Compliance Management*, the *Procedures for IPR Risk Control*, and the *IPR Early Warning and Emergency Procedures*, continually refining our IPR management processes to protect our IPR while avoiding infringement on others. In 2024, we comprehensively advanced the construction of patent strategy and planning processes, joined the National Specialized Committee on Intellectual Property Rights, and expanded IPR management system certification coverage to include our Yiwu, Tianjin, and Foshan bases.

To achieve the patent management goals, AIKO continuously improved its patent protection system and a dedicated patent project management process. The system and process guided the Company's patent risk prevention and targeted protection actions through the patent project management process, mapping out market demand, technological R&D pathways, and patent layout roadmaps. A forward-looking technology layout team has also been formed for holistic IPR portfolio development. During the reporting period, the Company filed 679 new patent applications.

From a risk control perspective, AIKO has built a full-industry-chain patent risk prevention and compliance system, creating a panoramic patent map of core products. Before initiating product development, the Company conducts patent research and analysis to pinpoint critical areas and mitigate risks. A closed-loop management approach, covering early detection, targeted response, risk elimination, is adopted during R&D, preventing potential infringements of others' IPR.

Moreover, the Company continually raises employee awareness of IPR protection by offering online and offline training courses for the Manufacturing Department, R&D Department, and Marketing Department employees. These courses cover the fundamentals of patents, patent strategy, overseas patent applications, and strategies for responding to corporate IPR risks. In 2024, the total training hours dedicated to IPR protection reached 130 hours.

Key performance

In 2024, the Company filed 300 overseas patent applications via the Patent Cooperation Treaty or Paris Convention for the Protection of Industrial Property, bringing the total global patent layout of BC products to 1,011 applications.

Certificates

Zhejiang AIKO, Tianjin AIKO, and Guangdong AIKO have been certified by the IPR Management System.

AIKO's patent management indicators and goals

	2024	2025 Goals	2030 Goals
 Total patent applications (Item)	2,649	3,345	> 6,200
 Total granted patents (Item)	1,310	1,721	> 3,800
 Proportion of overseas patent applications (%)	11.33	14	> 25

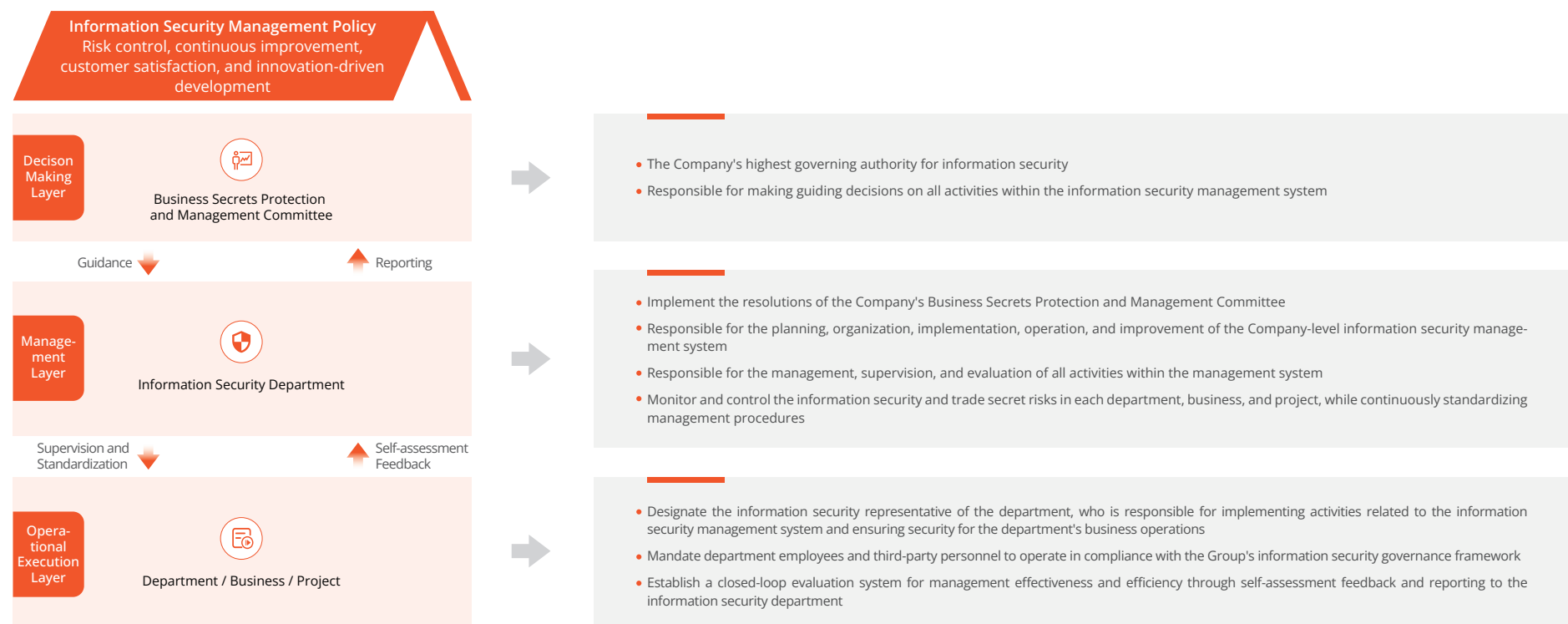
Information Security Management

AIKO shows a strong commitment to information security and privacy protection. We have established a robust information security management framework, enhanced management policies, and raised employee awareness of information security to ensure confidentiality, integrity, and availability of information assets. This approach aims to continuously improve the comprehensive management of information security and business secrets.

Information security management system

Governance

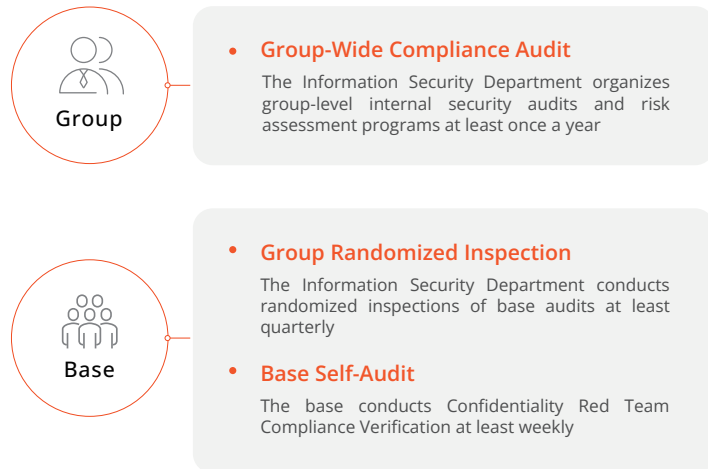
In 2024, the Company updated its *Information Security Management System*. The Information Security Department and the Department of Functionality Management were merged under a unified management structure. The Business Secrets Protection and Management Committee is the highest management body, chaired by the Company's Chairman, responsible for making strategic decisions regarding all activities within the information security management system.



Information security risk management

Risk assessment and audit

AIKO has integrated information security risks into the Group's risk management processes. We have established and implemented the *Management Specifications for Information Security Risk Assessment* and *Information Security Red Team Construction Guidelines*. Additionally, a bidirectional information security audit mechanism between the Group and its bases has been established to timely identify related risks and ensure the implementation of information security control measures.

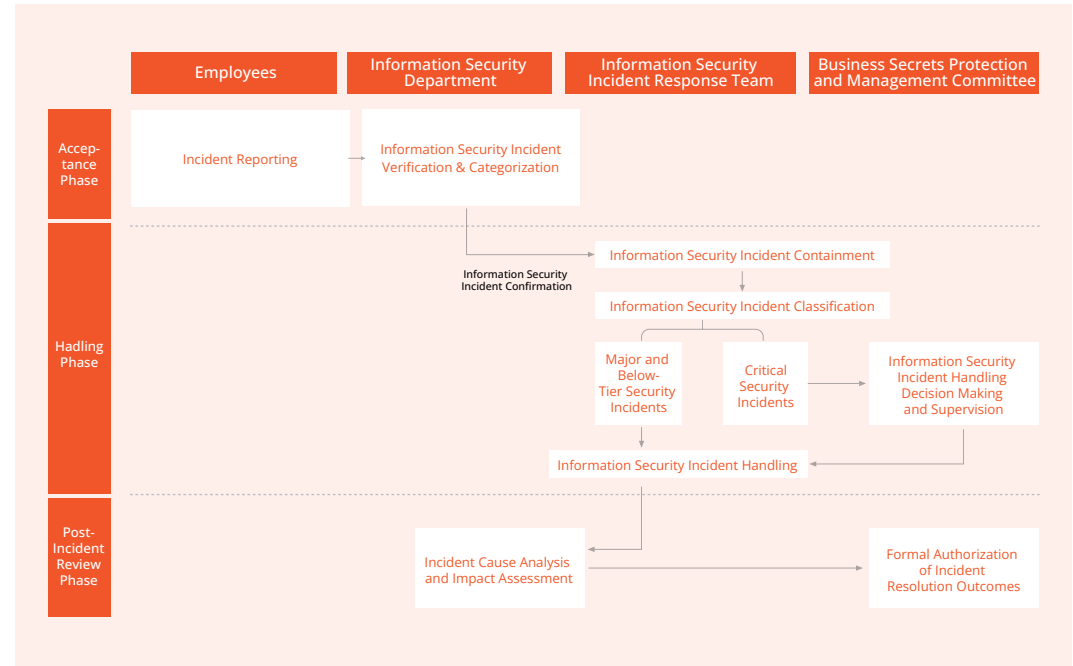


Bidirectional Information Security Audit Mechanism between Group and Bases

The Company regularly conducts information security audits. In May 2024, the Information Security Department and various business departments completed an internal audit of information security at the Group level. In July 2024, the Company completed an external information security audit, achieving full coverage in manufacturing, sales, R&D, finance, HR, IT, and other business departments. The audit identified weak links in business scenarios, which were then communicated and rectified to achieve a closed management loop.

Information security incident response procedure

The Company has established a procedure for handling information security incidents, which includes classification, grading, and control of such incidents. The Information Security Incident Response Team will handle suppression, grading, and processing for general information security events. The matter is escalated to the Business Secrets Protection and Management Committee for decision-making supervision for particularly significant information security events.



Information Security Incident Response Procedure

Information security reporting channels

AIKO has established information security reporting channels, and reward & whistleblower protection mechanisms applicable to the Group and all its bases. If information security issues or events occur, employees are encouraged to report them immediately.

Reporting hotline
+86 188 5896 3962

Email
security@aikosolar.com

Privacy protection

In 2024, AIKO developed and implemented a series of policies, including the *Management Procedures for Information Security in System Acquisition, Development & Maintenance*, *Standards for Application Release Security Management*, *Standards for Data Masking Security Management*, *Employee Privacy Policy*, and *AIKO Website Privacy Policy*. Technically, we have conducted penetration testing and vulnerability scans on critical application systems, addressing medium to high-risk vulnerabilities. Additionally, we have strengthened and upgraded systems related to customer data, implementing security measures such as migrating CRM and OMS¹⁹, launching secure encrypted gateways, encrypting external unauthorized data access, enforcing minimal access permissions, and applying transparent encryption to databases. These measures are designed to reduce the risk of data breaches and protect customer privacy.

Furthermore, AIKO conducts information security and confidentiality reviews for suppliers and contractors. Before entering the facilities, they must complete confidentiality training and sign non-disclosure agreements. We also provide AIKO office terminals to all suppliers and contractors involved in confidential activities and perform security audits on these terminals. AIKO implements data encryption policies to maximize the control access to information and data, preventing third parties from obtaining sensitive information and data.

Information security training

AIKO consistently raises information security awareness among employees, suppliers, and other stakeholders. Each year, targeted information security training is conducted for all employees, confidential project teams, and key personnel. All suppliers entering confidential areas must complete confidentiality training.

Key performance

AIKO aims to ensure zero critical security incidents and zero customer privacy or data breach events. During the reporting period, no information security or privacy breach incidents occurred at the Group level or across the Company's bases. In 2024, Zhejiang AIKO certified to ISO 27001 for Information Security Management Systems (ISMS) , and the entire Group and all bases are managed under ISMS.

In 2024



New Employee Onboarding Training

The company conducted information security training for new employees at the group level and across its Tianjin, Yiwu, Foshan, Zhuhai, and Chuzhou bases. The training reached 11,748 participants, achieving 100% coverage.



Specialized Information Security & Confidentiality Training

Two sessions of specialized information security and confidentiality training were provided for employees in classified project teams and critical positions, covering 11,777 participants with 100% coverage.



Supplier Information Security & Confidentiality Training

Confidentiality training was conducted for suppliers operating in classified factory areas, reaching 2,514 participants and achieving 100% coverage.

Business secrets protection

To standardize the management of business secrets protection, AIKO has formulated regulations, such as the *Management Regulations for Risks of Business Secrets Protection*, the *Inspection Standards for Business Secrets Management*, the *Classification and Grading Management Standards for Information Assets and Business Secrets*, the *Management Regulations for Business Secrets Authorization and Use*, the *Information Security Management Regulations*, the *Standards for Employee Information Security Management*, and the *Management Regulations for Competitive Restriction Operation*.

Apart from these regulations, AIKO has also established a Business Secrets Protection and Management Committee. Through multiple measures, such as the business secret system and information security technologies, we hope to actively defend our business secrets, instead of passive protection, ensuring zero breach of confidentiality.

AIKO has enhanced its awareness of business secrets protection by combating violations of competitive restrictions and infringements on business secrets. In addition, the Company integrates the reward mechanism for registering and supervising business secrets with its talent cultivation system, to boost self-regulation and mutual supervision for business secrets protection among all employees.

Key performance

In 2024, the Company organized three all-staff training sessions on competitive restrictions and business secrets protection as part of compliance awareness initiatives, establishing our business secrets safeguard system.

¹⁹ CRM: Customer Relationship Management; OMS: Order Management System.

Embracing Responsibilities for Ecological Harmony

03

As a benchmark enterprise in the PV industry, AIKO is dedicated to advancing the global transition towards zero-carbon energy. The Company implements comprehensive environmental management practices aimed at reducing energy resource consumption, enhancing efficiency, and minimizing waste. In addition, AIKO strictly manages waste and pollutants by reducing their generation at the source. The Company conducts life-cycle management of its products, striving to develop green products that actively address climate change issues, contributing to the development of green ecological civilization.

Material topics of sustainability covered in this chapter

- Environment management
- Clean energy opportunities
- Energy management
- Water resources management
- Pollutant and waste management
- Product lifecycle management
- Response to climate change

UN SDGs Addressed in this Chapter



Environmental Compliance Management

AIKO adheres to the EHS policy of “ Safe Production, Green Operation; Full Participation, Continuous Improvement”, strictly follows the laws and regulations related to environmental protection, and establishes a sound environmental management system.

Environmental management system

Management structure

AIKO has established a comprehensive management mechanism led by the Company's CEO, with operations conducted by the Factory Administration Department and oversight provided by the EHS Department. The operational and supervisory functions are maintained independently to ensure clarity and effectiveness. Each base's Factory Administration Department and EHS Department are responsible for implementing and promoting environmental management initiatives. The head of each base's EHS Department conducts weekly communication meetings with the Factory Administration Department, organizes monthly meetings of the Work Safety Committee to report progress to the Company's CEO, and follows up on pending action items.

Environmental risk management

AIKO is committed to fulfilling its corporate responsibility for environmental safety while proactively enhancing its environmental risk management practices. The Company continuously optimizes its *Risk and Opportunity Control Procedure* as well as its *Environmental Factors Identification and Evaluation Procedures*. Through these optimizations, AIKO conducts comprehensive identification of environmental factors in production processes along with risk assessments, formulating targeted measures to ensure that these risks remain manageable. For high-risk factors, AIKO has established a list of critical environmental factors accompanied by specialized control mechanisms that promote stringent oversight and continuous monitoring.

AIKO also places significant emphasis on preventing environmental emergencies as well as responding effectively when they occur. To this end, AIKO has developed an *Emergency Plan for Sudden Environmental Incidents*, aligning with relevant legal requirements; this plan has been duly filed with governmental authorities. Clear processes and measures have been defined for responding to extreme weather events, earthquakes, and other potential safety incidents. Additionally, annual drill plans have been established for wastewater management, waste gas handling, and solid waste protocols to enhance emergency response capabilities effectively. In 2024, AIKO invested a total of RMB133.93 million in environmental protection initiatives. This investment supported the operation and renovation of environmental treatment facilities as well as routine maintenance and upgrades for mechanical and electrical systems. These efforts improved pollutant treatment efficiency and energy usage while significantly reducing negative environmental impacts.

During the reporting period, AIKO did not experience any major environmental risk events or violations leading to penalties.

Management policies

AIKO has formulated and continually improved a series of environment-related management systems and internal control procedures, including the *Environmental, Occupational Health, and Safety Management Manual*, the *Environmental Protection and Resource Conservation Policy*, the *Environmental Management Information Reporting Management System*, the *Wastewater Pollution Prevention and Control System*, the *Waste Gas Pollution Prevention and Control System*, etc. These systems ensure consistency in environmental management across all company bases, providing a solid foundation for the effective implementation of these measures.



AIKO's Environmental Risk Management Procedures

Product lifecycle management

AIKO responds proactively to the EU "Eco-design Directive", integrating green and low-carbon principles into every aspect of its product life cycle. The Company assesses and manages the environmental impacts throughout the life cycle stages of procurement, design, production, transportation, and disposal. AIKO is committed to exploring eco-friendly and clean technologies that offer high energy efficiency, low energy consumption, and ease of recycling. This continuous effort aims to enhance the sustainability and competitiveness of its products.

Material Selection and Procurement

• Green Electricity Usage:

The manufacturing process utilizes green electricity from the silicon feedstock stage onwards, which supports ABC cell products in obtaining green certification;

• Adoption of Environmentally Friendly Raw Materials:

The Company's PV modules are extensively made from recyclable materials, with glass accounting for approximately 70%, aluminum for 18%, silicon for 3.5%, non-ferrous copper for 1.5%, and rare metals constituting about 1%.

Module Manufacturing

• Through technological research and development, AIKO reduces material consumption in the production process of cells and modules, including silver paste, stencils, chemicals, metals, adhesive films, glass, and aluminum;

• Additionally, the Company achieves recycling of waste materials generated during product manufacturing for reuse.

Disposal and Recycling

• Extending Product Lifespan:

We enhance module durability through technological innovation, offering an extended 30-year or even 40-year power output warranty for long-life modules, surpassing the industry standard of a 25-year warranty;

• End-of-life Product Recovery:

The Company conducts classified assessments and recovery processes for silicon wafers and frame components;

• Product Certification:

AIKO actively advances compliance with the EU Waste Electrical and Electronic Equipment (WEEE) Directive certification.

R&D Design

• Reduced fluorine:

Our dual-glass ABC module products significantly reduced the use of fluorine-containing organic back sheets;

• Optimized the silicon-nitrogen ratio in PR silicon nitride film:

We increased gas source efficiency and reduced gas consumption based on the original manufacturing process;

• Anode and cathode back design:

We lowered the probability of material degradation under intense UV conditions, extending lifespan, and reducing power degradation rates;

• Coating technique:

The metal contact strength on the product's backside was enhanced by 300% compared to conventional techniques, reducing the probability of component material failure due to thermal expansion and contraction caused by daily temperature differences;

• Ag-free metallization technology:

Less use of precious metals;
During the design phase, convenience for disassembly and recycling at the end-of-life cycle is taken into account to facilitate sustainable product management.

