



Shanghai HIUV New Materials Co., Ltd.

2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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About Report

Report Introduction

This report is the 2024 Sustainability/Environmental, Social and Governance (ESG) Report of Shanghai Hiuv New Materials Co., Ltd., published in April 2025. The report is issued annually, aligned with the fiscal reporting cycle. Prepared in accordance with the principles of objectivity, standardization, transparency and comprehensiveness, it provides detailed disclosure of Hiuv's practices and performance across economic, environmental, social and governance aspects during the period from January 1 to December 31, 2024. To enhance comparability and completeness, certain contents extend beyond this reporting period.

Report Scope

This report covers an organizational scope including Shanghai HIUV New Materials Co., Ltd. and its subsidiaries (referred to as "HIUV," "the Company," "the Group," or "we"). Where specific data coverage differs from this reporting scope, such exceptions will be explicitly noted in the text.

Report Preparation Criteria

The organizational scope of this report covers Shanghai HIUV New Materials Co., Ltd. and its subsidiaries (collectively referred to as "HIUV", "the Company", "the Group" or "we"). Where specific data coverage differs from the reporting scope, such exceptions are clearly noted in the text. The report has been prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Shanghai Stock Exchange Guidelines No. 14 - Sustainability Reporting (Trial).

Data Source

Data sources include HIUV's internal records, public reports, third-party surveys, and official statistics, with all information accurately verified.

Terminology Note

The report covers Shanghai HIUV New Materials Co., Ltd. and its subsidiaries (collectively referred to as "HIUV", "the Company", "the Group" or "we"). Any discrepancies in data coverage are clearly noted in the text.

Report Access

The report is available for download at HIUV's official website (www.hiuv.com) or the Shanghai Stock Exchange website (www.sse.com.cn). The Chinese version shall prevail in case of any discrepancies with the English version. Historical sustainability data can be accessed at these addresses.



Shanghai Stock Exchange (SSE) Website

Disclaimer

This report complies with applicable laws and regulations in all jurisdictions where HIUV operates, as well as the Company's development strategy. The information contained herein is for disclosure purposes only. Readers should conduct independent evaluation and seek professional advice before making any decisions. HIUV disclaims all liability for any direct or indirect losses resulting from unauthorized use of this report.

Message from Chairman

Chairman of HIUV Li Xiaoyu

2024 marked a year of multifaceted challenges and new industrial expansion for HIUV.

Since its founding in 2005, HIUV has centered its growth on polymer material technology, driving innovation in renewable energy and advanced materials. We provide cutting-edge products, premium services, and integrated solutions for photovoltaic (PV) modules, automotive components, high-end construction, and home applications. With technological innovation as our core competitive edge, we are committed to infusing industrial products with vitality through advanced polymer materials and advancing sustainable lifestyles with cost-effective solutions. Our mission is to become a globally leading intelligent manufacturer of polymer materials.

In 2024, HIUV's core business—PV module encapsulation films—faced a complex global landscape, industry cyclical adjustments, and intense competition. Upholding our long-term sustainability vision, we leveraged cutting-edge technology and rapid innovation to launch six new high-performance film series, addressing customers' cost-efficiency needs and niche market demands. We strengthened international collaboration to expand our overseas footprint, optimize industrial positioning, and build enduring competitiveness. Concurrently, we reduced leverage, mitigated risks, safeguarded employee welfare, ensured compliant operations, and fulfilled social responsibilities—fostering shared growth with stakeholders.

Aligned with our long-term strategy, HIUV harnessed its expertise in polymer films, equipment, and process technologies to pioneer new materials for sectors like new-energy vehicles. In 2024, we accelerated the commercialization of energy-saving, low-carbon products such as PDCLC smart glass films (for dynamic tinting) and eco-friendly AXPO synthetic leather for car interiors. These innovations enhance consumer experiences, empower greener automotive solutions, and fuel Hiuv's sustainable growth.

In 2024, HIUV placed strong emphasis on sustainable development, integrating ESG principles into its strategy and operations. Collaborating with employees, customers, suppliers, investors, and other partners, HIUV reinforced its foundation in the photovoltaic (PV) industry while driving the growth of green energy. Additionally, HIUV expanded into the automotive sector, innovating and developing eco-friendly surface materials. Committed to compliant operations, environmental protection, and social responsibility, HIUV actively promoted employment and social equity.

Looking ahead, HIUV will strengthen corporate governance, enhance employee welfare, and continue delivering cost-effective, innovative products to clients across industries through technological innovation, international collaboration, and operational efficiency initiatives. These efforts will ensure sustained and stable growth, enabling HIUV to calmly respond industry cycles and achieve long-term innovation-driven development. HIUV is dedicated to advancing PV industry upgrades and fostering environmental sustainability, energy efficiency, and technological progress in the automotive sector. By accelerating the transition to a clean, low-carbon, and secure energy system, HIUV will fulfill its social responsibilities and contribute to global ecological conservation, pollution prevention, and the shared success of all stakeholders!




About HIUV

Company Profile

HIUV is a high-tech enterprise with nearly 20 years of experience in polymer material R&D and manufacturing, specializing in photovoltaic, automotive, architecture and household. Our product portfolio includes photovoltaic module encapsulation films, PDCLC color-adjustable smart glass films, AXPO lightweight eco-leather, and PVE high-performance encapsulation films. Through technological innovation, we are committed to providing mid-to-high end polymer material products, technical services and integrated solutions for diverse industries. In the photovoltaic encapsulation material, HIUV has established itself as an industry benchmark for quality and innovation with strong R&D capabilities and a comprehensive product line. For automotive smart dimming application, our advanced PDCLC technology and cost-competitive products have quickly gained industry recognition, positioning HIUV as both a technology leader and market pioneer in the smart dimming film.