Packaging and Transportation

• Recycling of Packaging Materials:

ABC cell packaging materials are designed for recycling to minimize waste;

• Automated Conveyance Systems:

Deploy automated high-altitude logistics transmission lines, achieving a 50% improvement in space utilization efficiency;

• Green Logistics:

Implement inventory management systems, GPS tracking, and automated warehouse management systems to achieve zero-inventory targets; optimize logistics networks, transportation routes, and schedules for precise supply-demand matching, reducing the environmental impact of logistics operations.

Hazardous substance control

AIKO adheres to the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) as well as Regulations on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). The Company ensures product safety and environmental friendliness by conducting rigorous testing for hazardous substances along with safety assessments in various areas including Electro Magnetic Compatibility (EMC²⁰) testing.

During this reporting period, AIKO's module products received WEEE²¹ certification across 15 countries and regions including Germany, France, Italy, Netherlands, Sweden, Finland, Denmark, Spain, and Greece among others. Additionally, its single-glass and double-glass modules have achieved RoHS certification along with REACH certification.



WEEE Certification



RoHS Certification



REACH Certification

Product carbon footprint

AIKO actively aligns with national policies by advancing product carbon footprint certification. We conduct carbon footprint measurements based on the methodologies outlined in ISO 14040, ISO 14044, and ISO 14025. As of the reporting period, more than 90% of our mass-produced products have undergone carbon footprint assessment. Our single and double-glass module products have achieved five Certisolis Carbon Footprint Certifications in France, as well as EPD²² certifications in Norway and Italy.



Certisolis Carbon Footprint Certification



EPD Certification

Environmental protection culture building

AIKO regularly organizes training sessions and awareness campaigns focused on environmental protection. These initiatives include Environmental Management Training for management and operational personnel, Hazardous Waste Standardization Management Training, as well as Environmental Awareness Enhancement Programs for all employees that incorporate World Environment Day educational activities. These programs aim to strengthen employees' understanding of environmental protection while enhancing their practical skills in sustainable practices.



AIKO's Environmental Specialized Training

In 2024, we organized 13 environmental specialized training sessions, engaging 2,965 employee participants with a total of 13 training hours.

Environmental system certification and honors

AIKO continually advances its environmental management system development and certification while steadily implementing clean production initiatives. The Company has received several accolades for its green efforts, including Green Factory Certification, Low-Carbon (Near-Zero Emissions) Demonstration Enterprise recognition, and Zero-Waste Factory Certification.

System Certification ▶ All AIKO production bases (including Foshan, Zhejiang, Tianjin, Zhuhai, and Chuzhou) have achieved ISO 14001 environmental management system certification with a 100% coverage rate.

Green Honors



Yiwu Base

Municipal-level
Green FactoryZhejiang Water-Saving
Enterprise

Tianjin Base

National Green
Factory CertificationTianjin Zero-Waste
Factory CertificationTianjin Low-Carbon
(Near-Zero Emissions)
Demonstration Enterprise

Zhuhai Base

Clean Production
Enterprise

²⁰ EMC(Electro Magnetic Compatibility) refers to the comprehensive assessment of electronic products' levels of electromagnetic interference (EMI) and their immunity to such interference (electromagnetic susceptibility, EMS).

²¹ WEEE(Waste Electrical and Electronic Equipment) is a directive of the European Union aimed at the proper treatment of a growing volume of electronic and electrical waste.

²² EPD(Environmental Product Declaration), providing environmental impact information throughout the product's lifecycle.

Green Production and Operations

AIKO is dedicated to promoting environmental protection through sustainable operations that achieve a harmonious balance between ecological integrity and business objectives. We continuously enhance resource efficiency while pursuing both environmental benefits and economic viability within our operational activities. To further this aim, we proactively implement measures to minimize the generation of industrial waste and pollutants at the source, ensuring that all waste is managed and disposed of appropriately. Through these efforts, we actively contribute to the low-carbon development of the energy sector and support global climate initiatives.

Energy management

Policy and systems

AIKO strictly complies with the *Law of the People's Republic of China on Energy Conservation* and other laws and regulations. By aligning with the ISO 50001 Energy Management System standards, the Company continuously optimizes its energy management framework. To facilitate this optimization process, we have established internal guidelines such as the *Handbook of Energy Management*, *Responsibility System for Energy Saving Targets*, *KPI System for Energy Conservation*, *Reward and Punishment System for Energy Conservation* and *Audit Measures for Energy Conservation*. These frameworks ensure effective energy consumption control that enhances efficiency levels across all operations.

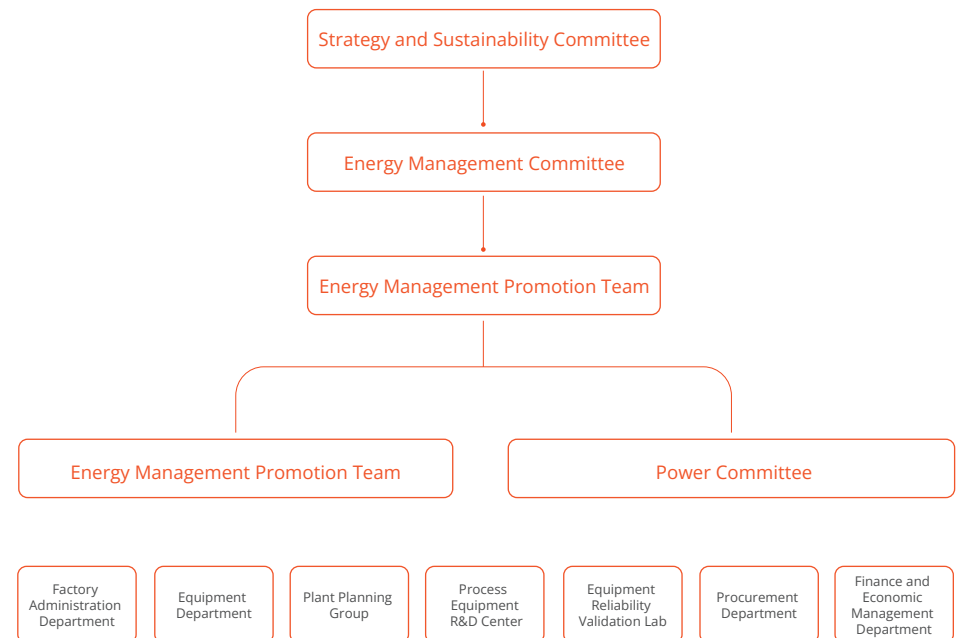
The Company has formed an Energy Management Committee alongside an Energy Management Promotion Team under its Strategy and Sustainable Committee responsible for planning strategic initiatives related to managing energy usage effectively. The Energy Management Promotion Team collaborates with the Energy Conservation Implementation Team, Power Committee, Factory Administration Department, Equipment Department, and various other departments to implement comprehensive life cycle management of energy. This includes the development, conversion, transmission, distribution, storage, utilization, and end-of-treatment of energy resources while promoting and executing energy efficiency initiatives.

Additionally, the Company is committed to establishing a robust digital management system for energy. By leveraging digital technologies, we aim to scientifically manage production-related energy consumption effectively. Currently, advanced systems have already been deployed across various bases including those located within Tianjin, Chuzhou, Yiwu, Zhuhai, and Foshan regions. The system can collect real-time data on the electricity usage of various electrical equipment throughout the plant. It utilizes backend analytical tools to deeply explore usage trends and energy consumption data, identifying peak consumption periods and inefficient processes. This functionality enables effective monitoring of electricity flow.

Key performance

In 2024, Yiwu Base, Tianjin Base and Zhuhai Base all achieved ISO 50001 energy management system certification.

Energy Management Structure



Energy management objectives

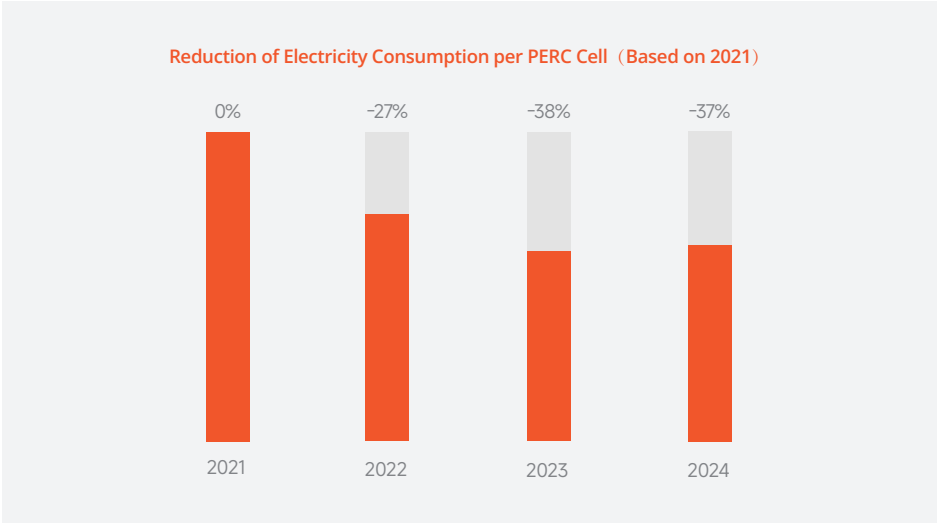
To effectively advance energy-saving and emission reduction efforts, AIKO has established clear energy efficiency targets for different products. Leveraging its Green Manufacturing Center and Energy Center, the Company actively pursues targeted energy-saving initiatives aimed at enhancing resource utilization efficiency.

AIKO’s Energy Conservation Targets

	Coverage	2024	2030
ABC Cell Production Electricity Consumption Per Unit	Yiwu Base and Zhuhai Base	A 15% decrease compared to 2023	A 30% decrease compared to 2023
ABC Module Production Electricity Consumption per Unit	Yiwu Base and Zhuhai Base	A 15% decrease compared to 2023	A 30% decrease compared to 2023

Achievement Status for Targets in 2024

Energy Conservation Performance		Achievement Status
ABC Cell Production Electricity Consumption Per Unit	Yiwu Base: Decreased by 38.77% Zhuhai Base: Decreased by 24.38%	✔ Achieved
ABC Module Production Electricity Consumption per Unit	Yiwu Base: Decreased by 45.94% Zhuhai Base: Decreased by 40.10%	✔ Achieved



Energy conservation measures and projects

AIKO has implemented a variety of energy management measures including technological transformation for energy efficiency, upgrading equipment, optimizing production systems, implementing cold storage solutions, and enhancing the use of renewable energy sources. These initiatives are designed to continuously reduce overall energy consumption while minimizing greenhouse gas emissions, contributing significantly toward sustainable development goals.

In 2024, AIKO undertook a comprehensive set of 114 energy efficiency projects that resulted in annual power savings totaling 168,885.3 MWh.

Progress on Energy Conservation Projects in 2024

Base	Number of Project	Energy Conservation Effectiveness (MWh / year)	Flagship Energy Conservation Project
Yiwu Base	69	75,264.3	- Compressed Air Heat Recovery - Chiller System Energy Conservation Control - Workshop Temperature and Humidity Standard Optimization
Tianjin Base	16	9,193	- Workshop Lighting Energy Conservation - Compressed Air System Energy Conservation
Chuzhou Base	16	17,960	- Cooling Water Pump VFD Retrofit - Ventilation System Energy-Efficient Operation - Chiller System Energy-Efficient Operation
Zhuhai Base	11	66,204	- Machine Room Energy Conservation Retrofit - High-Temperature Process Equipment Retrofit - Machine Parameter Optimization
Foshan Base	2	264	Drying System Energy Conservation Retrofit

Case

Implementation of energy-conservation upgrade project at Yiwu Base

AIKO is dedicated to reducing energy consumption and emissions during the production process through technological innovation. In 2024, to enhance the energy efficiency of the air compression station during the production processes of batteries and modules, the Yiwu Base took into full account the recycling and utilization of heat generated during air compressor operation when designing the air compression system. As a result, a new waste heat recovery system was added to the air compression setup. This system effectively captures waste heat generated during the operation of air compressors, allowing for its secondary utilization. The recovered thermal energy is utilized to provide heating for water heaters in workshop wet processes. As a result, this system is projected to save over 12,000 MWh of electricity annually, significantly lowering overall energy consumption.



Yiwu Base Air Compression Waste Heat Recycled System

Optimization of energy structure

AIKO actively aligns with national strategies for energy restructuring to achieve a more environmentally friendly energy consumption model. The Company reduces its reliance on fossil fuels and lowers its carbon footprint by purchasing green electricity. In addition, AIKO is vigorously developing rooftop PV projects aimed at transforming underutilized rooftop spaces into sites for clean energy generation. The rooftop PV projects at both the Yiwu and Tianjin Bases have been successfully completed, while the Zhuhai Base project is currently under construction with a proposed installed capacity of 24.14 MW and an anticipated average annual power generation of 26,153.99 MWh—expected to be operational by May 2025.

Green Energy Consumption in 2024

Base	Purchased Green Electricity (MWh)	Rooftop PV Installed Capacity (MW)	Actual Power Generation of Rooftop PV (MWh)
Tianjin	35,000	5.28	4,641.5
Yiwu	1,000	7.19	7,422.77
Foshan	1,190	1.58	785.91
Zhuhai	0	0.8	180
AIKO	37,190	14.85	13,030.18

Energy management indicators

Environmental Performance Indicators		Unit	Yiwu Base	Chuzhou Base	Tianjin Base	Zhuhai Base	Foshan Base	AIKO
Energy Consumption	Comprehensive Energy Consumption ²³	Ten thousand tonnes of standard coal	11.91	1.85	3.52	7.23	0.28	24.79
	Gasoline	kg	87,883.23	4,096.37	5,080.73	20,806.79	3,972.05	121,839.16
	Diesel	kg	55,782.75	2,507.19	0	2,848.08	0	61,138.01
	Natural gas	m ³	0	86,348	489,195	0	0	575,543
	Purchased steam	Tonnes	0	0	0	4,891.69	0	4,891.69
	Total Electricity Consumption	MWh	967,088.46	149,540	281,684.28	588,180	22,850.91	2,009,343.65
	Purchased electricity	MWh	959,665.69	149,540	277,042.78	588,000	22,065.00	1,996,313.47
	Among which: Purchased green electricity	MWh	1,000	0	35,000	0	1,190	37,190
	PV electricity generation	MWh	7,422.77	0	4,641.5	180	785.91	13,030.18
	Electricity							

²³ Comprehensive energy consumption calculations follow the coefficients specified in GB/T 2589-2020 *General Rules for the Calculation of Comprehensive Energy Consumption*. The comprehensive energy consumption corresponding to electricity consumption in annual comprehensive energy consumption includes purchased electricity consumption and photovoltaic power generation.

Pollutant and waste management

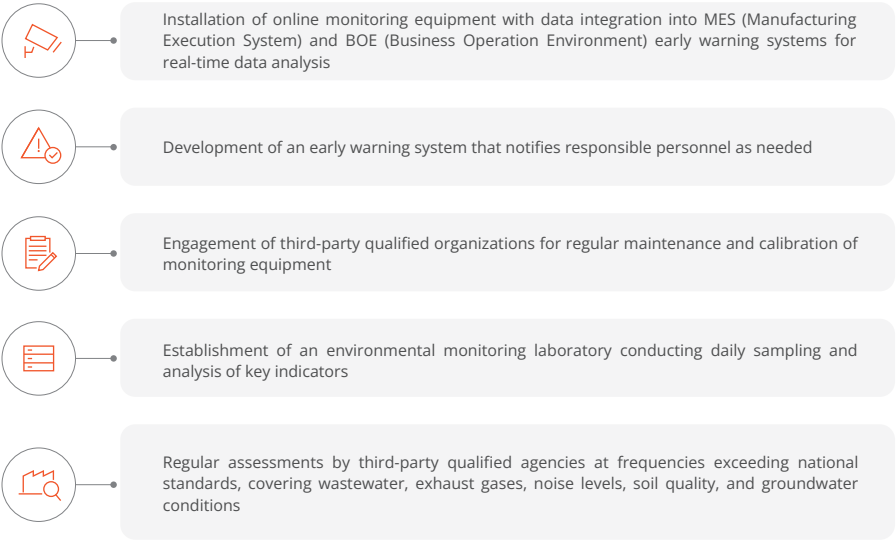
Management policies

AIKO strictly adheres to environmental regulations concerning waste management throughout its production operations. These regulations include the *Emission Standard of Pollutants for Cell Industry*, *Discharge Standard of Major Water Pollutants for Municipal Wastewater Treatment Plant*, *Integrated Emission Standard of Air Pollutants*, *Emission Standards for Odor Pollutants*, *Standard for Pollution Control on Hazardous Waste Storage*, *Measures for Couplet Delivery Order Management of Hazardous Waste Transfer*, and *Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise*.

In 2024, in line with its own business characteristics, the Company revised internal systems including the *Waste Gas Operation Control Procedures*, the *Waste Gas Pollution Prevention and Control Policy*, the *Solid Waste Management Policy*, the *Solid Waste Operation Control Procedures*, the *Wastewater Operation Control Procedures*, and the *Wastewater Pollution Prevention and Control Policy*. These revisions serve to guide all production facilities in implementing pollutant source reduction strategies and standardizing waste treatment practices.

AIKO consistently applies internal control standards that exceed national requirements for discharge management. The Company has established a comprehensive monitoring mechanism for emissions, ensuring timely disclosure of relevant environmental testing reports to comply with appropriate regulations. In 2024, AIKO did not incur any penalties related to emissions violations.

AIKO's Emissions Detection Mechanism



Emission reduction and treatment measures

Emissions	Main Sources & Types	Emission Reduction and Treatment Measures
Wastewater	Industrial wastewater from production processes such as crystalline silicon solar cell production process; Acidbase/VOC waste gas tower; Silane scrubbing tower; Rejected water from pure water preparation system; Domestic sewage	Improved copper-containing treatment system at wastewater station to enhance treatment capacity.
Waste Gas	Nitrogen oxides & sulfur oxides from boilers; Particles, ammonia, chlorine, fluoride, etc. generated in the production process	Adoption of ultra-low nitrogen vacuum hot water boiler, acid and alkali spraying, and activated carbon adsorption to ensure that all kinds of pollutants are discharged according to standards; Utilization of two-stage waste gas treatment facilities to ensure effective treatment in case of abnormality.
Hazardous Waste	Waste activated carbon, acidic sediment, waste mineral oil, etc.	Recycling activated carbon; reusing chemical packaging drums to minimize hazardous waste generation.
General Waste	Domestic waste, sludge and waste equipment, etc.	Utilizing physical concentration & plate-frame filter presses to reduce sludge moisture content; Targeted application of chemicals to prevent excessive waste and effectively reduce the volume of sludge generated.
Noise	Operational noise from equipment within & outside workshops	Implementing noise reduction modifications on excessively noisy equipment.