Business Layout



Vission & Mission

- Target** Centered on polymer material technology, delivering innovative products, premium services, and integrated solutions for diverse industries, while striving to become a globally leading intelligent manufacturer of polymer materials.
- Vission** To emerge as the international benchmark in intelligent polymer material manufacturing.
- Mission** Infusing industrial products with vitality through advanced polymer materials and driving sustainable development for better living with cost-effective innovations.
- Value** Innovation and progress, integrity and compliance, simplicity and efficiency, resilience and unity

Development Histry

- 2005** Established in Shanghai Zhangjiang Hi-Tech Park, founded the HIUV R&D Center
- 2006** Established a joint laboratory with East China University of Science and Technology
- 2008** Successfully conducted trial production of EVA films for solar photovoltaic cell encapsulation
- 2009** Commenced construction of the industrialization project in Jinshan District, Shanghai
- 2010** Began production on the EVA film production line at the Shanghai Jinshan manufacturing base
- 2012** Launched the EVA film production base in Baoding, Hebei Province
- 2014** Completed the corporate restructuring
- 2015** Listed on the National Equities Exchange and Quotations (NEEQ) system for SMEs
- 2017** Recognized as a "Little Giants of Technology," a Shanghai Enterprise Technology Center, and a Specialized, High-end and Innovation-driven Enterprise in Shanghai
- 2018** Opened photovoltaic film production bases in Suzhou and Changzhou
- 2019** Its products are included in the 2019 Shanghai Innovation Products Recommendation Catalogue
- 2020** Recognized as a Shanghai Patent Demonstration Enterprise; launched the Taizhou photovoltaic film production base
- 2021** Listed on the STAR Market; launched the Shangrao photovoltaic film production base project
- 2022** Began production at the Taizhou and Shangrao bases; initiated the Vietnam production base project
- 2023** AXPO lightweight eco-leather for automotive applications has been industrialized
- 2024** PDCLC smart glass dimming film has been industrialized

Honor and Certificate

National Intellectual Property Advantageous Enterprise
China National Intelligent Property Administration

“Little Giants” Enterprise
Ministry of Industry and Information Technology of The PRC

Top 500 Chinese Energy Enterprises
China Institute of Energy Economics

Apollo “Global PV & Storage · China Name Card 2024” Outstanding Auxiliary Materials Enterprise
China International Photovoltaic and Energy Storage Industry Conference

2024 SMM “Bright Cup” Top-Quality PV Material Supplier
SMM Nonferrous Metals Network

Shanghai Patent Work Demonstration Enterprise
Shanghai Intelligent Property Administration

Shanghai Enterprise Technology Center
Shanghai Municipal Economic And IT Commission
Shanghai Municipal Tax Service, State Taxation Administration
Shanghai Municipal Finance Bureau
Shanghai Customs District P.R.China

CREC 2024 Outstanding Innovation Award for PV Materials
Wuxi Municipal People's Government & CCOIC

2023-2024 BIPV Industry Award for Innovative PV Material Technology
2nd Symposium on BIPV Modules and Advanced Encapsulation Materials Technology

Polaris Cup 2024 Influential Brand for PV Raw Materials/Auxiliary Materials
Polaris Energy Network

Certifications & Ratings

ISO 9001

ISO 14001

ISO 45001

IATF 16949

GB/T 29490-2013(China's national standard)

Employee Health and Safety Audit

(Note: Updated results as of April 2025)

Sustainable Development Highlights



Innovative



R&D Investment	118 million yuan
R&D Investment Ratio	4.55 %
New Granted Patent	26
Cumulative authorized patents	170

Launched six new products in the photovoltaic industry and innovative products including PDCLC color-adjustable smart films, AXPO leather, and PVE glass encapsulation films in the automotive industry

Green



Environmental protection investment	4.7525 million yuan
Renewable electricity consumption	17 million kWh
PV power generation	17.07 million GWh

Pioneered R&D in PV module recycling technologies, leading the development of green closed-loop technologies for modules

Harmonious



Number of full-time employees	856
Cumulative overseas employees recruited	8
Total annual training hours	67268 h
Total employee training participations	8433
Total annual training sessions conducted	530
Total EHS training hours	6768 h
Total employee welfare expenditure	7.9645 million yuan
Value of charitable donations	120 thousand yuan

Trustworthy



Integrity compliance training and awareness campaigns	1
Total supplier training hours	98 h
Number of suppliers revisited	79

The company has established technical cooperation with US-listed company H.B. Fuller to expand the encapsulant film market in the United States

Sustainable Development Management

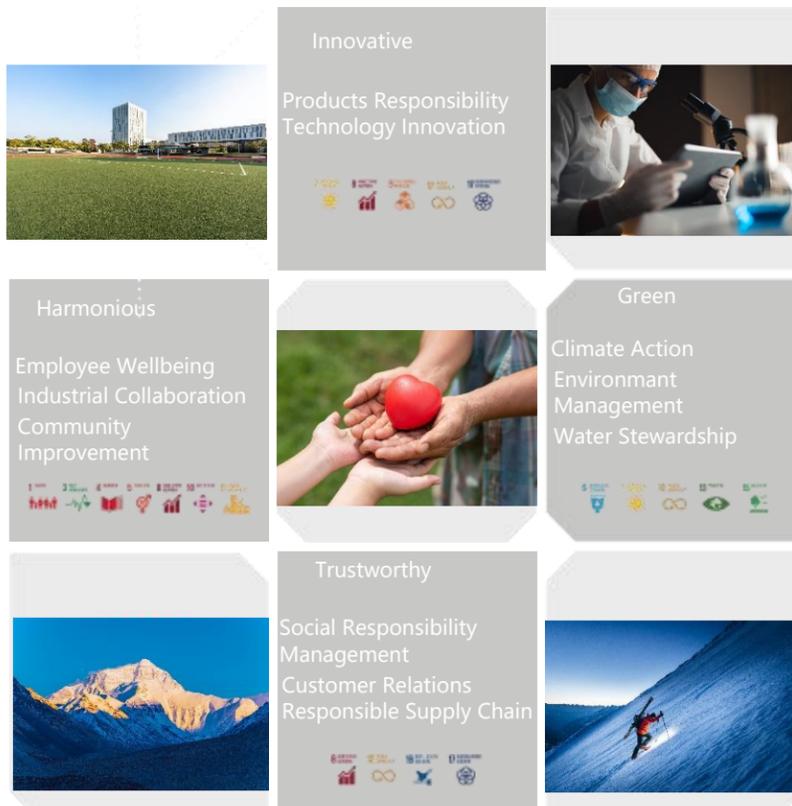
HIUV implements sustainable development principles, continuously improves its ESG governance framework and management system, and is committed to integrating sustainability concepts with corporate development strategies and operational decision-making. We listen to and address the needs of all stakeholders while maintaining ongoing communication with value chain partners and the broader society.

Sustainable Development Concept



HIUV established its sustainability philosophy in 2024, built upon four core pillars: Innovation, Trust, Green Development, and Harmony. By aligning corporate strategy with the UN's 2030 Sustainable Development Goals, HIUV is committed to delivering cost-effective innovative products across multiple sectors through technological innovation, collaborative partnerships, and efficiency-driven initiatives. These efforts provide the foundation for sustainable growth while navigating industry cycles through continuous innovation.

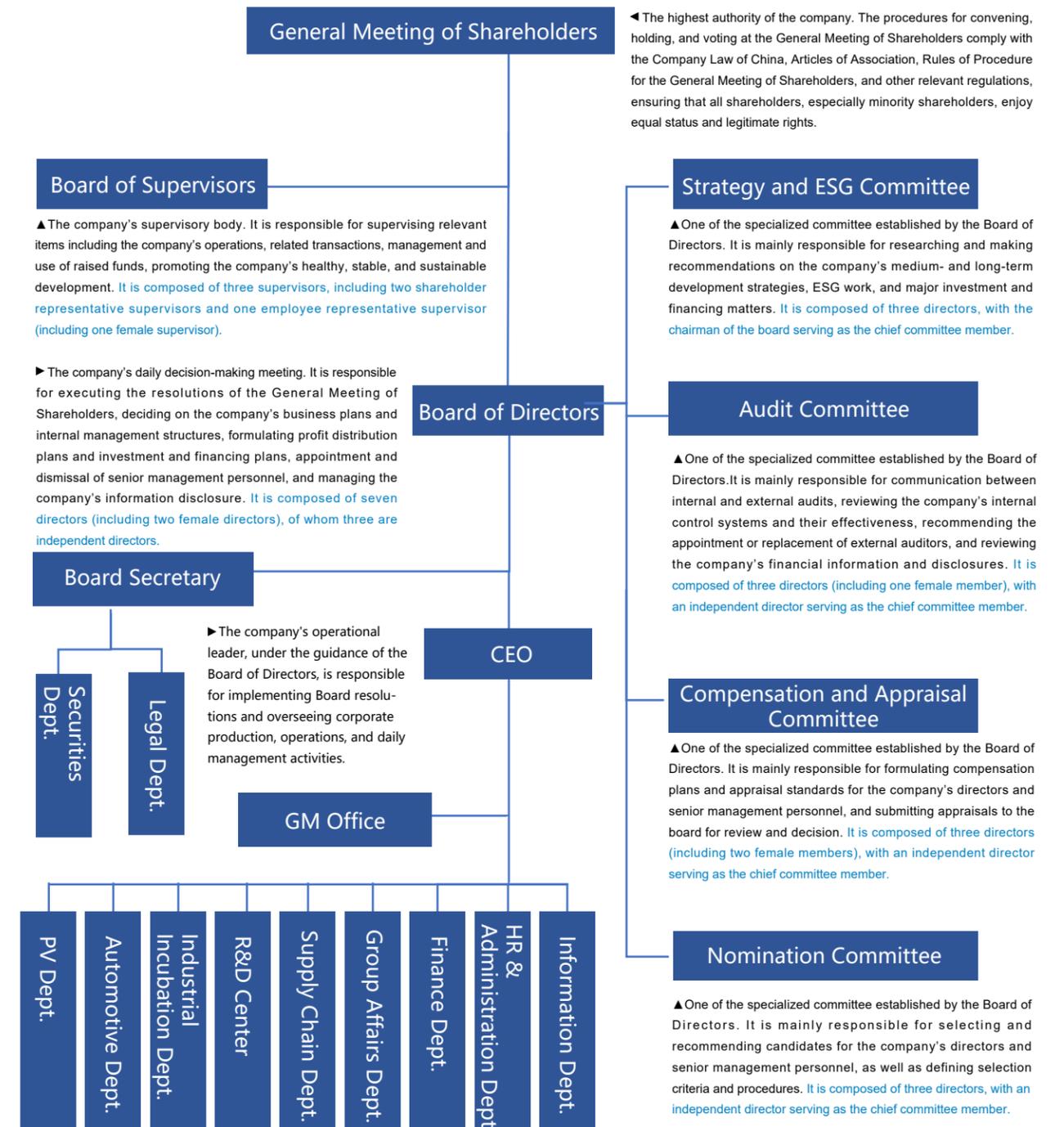
HIUV will actively promote technological advancements in the photovoltaic industry while driving environmental protection, energy efficiency, and innovation in the automotive sector. The company accelerates the transition toward a clean, low-carbon, safe, and efficient energy system, fulfilling its social responsibilities by contributing to global ecological conservation, pollution prevention, and collaborative development with stakeholders.



ESG Governance

HIUV's Board of Directors has established a dedicated ESG working body: the Strategy and ESG Committee. This committee is primarily responsible for researching and providing recommendations on the company's medium-to-long-term development strategy, ESG initiatives, and major investment/financing matters.

Corporate & ESG Governance Structure



Participation in Sustainability Matters at All Levels During the Reporting Year

In 2024, the Company continued to optimize its ESG governance framework, driving deeper integration of sustainability initiatives with corporate strategy. The Board of Directors oversaw ESG due diligence and materiality identification processes, while the Strategy and ESG Committee was responsible for implementation. Its key duties included: aligning long-term strategic objectives with ESG principles; formulating ESG policies and defining scope (e.g., environmental compliance, human rights in supply chains); identifying and assessing ESG-related risks; monitoring ESG performance; appointing the ESG Officer for stakeholder engagement; fulfilling social responsibilities to advance sustainable development

In 2024, the company held **6** meetings of the Strategy and ESG Committee

Case | HIUV held six internal meetings of the Strategy and ESG Committee

In 2024, HIUV held **6** meetings of the Strategy and ESG Committee, continuously advancing the comprehensive integration of corporate sustainability and ESG concepts into strategic objectives, operational management, and business processes.

The company's chairman, representing the board of directors, oversees the ESG due diligence and materiality identification process, while the Strategy and ESG Committee is responsible for execution. Key responsibilities include: reviewing whether the company's long-term strategic goals align with ESG principles; formulating ESG policies and management frameworks; defining the company's ESG coverage (e.g., environmental compliance, human rights in supply chains); identifying and assessing ESG-related risks; establishing the organizational structure and management processes for ESG governance; monitoring achieved ESG performance; appointing the company's ESG officer to communicate with stakeholders; fulfilling social responsibilities; and driving the company's sustainable development.

Stakeholders' Communication

To better understand the expectations and concerns of stakeholders, the company expanded diversified communication channels, maintained smooth communication mechanisms with different stakeholders, listened to their expectations and demands, and provided timely feedback for active improvement.