Waste gas treatment at Yiwu Base - Establishment of a high-efficiency waste gas treatment system

The Yiwu Base has established a high-efficiency waste gas treatment system designed specifically for purifying various types of waste gases: Acid and alkali waste gases are purified using a spray tower, while silane waste gases undergo treatment through combustion and dust removal. Etching waste gases are processed via multi-stage spraying and chemical reactions. Screen printing waste gases are managed through activated carbon adsorption, welding waste gases are treated with both spraying and activated carbon, and hazardous gases produced during brushing and curing processes are purified using a zeolite rotor coupled with catalytic combustion. All types of waste gases pass through these treatment facilities and systems to ensure compliance with emission standards. The overall pollutant removal efficiency exceeds 80%, with the emission concentrations of non-methane hydrocarbons, particulate matter, and other pollutants significantly below national regulatory limits.



Wastewater Treatment at Yiwu Base - Concentrated Alkali Recovery Project

The Yiwu Base upgraded its concentrated alkali recovery device within the wastewater station. High-concentration alkaline waste liquids produced during operations are centrally collected and pre-treated before being reused in biochemical systems as a substitute for liquid alkali. This initiative enables complete recovery of concentrated alkaline liquid across all five factories at Yiwu Base while reducing liquid alkali usage by over 52%—in addition to decreasing hydrochloric acid requirements by 96.6%, resulting in a total reduction of chloride emissions by approximately 42.97 tonnes/month (calculated based on sodium chloride equivalents).



Alkali recovery device



Noise control at Yiwu Base - heat emission noise control project

To mitigate excessive noise generated by large air volumes from heat discharge fans—an investment exceeding RMB3 million was made into targeted noise control measures that include installation of silencers and sound barriers around heat discharge units effectively reducing overall noise levels while ensuring compliance with emission standards at facility boundaries.

Pollutant and waste management indicators

	Environmental Performance Indicators	Unit	Yiwu Base	Chuzhou Base	Tianjin Base	Zhuhai Base	Foshan Base	AIKO
Wastewater discharge	Total Wastewater discharge amount	Tonnes	4,742,102	190,000	2,354,829.64	3,102,629	87,424	10,476,984.64
	COD emission amounts	Tonnes	279.34	49.32	93.01	40.07	1.13	462.87
	Ammonia nitrogen discharge amountNH ₃ -N emissions	Mm ³	15.83	0.06	0.74	3.85	0.08	20.56
Environmental Performance Indicators	Waste gas emission	Tonnes	3,015.36	14,583.10	100.85	9,836	116.78	27,652.09
	Nitrogen oxide emission	Tonnes	8.81	0.51	1.32	8.82	0	19.46
	Sulfur oxide emission	Tonnes	0	0.08	0	0.51	0	0.59
	PM emission	Tonnes	3.76	0.51	0.26	0.41	0.47	5.41
	Fluoride emission	Tonnes	1.51	3.45	2.14	8.53	0	15.63
	Chlorine emission	Tonnes	0.66	0	1.07	0.95	0	2.68
	Ammonia emission	Tonnes	4.05	0.20	0.06	72.51	0	76.82
	Other waste gas emissions (hydrogen chloride, sulfuric acid mist, non-methane hydrocarbon)	Tonnes	50.59	0.43	0.25	16.80	0.45	68.52
Solid waste emissions	Total waste generation amount	Tonnes	33,471.99	4,201.28	14,130.28	17,892.51	189.68	69,885.74
	General waste generation amount	Tonnes	33,201.98	4,200	14,093.53	14,497.06	125.66	66,118.23
	General waste disposal amount	Tonnes	33,201.98	4,200	14,093.53	14,497.06	125.66	66,118.23
	Hazardous waste generation amount	Tonnes	270.01	1.28	36.75	3,395.45	64.02	3,767.51
	Hazardous waste disposal amount	Tonnes	270.46	1.28	36.75	3,395.45	64.02	3,767.96
	Total waste recycling and utilization amount	Tonnes	0	0	0	1,441.16	87.96	1,529.12

Water resources management

Policy and systems

AIKO strictly adheres to national and local laws and regulations, actively responding to policy directives such as the *Guiding Opinions on Promoting the Utilization of Wastewater Resources* and the *Guiding Opinions on Strengthening the Allocation and Utilization of Unconventional Water Sources*, issued by the Ministry of Water Resources and the National Development and Reform Commission. The Company has established comprehensive internal management systems, including the *Handbook of Water Resources Management*, *Responsibility System for Water Saving Targets*, *KPI System for Water Reduction*, *Audit Measures for Water Reduction*, *Reward and Punishment System for Water Reduction*, *Procedure for Water Saving Technical Improvement Project Proposal*, and *Measures for Water Saving Technical Improvement Project Acceptance*. These systems are designed to continually refine water resource management practices.

The Board of Directors holds ultimate supervisory authority over water resource management issues, with the Chairman overseeing strategies related to water resource management performance. The Strategy and Sustainability Committee has been established within the Board to manage, track, and ensure progress towards water resource management targets. Additionally, AIKO has set up a Water Treatment Center that collaborates with this committee in managing water resources effectively throughout project lifecycles. This center focuses on developing detailed plans for water use, setting treatment standards, participating in performance evaluations related to water use and drainage, as well as accelerating digital transformation within all processes associated with water systems.



AIKO's Water Resource Governance Architecture

Water risk assessment

AIKO conducts annual assessments of Baseline Water Stress (BWS) and Water Quality Risk in each base's operational area using the Water Risk Filter developed by WWF in conjunction with its internal *Environmental Factors Identification and Evaluation Control Procedure*. Based on the results of the assessment, appropriate emergency response plans and locally adapted water resource utilization and water pollution control measures are formulated to ensure the long-term sustainable supply of water resources. The Company remains vigilant about how its use of these resources impacts local communities, committing to proactive communication and collaboration based upon findings from these assessments to foster a responsible framework for managing water resources.

In 2024, AIKO conducted comprehensive risk evaluations across all bases; results indicated that four bases are situated in high-risk zones—specifically noting Tianjin Base's vulnerability regarding both resource scarcity risk as well as quality concerns.



Water Risk Identification & Countermeasures at AIKO's Operational Sites

Chuzhou Base

Deepen the potential of internal water resources recycling and ladder utilization, and carry out water reduction projects;
Promote hydrofluoric acid wastewater resource utilization projects to reduce total pollutant emissions

Tianjin Base

We employ a cascading approach to utilize internal water resources more efficiently within the base;
We are steadily promoting the planning and construction of municipal recycled water projects, with a goal of achieving 50% replacement with recycled water by 2026;
Furthermore, we are implementing various water reduction initiatives such as reducing process water usage and recovering air-conditioning condensate, which is expected to save approximately 114,000 tonnes of source water annually

Jinan Base

Plans are underway to construct a "near-zero emission" base. We aim for a recycling ratio exceeding 93% while achieving more than a 90% reduction in pollutants

Yiwu Base

The proportion of municipal recycled water and reclaimed water at the Yiwu Base has exceeded 90% of the total water consumption for production. We will continue to advance projects aimed at process reduction and the implementation of technologies for water reuse

Zhuhai Base

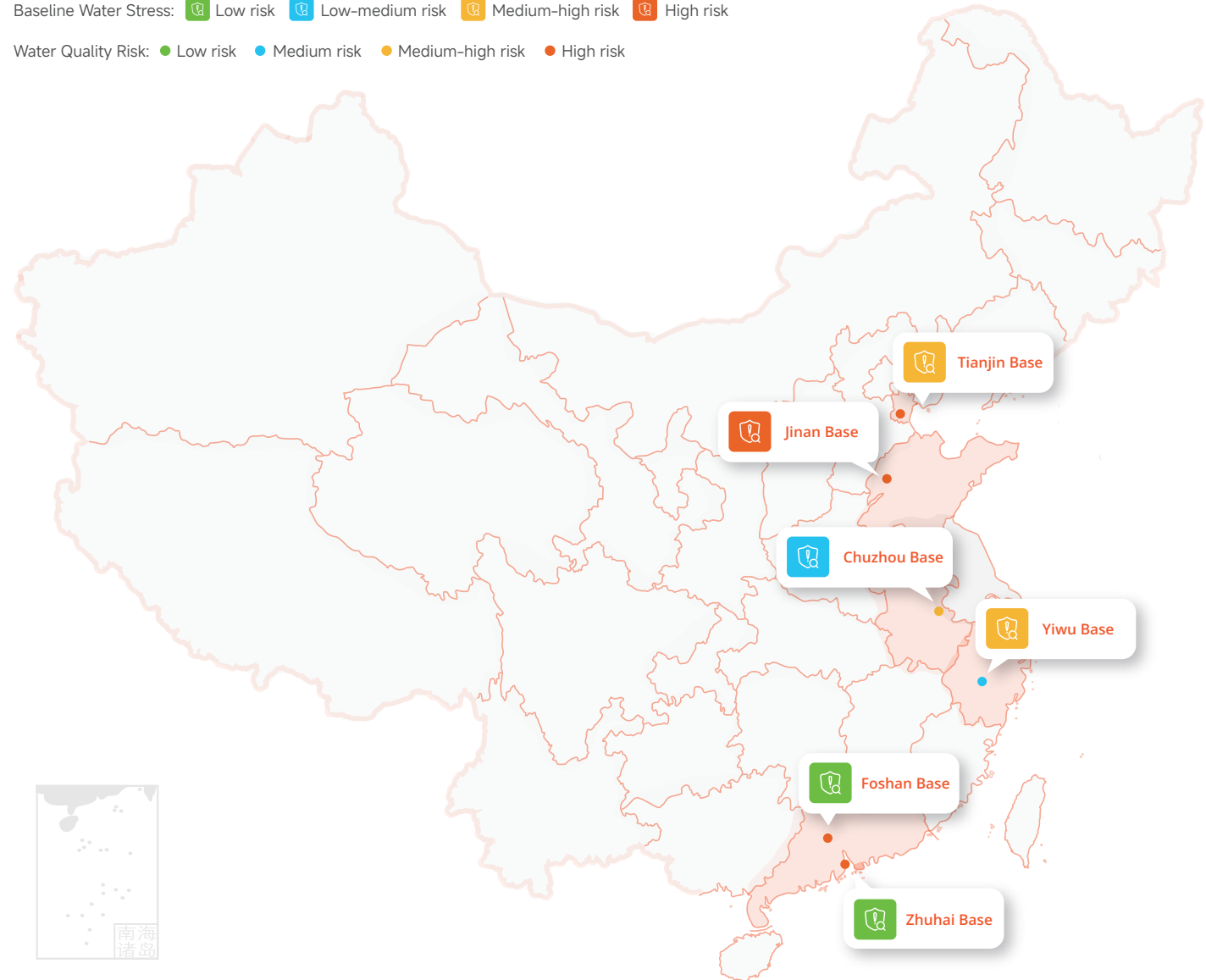
We comply with local standards in Guangdong Province that are more stringent than industry wastewater discharge standards. This compliance aims to significantly reduce emissions of COD, NH3-N, and total nitrogen

Foshan Base

Since February 2024, Foshan Base have exclusively produced module products and ceased any wastewater discharges entirely

Baseline Water Stress:  Low risk  Low-medium risk  Medium-high risk  High risk

Water Quality Risk:  Low risk  Medium risk  Medium-high risk  High risk



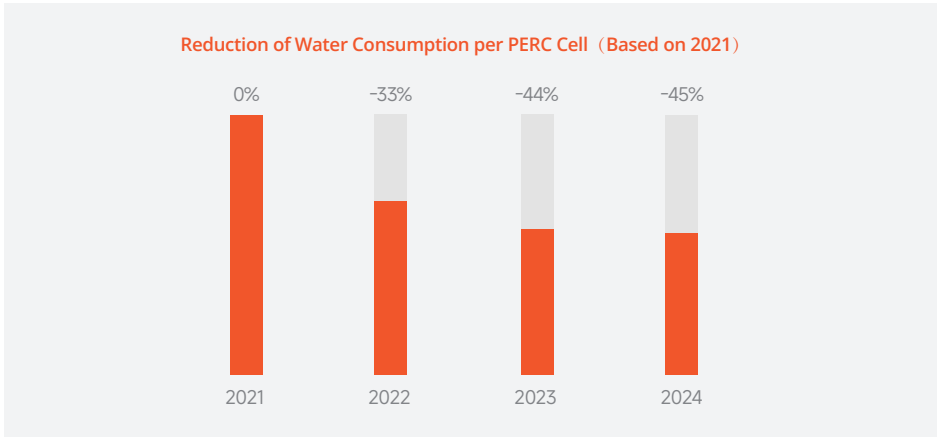
Water resources management objectives

AIKO's Water Reduction Targets

	Coverage	2024	2026	2030
ABC Cell Production Water Consumption Per Unit	Yiwu Base and Zhuhai Base	A 10% decrease compared to 2023	A 13% decrease compared to 2023	A 20% decrease compared to 2023

Achievement Status for Targets in 2024

	Water Reduction Performance	Achievement Status
ABC Cell Production Water Consumption Per Unit	Yiwu Base: Decreased by 76%	✔ Achieved
	Zhuhai Base: Decreased by 57%	✔ Achieved



Substitution and reduction of water resources

AIKO is committed to continuously exploring and implementing effective water resource management measures. These measures include the development of diversified alternative water sources, the promotion of water resource recycling, and the enhancement of water use efficiency, all aimed at significantly reducing overall water consumption and wastewater discharge.

In 2024, the Company initiated several water reduction projects, including wastewater classification for recycling and reuse, reuse of ROR concentrated water, steam condensate recovery, optimization of process water usage, and refinement of its pure water system. As a result, a total of 2,229,757 tonnes of recycled water was achieved—representing 16.62% of total water consumption. Additionally, AIKO has made significant strides in increasing the utilization ratio of municipal recycled water. In 2024 alone, 3,626,304 tonnes of municipal recycled water were used—accounting for 27.03% of total consumption. Overall utilization rates for alternative water sources reached an impressive 43.65%, culminating in an annual reduction in freshwater use by approximately 1,952,200 tonnes.

Alternative Water Sources Utilization Targets at AIKO

	Coverage	2024	2026	2030
Reclaimed water reuse rate	AIKO	Reclaimed water reuse rate achievement: 20%	Reclaimed water reuse rate achievement: 25%	Reclaimed water reuse rate achievement: 40%
Recycled water utilization rate	AIKO	Recycled water utilization rate achievement: 30%	Recycled water utilization rate achievement: 40%	Recycled water utilization rate achievement: 45%

Achievement Status for Targets²⁴ in 2024

	Water Reduction Performance	Achievement Status
Reclaimed water reuse rate	Corporate-wide reclaimed water reuse rate achievement: 16.62%	○ Not achieved
Recycled water utilization rate	Corporate-wide recycled water utilization rate achievement: 27.03%	○ Not achieved

²⁴ In 2024, Chuzhou Base was in the new - construction and ramping - up phase, and Jinan Base was under construction. The introduction of water - saving measures such as reclaimed water reuse and recycled water utilization would take time.



Active implementation of water resource management at AIKO's bases to improve water use efficiency

Zhuhai Base

In 2024, at Zhuhai Base, we effectively enhanced water resource utilization by focusing on two main areas: water reduction in workshop processes and the reduction of wastewater discharge. Water reduction in workshop processes: By implementing lean management techniques and adjusting water consumption parameters across production lines, we successfully reduced pure water usage by 16%. Reduction of wastewater discharge: We initiated a project for classifying and recycling workshop wastewater. With the installation of an RO concentrated water reuse system, we have been able to recycle over 1,700 tonnes of wastewater each day.



Workshop wastewater classification and recycling device

Yiwu Base

The Yiwu Base effectively utilizes the characteristics of low pollutant content and good turbidity found in the supernatant from the sedimentation tank at the wastewater treatment station's physical and chemical treatment system. By leveraging old or unused equipment such as pumps, pipes, and meters—designed and installed internally—the supernatant is redirected into the wastewater station. This innovative approach replaces tap water used for preparing chemical agents and cleaning processes within the station, achieving an impressive annual water saving of 67,000 tonnes.



Wastewater Recycling and Reuse System

Water resources management indicators

Environmental Performance Indicators	Unit	Yiwu Base	Chuzhou Base	Tianjin Base	Zhuhai Base	Foshan Base	AIKO
Total water consumption	Tonnest	5,275,671	1,234,396	2,683,961	4,085,493	135,140	13,414,661
Of which: Freshwater consumption	Tonnes	234,180	1,112,396	2,380,191	3,696,693	135,140	7,558,600
Of which: Municipal recycled water consumption	Tonnes	3,626,304	0	0	0	0	3,626,304
Water resource consumption							
Of which: Reclaimed water consumption	Tonnes	1,415,187	122,000	303,770	388,800	0	2,229,757
Total alternative water sources utilization amount	Tonnes	5,041,491	122,000	303,770	388,800	0	5,856,061
Alternative water sources utilization proportion	%	95.56	9.88	11.32	9.52	0	43.65
Recycled water reuse rate	%	68.74	0	0	0	0	27.03
Reclaimed water reuse rate	%	26.82	9.88	11.32	9.52	0	16.62

Supply chain water stewardship

AIKO is committed to promoting a comprehensive water reduction plan throughout its supply chain. The Company has developed the *Tiered Management Measures of Water Saving for Suppliers*, which emphasize targeting key material suppliers such as silicon wafers and essential chemicals regarding their water-saving initiatives. Core suppliers are explicitly required to adopt advanced industry technologies and equipment that meet or exceed international standards for cleaner production (Level I).

Key performance

During this reporting period, we successfully facilitated various water reduction projects among key material suppliers, resulting in a total savings of approximately 2.5 million tonnes of water.

Chemicals management

The Company has established the *Chemical Management Control Procedure*, *Cylinder Usage Safety Management Protocol*, and *Explosive Precursor Chemicals Control Rules* to standardize chemical management processes. This ensures systematic control at all stages, including prior assessments, warehousing, storage, dispatching, usage, and disposal of chemicals. AIKO continuously enhances its risk management strategies for chemical processes by engaging third-party professional institutions to conduct thorough evaluations of major hazards within the facility. These evaluations include Hazard and Operability Analysis (HAZOP²⁵) to assess risks associated with chemical processes. The Company is committed to implementing ongoing risk control measures for both significant hazards and chemical process risks. To ensure the safe handling of chemicals, the Company regularly provides training on hazardous materials and conducts emergency drills for chemical leak response, targeting relevant personnel.

Material utilization

AIKO prioritizes responsible resource management and efficient utilization. The Company is dedicated to reducing material usage during production and transportation through ongoing innovation and improvements.

Silver Paste

- ABC Cell reduces silver consumption by implementing Ag-free metallization technology
- TOPCon batteries minimize silver usage by narrowing grid lines

Metals

- Optimizing the copper-to-aluminum ratio in welding tapes; and the width and wall thickness of aluminum frames in modules to lower overall metal consumption
- Recycling metals such as aluminum, copper, tin, and lead

Non-metallic

- Optimize production processes to reduce the use of chemicals, gases, and other substances during production
- Adopt advanced wastewater treatment technologies to minimize the consumption of water treatment reagents such as defluorination agents, calcium chloride, concentrated alkali, and calcium hydroxide during the water treatment process

Packaging materials

- Optimization of packaging material dimensions
- Utilization of recycled packaging materials

Key initiatives for material management of AIKO in 2024

²⁵ HAZOP: Hazard and Operability Analysis, a structured method for identifying design defects, process hazards, and operational issues. This method involves a series of meetings where process diagrams and operational procedures are reviewed systematically to identify potential hazards and operational infeasibilities.

Green office

AIKO integrates green principles into its office operations by establishing *Management Standards for Office Supplies*. The Company actively fosters an environmental protection culture while promoting digital transformation within its administrative functions. Furthermore, we set environmental control targets across relevant departments to enhance awareness regarding environmental conservation efforts while reducing waste.