Stakeholder	Expectatinos	Communication Channel	Communication Highlights in 2024
 Customers	<ul style="list-style-type: none"> Products that Meet Needs Comprehensive Services Commitment Compliance Integrity-Based Business Environment 	<ul style="list-style-type: none"> Customer Technical Exchanges, Industry Conferences, and Product Launches Industry Exhibitions, Forums, and Publications Internal Company Communication and Complaint Channels, Regular Satisfaction Surveys Customer ESG Exchanges and Training 	<ul style="list-style-type: none"> The company conducted 35 on-site customer ESG communication sessions and training programs, with 120 participants The company participated in 4 industry exhibitions and over 20 industry forums and conferences, receiving more than 1,000 visitors throughout the year.
 Employees and Labor Unions	<ul style="list-style-type: none"> Health and Safety Career Development Positive Work Environment Rights Protection 	<ul style="list-style-type: none"> Labor Unions and Staff Representative Congress Training and Development Employee Forums, Staff Activities, Employee Clubs Whistleblowing Hotline and Email 	<ul style="list-style-type: none"> Monthly employee forums and satisfaction surveys are conducted, encouraging (rationalization suggestions) with rewards provided. Anti-corruption reporting mailbox and hotline are publicly available, with timely communication and audits upon receiving employee reports, achieving 100% case resolution rate.
 Shareholders and Investors	<ul style="list-style-type: none"> Investment Returns Financial Stability 	<ul style="list-style-type: none"> Earnings Conference Calls, Investor Hotline, Roadshows, Conference Calls Shareholders' Meetings, Regular Reports and Ad Hoc Announcements, On-site Research 	<ul style="list-style-type: none"> The company has conducted 30 investor conference calls; 11 strategy meetings; 31 roadshow events; 51 on-site research sessions; 6 earnings briefings

Stakeholder	Expectatinos	Communication Channel	Communication Highlights in 2023
 Suppliers and Business Partners	<ul style="list-style-type: none"> Win-Win Cooperation Integrity and Compliance Green Supply Chain Ethical and Compliant Business Environment 	<ul style="list-style-type: none"> Supplier Code of Conduct for Integrity and Compliance Supplier Regular Follow-ups, Technical Exchanges, Visits and Tours Supplier Empowerment Training Supplier Risk Assessment and On-site Audits 	<ul style="list-style-type: none"> Conducted 79 supplier integrity and compliance training sessions, totaling 98 hours with 120 participants Performed 35 supplier follow-up visits and 240 supplier exchanges
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Tax Contributions Employment Generation Compliant Operations 	<ul style="list-style-type: none"> Regulatory Supervision and Policy Recommendations Participation in Government-Led Industrial Development Forums 	<ul style="list-style-type: none"> Attended local government industrial development forums, undertook technology innovation projects and facilitated project implementation Conducted 12 special internal audits and annual internal control verification audits, with no material weaknesses identified, ensuring financial and tax compliance
 Industry Associations	<ul style="list-style-type: none"> Fair Competition Promotion of Industry Development Technology and Experience Sharing 	<ul style="list-style-type: none"> Industry Exchange Seminars Project Collaboration 	<ul style="list-style-type: none"> Established industry-university-research partnerships with multiple institutions including Shanghai Jiao Tong University, East China University of Science and Technology, University of Queensland, and University of New South Wales Collaborated with upstream and downstream partners to advance technological innovation and project cooperation, participated in 26 international technology exchanges and forums, conducted 12 regular technical expert exchange trainings
 Communities and Non-Governmental Organizations	<ul style="list-style-type: none"> Environmental Protection Rights Protection International Cooperation Community Development Support 	<ul style="list-style-type: none"> Proactively engaged with community townships, participated in project collaborations, charitable donations and public welfare activities Participated in industry associations, academic societies and corporate open days Participated in industry associations, academic societies and corporate open days 	<ul style="list-style-type: none"> Implemented 1 public welfare donation and education support project with donation value of RMB 120,000 Attended receptions hosted by Australian government and Spanish Trade Promotion Council to advocate for green industrial circular economy in modules Participated in exchange meetings with East China University of Science and Technology and Recycling Association to promote recycling technology development and raise social awareness
 Media	<ul style="list-style-type: none"> Full Disclosure and Communication Authentic and Accurate Information 	<ul style="list-style-type: none"> News Reports and Briefings Management Interviews E-interaction 	<ul style="list-style-type: none"> Maintained positive interactions with multiple PV and automotive industry media outlets, conducting interviews or briefings with no less than 8 financial media maintaining good interactions Responded to 45 E-interaction inquiries with 100% response rate
 Academic Experts/Scholars/Professional Organizations	<ul style="list-style-type: none"> Policy Trends Industry Developments ESG Theoretical Study 	<ul style="list-style-type: none"> Professional Seminars Professor Lectures 	<ul style="list-style-type: none"> Conducted 12 recycling expert symposiums to discuss and innovate sustainable technologies for PV industry Invited ESG professors from National University of Singapore to conduct courses and training sessions for company leadership and relevant business heads on ESG theory and practice

Highlights of Stakeholder Engagement This Year

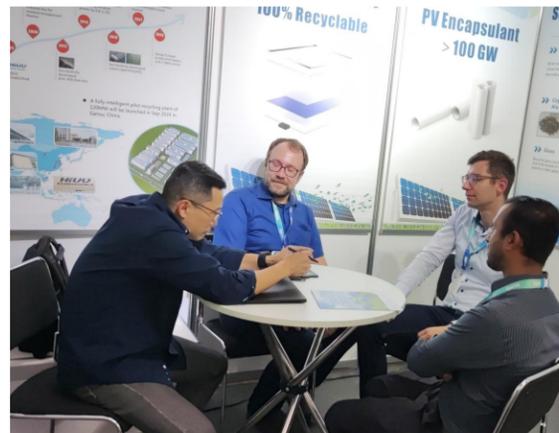
HIUV has actively advanced communication with stakeholders to promote technology-driven development and shared sustainability across the value chain. By extensively soliciting external input, HIUV has deepened collaboration with industry partners to jointly research and develop green, low-carbon materials, expanding its global industrial presence to contribute to worldwide sustainable development.

Case | Multifaceted Collaboration with Domestic and International Industry Chains

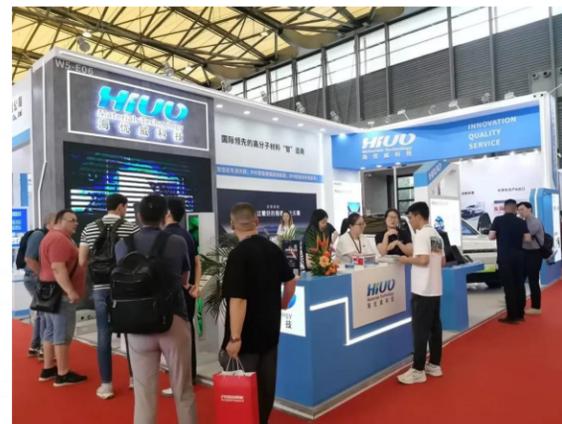
HIUV has participated in conferences and forums across photovoltaic and automotive sectors, showcasing innovative achievements. Through partnerships with global stakeholders, the company has advanced new technologies and products to drive industry sustainability.



June: Attended SNEC 2024 (Shanghai)



June: Participated in Intersolar 2024 (Munich)



July: Joined ATMS 2024 (Shanghai)



September: Partnered with H.B. Fuller at RE+ 2024 (U.S.)



April: Invited to the 2024 N-Type Technology & Industry Development Forum, awarded "Industry Leader"



May: VP Yu Hang attended the Next-Gen Seat Solutions Launch hosted by Dow and partners



September: Presented at the 2024 Marine Energy Integration Forum & EXPO



October: Introduced four perovskite encapsulation solutions at the 2024 Perovskite PV Industry Conference



December: Shared insights at Taiyang News 2024 High-Efficiency Solar Technology Virtual Conference



December: Honored with the CREC 2024 Outstanding Innovation Award for PV Materials

Materiality Issue Matrix

Materiality issue assessment involves comprehensive analysis of potential risks and opportunities and serves as an important task for company management in decision-making.

In 2024, the company followed the materiality issue assessment steps of "stakeholder communication - issue identification - issue evaluation - materiality confirmation - issue review" to conduct relevant research in an orderly manner. We systematically identified key issues and future development directions in ESG, continuously using the "dual materiality" approach to identify the company's material issues from two perspectives: "importance to business continuity and development" and "importance to stakeholders." We identified 18 issues highly relevant to the company and finally plotted these 18 issues, which were highly valued in both dimensions based on research results, into the 2024 ESG Materiality Issue Matrix.

Stakeholder Communication

- ◆ We maintained regular communication with stakeholders such as investors, customers, suppliers, employees, and government agencies, recording issues of concern to different stakeholders and specific content, and actively responding to their demands.

Issue Identification

- ◆ Based on regulatory policies in operational regions, domestic and international customer feedback and demand analysis, GRI and Shanghai Stock Exchange guidelines, ESG disclosure standards, communication results with mainstream international ESG rating agencies, peer companies, media monitoring, investors, and other stakeholders, we identified 18 issues highly relevant to the company.

Issue Evaluation

- ◆ Questionnaire survey: We distributed the 2024 HIUV Sustainability Materiality Issue Questionnaire to stakeholders to collect their importance rankings of issues and improvement suggestions.
- ◆ Interview communication: In 2024, we conducted interviews with internal departments on environmental, social, and governance issues and received inquiries from external stakeholders such as investors.

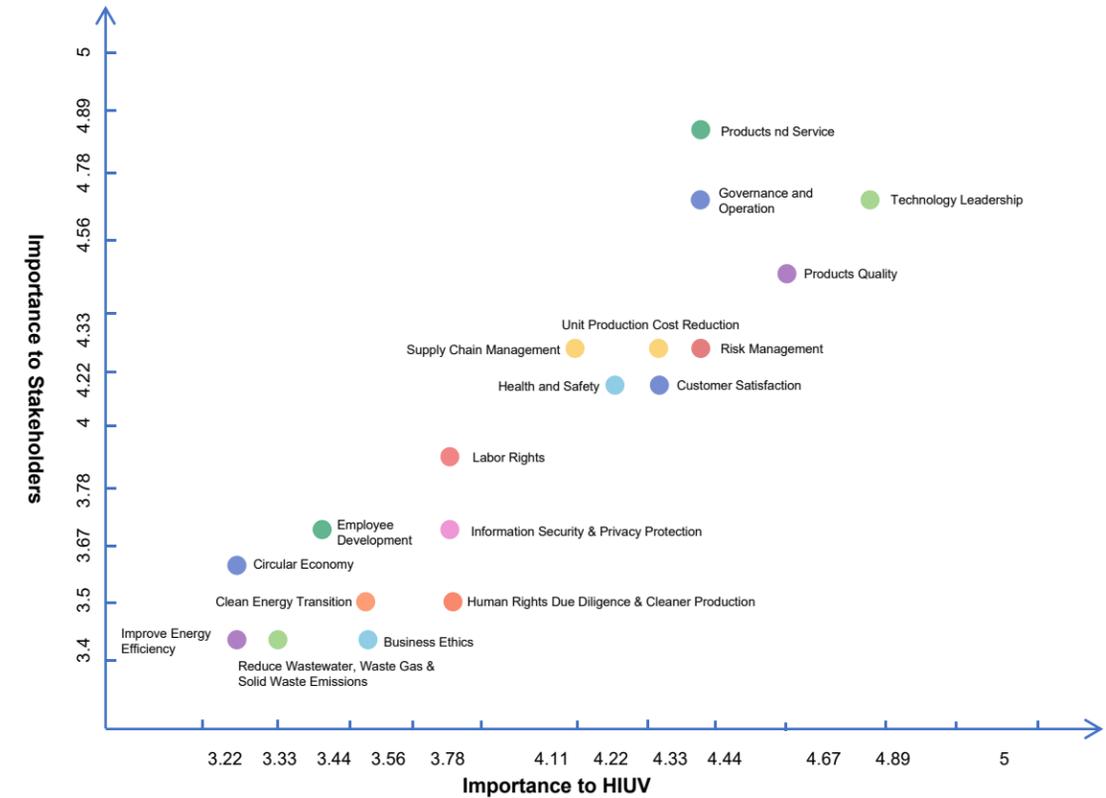
Materiality Confirmation

- ◆ Based on questionnaire survey results, we plotted the materiality issue matrix.
- ◆ Considering company development strategy, interview communication, external inquiries, and industry trends, we confirmed the materiality issues.

Issue Review

- ◆ The confirmed materiality issue rankings and materiality issue matrix were submitted to the Strategy and ESG Committee for review and approval.

HIUV 2024 Materiality Matrix and High-Impact Issue Responses



High-Priority Issue Rankings

Report Response Section

Technology Leadership	Product Quality	Products and Services	Products and Services
Governance and Operation	Risk Management		Corporate Governance
Unit Production Cost Reduction	Customer Satisfaction		Products and Services
Supply Chain Management			Supply Chain
Health and Safety	Labor Rights	Employee Development	Employees and Community
Information Security and Privacy Protection			Corporate Governance
Clean Production	Clean Energy Utilization	Circular Economy	Environment
Human Rights Due Diligence			Employees and Community
Commercial Ethics			Corporate Governance
Improve Energy Efficiency	Reduction in Wastewater, Waste Gas and Solid Waste Emissions		Environment

Corporate Governance

Content

Governance and Operation | Risk Management | Commercial Ethics | Information Security

SDGs Addressed in This Chapter



Governance and Operation

HIUV has established a standardized governance framework, emphasizing board diversity and investor relations. We adhere to compliant operations, proactive risk management, anti-corruption practices, and maintain a secure operational environment.

HIUV strictly complies with: *Company Law of the People's Republic of China; Securities Law of the People's Republic of China; Corporate Governance Guidelines for Listed Companies; SSE Stock Listing Rules.* We maintain a clear governance structure with well-defined responsibilities.