Water Reduction

Establish a water management system and conduct regular inspections and maintenance of water-consuming equipment to eliminate leakage, spillage, dripping, and seepage. Comprehensively popularize water-saving appliances and equipment, such as water-saving taps and toilets, to reduce waste of water resources.



Paperless Office

Digital Office Platform: Promote the use of a digital office platform that includes OA approval, intelligent travel systems, accommodation systems, and various administrative service platforms to achieve a paperless and remote working environment.



Resource recycling

Recycling of office supplies: Encourage employees to recycle office supplies by classifying and reusing items such as paper, notebooks, phone cards, mobile phones, and uniforms, which helps reduce resource waste.



Green Traveling

Encourage employees to use public transport, walk, cycle, and adopt other green travel modes to decrease the frequency of car usage; Construct photovoltaic carports integrated with energy storage and charging facilities to encourage employees to use new energy vehicles; Establish a bus management system to strictly control the use of official vehicles. Measures implemented include fixed-point refueling, fixed-point maintenance, fixed-point insurance. These initiatives aim to minimize the environmental impact of official vehicles; Provide free new energy shuttle buses for employees.

Key initiatives for green office of AIKO in 2024

Response to Climate Change

With reference to the Shanghai Stock Exchange *Compilation of Sustainable Development Reports and Task Force on Climate-related Financial Disclosures* (TCFD), AIKO enhances its management of climate change issues across governance, strategy, risk management, indicators, and targets. This comprehensive approach enables the Company to identify climate-related risks and opportunities effectively. By collaborating across various departments, AIKO assesses the potential impacts on its operations and formulates countermeasures to actively address climate change challenges.

Climate governance

AIKO has developed an efficient and structured climate governance framework that ensures robust oversight and smooth operational processes. The Board of Directors serves as the highest decision-making body responsible for fully assessing risks and opportunities related to climate change while formulating strategic directives and approving significant matters. The Strategy and Sustainability Committee oversees the progress of initiatives aimed at responding to climate change. The ESG Task Force coordinates all activities related to climate issues comprehensively, providing regular updates on progress to the Board. Relevant departments—such as Strategic Planning and Development, Procurement, EHS, and Factory Administration—are tasked with implementing specific actions in alignment with these initiatives. Through collaborative efforts among multiple departments, AIKO continuously enhances its capacity for identifying climate risks while managing associated opportunities.

Climate Change Governance Structure of AIKO



Climate strategy

To ensure preparedness against meteorological disasters, AIKO classifies physical risks by evaluating topographical differences along with climatic data at each branch's operational location. The Company remains vigilant about evolving climate policies as well as market dynamics while assessing transformational risks associated with its business strategies. AIKO will continue refining its list of identified risks relating specifically to climate change opportunities while facilitating their integration into a cohesive risk management framework aimed at enhancing overall resilience against climatic shifts.



Climate risk identification & management

AIKO has systematically identified and categorized physical climate risks, transition risks, and transformation opportunities. The Company has developed targeted response initiatives aimed at minimizing the impacts associated with climate change risks.

Climate Risks & Opportunities

Risk Type	Risk Factor	Risk Description	Impact Period	Countermeasures
Physical risk	Acute risks	Extreme climate risks, such as typhoons, high temperatures, cold waves, snowfall, and heavy rainfall, may lead to casualties, equipment damage, and operational disruptions, thus increasing production and operational costs.	Short- or mid-term	- We are enhancing meteorological monitoring by developing a digital and intelligent platform for disaster prevention that provides real-time meteorological information; - We are equipping facilities with essential emergency supplies including sandbags, pumps for water removal, and heat prevention/cooling medications; - The Company has established comprehensive emergency plans and conducts regular emergency drills. In the summer months, these drills focus on typhoon and flood prevention as well as heat stroke response. In the winter months, we implement specialized measures such as fire prevention drills; reinforcement of procedures for hot work; certification of heat-generating equipment; thermal imaging inspections; and responses to cold weather emergencies involving firefighting facilities. - We provide training on the <i>Prevention and Emergency Response to Heatstroke</i>. Additionally, we actively organize targeted compliance checks to reinforce plant infrastructure while increasing procurement and stockpiling of heatstroke prevention supplies.
	Chronic risks	Long-term sea level rise may impact operations at the Tianjin, Foshan, and Zhuhai bases, leading to increased manpower and operational costs	Mid- or long-term	Consider inland locations for new plant establishments to minimize asset losses
Transitional risks	Market risks	- Changes in supply and demand dynamics impact bargaining power, resulting in rising prices for key raw materials - Reduction in market subsidies leads to increased direct costs	Mid- or long-term	- Collaborate with upstream and downstream manufacturers to stabilize supply chain pricing; - Optimize processes for improved quality and efficiency to enhance product competitiveness.
	Technological risks	- High uncertainty regarding breakthroughs in PV mass production; New technologies are constantly emerging. - Research and development of alternative technologies. (e.g., wind, hydrogen, nuclear energy)	Mid- or long-term	- Establish a diversified incentive mechanism to encourage employees to participate in R&D innovation; - Empower employees through training to enhance their innovation and R&D capabilities; - Increase R&D investment proportion, continuously iterate cutting-edge technologies and innovative products, and improve photovoltaic conversion efficiency to fully meet customer needs; - Strengthen intellectual property protection and trade secret protection mechanisms.
	Reputational risks	Increased negative feedback from stakeholders can lead to reduced financing options and diminished product demand.	Mid- or long-term	- Strengthen both internal and external management practices; - Enhance brand promotion efforts.
	Policy and regulatory risks	- Risks associated with failing to timely adjust operational strategies could lead to increased costs or reduced product demand. - European markets are now imposing carbon footprint requirements on imported PV products.	Short- or mid-term	- Regularly identify internal and external regulatory changes; - Implement effective strategies for mitigating regulatory risks.
Opportunity Type	Opportunity Description	Opportunity Description	Impact Period	Countermeasures
Products and services	Low-carbon products	Under the "Dual Carbon" Goals, PV technology stands as a crucial element of clean energy with significant growth potential. AIKO's ABC module products meet low carbon emission demands, making them appealing in the market with excellent growth prospects.	Short-, mid-, or long-term	- Build a product lifecycle management system, integrating green and low-carbon concepts into every stage of the product lifecycle; - Strengthen carbon footprint certification for component products and continuously reduce their carbon footprint; - Collaborate with suppliers to source low-carbon and environmentally friendly raw materials.
Market opportunities	Expanding emerging market	- Markets across Asia Pacific, Latin America, the Middle East, and Africa are experiencing rapid development cycles due largely to decreasing electricity costs associated with PV power generation. - As a global PV module manufacturing center, AIKO has a complete industry chain system and high-quality module products, which have cost-effective advantages in overseas markets.	Short-, mid-, or long-term	- Develop a deeper understanding of customer needs by integrating these insights into R&D processes; - Implement quality improvement strategies across all stages from design through delivery using lifecycle management practices; - Standardize pre-sales through post-sales management processes while enhancing customer satisfaction initiatives.

Climate indicators and goals

The Company's Scope 1 and Scope 2 greenhouse gas (GHG) emissions primarily arise from the consumption of energy sources such as gasoline, diesel, natural gas, and purchased electricity. To effectively reduce GHG emissions, the Company has implemented several initiatives including retrofitting production equipment, expanding the installed capacity of rooftop solar power systems, and minimizing the carbon footprint of its products.

GHG Emissions ²⁶	Unit	Yiwu Base	Chuzhou Base	Tianjin Base	Zhuhai Base	Foshan Base	AIKO
GHG emissions (Scope 1)	tCO ₂ e	442.83	207.05	1,073.19	72.26	12.09	1,807.42
GHG emissions (Scope 2)	tCO ₂ e	514,956.61	80,243.16	148,661.16	315,633.58	11,840.08	1,071,334.59
Total GHG emissions	tCO ₂ e	515,399.44	80,450.21	149,734.35	315,705.85	11,852.16	1,073,142.01

1

²⁶ Our approach to accounting for Scope 1 GHG emissions follows the prescribed coefficients set out in the GHG Emission Accounting Methods and Reporting Guidelines for 24 industries in China; Scope 2 emissions are primarily from purchased electricity, calculated using the 2022 national electricity average emission factor of 0.5366 tCO₂/MWh.



Growing with Employees for Talent Development

04

An equitable, diverse, and inclusive working environment is a critical factor in ensuring the prosperity and sustainability of an enterprise. AIKO is committed to a people-first approach, placing the health, safety, and well-being of its employees at the forefront. The Company continuously strives to unlock the potential of its workforce, supporting each employee in realizing their personal values while fostering mutual growth alongside the organization.

Material topics of sustainability covered in this chapter

- Rights and interests of employees
- Talent attraction and retention
- Diversity, equity and inclusion
- Occupational health and safety

UN SDGs Addressed in this Chapter



Diversity, Equity, and Inclusion

AIKO strictly adheres to the relevant laws and regulations including the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, the *Employment Promotion Law of the PRC*, and the *Regulations on the Prohibition of Child Labor*. The Company actively responds to international initiatives and standards such as the *Universal Declaration of Human Rights*, the *International Labor Organization Conventions*, and the *United Nations Guiding Principles on Business and Human Rights*. AIKO supports and respects local laws in all operational jurisdictions while strengthening human rights protection and employee rights assurance throughout its operations and value chain with a zero-tolerance stance towards any infringement incidents.

Fair recruitment and employment

AIKO is committed to creating a diversified, fair, and inclusive workplace environment that encourages employees from various cultural backgrounds and professional fields to collaborate, learn from one another, and grow together.

The Company has established a series of regulations, including the *AIKO Labor Policy*, *Recruitment Management Regulations*, *Employment Labor Management Rules*, and *Human Resource Development Policies* that strictly regulate labor practices while upholding human rights; all forms of forced labor or child labor as well as abuse or harassment are expressly prohibited. The Company firmly opposes any form of discrimination in key areas such as recruitment, promotion, or compensation based on race, color, age, gender identity or expression; ethnicity or national origin; disability; pregnancy; religious beliefs; or other protected characteristics. Furthermore, AIKO has implemented a comprehensive employee rights protection system across all operational sites that clearly outlines working conditions, labor relations, grievance mechanisms, communication procedures, etc., ensuring reasonable working hours while fully safeguarding employees' rights.

Diversified Recruitment Channels

- We adhere to the recruitment concept of openness, inclusiveness, diversity, and innovation. The Company has expanded open, transparent, and diversified global recruitment channels, including Liepin, Zhilian Recruiting, 51job, BOSS Zhipin, Polaris, Xiaohongshu, Facebook, TikTok, LinkedIn and Indeed to attract high-quality talents from around the world.

Enhancement in Localized Employment

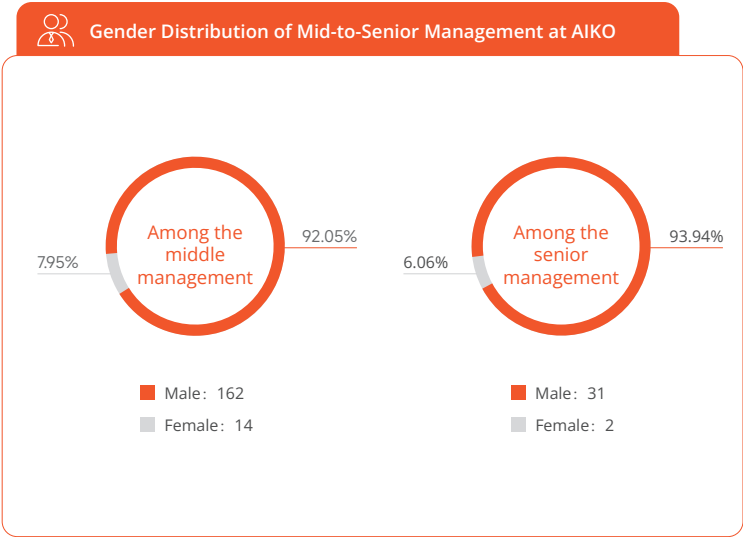
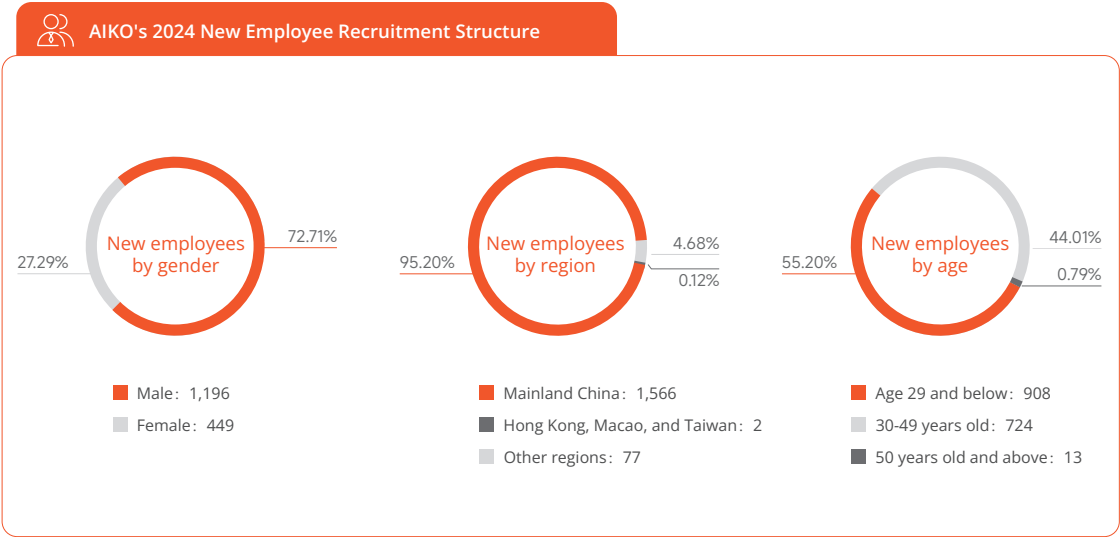
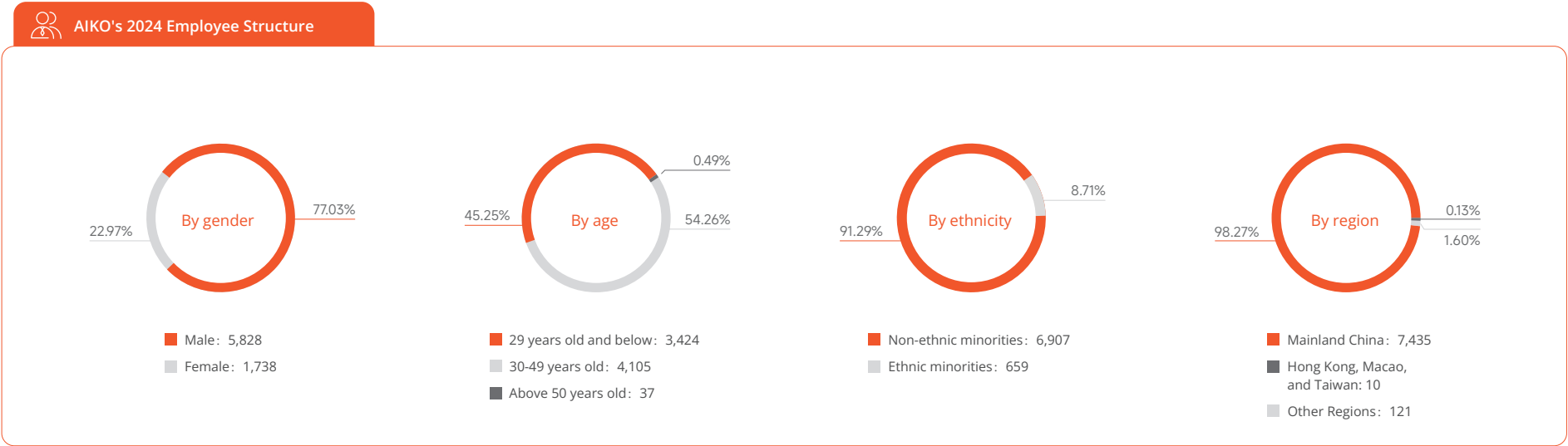
- We focus on promoting local employment by providing job opportunities and training to upgrade the skills of the local labor force. This creates job opportunities for local youths and promotes community stability and development.
- In 2024, AIKO directly hired 112 overseas local laborers, accounting for 78% of the total overseas workforce.

Emphasis on Campus Talent Selection and Cultivation

- We regard campus recruitment as an important component of talent selection. Relying on a standardized campus recruitment process and long-term investment in this area allows us to attract high-potential talents through online and offline seminars
- The Company also hosted its "With AIKO's Energy, Light Up the Future" campus recruitment campaign, engaging over 200 universities nationwide through specialized career fairs and offline recruitment events. This initiative successfully brought in 111 graduates: 37 undergraduates, 61 master's candidates, and 13 doctoral scholars. By fostering favorable partnerships with academic institutions, AIKO has established a robust and direct talent pipeline.

Talent Recruitment Strategy

In line with its annual business objectives along with departmental needs, AIKO defines its talent pipeline development strategy by formulating short-, medium-, long-term talent recruitment plans. In 2024, the Company employs 7,566 individuals, including 1,645 new employees.



Talent Attraction and Retention

AIKO is committed to building a diverse and inclusive workforce by creating well-defined career development pathways for employees, enabling them to achieve greater personal growth.

Employee compensation system

AIKO is committed to establishing a fair and market-competitive compensation system, in line with standards such as the *UN Guiding Principles on Business and Human Rights*. We have implemented internal policies like the *Compensation Management Regulations*, adhering to the principle of equal pay for equal work while prioritizing living wage guarantees for employees. Our aim is to ensure that employees and their families can maintain a basic, decent standard of living that includes adequate housing, food, educational opportunities, childcare, and emergency savings while meeting local minimum wage standards. Additionally, the Company maintains communication and cooperation with local trade unions and labor organizations to monitor economic conditions and changes in the cost of living across all operational locations continuously. By improving compensation structures and adjusting salaries accordingly, we ensure that employees' quality of life is maintained or enhanced.

Key performance

In 2024



the gender pay gap was

22.66 %



The male-to-female pay ratio for middle management was

0.99:1



The gender pay ratio among general employees was

1.01:1

Performance evaluation and incentives

To recognize employee contributions effectively while sharing company development achievements with them, AIKO has developed the *Personal Performance Management Regulations* and the *Compensation & Performance Management System*. We have established a regular performance appraisal system covering all domestic and international employees along with creating a fair transparent incentive mechanism designed to attract talent retention within our organization.

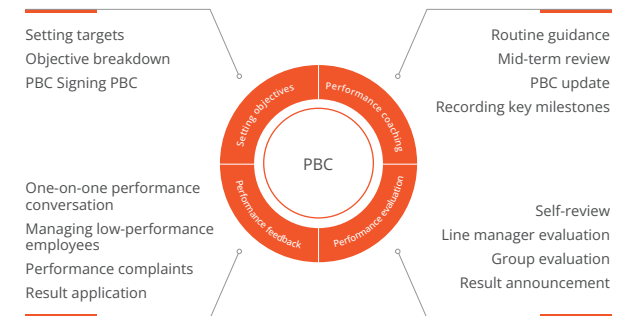
Performance management system

The Company has established a performance management system based on the Personal Business Commitment (PBC²⁷) model, focusing on organizational performance objectives, individual performance objectives, and learning & development metrics. Tailored to specific business units, hierarchical levels, and responsibilities, the system conducts regular evaluations and feedback mechanisms to ensure company-wide participation in goal-setting and assessment planning. Managers & Technical Professional Staff undergo semiannual/annual appraisals, while operators experience monthly evaluations.