The company has established a Remuneration and Performance Evaluation Committee to define executive compensation structures. The remuneration for directors, supervisors, and senior management primarily consists of base salary and performance-based compensation, where the latter serves as incentive pay linked to value creation during operational periods. In 2024, the company optimized its *Remuneration Management System* in accordance with the Articles of Association to scientifically govern the compensation of directors, supervisors, and senior executives. Aligned with annual business objectives and progress in new business areas, HIUV established a dual evaluation mechanism combining quantitative and qualitative indicators as well as business operations and critical tasks to assess executive performance. This ensures that compensation is strictly tied to managerial competence and operational results, shares risks and rewards with the company and all shareholders, fully motivates executives' initiative and creativity, and safeguards the interests of the company and shareholders.

- Controlling Shareholder and Listed Company
- Shareholders and Shareholders' Meetings
- Directors and Board
- Supervisors and Supervisory Board

The controlling shareholder exercises rights responsibly. HIUV operates independently in business, personnel, assets, structure, and finance.

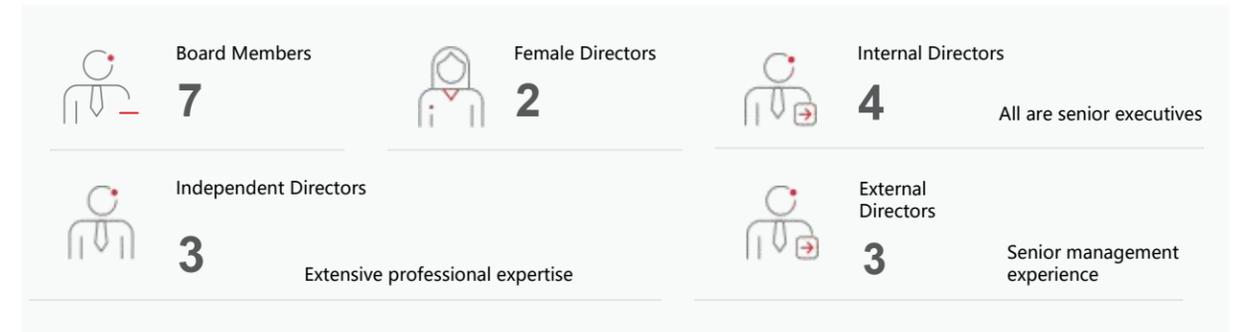
HIUV actively engages investors. During the reporting period, shareholders' meetings addressed governance, financial performance, strategy, and new business development.

The company has established a governance structure centered on the Board of Directors, which oversees corporate operations and formulates strategies. The Board has established four specialized committees to jointly supervise and manage all governance-related matters.

The company's Supervisory Board is responsible for overseeing the company's business operations and development, related-party transactions, and key aspects of fundraising management and fund utilization, ensuring corporate development complies with regulatory requirements.

Board Diversity

HIUV considers board member diversity a critical element supporting sustainable development. The company conducts board elections every three years, with director nominations undergoing rigorous selection processes that incorporate diversity factors such as industry experience, educational and cultural background, competencies, and gender into the evaluation criteria.



To enhance scientific and efficient operations of board committees, directors and committee members are nominated by the Nomination Committee, which verifies their qualifications before approval by the board and shareholders. Selection criteria include professional expertise, industry experience, leadership, sustainability knowledge, and ethical compliance. HIUV ensures diversity in gender, age, background, and professional fields. Board members must avoid conflicts of interest with the company or key stakeholders and sign STAR Market director commitments. An ESG Working Group under the Strategy and ESG Committee advances ESG initiatives.

Investor Relations

HIUV maintains strong communication with investors. In 2024, the company responded to 45 SSE E-Interaction inquiries, held 30 investor conference calls, conducted 11 strategy meetings, organized 31 roadshow events, received 51 on-site research visits, and hosted 6 earnings briefings, sustaining long-term, stable, high-frequency communication and robust investor relations.

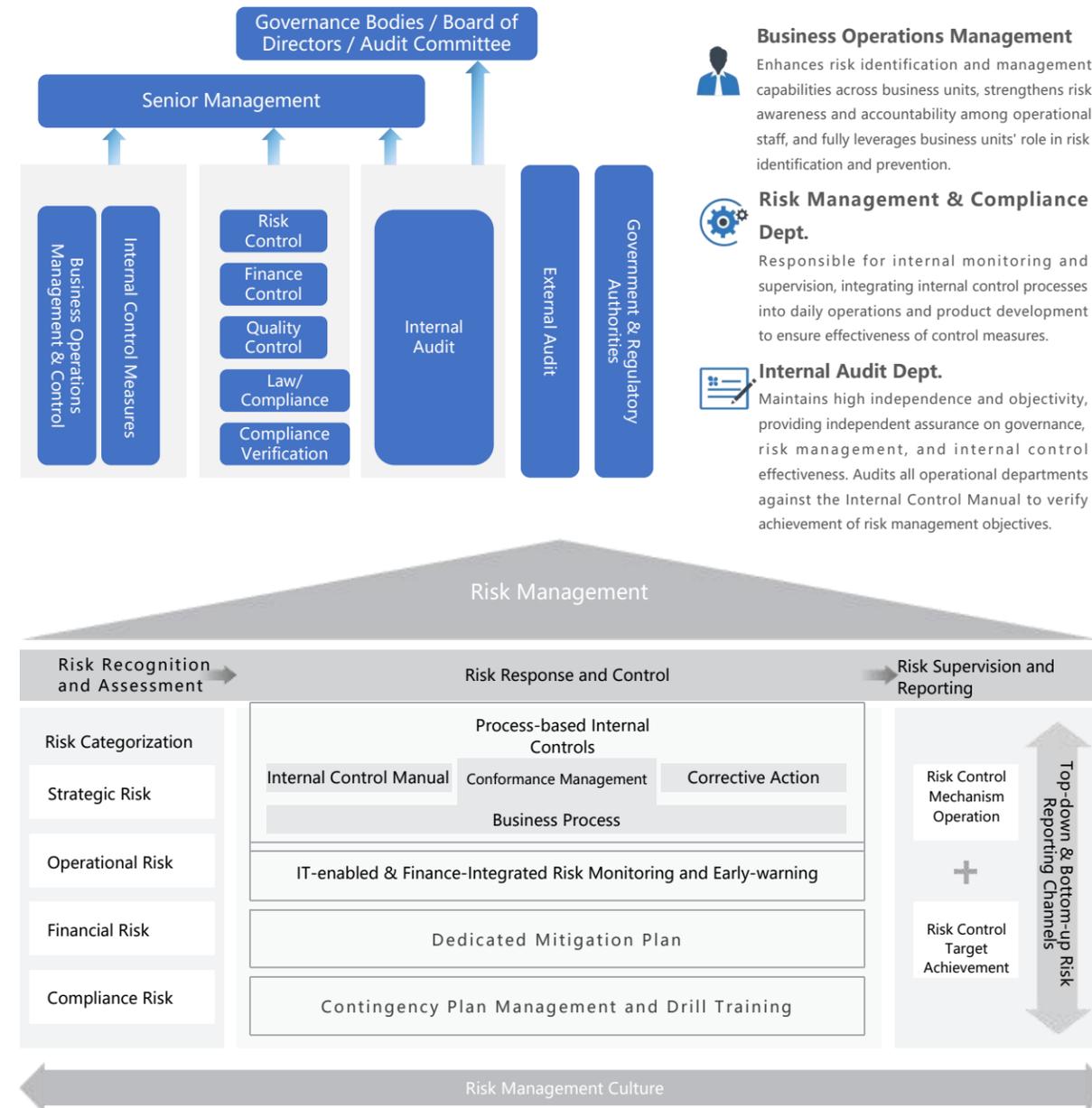


Risk Control

HIUV firmly believes robust risk management is the cornerstone of sustainable corporate development. The company has established and continuously optimized its risk management mechanisms, formulated comprehensive Internal Control Manual and authorization systems to strengthen internal risk control and compliance. The Board of Directors has set up an Audit Committee, while the Board Secretary oversees legal affairs and internal audit functions to enhance audit oversight and risk management capabilities.

Risk Management System

The company strictly adheres to domestic and international laws and regulations, implementing systems including *Information Disclosure Management Regulations*, *Internal Control Management Regulations*, *Investor Relations Management Regulations*, and *Public Opinion Management Regulations*. The securities department holds weekly meetings to discuss information disclosure arrangements and investor relations. Daily information disclosure content undergoes rigorous internal approval processes to ensure no material omissions or misleading information.



Compliance Construction

The company develops its compliance management system in accordance with ISO 37301:2021 *Compliance Management Systems - Requirements with Guidance for Use*, conducting business risk identification and assessment on compliance topics including labor practices, anti-monopoly, and anti-bribery, and integrates compliance risk management into daily operations. Targeted improvement measures are formulated for critical risk points.

Additionally, the company updated compliance processes by adding monthly internal inspections and external review procedures. Biannual online integrity and self-discipline training is conducted for key management and commercial positions, with strong participation rates. No material compliance violations occurred during the reporting period.



Audit & Supervision

The company conducts regular internal and external audits to continuously improve management in business units and internal control departments.

Audit projects conducted during the reporting period:

12

No material deficiencies were identified. Additionally, sample audits and reviews were performed on the deliberation processes for the company's 2024 major investment matters and significant operational decisions, including reviews by the President's Office, Board of Directors, and Shareholders' Meetings, with no non-compliant decisions detected.

Commercial Ethics

HIUV strictly adheres to business ethics standards, having established and implemented the *Code of Business Conduct*. The company promotes a culture of integrity, resolutely opposes commercial bribery, corruption, monopolies, money laundering, and unfair competition, and is committed to building an honest, fair, and transparent business environment to maintain good market order, enhance industry reputation, and achieve sustainable development.

Anti-Unfair Competition

HIUV advocates fair competition, strictly complies with laws including the *Anti-Unfair Competition Law of the People's Republic of China*, and resolutely prohibits any market-confusing or consumer-misleading practices. The company does not engage in bribery or other unfair tactics to gain business opportunities. HIUV respects and protects trade secrets, avoids false advertising, refrains from infringing intellectual property rights, and ensures no disruption to the normal operation of online products or services. In 2024, the company faced no legal disputes related to unfair competition or antitrust violations.

Anti-Corruption

The Company has established an Audit Committee, which emphasizes the coordination between supervision and auditing to form a working mechanism characterized by overall planning, strict organization, collaborative division of labor, and efficient operation. Through regular and irregular audits of the Company's internal operational activities, it ensures the compliance of all businesses and promptly identifies and corrects potential issues. Meanwhile, HIUV has formulated the *Integrity in Employment Management System* and enhanced its anti-corruption and anti-bribery provisions. The System explicitly prohibits any form of corruption and bribery and stipulates corresponding penalty measures. Based on this System, the Company has also intensified employee education and training to enhance their understanding of the importance of anti-corruption and anti-bribery, and encourages employees to actively report any detected corruption or bribery acts.

Corruption-related legal cases in 2024

0

 Integrity Training	All production bases conduct integrity training and self-assessment activities, holding biannual integrity training sessions with 100% employee participation. Anti-corruption training coverage reached 100%.
 Integrity Commitments	100% of employees signed the <i>Integrity Self-Discipline Pledge</i> . 100% of partners signed the <i>Supplier Integrity Pledge</i> .
 Integrity Promotion	Multiple integrity campaigns were organized company-wide throughout the year. The Internal Audit Department established an integrity reporting hotline and email, achieving a 100% audit rate for reported cases.
 Integrity Surveys	Integrity compliance questionnaires were distributed to suppliers, with 100% rating at medium-high levels.
 Integrity Collaboration	The company conducted integrity promotion activities for 79 key suppliers annually, including thematic sessions at supplier conferences to communicate corporate integrity standards.

HIUV's 2024 Achievements in Integrity Work

Anti-Money Laundering

HIUV complies with the *Anti-Money Laundering Law of the People's Republic of China*, strengthens internal AML compliance, ensures operational compliance, and collaborates with law enforcement and financial institutions to combat money laundering. Regular AML training is conducted to improve employee awareness.

Whistleblowing & Complaints

To advance integrity initiatives, HIUV has established a standardized whistleblowing and complaint management mechanism. The company provides a supervision hotline and email (shenjijubao@hiuv.com). Reported cases are investigated by internal department heads, who conduct fact-finding interviews with relevant parties. Through interviews, on-site inspections, and other methods, the company comprehensively collects and analyzes information, assessing operational risks such as power abuse, benefit transfers, and irregularities. No corruption risks were identified.