The outcomes from personal assessments influence salary adjustments, bonus allocations, long-term incentives distributions, promotions or qualification upgrades. To ensure the fairness and transparency of employee performance evaluations, AIKO has established a performance feedback mechanism. Employees who have disputes regarding assessment results may provide feedback or file appeals through communication channels such as face-to-face interviews and formal grievance procedures.

Robust incentive mechanism

AIKO's compensation structure includes fixed income, performance bonuses, special allowances, long-term incentives, and other benefits. We implement an acquisition-and-sharing mechanism that ties all employee bonuses directly to the overall organizational achievements. Moreover, a mid-to-long term incentive plan alongside Time Unit Plan (TUP²⁸) optimization allows dynamic allocation ensuring stakeholders retain shares/options offering rewards during varied contribution periods thereby sharing dividends resulting from corporate growth stimulating motivation alongside creativity over time.



Our Performance Management System

Key performance

In 2024

AIKO's employee performance appraisal coverage & evaluation coverage

100 %

the number of our employees accounting for holding restricted shares or options reached

708

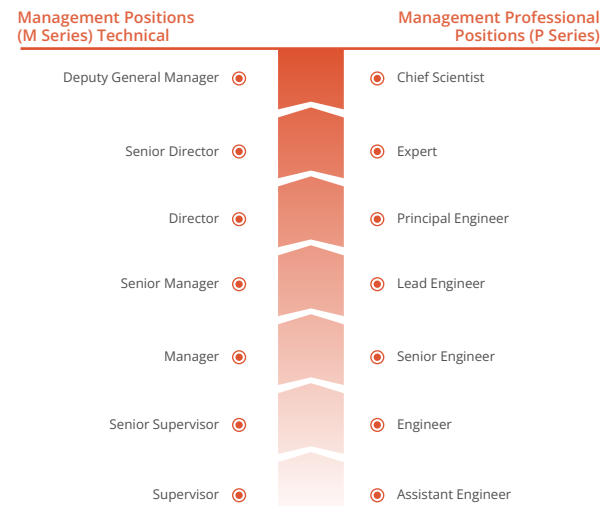
9.4 %

²⁷ PBC (The Personal Business Commitment) is a performance management strategy developed by IBM. It serves as a tool to ensure the strategic execution is grounded, emphasizing the self-driven traction and motivation of employees.

²⁸ TUP (Time Unit Plan) is a time-based unit plan that grants employees the right to future benefits (such as dividend rights and appreciation rights) and gradually actualizes these benefits over the coming years.

Career development

AIKO actively promotes the strategy of strengthening the enterprise with talents, creating broad career development space for employees. The Company has established standardized position management systems through regulations such as the *Position Management Regulations*, the *Competency Qualification Regulations*, and the *Leadership Management Regulations*. By implementing a dual-track career development framework encompassing technical/professional and managerial paths along with an internal rotation mechanism, we empower employees to explore their potential and leverage their strengths.



AIKO's Dual-track Talent Development System

Key performance

In 2024

the Company divided and completed

59 career tracks

and trained another

1,010

in professional sequences development

and developed

58 qualification standards

selecting and appointing a total of

11 managers

the Company promoted and developed a total of

3,594 employees

Employee training

AIKO places great importance on cultivating various talents to build a high-quality talent team. AIKO is guided by strategic goals such as "cultivating high-quality talents", "addressing practical problems", and "building excellent platforms". We are dedicated to establishing a standardized Job Qualification Management System. This system aligns with talent growth trajectories by setting up hierarchical project frameworks. Moreover, this system is designed to provide employees with systematic, professional, and career-oriented development pathways, ensuring continuous enhancement of their skills in their respective roles. We leverage digital learning systems to offer diversified training programs that empower employees to enhance their professional capabilities.

The Company has established an integrated online-offline training system that provides comprehensive learning resources for our employees. We focus on improving leadership abilities, professional skills, and diversified job capabilities by conducting several customized key talent and capability cultivation projects. We launched our online learning platform "AIKO Academy", responsible for collecting training needs along with program design as well as operations evaluation to continuously empower talent development across all levels within our organization. Additionally, we implemented the *Mentorship Management Regulations*, integrating mentorship into training plans to accelerate the competency development of new employees and reserve cadres. In 2024, we have trained more than 990 mentors, who have been deeply involved in all kinds of talent development projects.

AIKO Academy Integrated Talent Empowerment Framework



Leadership training

The Company formulated its Sunrise Plan which is informed by business leadership model (BLM) theories; combining theoretical explanations alongside external benchmarking discussions plus topic seminars effectively boosts managerial leadership abilities. Furthermore, partnerships have been forged with external consulting institutions creating a series of offerings aimed at enhancing leader capabilities throughout all tiers within management hierarchies.

Leadership pipeline development program

The Company has designed the Horizon Program (for directors), Dawn Program (for managers), and Daybreak Program (for supervisors) to cultivate successors for key leadership roles. In 2024, AIKO successfully conducted 4 sessions of the Dawn Program, with 93 participants achieving certification. Additionally, we also conducted 1 session of Horizon Program, which facilitated rapid competency enhancement and role transition of 15 executives.

Professional & technical training

Guided by competency-based qualifications, the Company has launched specialized training programs across production, process engineering, equipment maintenance, quality control, R&D, and finance. Anchored in an engineer development framework, four flagship initiatives—the SwordGuard Program, SwordReveal Program, SwordEdge Program, and SwordForge Program—have cumulatively delivered over 50 professional development cohorts, engaging over 3,000 participants.

Fresh graduates training

For fresh graduates, the Company will implement a comprehensive training program covering corporate culture, role transition, communication skills, and job-specific expertise. Through diversified formats such as team-building activities, debate competitions, job rotations, and mentorship programs, we aim to accelerate graduates' corporate acculturation, facilitate their mindset shift from campus to workplace, and achieve job competency. AIKO has established the Dawn Program, a long-term development initiative aimed at graduate management trainees, successfully training 111 fresh graduates in 2024.

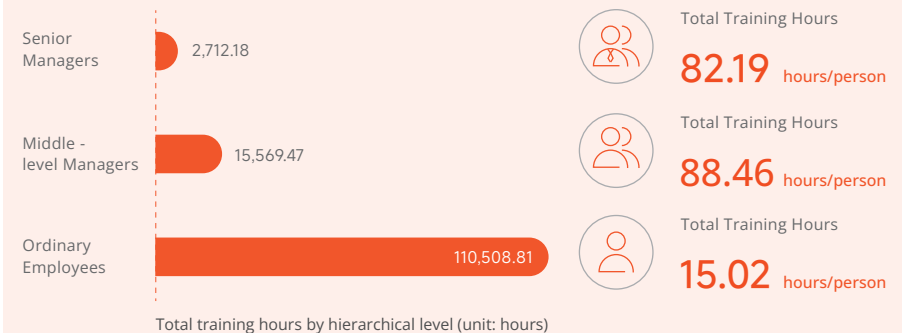
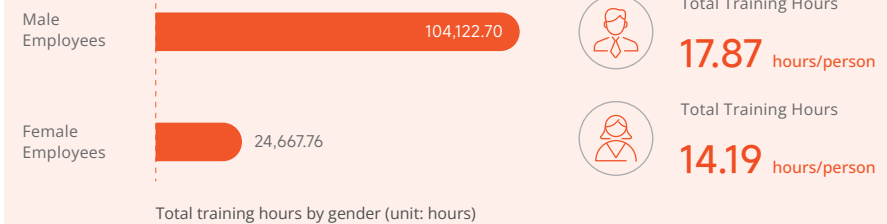
Talent exchange and cooperation

AIKO continues to deepen its partnerships with educational institutions to provide tailored training programs that support employee growth and career development. In 2024, we further expanded our cooperation with Shanghai Golden Research Institute to offer in-depth financial courses and tax policy consultation services, ensuring that finance personnel stay updated on the latest tax regulations and practical skills. Additionally, we strengthened our collaboration with Chinwin Education Group to advance employee educational enhancement programs, including advancing from high school certificates to diplomas of junior college programs, and from diplomas to undergraduate university degrees. In 2024, 40 employees joined the program to further their education. Moreover, we provide diverse domestic and international exchange opportunities for our employees. They have the chance to travel to countries like Germany and Japan to acquire expertise in lean manufacturing practices, digitalization techniques, and other relevant topics. Simultaneously, AIKO regularly conducts vocational skills level assessments designed to assist employees in continuously enhancing their professional skills while improving their overall welfare benefits.

Key performance

In 2024

Number of training sessions	Total training hours	Average training hours per employee
1,900 sessions	128,790.46 hours	17.02 hours
Employee training coverage rate	Total training investment	Average training satisfaction rate
100 %	RMB 5,800,000	98.92 %



Employee Care and Welfare

AIKO is committed to fostering a people-centric workplace by establishing a labor union and implementing multi-tiered employee welfare initiatives. The Company creates integrated online and offline communication platforms, actively seeks employee feedback, and safeguards employees' physical and mental well-being.

Labor union and committees

The Company's labor union has established three core committees: The Committee of Female Employees, the Funding Reviewing Committee, and the Labor Union Committee. The labor union formulates an annual plan for employee welfare activities and regularly organizes diverse employee engagement events to enrich their work-life balance. Additionally, AIKO has established the *Employee Association Management Regulations* to encourage employees to form various interest groups and provide financial support for their activities.

Employee welfare system

AIKO is attentive to employees' welfare. In addition to statutory benefits, it provides all employees with physical and mental health benefits, as well as subsidies for daily necessities such as food, clothing, housing, and transportation. The Company also focuses on the welfare protection of retirees, rehired former employees, and employees in need, offering them necessary financial support and assistance. Furthermore, AIKO has established employee associations and regularly hosts diversified employee activities to enhance employees' sense of participation and belonging. During the reporting period, the Company had established 19 employee associations with 1,220 members. Throughout the year, a total of 516 activities were organized, attracting 24,138 participants, with activity funding amounting to RMB258,000. The Company places special emphasis on the physical and mental well-being of female employees. In 2024, it organized 4 care events, including International Women's Day celebrations, established 3 women-focused associations (such as yoga and dance clubs), and conducted 24 wellness sessions to foster a supportive community.

Committee of Female Employees	Responsible for the overall well-being of female employees, safeguarding their legal rights, interests, and special benefits in accordance with the law.
Funding Reviewing Committee	Reviews and supervises the income, expenditure, and property management of the labor union on behalf of union members.
Labor Union Committee	Responsible for organizing various activities, providing employee support, ensuring workplace safety, and overseeing employees' labor protection.

Responsibilities of Committees Under the Labor Union in AIKO

Statutory Benefits

- AIKO provides pension insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance and housing funds
- We also offer various leave types including annual leave, marriage leave, maternity leave and parental (nursing) leave

Coverage Scope: All employees

Physical and Mental Health Benefits

- We provide free health check-ups for all employees
- We build high-quality dormitories and fitness centers, offering free housing, gym access, and group workout sessions
- We establish employee associations
- We also offer birthday gifts and holiday benefits

Coverage Scope: All employees



Benefits for retirees, rehired former employees, and employees in financial difficulty

- We provide assistance programmes for retirees and rehired employees, with bonuses, equity incentives and other benefits paid in accordance with relevant human resources regulations
- The Company also purchases commercial insurance for retirees. For employees rehired within six months of leaving, we recalculate their length of service and generally maintain their original salary and position
- The Company takes the initiative to conduct condolences and support activities for employees facing difficulties, assisting them in resolving life challenges. For employees who suffer from major diseases, casualties, or family accidents, we provide mutual fund support to help them through tough times

Coverage Scope: Retirees, rehired former employees, and employees in financial difficulty

Financial Support Benefits

- We provide housing allowances, shuttle services, meal subsidies, travel reimbursements, and transportation subsidies for family visits.

Coverage Scope: All employees

Key performance

- AIKO employee coverage of the Five Social Insurances and Housing Provident Fund (including pension, medical, unemployment, work injury, maternity insurance, and housing fund)

100 %

- In 2024, we provided free annual health checkups for all employees and distributed holiday benefits such as birthday gifts, benefits for holidays such as International Women's Day and the Spring Festival, with a total expenditure of approximately

RMB 2.5 million



Tianjin AIKO "Mid-Autumn Festival Celebration" Event Scene



2024 Tianjin Base "Cooling Care for Summer Heat Prevention and Health Protection" Employee Care Initiative



Zhejiang AIKO Badminton Club Activity



Guangdong AIKO Outdoor Association Activity



AIKO Book Sharing Meeting



Tianjin AIKO Fun Games



Chuzhou AIKO Sports Competition



Zhejiang AIKO Outdoor Quality Expansion



Zhuhai AIKO Dragon Boat Festival Event



Monthly Birthday Party for AIKO Employees



Zhuhai AIKO Outdoor Activities



AIKO Women's Day Event

Occupational Health and Safety

AIKO is dedicated to providing employees with a healthy and safe working environment. It fully implements the policy of occupational disease prevention centered on "prevention first, integrated prevention-treatment approach". The Company continuously enhances the capability of safety production management, promote the physical and mental health of employees through a series of measures, and reduce occupational health and safety risks in the workplace.

Work safety management

AIKO strictly complies with the *Work Safety Law of the PRC*, the *Occupational Disease Prevention and Control Law of the PRC*, and local regulations in overseas operational jurisdictions. The Company has established and implemented comprehensive policy frameworks including its internal *Environmental, Safety & Occupational Health Management Policy*, *EHS Management Manual*, and *Ten Red Lines for Work Safety*, continuously strengthening its Environment, Health and Safety (EHS) governance system.

Work safety responsibility system

The Company has adopted a comprehensive DuPont work safety management system to ensure an orderly approach to work safety implementation. Management responsibilities are clearly defined at all levels within the organization. Each operational base is required to establish a Work Safety Committee (WSC), led by senior management or team leaders who serve as directors of these committees. Monthly meetings are held by each committee to assess current work safety situations, make decisions on significant safety issues, and enforce safety management responsibilities effectively. Annually, each base formulates specific work safety goals that are formally documented in responsibility agreements signed by all stakeholders involved—ensuring accountability for specific roles within the organization. Furthermore, a safety assessment mechanism is established. The Environmental Safety Department regularly assesses the work of safety officers and rewards those with excellent performance. During this reporting period, AIKO has advanced its leadership EHS personal action plans alongside Standard Operating Procedures (SOP) tools; it has implemented territorial management mechanisms that optimize performance incentives while successfully completing three rounds of evaluation rules optimization—resulting in an enhanced level of workplace safety management.

Supervisory Level	Director of the Work Safety Committee (General Manager)	Deputy Director of the Work Safety Committee (Head of the Environmental Safety Department)	
Management Level	Work Safety Committee Office (Environmental Safety Department)		
Executive Level	Standing Committee Member of the Work Safety Committee (Deputy General Manager)	Members of the Work Safety Committee (Heads of Various)	Part-time Safety Officers

Organizational Structure of the AIKO's Safety Committee

Hazard investigation & emergency management

AIKO attaches great importance to safety risk prevention and has established a dual prevention mechanism of risk classification control and hazard identification and management. The Company introduces professional risk assessment tools to conduct regular hazard identification and classification activities. According to the different risk levels, we organize personnel at various levels to implement appropriate measures for addressing these hazards. To ensure continuous improvement in safety practices, each operational base conducts monthly safety meetings. During these meetings, teams summarize their safety and environmental protection efforts, identify any hidden dangers, and take timely corrective actions. This proactive approach effectively safeguards employees' lives while ensuring the stable operation of the enterprise.

The Company has established a comprehensive emergency management system for production safety, formulating specialized contingency plans such as the *Production Safety Accident Emergency Plan*, *Sudden Environmental Incident Emergency Plan*, and *Major Hazardous Chemical Source Special Emergency Plan*. It has set up an Emergency Management Leadership Group to oversee and coordinate emergency operations, while building a company-wide emergency communication network. Through plant-level Emergency Response Team (ERT), the system ensures centralized supervision and rapid mobilization across all facilities during critical incidents. Furthermore, the Company emphasizes collaborative safety with local communities and industrial parks. It has established micro fire stations and dedicated full-time safety fire brigades within its facilities to expedite the handling of potential accidents, effectively ensuring employee safety and stable enterprise operations. Each facility continuously refines its emergency plans based on its unique operational characteristics and the provisions of the Company's work safety accident emergency plan. This includes deploying compliant emergency equipment, establishing dedicated response organizations, and formulating and implementing annual drill plans tailored to scenarios such as fire incidents, special equipment failures, chemical leaks, electric shocks, machinery-related injuries, and natural disasters.

 **Key performance**

The coverage rate of ISO 45001 Occupational Health and Safety Management System certification for all operational bases (including Foshan Base, Zhejiang Base, Tianjin Base, Zhuhai Base and Chuzhou Base) is

100 %

 **Key performance**

In 2024

all bases collectively identified

2,572 hazards

with an impressive rectification completion rate of

100 %

Occupational disease prevention and control

AIKO strictly adheres to labor laws as well as occupational health and safety regulations in each operational area. The Company has implemented various systems including the *Occupational Health Management System*, the *Occupational Health Monitoring and Record Management System*, and the *Labor Protective Equipment Management System*. Online management is conducted for employees in hazardous positions by establishing health records that include assessments of occupational disease hazards. This process identifies potential risks while formulating appropriate mitigation strategies.

Source Control

- Strict selection of environmentally friendly and low-hazard raw materials and advanced production equipment to minimize occupational health risks at the source.

Provision of Protective Equipment

- Increase free distribution of personal protective equipment (PPE) that meets local occupational health and safety requirements based on different workplace hazard factors.

Health Management

- Improvement of workplace hazard prevention management, establishing individual occupational health monitoring records.
- Commissioning professional organizations to conduct at least one occupational hazard assessment annually, with a full status evaluation every three years, and publicizing the results to employees.
- Development of occupational health monitoring plans, arranging employees for occupational health checkups, and reporting occupational hazards as required.

Facility and Emergency Support

- Construction of ventilation, dust removal, and other protective facilities, with equipped emergency rescue equipment and emergency medications.
- Continuous optimization of emergency plans and establishment of on-site medical access channels to provide employees with rapid and free medical support.
- Strict implementation of equipment maintenance and repair systems to reduce the risk of hazardous substance leakage.

Occupational Health Education

- Emphasizing the importance of occupational health during new employee training.
- Monthly inspections of labor protection equipment and quarterly special inspections of occupational disease prevention measures to ensure compliance at all workplace locations.

AIKO's Occupational Health and Safety Assurance Initiatives

Safety culture development

AIKO integrates occupational health and safety awareness into daily production operations by requiring each plant to conduct regular training sessions covering four key modules: fire emergencies, general safety, environmental protection, and occupational health—which enhances employees' awareness of their safety responsibilities and protection awareness in the workplace. The Company has established a safety culture platform. In 2024, we released 87 articles focused on accident prevention strategies alongside effective emergency responses, achieving an impressive annual readership of 66,708—a year-on-year increase of 15%.

Additionally, the Company has established coordination mechanisms in collaboration with local governments along with emergency management departments to jointly conduct rescue drills addressing various scenarios including firefighting; typhoon & flood preparedness; gas leak responses; and other pertinent emergencies. Through consistent training efforts paired with diverse simulation drills, we continually enhance employees' capabilities in responding effectively during emergencies. In 2024, AIKO organized a total of 79 emergency drills for typhoon prevention, flood prevention, fire prevention, earthquake prevention, etc. We issued 77 meteorological disaster warnings, with the number of page - views reaching 33,069.

As of the end of this reporting period, the Company has not had any work - related fatal incident, major fire or explosion accidents. The number of lost work - hours is 0, and the incidence rate of occupational diseases is 0.



Case

Environmental Safety Emergency Drill at Yiwu Base of AIKO

On July 12, 2024, Zhejiang AIKO executed an environmental incident response drill in collaboration with Yiwu City Municipal Government. A multi-departmental joint emergency drill was conducted, simulating a liquid ammonia tanker leakage accident at the ammonia station. The Company activated its emergency response protocol, mobilizing seven specialized rescue teams to execute critical operations including rescue, and leak containment. With swift reinforcement from relevant departments, the hazardous scenario was successfully neutralized. This exercise effectively validated the Company's emergency preparedness and standardized response procedures.



2024 Yiwu City Emergency Drill for Sudden Environmental Incidents

The status of safety cultural development in each base in AIKO in 2024

Base Name	Specialized Safety Training Sessions (Times)	Participant Visits (Person-time)	Duration of Safety Training (Hours)	Training Coverage Rate (%)
Foshan	28	1,368	10,000	98
Tianjin	494	14,038	1,296	100
Zhuhai	158	9,000	60,000	98
Chuzhou	73	2,814	12,756	100
Jinan	8	1,220	13,680	100
Yiwu	156	20,573	35,278	100

Base Name	Emergency Drill Sessions (Times)	Emergency Drill Participant Visits (Person-time)	ERT Training Sessions (Times)	ERT Trainees (Persons)
Foshan	12	960	3	36
Tianjin	39	2,747	34	1,992
Zhuhai	54	5,044	8	158
Chuzhou	34	1,485	30	128
Jinan	4	836	2	20
Yiwu	399	10,691	68	1,420

Indicator	Safety Production Target	2024	2024 Achievement Status
Number of Serious - injury - and - above Personnel Injury Accidents (cases)	0	0	✓
Incidence Rate of Occupational Diseases (%)	0	0	✓
Number of Major Fire and Explosion Accident Incidents (cases)	0	0	✓

Key performance

During the Reporting period

The Company and its various bases organized specialized safety training a total of

917 times 49,013 person-time

coverage rate exceeding

98%

Key performance

During the Reporting period

Environmental and safety drills conducted by AIKO across its bases including emergency drills

687 times 542 times

ERT training sessions

145 times

Employee Communication and Satisfaction

AIKO places significant emphasis on employee feedback by actively listening to their concerns and demands. The Company has developed a diversified communication platform that integrates both online and offline channels. We have launched the "AIKO Voice" platform, which hosts regular staff democracy forums and employee symposiums, alongside establishing multiple confidential complaint/grievance reporting channels. This initiative ensures seamless, accessible, and confidential communication pathways for employees, fostering open dialogue between leadership and staff. We also have established an appeal escalation procedure where employees may, should they contest the initial resolution, formally escalate grievances to designated authorities (e.g., Labor Union Committee, Legal Affairs Department, Audit Department) based on the nature of the issue to ensure effective dispute resolution.

Additionally, AIKO respects the rights of employees regarding participation in trade unions and seeking representation during employee congresses, and signs collective negotiation contracts with them accordingly. The Company regularly holds employee congresses where significant matters concerning grassroots trade unions are discussed while respecting employee opinions—thereby protecting their rights and interests throughout organizational operations.

Our goals

To create a harmonious work environment, we have set a target to maintain a **100%** signing rate for collective bargaining agreements by 2030.

Key performance

In 2024

The percentage of employees signing collective bargaining agreements at AIKO reached

100 %

Employee satisfaction survey

The Company conducts annual employee satisfaction surveys. In 2024, AIKO launched an organizational climate satisfaction survey based on the Beisen Employee Engagement Model of an Agile Organization framework. This initiative aims at systematically understanding the work experiences of our employees by collecting, analyzing, and discussing survey results—leading towards targeted improvement plans designed specifically to enhance overall employee satisfaction.

Our goals

AIKO aims to increase employee satisfaction by **5%** by 2030, enhancing employees' sense of belonging within the organization.

Key performance

In 2024,

AIKO's organizational atmosphere satisfaction score was

91

AIKO Employee Complaint/Grievance Channels

Legal Affairs Department

Established channels such as email and postal correspondence to accept reports and complaints regarding legal matters.

Audit Department

Offers multiple reporting avenues including email, telephone, postal mail, messages via WeLink, and official accounts to receive allegations of fraud from business partners and employees.

Quality Management Department

Implements an internal complaint mechanism allowing employees from all departments to submit complaints. This system covers the entire process from case initiation through closure.

AIKO Voice Community

This platform allows all employees to anonymously report their complaints or appeals. Each department has designated personnel responsible for promptly following up on these issues and providing timely updates. Community Liaison Officer (CLO) System: Each factory establishes a dedicated CLO system where appointed officers are responsible for tracking, processing, and resolving employee grievances submitted through community platforms. From issue collection through processing to feedback, the entire process is designed to be transparent in order to ensure that employee demands are valued and addressed effectively.

Plant Director's Mailbox System

Each factory implements a mailbox system that allows employees to submit complaints or appeals at any time. The Plant Director will personally follow up and announce the results in a timely manner to ensure that the problem is solved quickly.

Human Resources Department

Set up an email address to receive reports/complaints on various behavioral incidents, including but not limited to: human rights violations (such as discrimination, harassment, invasion of privacy, forced labor, etc.), inaction, slowness, inaction, and behaviors that cause economic losses or serious consequences to the enterprise.

Creating Sustainable Value with Partners

05

AIKO is committed to close collaboration with stakeholders to forge a responsible supply chain ecosystem that ensures sustainable procurement practices. We earn customer trust through exceptional lifecycle services and customer-centric solutions that drive business growth. Additionally, we empower industry advancement through technological innovation and ecosystem co-creation while actively supporting community development initiatives that fulfill our social responsibilities. On our path toward sustainable development, we will partner with stakeholders to co-create value and build a shared future.

Material topics of sustainability covered in this chapter

- Sustainable supply chain management
- Customer service and satisfaction
- Social relations and social contribution

UN SDGs Addressed in this Chapter



Responsible Procurement Management

AIKO has developed a supply chain management structure characterized by clear divisions of labor and well-defined responsibilities. The Company conducts full lifecycle management for its suppliers. Leveraging diversified digital platforms, we drive efficient collaboration and green transformation within our supply chain management practices. We place significant emphasis on responsible mineral management by ensuring compliance in raw material procurement through localized sourcing and traceability initiatives. Furthermore, we regularly conduct empowerment training sessions for both internal procurement staff and suppliers to promote AIKO's sustainable supply chain development philosophy. Our goal is to collaboratively establish a responsible supply chain that is transparent, compliant, environmentally friendly, low-carbon, efficient, and stable.

Supply chain management system

Responsible procurement management strategy

AIKO is dedicated to understanding the impacts of its procurement activities on society, the economy, and the environment. The Company strives to fully implement principles of responsible procurement during its purchasing activities while ensuring integrity within the supply chain meets raw material quality standards—actively developing a diversified sustainable supply chain.

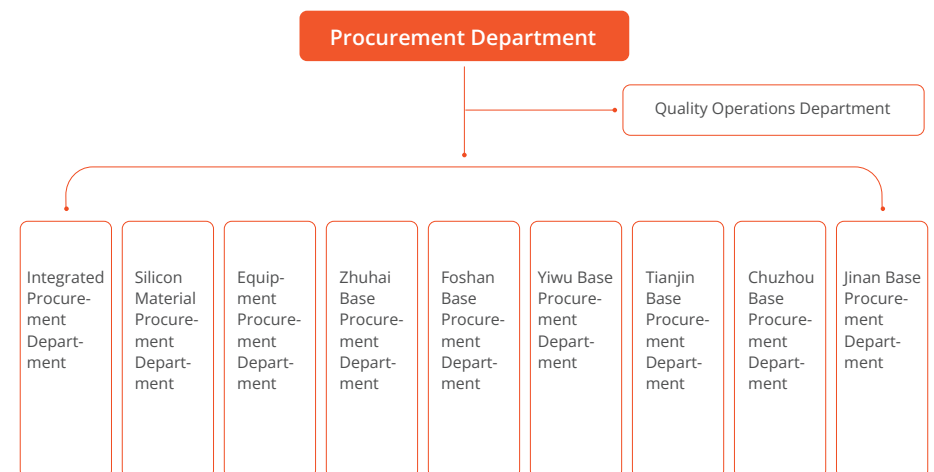


Governance

Governance structure

The AIKO supply chain model consists of collaborative multi-departmental structures within the Procurement Department including the Integration Procurement Department, the Silicon Materials Procurement Department, Equipment Procurement Department, Base-specific Procurement Departments, Quality Operations Department.

In supplier management practices, the Procurement Department employs centralized certification combined with decentralized execution, facilitating hierarchical segmentation across procurement processes—effectively minimizing ethical risks such as corruption. The Silicon Materials Procurement Department along with Integrated Procurement Departments are respectively tasked with sourcing, certifying, and evaluating suppliers dealing with silicon as well as non-silicon materials whilst developing tailored purchasing strategies accordingly. Each base's Procurement Department manages raw material quotas along with payment upon arrival—ensuring all approved local supplier meet company standards concerning sustainable practices across their operations. Moreover, the Equipment Procurement Department oversees full lifecycle management concerning equipment and spare parts procurement.



AIKO's Procurement Management Structure

Institutional framework

AIKO strictly adheres to the *Bidding Law of the People's Republic of China* and other relevant regulations. The Company has developed and continuously improved its *Material Procurement Management Procedures*, *Supplier Development & Management Procedures*, *Bidding and Tendering Management Guidelines*, *Supplier Quality Management Standards*, *Supplier Daily Management Standards*, and *Supplier Blacklist Management Policy*. These institutional measures collectively strengthen the resilience and transparency of AIKO's end-to-end supply chain ecosystem.

Impact, risk, and opportunity management

Potential risks and opportunities	Description	Potential impacts	Management measures
Addressing Double-Materiality Topics for Response: Sustainable Supply Chain Management			
Risk			
Compliance risk	Companies may face increasingly stringent supply chain due diligence from downstream customers; inadequate management of sustainable supply chain issues (e.g., conflict minerals, human rights, environment) could affect orders or expose the Company to legal risks	Decline in revenue ↘	- Implement supplier lifecycle management to ensure compliance with supplier qualifications - Conduct conflict minerals management by tracing purchased materials; require all suppliers of tin-containing materials to sign the <i>Supplier Code of Conduct</i> and provide a <i>Source Minerals Statement</i>
Opportunity			
Supply chain digitization	Efficient digital management can help integrate internal resources more effectively while enhancing collaboration; improving efficiency in supply chain management can reduce costs and strengthen competitiveness	Increase in revenue ↗	Promote the establishment of a supply chain digitization system by launching multiple platforms (e.g., SRM, Portal) that digitize key processes to improve operational efficiency



Responsible supply chain management

Supplier risk management

AIKO implements a Tiered ESG Risk Assessment Framework for Suppliers, encompassing third-party platform audits during the enrollment stage, as well as supplier social responsibility self - assessment, performance evaluation, and annual on-site reviews during the daily management stage. The Company conducts assessment and review on multi-dimensional risks such as environment, society, business ethics, and information security. For suppliers with problems in the audit results, we will require them to provide detailed rectification plans in a timely manner and track their rectification progress. For suppliers that seriously violate the *Supplier Code of Conduct* or other management requirements, we will terminate the cooperation.

Responsible mineral management

AIKO attaches great importance to the management of conflict minerals and promise not to purchase or use any mineral resources originating from disputed areas, ensuring that human rights, health and the environment in production areas are not infringed. In 2024, the Company introduced the *Responsible Sourcing and Conflict Minerals Policy*. This policy establishes stringent governance requirements for managing conflict minerals, including protocols for risk identification and assessment as well as strategies for risk management and mitigation. We require the Company and all suppliers to strictly comply to the policy, ensuring that our business operations adherence to the highest standards of ethical and social responsibility.

Given that AIKO's production process involves only minimal usage of tin ore, our focus within conflict mineral management is primarily on traceability concerning tin ore suppliers. We require all suppliers providing tin-containing materials to sign the *Supplier Code of Conduct* and submit a *Source Mineral Declarations*. To enhance traceability in raw material sourcing, we utilize our MES system in collaboration with our suppliers. Additionally, we engage third-party auditing organizations to verify the sources of raw materials while ensuring complete traceability throughout the supply chain related to customer orders.

For concerns regarding conflict minerals, we have established a reporting mailbox (Aikopro-curement@aikosolar.com) which allows stakeholders to provide timely feedback on compliance issues regarding mineral raw materials.

Key performance

In 2024, the self-assessment for supplier social responsibility was incorporated as a mandatory requirement within audits. A total of 85 production material suppliers participated in environmental risk assessments, accounting for 62% of all production material suppliers. Similarly, 85 production material suppliers participated in social risk assessments, again representing 62% of total production material suppliers.

Additionally, no significant negative environmental or social impact incidents were reported among our suppliers throughout 2024.

Key Topics of Concern

Human rights protection	Conflict Miner	Environmental Protection		
Systems and Guidelines We have formulated the <i>AIKO Responsible Sourcing and Conflict Minerals Policy</i> and required all suppliers to sign the <i>Supplier Code of Conduct</i> to regulate supplier behavior	Supplier Map We integrate suppliers into a comprehensive supplier map, which includes statistics on their origins	Traceability Management We conduct dedicated traceability for large orders to ensure the integrity and completeness of the traceability process	Source Information Declaration Suppliers are required to provide a <i>Source Mineral Declaration</i>, and are also required to sign the <i>Supplier Self-declaration</i> and obtain <i>Certificates of Origin</i> for materials related to conflict minerals	Public Disclosure of Traceability Information Traceability information is made accessible through public channels such as reports or our official website

AIKO's Responsible Minerals Management Initiatives Measures

Number of tin-containing material suppliers	Number of upstream compliant smelters	Compliant minerals usage rate	Traceability coverage of tin-containing raw material
7	2	100%	100%

AIKO's Conflict Minerals Survey in 2024

Green procurement

AIKO rigorously controls the environmental protection and safety attributes of purchased materials right from the source. The Company mandates that all suppliers involved in hazardous substances during the production of cell components must provide RoHS²⁹ and REACH³⁰ reports at least once annually. This requirement ensures that our products meet high safety and environmental protection standards. The Company has successfully implemented localized procurement practices. As of the end of the reporting period, AIKO's local procurement ratio has reached 52%. In addition to this, AIKO is advancing supply chain digitalization. The utilization rate of suppliers' digital e-invoices has reached 85%. In 2024, in the aspect of supply chain water reduction, we conducted water conservation projects among our suppliers and have achieved cumulative water savings totaling 2.5 million tonnes. In the aspect of packaging recycling, the recycling rate for chemical tonne drums stands at 98%, while silicon wafer pallet recycling has reached 50%. Looking ahead, AIKO plans to provide guidance on low-carbon initiatives for our suppliers to further enhance our green value chain.

Key performance

In 2024, the suppliers provided a total of 117 RoHS reports and submitted 83 REACH reports.
100% of silicon wafer suppliers provided testing reports.
100% of module material suppliers provided testing reports.

Clean supply chains

AIKO's Audit Department has developed the *Integrity Pledge to Business Partners* (hereinafter referred to as the "Pledge"), which clearly outlines anti-corruption requirements for our suppliers and partners. This includes prohibitions on bribery, obligations for information security protection, and compliance mechanisms. The Pledge also details whistleblowing channels and a reward-based reporting policy. The Procurement Department is responsible for disseminating this Pledge via email to all suppliers, requiring them to acknowledge receipt, study its contents, subscribe to the Integrity AIKO WeChat official account, and complete a compliance questionnaire published on the platform.

In 2024, a total of 594 suppliers received and studied the Pledge, with 382 suppliers completing the integrity questionnaire.

²⁹ RoHS (Restriction of Hazardous Substances) is a directive passed by the European Parliament and the Council of the European Union in January 2003, restricting the use of certain hazardous substances in electrical and electronic equipment.

³⁰ REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) regulation ensures that chemicals entering the EU market are registered, evaluated, licensed, and restricted, guaranteeing their safe usage.

Supply chain empowerment

To enhance synergy between AIKO's ESG initiatives and its suppliers while building a sustainable supply chain together, in 2024, we conducted ESG training sessions for all suppliers as well as employees in the Procurement Department. This training covered various ESG topics such as environmental protection, climate change, occupational health and safety, business ethics, information security, and privacy protection. Additionally, monthly awareness campaigns regarding sustainable supply chain practices were conducted specifically for employees in our Procurement Department, promoting AIKO's sustainability philosophy. The Company also organized regular supplier exchange activities that encouraged discussions around sunny procurement practices and low-carbon transformations within our supply chains. In total, over 600 supplier exchange meetings were held throughout 2024.

Case

AIKO's sustainable supply chain management training for Procurement Department employees and core suppliers

In March 2024, AIKO provided knowledge-sharing sessions focused on ESG management principles tailored specifically for Procurement Department employees. These training sessions improved internal capabilities related to ESG management.

In May 2024, a similar knowledge-sharing session was held aimed at core suppliers focusing on green sustainable supply chain practices. Suppliers gained insights into ESG ecology along with future trends, thereby enhancing their understanding of ESG relevant concepts that would contribute towards improving supply chain ESG management in the company - level.

Case

Implementation of Supplier Engagement Campaigns under the Theme "Empowering a Zero-Carbon Society" at AIKO

In November 2024, AIKO hosted an online supplier communication event themed around "Empowering a Zero-Carbon Society". During this event, we promoted our AIKO sustainability philosophy—which encompasses Advancement, Inclusion, Keeping Green, and Overturning—leading discussions regarding key ESG topics amongst both upstream/downstream partners ensuring consensus across all stakeholders towards shared goals related environmental responsibility, social accountability, corporate governance, sustainable sourcing, and ethical business practices.

Supplier diversification

AIKO is committed to promoting diversity among its supplier base. During supplier enrollment stage—while ensuring product quality remains paramount—the Company prioritizes partnerships with small-to-medium enterprises alongside those developed by women, minorities, veterans, and individuals with disabilities or other disadvantaged groups; ultimately enhancing diversity within our supply chains while fostering inclusivity throughout operations.

Supply chain digitization

To construct an efficient green low-carbon supply chain, AIKO drives initiatives aimed at digitizing various aspects of its operations. In 2024, the Company launched multiple platforms including SRM³¹ and Portal³² effectively digitizing key processes that will facilitate long-term stability compliance transparency across operational frameworks.

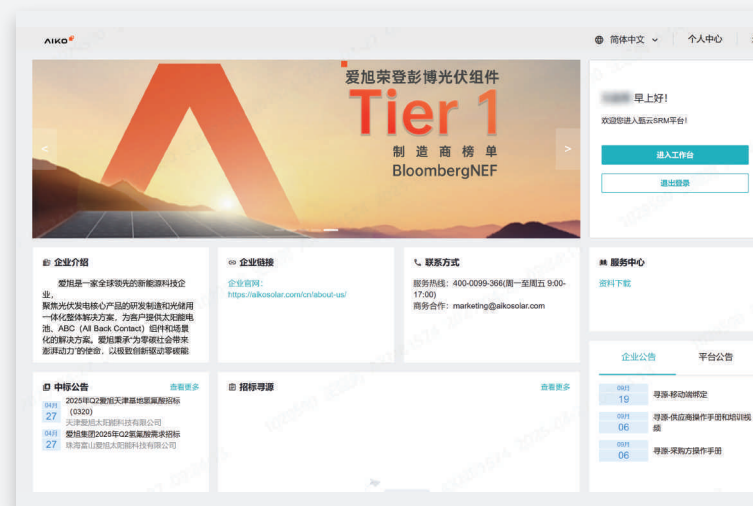
Portal Management Platform



Launched in 2024, the Portal facilitates the confirmation of delivery and return information. It integrates seamlessly with Warehouse Management System (WMS) and other digital systems to enable comprehensive management of goods arrivals. By consolidating critical information related to factory entry, warehousing, and goods confirmation, this platform significantly enhances the efficiency of warehouse operations while mitigating risks associated with untracked in-transit logistics.

Portal Management Platform

SRM System



The Supplier Relationship Management (SRM) system serves as an online bidding platform that facilitates various supplier management processes including registration and authentication, procurement inquiry initiation, supplier quotations, and price verification—all conducted online in a paperless format. This transition not only streamlines the enrollment process for suppliers but also enhances overall efficiency within AIKO's bidding practices. Additionally, the SRM platform allows suppliers to submit bids while maintaining confidentiality regarding their identities, effectively reducing risks related to potential leakage of qualified supplier lists.

AIKO's SRM Online Bidding Management Platform

³¹ SRM (Supplier Relationship Management): A platform for managing supplier relationships.

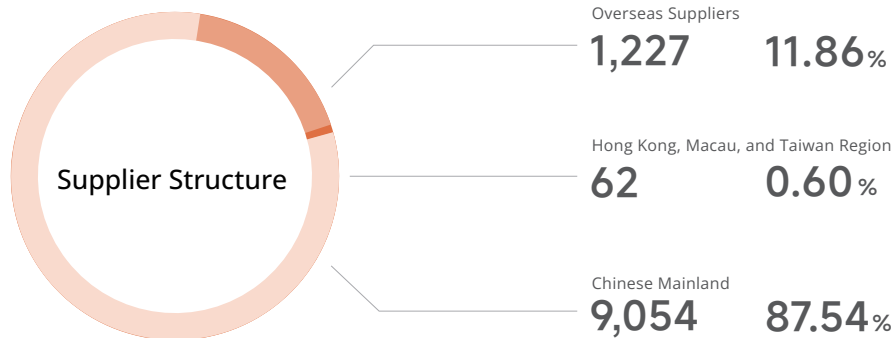
³² Portal is our self-developed web application designed to collect supplier order information.

Supply chain management indicators and targets

Key performance

During the Reporting period, The Company's core material suppliers³³ achieved 100% on-site audit. The rate at which production material suppliers³⁴ obtained certifications for ISO 9001, ISO 45001, and ISO 14001 reached 100%. 9 suppliers of the Company were held accountable for violating the *Supplier Integrity Cooperation Agreement*. Among them, 5 have been included in the supplier blacklist and will never cooperate again, 3 have their cooperation suspended, and 1 continued to cooperate after taking the initiative to make compensation.

Supplier structure in 2024



Indicator	AIKO	Zhuhai Base	Tianjin Base	Yiwu Base	Chuzhou Base	Foshan Base
Percentage of target suppliers ³⁵ that have signed the <i>Supplier Code of Conduct</i> (%)	100	100	100	100	100	100
Percentage of target suppliers that have undergone a Corporate Social Responsibility (CSR) assessment (%)	100	100	100	100	100	100
Percentage of target suppliers that have participated in a Corporate Social Responsibility (CSR) on-site audit (%)	100	100	100	100	100	100
Percentage of suppliers with contracts incorporating environmental, labor, and human rights provisions (%)	100	100	100	100	100	100
Percentage of suppliers with signed non-disclosure agreements and integrity agreements (%)	100	100	100	100	100	100
Participation rate of procurement staff in sustainable procurement training (%)	100	100	100	100	100	100
Participation rate of suppliers in anti-corruption training (%)	100	100	100	100	100	100
Participation rate of suppliers in sustainable supply chain training (%)	100	100	100	100	100	100
Proportion of local procurement (%)	52	36	44	73	55	37

³³ Core suppliers comprise four categories: silicon wafers, non-silicon auxiliary materials, equipment, and infrastructure.

³⁴ At AIKO, productive material suppliers provide both primary raw materials and major auxiliary materials required for product manufacturing, such as cell materials and module materials.

³⁵ Target suppliers are those who are in the qualification stage but have not yet been included in AIKO's approved supplier list.

Customer Service Management

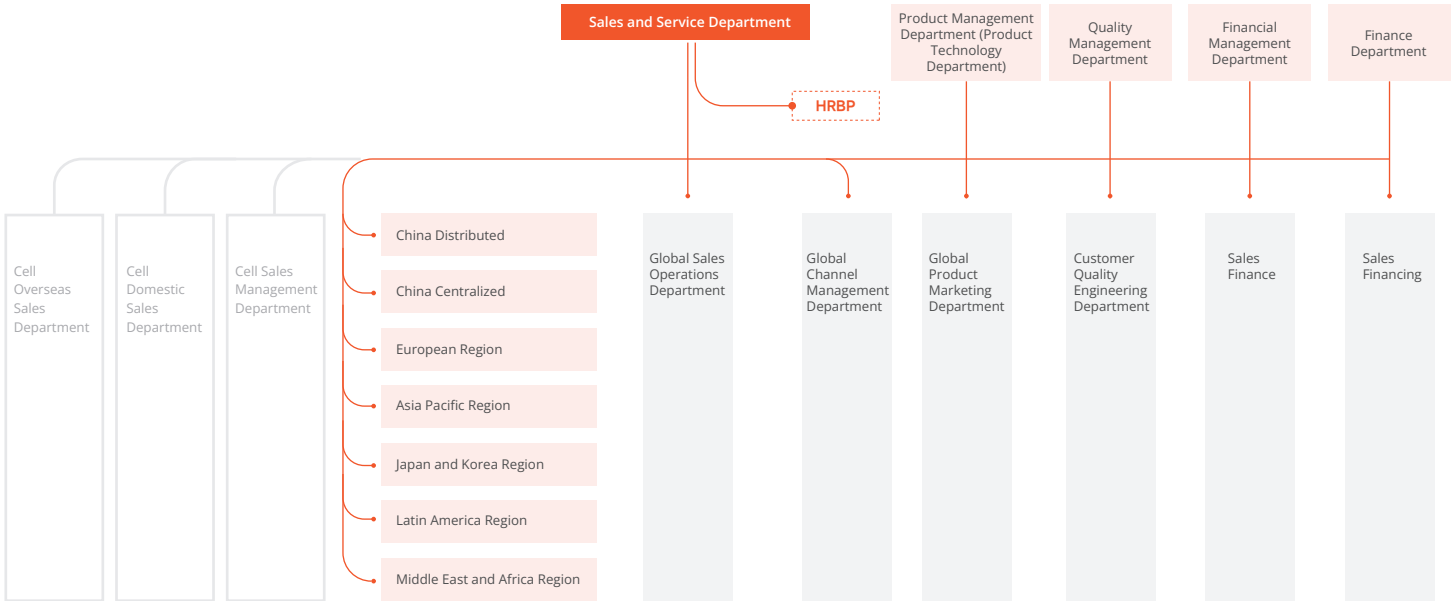
AIKO adheres to a "customer-centric" cultural philosophy, firmly committed to the principle of "from the customers to the customers." By actively engaging with customer feedback and understanding their evolving needs and expectations, AIKO is dedicated to providing high-quality, personalized, and differentiated service experiences. By establishing end-to-end management processes, the Company earns customer trust and satisfaction through exceptional service delivery.

Customer service management system

Management system

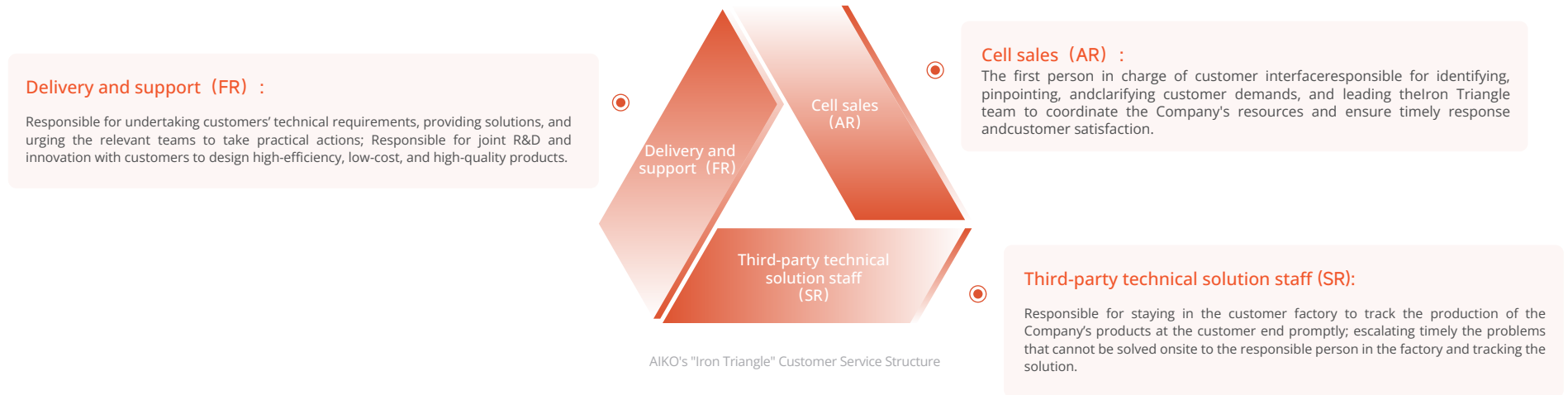
AIKO has established comprehensive management frameworks, including the *Product Packaging Requirements Management Process* and *Customer Needs Collection Management Protocol*. These processes ensure that product development is driven by market demands and centered around customer needs. Additionally, the Company implements operational guidelines such as the *Customer Requirements Management Process*, the *Sales Process Compliance Regulations*, and the *Customer Complaint Handling Control Procedure*, alongside an advanced CRM system designed to enhance client service capabilities comprehensively.

Customer service governance structure



Impact, risk, and opportunity management

AIKO is committed to refining its customer service system by leveraging diversified communication channels to gain deeper insights into customer needs. The Company has established an "Iron Triangle" customer service structure aimed at promptly addressing client requirements while providing safe, efficient products across their full lifecycle along with tailored solutions.



Potential risks and opportunities	Description	Potential impacts	Management measures
Addressing Double-Materiality Topics: Customer Service and Satisfaction			
Risk			
Diversified customer needs	The PV industry faces intense market competition and significant product homogenization. If AIKO does not timely understand customer needs and meet their expectations, there is a risk of losing market share.	Decline in revenue ↘	- Strengthen customer communication to identify, gain insight, and clarify customer needs in a timely manner. - Incorporate customer needs into the design stage to deliver more personalized solutions. - Rely on the CRM system to implement closed-loop customer management and enhance customer satisfaction.
Opportunity			
Application of automation and digital intelligence tools	The adoption of automation and digital intelligence tools enables AIKO to respond quickly to diversified customer demands, improve delivery speed, optimize the customer experience, and increase cooperation opportunities, which in turn will have a positive impact on the Company's financial performance.	Increase in revenue ↗	By leveraging an integrated "pre-sales, sales, and after-sales" management process along with automation tools, AIKO aims to boost management efficiency while promptly responding to customer demands.

AIKO's customer management process



Customer service management indicators and targets

Customer satisfaction

AIKO establishes a comprehensive customer satisfaction evaluation system by means of on-site customer visits, telephone follow-up calls, a round-the-clock 24-hour customer service hotline, and in-depth customer satisfaction surveys. Through these approaches, the Company aims to collect valuable customer feedback, effectively address and resolve customer complaints and suggestions, and provide professional and high-quality services.

In the 2024 customer satisfaction survey, AIKO achieved an overall score of 94.8, with 41.6% of customers awarding full marks. All customer complaints were efficiently resolved, achieving a 100% resolution rate. Several key customers even sent letters of thanks, highlighting the Company's exceptional level of service.

Management objectives

100%	100%	100%
First-pass rate for customer audits through process optimization and management accountability	Closure rate for customer demands within specified timeframes by establishing a robust customer demand management process to ensure seamless transfer	Timely response rate to all customer inquiries by monitoring and maintaining service baselines

Key performance

In 2024

Customer satisfaction survey score	Customer complaint resolution rate
94.8	100%

Empowering Industry Development

While developing its own technology, AIKO strengthens industry cooperation and promotes resource integration. Furthermore, the Company forms a synergy for collaborative innovation, helps enterprises overcome common challenges, and promotes the sustainable and healthy development of the PV industry.

Industry-academia-research cooperation

In 2024, AIKO, together with institutions such as Vienna University of Technology in Austria and NEUBAU best.energy, successfully applied for a key special project of the National Key Research and Development Program, "International Scientific and Technological Innovation Cooperation among Governments". It carried out the research project "Key Technologies for Flexible Interaction of Grid-Friendly Building Integrated Energy Systems", aiming to address the challenges posed by the intermittency and volatility of renewable energy power generation to the power grid. Through the complementary advantages of China and Austria in the field of building energy, it explores the friendly interaction mechanism between the flexible resources of buildings and the power grid, and improves the flexibility and operational efficiency of the building energy system.

Austria's strategic location as a central hub connecting Eastern and Western Europe aligns with both countries' commitment to achieving carbon neutrality through extensive development of low-carbon energy sources like PVs. This project's recognition by both nations' top scientific authorities showcases AIKO's strong capabilities in the new energy sector. The recognition of this project by the highest scientific and technological authorities of China and Austria reflects AIKO's strong capabilities and promising development prospects in the new energy sector.



Inauguration Ceremony of AIKO's European Zero-Carbon Research Institute

International cooperation

AIKO actively pursues international collaborations with leading research institutions, universities, and enterprises globally to foster discussions on cutting-edge technologies that drive innovation breakthroughs.

From November 20-22, 2024, AIKO co-hosted the 12th bifi PV Zhuhai International Summit alongside ISC Konstanz, attracting over 400 top experts, leading firms, and renowned organizations from around the globe within the PV sector. During the roundtable discussion, AIKO collaborated with leading PV enterprises to delve into "Dual-glass BC technology", analyzing its full-value-chain implementation from design, production, estimation to application. The dialogue explored BC's transformative impact on future industry development, propelling technological innovation and cross-sector collaboration.



AIKO co-hosted the 12th bifi PV Zhuhai International Summit alongside ISC Konstanz

Industry cooperation

AIKO emphasizes strengthening partnerships within its industry while exploring innovative solutions that benefit both itself as well as broader PV market dynamics. The Company is dedicated to collaborative efforts aimed at contributing significantly toward global low-carbon transitions in energy sectors.

On November 29, 2024, AIKO officially commenced strategic cooperation via a signing ceremony with Gokin Solar focused on "promoting new high-quality productivity developments" while establishing an integrated BC ecosystem together. Leveraging its extensive expertise and innovative capabilities in BC solar cell and module technologies, AIKO collaborates with Gokin Solar, which possesses exceptional R&D capabilities and manufacturing scale in silicon wafer production. By integrating their core competencies, both companies will accelerate the research, development, production, and market deployment of BC modules. This partnership aims to jointly drive high-quality development across the BC technology ecosystem.



AIKO officially commenced strategic cooperation via a signing ceremony with Gokin Solar

Supporting Community Development

As part of its business expansion efforts, AIKO actively supports community development initiatives while contributing positively towards social welfare causes across various sectors.



Key performance

In 2024, the Company made a significant donation of RMB5 million to the Beijing Insight Institute for Big Data Management Science, a public welfare research organization.

Since 2022, AIKO has participated annually in the "One-day Income Donation" activities, contributing RMB200,000 each year to support the local Yiwu Charity Federation's charitable efforts, donated RMB50,000 to the Zhuhai Charity Federation · Doumen Charity Fund to support community greening upgrades and renovations, in pursuit of the new development philosophy.



Charity Donations

We actively participate in the "One-day Income Donation" by contributing annually to the Yiwu Charity Federation, thereby supporting local charitable endeavors



Research Support

We actively contribute to public welfare research organizations, such as the Beijing Insight Institute for Big Data Management Science



Community Health

We build networks between corporate entities and community groups while leading various cultural sports activities



Environmental Protection and Low Carbon

We establish a Green Service Volunteer Team that collaborates with local communities on themed activities such as "Low-carbon Lifestyle, Protect the Earth" events as well as "Eco-Friendly Public Welfare" campaigns



Supporting Employment

We provide resources for university students' summer employment practice activities

ESG Key Performance Indicators

Operation indicator	Unit	2024	2023	2022
Operation performance				

Total revenue	RMB10,000	1,115,532.16	2,717,011.03	3,507,495.71
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Governance indicator	Unit	2024	2023	2022
Governance indicator				

Number of Board members	/	7	6	7
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Number of independent directors	/	3	3	3
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Internal control publicity and training	/	39	69	/
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Coverage of integrity training for new employees	%	100	100	100
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Employee coverage rate of anti-corruption training	%	100	100	100
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Coverage of business ethics training for all employees	%	100	100	100
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Average duration of anti-corruption training for directors	Hour	2	2	/
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Cases involving allegations of violations of business ethics	/	0	0	0
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Social indicator	Unit	2024	2023	2022
R&D and innovation				

R&D expenditure	RMB billion	0.694	1.224	1.378
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R&D investment as a percentage of total revenue	%	6.22	4.50	3.93
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³⁶ We review all suppliers at the entry phase. The total number of suppliers has not yet been counted in 2022, so the data disclosed is the total number of core suppliers.

Social indicator	Unit	2024	2023	2022
R&D and innovation				

Intellectual property patents	Annual patent applications	/	679	407	303
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Annual granted patents	/	199	260	171
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Total patent applications	/	2,649	1,970	1,563
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Total granted patents	/	1,310	1,111	884
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Supplier management

Total number of suppliers	/	10,343	8,511	/
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Total number of core suppliers	/	240	332	275
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Number of suppliers by region	Total number of suppliers in Chinese Mainland	/	9,054	8,191	/
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Percentage of suppliers in Chinese Mainland	%	87.54	96.24	/
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Total number of suppliers in Hong Kong, Macao, and Taiwan regions of China	/	62	20	/
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Percentage of suppliers in Hong Kong, Macao, and Taiwan regions of China	%	0.60	0.23	/
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Number of core suppliers by type	Total number of overseas suppliers	/	1,227	300	/
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Percentage of overseas suppliers	%	11.86	3.52	/
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Total number of core silicon wafer suppliers	/	6	29	17
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Total number of non-silicon auxiliary material suppliers	/	153	103	88
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Number of core suppliers by type	Total number of equipment suppliers	/	21	140	120
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Total number of infrastructure suppliers	/	60	60	50
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Total number of suppliers audited ³⁶	/	10,343	8,511	275
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Social indicator		Unit	2024	2023	2022
Supplier management					
Number of supplier breaches ³⁷		/	0	0	0
Green procurement					
Number of supplier exchange meetings		/	600	260	/
Supplier training	Total number of training sessions	/	120	104	96
	Total duration	Hour	240	208	96
	Total number of attendees	/	2,300	2,100	1,920
	Number of anti-corruption training sessions	/	12	12	/
Employment					
Total number of employees	Total number of active employees	/	7,566	14,240	9,137
Employees by gender	Male	/	5,828	10,976	7,187
	Female	/	1,738	2,868	1,950
Employees by age	29 and below	/	3,424	7,731	5,456
	30-49	/	4,105	6,067	3,652
	50 and above	/	37	46	29
Employees by region	Chinese mainland	/	7,435	13,761	/
	Hong Kong, Macao, and Taiwan regions of China	/	10	8	/
	Others	/	121	75	/
Employees by ethnic group	Minor ethnic groups	/	659	1,553	887
	Non-minor ethnic groups	/	6,907	12,291	8,250
Total number of new hires		/	1,645	4,702	/

³⁷ The supplier fails to perform its contractual obligations or performs its contractual obligations in a manner inconsistent with the agreement.

Social indicator		Unit	2024	2023	2022
Employment					
Labor contract signing rate		%	100	100	100
Social security coverage rate		%	100	100	100
Occupational health and safety					
Employee health check and health record coverage rate		%	100	100	100
Number of environmental and safety training sessions ³⁸		/	930	1,158	518
Number of participants in environmental and safety training ³⁹		Person-time	51,978	44,047	27,618
Number of safety emergency drills		/	542	307	234
Number of participants in safety emergency drills		Person-time	21,763	23,738	9,688
Development training					
Total number of training sessions		/	1,900	2,429	1,567
Total training hours		Hour	128,790.46	620,254	391,101
Average training hours per employee ⁴⁰		Hour	17.02	39.33	36.93
Average training duration for management leadership training		Hour	56	41.15	39
Employee training coverage rate		%	100	100	100
Total number of training participants		Person-time	10,606	15,769	10,589
Employee and care					
Number of employee activity clubs		/	19	29	23
Total number of employee activity club members		/	1,220	1,267	935
Total number of employee activities		/	516	386	357

³⁸ The data stands for the sum of the times of environmental specialized training and specialized safety training sessions mentioned in the body paragraphs.

³⁹ The data is the combined total of participant person-times in environmental specialized training and specialized safety training sessions as detailed in the body paragraphs.

⁴⁰ This year, the indicator is calculated by dividing the total training hours by the total number of active employees.

Social indicator	Unit	2024	2023	2022
Employee and care				
Organizational climate satisfaction score	%	91	90	/
Customer service				
Customer complaint resolution rate	%	100.00	100.00	93.20
Client satisfaction	/	94.80	91.00	91.00
Community welfare				
Total amount of charitable donations	RMB million	5.25	5.70	0.30

Environmental indicator	Unit	2024	2023	2022
GHG emission ⁴¹				
Total GHG emissions	tCO ₂ e	1,073,142.01	1,050,161.35	743,986.86
GHG emissions intensity	tCO ₂ e/MW	32.63	26.20	/
GHG emissions (Scope 1)	tCO ₂ e	1,807.42	5,521.33	8,620.54
GHG emissions (Scope 2)	tCO ₂ e	1,071,334.59	1,044,640.02	735,366.32
Energy consumption				
Consumption of renewable energy ⁴²	MWh	50,858.8	22,461.3	0
Gasoline	kg	121,839.16	4,486.30	/
Diesel	kg	61,138.01	15,195.33	/
Natural gas	m ³	575,543	2,525,168	3,986,949
Purchased steam	Tonnes	4,891.69	/	/
Consumption of purchased power	MWh	1,996,313.47	1,831,737.71	1,263,302.78

⁴¹ Our approach to accounting for Scope 1 GHG emissions follows the prescribed coefficients set out in the *GHG Emission Accounting Methods and Reporting Guidelines* for 24 industries in China; Scope 2 emissions are primarily from purchased electricity, calculated using the 2022 national power grid average emission factor of 0.5366 tCO₂/MWh.

⁴² Renewable energy consumption includes purchased green electricity and self-generated and self-consumed rooftop photovoltaic power.

⁴³ Comprehensive energy consumption calculations follow the coefficients specified in *GB/T 2589-2020 General Rules for the Calculation of Comprehensive Energy Consumption*. The comprehensive energy consumption corresponding to electricity consumption in annual comprehensive energy consumption includes purchased electricity consumption and photovoltaic power generation.

Environmental indicator		Unit	2024	2023	2022
Energy consumption					
Among which: Purchased green electricity		MWh	37,190	16,880	0
Photovoltaic power generation		MWh	13,030.18	5,581.30	0
Comprehensive energy consumption ⁴³		Ten thousand tonnes of standard coal	24.79	22.82	16.01
Comprehensive energy consumption intensity		Tonnes of standard coal per megawatt/MW	7.54	5.69	4.75
Reduction of electricity consumption per PERC cell since 2021		%	37	38	27
Pollutant emissions and waste discharge					
Wastewater discharge	Wastewater discharge amount	Tonnes	10,476,984.64	11,105,230	8,064,525
	Wastewater discharge intensity	Tonnes/MW	318.55	277.02	239.33
	COD emission amount	Tonnes	462.87	456.19	321.64
	Ammonia nitrogen discharge amount	Tonnes	20.56	21.53	12.80
Waste gas emissions	Waste gas emission	Million cubic meters	27,652.09	23,373.15	14,478.51
	Waste gas emission intensity ⁴⁴	Million cubic meters/MW	0.84	0.58	0.43
	Nitrogen oxide emission	Tonnes	19.46	5.62	4.97
	Sulfur oxide emission	Tonnes	0.59	0.046	0.027
	PM emission	Tonnes	5.41	4.60	5.70
	Fluoride emission	Tonnes	15.63	3.07	0.45
	Chlorine emission	Tonnes	2.68	3.63	1.08
	Ammonia emission	Tonnes	76.82	5.73	6.17
	Other waste gas emissions (hydrogen chloride, sulfuric acid mist, non-methane hydrocarbon)	Tonnes	68.52	18.65	29.91

⁴⁴ Due to the continued development of AIKO's business and changes in production capacity, the waste gas emission intensity data for 2024 increased compared to the previous year.

Environmental indicator		Unit	2024	2023	2022
Pollutant emissions and waste discharge					
Solid waste emissions	Waste generation amount	Tonnes	69,885.74	84,645.49	59,912.6
	Waste generation intensity	Tonnes/MW	2.12	2.11	1.78
	General waste generation amount	Tonnes	66,118.23	75,954.78	59,742.37
	General waste generation intensity	Tonnes/MW	2.01	1.89	1.77
	General waste disposal amount	Tonnes	66,118.23	60,945.58	59,696.37
	Hazardous waste generation amount	Tonnes	3,767.51	8,690.71	170.23
	Hazardous waste generation intensity	Tonnes/MW	0.11	0.22	0.01
	Hazardous waste disposal amount	Tonnes	3,767.96	8,690.71	179.37
	Waste recycling and utilization amount	Tonnes	1,529.12	/	/
Water consumption					
	Total water consumption	Ten thousand tonnes	1,341.47	1,354.80	942.60
	Total water consumption intensity ⁴⁵	Tonnes/MW	407.87	337.96	279.73
	Use of freshwater	Ten thousand tonnes	755.86	957.20	684.50
	Freshwater consumption intensity	Tonnes/MW	229.82	238.77	202.88

Environmental indicator		Unit	2024	2023	2022
Water consumption					
	Total usage of alternative water sources	Ten thousand tonnes	585.61	397.60	258.10
	Among which: Use of municipal recycled water	Ten thousand tonnes	362.63	236.60	130.47
	Among which: Use of reclaimed water	Ten thousand tonnes	222.98	161.00	127.63
	Proportion of alternative water sources	%	43.65	29.35	27.38
	Recycled water reuse rate	%	27.03	17.46	13.84
	Reclaimed water reuse rate	%	16.62	11.88	13.54
	Amount of water saved	Ten thousand tonnes	195.22	47.00	92.00
	Reduction of water usage per PERC cell since 2021	%	45	44	33

⁴⁵ Due to the continued development of AIKO's business and changes in production capacity, the total water consumption intensity data for 2024 increased compared to the previous year.

GRI Content Index

Statement of use AIKO has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI 1 Foundation 2021

GRI 2: General Disclosures 2021

Disclosure number	AIKO response in this report
2-1 Organizational detail	About AIKO
2-2 Entities included in the organization's sustainability reporting	About this Report
2-3 Reporting period, frequency and contact point	About this Report
2-4 Restatement of information	About this Report
2-6 Activities, value chains and other business relations	About this Report
2-7 Employees	Diversity, Equity, and Inclusion
2-8 Workers who are not employees	Diversity, Equity, and Inclusion
2-9 Governance structure and composition	Enhancing Corporate Governance
2-10 Nomination and selection of the highest governance body	Enhancing Corporate Governance
2-11 Chair of the highest governance body	Enhancing Corporate Governance
2-12 Supervisory role of the highest governance body in overseeing the management of impacts	Enhancing Corporate Governance
2-13 Delegation of responsibility for managing impacts	ESG Governance Enhancing Corporate Governance
2-14 Role of the highest governance body in sustainability report	About this Report
2-15 Conflicts of interest	Enhancing Corporate Governance

Disclosure number	AIKO response in this report
2-16 Communication of critical concerns	Stakeholder Communication
2-17 Collective knowledge of the highest governance body	Enhancing Corporate Governance
2-18 Evaluation of the performance of the highest governance body	Enhancing Corporate Governance
2-19 Remuneration policy	Enhancing Corporate Governance Diversity, Equity, and Inclusion
2-20 Process to determine remuneration	Enhancing Corporate Governance Diversity, Equity, and Inclusion
2-21 Annual total compensation ratio	Talent Attraction and Retention
2-22 Statement on sustainability development strategy	ESG Governance
2-23 Policy commitments	ESG Governance
2-24 Embedding policy commitments	ESG Management
2-25 Processes to remediate negative impacts	ESG Governance
2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication
2-27 Compliance with laws and regulations	ESG Governance Enhancing Corporate Governance
2-28 Membership associations	Performance Highlights in 2024
2-29 Approach to stakeholder engagement	Stakeholder Communication
2-30 Collective bargaining agreements	Employee Communication and Satisfaction

GRI 3: Material Topics 2021

Disclosure number	AIKO response in this report
3-1 Process to determine material topics	Materiality Assessment
3-2 List of material topics	Materiality Assessment
3-3 Management of material topics	Materiality Assessment

GRI 201: Economic Performance

Disclosure number	AIKO response in this report
201-1 Direct economic value generated and distributed	Performance Highlights in 2024
201-2 Financial implications and other risks and opportunities due to climate change	Response to Climate Change
201-3 Defined benefit plan obligations and other retirement plans	Talent Attraction and Retention Employee Care and Welfare

GRI 203: Indirect Economic Impacts

Disclosure number	AIKO response in this report
203-1 Infrastructure investments and services supported	About AIKO
203-2 Significant indirect economic impacts	About AIKO

GRI 204: Procurement Practices

Disclosure number	AIKO response in this report
3-3 Management of material topics	Responsible Procurement Management
204-1 Proportion of spending on local suppliers	Responsible Procurement Management

GRI 205: Anti-corruption

Disclosure number	AIKO response in this report
3-3 Management of material topics	Upholding Business Ethics
205-1 Operations assessed for risks related to corruption	Upholding Business Ethics
205-2 Communication and training about anti-corruption policies and procedures	Upholding Business Ethics
205-3 Confirmed incidents of corruption and actions taken	Upholding Business Ethics

GRI 206: Anti-competitive Behavior

Disclosure number	AIKO response in this report
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Upholding Business Ethics

GRI207: Tax

Disclosure number	AIKO response in this report
207-1 Approach to tax	Stakeholder Communication
207-2 Tax governance, control and risk management	Stakeholder Communication
207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder Communication

GRI 301: Materials

Disclosure number	AIKO response in this report
301-2 Recycled input materials used	Green Production and Operations
301-3 Reclaimed products and their packaging materials	Green Production and Operations

GRI 302: Energy

Disclosure number	AIKO response in this report
3-3 Management of material topics	Green Production and Operations
302-1 Energy consumption within the organization	Green Production and Operations
302-3 Energy intensity	Green Production and Operations
302-4 Reduction of energy consumption	Green Production and Operations
302-5 Reductions in energy requirements of products and services	R&D and Innovation Management

GRI 303: Water and Effluents

Disclosure number	AIKO response in this report
3-3 Management of material topics	Green Production and Operations
303-1 Interactions with water as a shared resource	Green Production and Operations
303-2 Management of water discharge-related impacts	Green Production and Operations
303-3 Water withdrawal	Green Production and Operations

GRI 303: Water and Effluents

Disclosure number	AIKO response in this report
303-4 Water discharge	Green Production and Operations
303-5 Water consumption	Green Production and Operations

GRI 305: Emissions

Disclosure number	AIKO response in this report
3-3 Management of material topics	Green Production and Operations
305-1 Direct (Scope 1) GHG emissions	Green Production and Operations
305-2 Energy indirect (Scope 2) GHG emissions	Green Production and Operations
305-3 Other indirect (Scope 3) GHG emissions	Green Production and Operations
305-4 GHG emissions intensity	Green Production and Operations
305-5 Reduction of GHG emissions	Green Production and Operations
305-6 Emissions of ozone-depleting substances (ODS)	Green Production and Operations
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Green Production and Operations

GRI 306: Effluents and Waste

Disclosure number	AIKO response in this report
306-1 Waste generation and significant waste-related impacts	Green Production and Operations
306-2 Management of significant waste-related impacts	Environmental Compliance Management
306-3 Waste generated	Green Production and Operations
306-4 Waste diverted from disposal	Green Production and Operations
306-5 Wastes directed to disposal	Green Production and Operations

GRI 308: Supplier Environmental Assessment

Disclosure number	AIKO response in this report
3-3 Management of material topics	Responsible Procurement Management
308-1 New suppliers that were screened using environmental criteria	Responsible Procurement Management
308-2 Negative environmental impacts in the supply chain and actions	Responsible Procurement Management

GRI 401: Employment

Disclosure number	AIKO response in this report
401-1 New employee hires and employee turnover	Diversity, Equity, and Inclusion
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care and Welfare

GRI 403: Occupational Health and Safety

Disclosure number	AIKO response in this report
403-1 Occupational health and safety management system	Occupational Health and Safety
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3 Occupational health service	Occupational Health and Safety
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5 Worker training on occupational health and safety	Occupational Health and Safety
403-6 Promotion of worker health	Occupational Health and Safety
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
403-9 Work-related injuries	Occupational Health and Safety
403-10 Work-related ill health	Occupational Health and Safety

GRI 404: Training and Education

Disclosure number	AIKO response in this report
404-1 Average hours of training per year per employee	Talent Attraction and Retention
404-2 Programs for upgrading employee skills and transition assistance programs	Talent Attraction and Retention
404-3 Percentage of employees receiving regular performance and career development reviews	Talent Attraction and Retention

GRI 405: Diversity and Equal Opportunity

Disclosure number	AIKO response in this report
405-1 Diversity of governance bodies and employees	Diversity, Equity, and Inclusion
405-2 Ratio of basic salary and remuneration for women to men	Talent Attraction and Retention

GRI 406: Non-discrimination

Disclosure number	AIKO response in this report
406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity, and Inclusion

GRI 407: Freedom of Association and Collective Bargaining

Disclosure number	AIKO response in this report
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Communication and Satisfaction

GRI 408: Child Labor

Disclosure number	AIKO response in this report
408-1 Operations and suppliers at significant risks from incidents of child labor	Diversity, Equity, and Inclusion

GRI 409: Forced or Compulsory Labor

Disclosure number	AIKO response in this report
409-1 Operations and suppliers at significant risks for incidents of forced or compulsory labor	Diversity, Equity, and Inclusion

GRI 414: Supplier Social Assessment

Disclosure number	AIKO response in this report
3-3 Management of material topics	Responsible Procurement Management
414-1 New suppliers that were screened using social criteria	Responsible Procurement Management
414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement Management

GRI 416: Customer Health and Safety

Disclosure number	AIKO response in this report
3-3 Management of material topics	Lean Quality Management
416-1 Assessment of the health and safety impacts of product and service categories	Lean Quality Management
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A

GRI 418: Customer Privacy

Disclosure number	AIKO response in this report
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Management

SSE Self-Regulatory Guideline No.14

Sustainability Report Cross-Index

Disclosure Requirements	AIKO response in this report
Response to Climate Change	Response to Climate Change
Pollutant Emissions Control	Green Production and Operations
Waste Management & Disposal	Green Production and Operations
Ecosystem & Biodiversity Conservation	Environmental Compliance Management
Environmental Compliance Management	Green Production and Operations
Energy Efficiency & Utilization	Green Production and Operations
Water Resource Stewardship	Green Production and Operations
Circular Economy Practices	Green Production and Operations
Rural Revitalization Initiatives	Not yet initiated during the reporting period
Social Value Contribution	Supporting Community Development
Innovation-Driven Growth	R&D and Innovation Management Empowering Industry Development

Disclosure Requirements	AIKO response in this report
Technology Ethics	N/A
Supply Chain Resilience	Responsible Procurement Management
SME Partnership Equity	N/A
Product/Service Safety & Quality Assurance	Lean Quality Management
Data Security & Customer Privacy	Information Security Management
Employee Rights & Well-being	Diversity, Equity, and Inclusion Talent Attraction and Retention Occupational Health and Safety
Due Diligence	Responsible Procurement Management
Stakeholder Engagement	Stakeholder Communication
Anti-Bribery & Anti-Corruption	Upholding Business Ethics
Fair Competition Compliance	Upholding Business Ethics

IFRS S2 Climate-related Disclosures Index

IFRS S2 Recommended Disclosure Index

Recommended Disclosure Indicators		AIKO response in this report
Governance	Disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Response to Climate Change
	Disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
Strategy	Disclose the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Response to Climate Change
	Disclose the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	
	Disclose the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	
	Disclose the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	
	Disclose the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	
Risk Management	Disclose the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks.	Response to Climate Change
	Disclose the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	
	Disclose the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	
Indicators and Targets	Disclose information relevant to the cross-industry metric categories.	Response to Climate Change
	Disclose industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry.	
	Disclose targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	

Reader Insights

Dear Reader,

Thank you for delving into this report. Your feedback is crucial to us, and we eagerly anticipate your insights. Your suggestions and feedback will guide us to elevate our ESG transparency, management, and practice. We wholeheartedly welcome your invaluable thoughts and thank you for sharing them

1. How would you rate our overall fulfillment of ESG responsibilities?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

2. How would you rate the quality of this report?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

3. How would you rate our performance in stakeholder engagement?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

4. How would you rate our performance in sustainability?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

5. How would you rate our performance in green development?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

6. How would you rate our performance in digitalization?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

7. How would you rate our performance in social contribution?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

8. Do you have any comments or suggestions regarding our fulfillment of ESG responsibilities and this report?