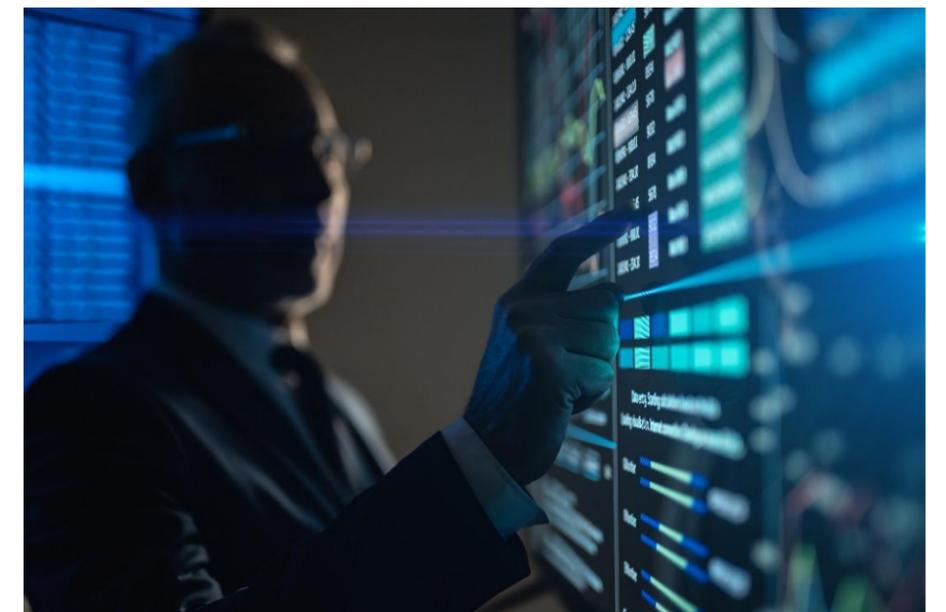
The company has improved whistleblower protection measures by offering anonymous electronic forms and ensuring confidentiality. Whistleblower rights are strictly safeguarded, and relevant departments are required to maintain strict confidentiality, prohibiting any discrimination or retaliation.

Information Security

HIUV places high importance on user information security and privacy protection. In accordance with laws such as the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *EU General Data Protection Regulation (GDPR)*, the company has established relevant data and information security regulations.

For customer privacy protection, the company has implemented internal policies, deployed file encryption systems, signed confidentiality agreements, and organized employee training. Two annual training sessions on intellectual property and data protection are conducted. Privacy protection commitments and practices are communicated to clients through confidentiality agreements.

For emergency management, the company has an information security system, regularly backs up critical data, and deploys terminal control systems. In the reporting year, no privacy breaches occurred.



01

Products and Service

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SDGs Addressed in This Chapter



1.1 Technology Leadership

HIUV adheres to the business philosophy that "innovation is the company's core competitiveness," continuously increasing R&D investment, improving the innovation system, and expanding the innovation talent pool. In 2024, HIUV accelerated digital transformation, standardized innovation management operations, enhanced confidentiality systems, strengthened intellectual property management, launched six new products in the photovoltaic industry, and introduced innovative environmentally friendly surface material AXPO leather, cost-effective PDCLC color-adjustable liquid crystal films, and PVE glass encapsulation films in the automotive sector. These efforts accelerated the transformation of innovation achievements, comprehensively enhanced the company's technological leadership capabilities, and implemented the business philosophy of technology-driven development.

R&D Team Construction

HIUV continues to improve its technology R&D system and strengthen its R&D team, focusing on creating a favorable R&D environment. The company has established internal communication channels and knowledge-sharing mechanisms, regularly inviting experts and consultants to discuss R&D topics and provide professional insights, while encouraging the R&D team to learn, exchange, and share professional knowledge.

Through the establishment of confidentiality mechanisms and R&D personnel incentive systems, HIUV implements multi-dimensional talent development incentives such as performance evaluations, promotions, and equity incentives to fully motivate employees and promote long-term career growth for R&D personnel at HIUV. The company aims to cultivate a high-level R&D team with both research experience and professional expertise, striving to become a hub for top talent in polymer materials and chemical engineering.



R&D Investment
118 million yuan



R&D Personnels
168 人



R&D Investment Ratio
4.55 %



R&D Personnel Ratio
19.63 %

Independent R&D

Since its founding in 2005, HIUV has focused on independent R&D, guided by technological innovation, application development, and industrial chain layout. Through continuous R&D innovation, the company combines formulations, equipment, and processes to further explore new industries, improve product structures, enhance product cost-performance ratios, accelerate product iterations, and maintain technological leadership advantages.



Self-developed Equipment & Process Design

As one of the leading technology companies in the photovoltaic industry, HIUV upholds the business philosophy that "R&D innovation is the core competitiveness," consistently insisting on independently designing production equipment for innovative products, independently developing production processes, and combining self-developed product formulations to maintain technological leadership in the industry.

As an innovator in new surface materials and dimming materials for smart glass in the automotive sector, HIUV combines its self-developed formulations with independently designed equipment to continuously enhance product innovation and breakthrough technological advantages.



Product Innovations

Leveraging advanced battery technology, we upgraded photovoltaic module processes and structural designs in 2024, successfully developing multiple high-performance products capable of stable operation in complex environments.

Third-Generation Zero-Migration Light-Conversion Film

Addressing HJT cells' sensitivity to UV-induced degradation, HIUV's third-generation zero-migration light-conversion & anti-oxidation solution reduces annual HJT cell degradation by ~0.5%.



Black Film

HIUV Black Film 2.0 enables power plants to generate 2 million additional kWh/MW over 25 years. Modules using this black film exhibit superior aesthetics compared to conventional modules.



Color Film

HIUV Color Film achieves 10%-25% higher light transmittance than traditional colored glass, increasing module power output by 8%-20%.



Desert Application

HIUV's EPE encapsulant film P507 for PV modules received CPVT's "National Preferred Product" certification for regionalized weather resistance (Arid Desert Series).



Marine Application

HIUV's EPE encapsulant film P507 and EVA encapsulant film S201MT for PV modules obtained CPVT's "National Preferred Product" certification for regionalized weather resistance (Deep Ocean Series).

Field Innovations

AXPO Lightweight Eco-Leather

AXPO leather surpasses traditional PU and PVC leather in softness and comfort, with unique elasticity and tactile quality comparable to genuine leather, while offering superior environmental sustainability. It perfectly blends fashion and eco-friendliness, meeting consumer demand for high-quality leather materials.



PDCLC Smart Color-Adjustable Liquid Crystal Film

PDCLC film enables glass to switch between transparent and opaque states via voltage adjustment—transparent when powered and opaque when unpowered. It can be used for laminated smart glass or as a projection backfilm. Leveraging the electric field principle of liquid crystal glass, it maintains spatial openness while providing privacy protection. Unlike conventional PDLC products, HIUV's PDCLC incorporates dyes, giving its black adjustable film a premium aesthetic suited for diverse applications, particularly automotive sunroofs, offering smart dimming, privacy protection, energy efficiency, and UV resistance.



PVE High-Performance Glass Encapsulation Film

As the industry's first PVE glass encapsulation film specifically developed for automotive glass bonding, it delivers heat and noise reduction with high-strength adhesion, meeting both automotive glass bonding requirements and energy-saving needs.



Intellectual Property

IP Portfolio as of End

2024-- Patents Granted:

170

International Patents &

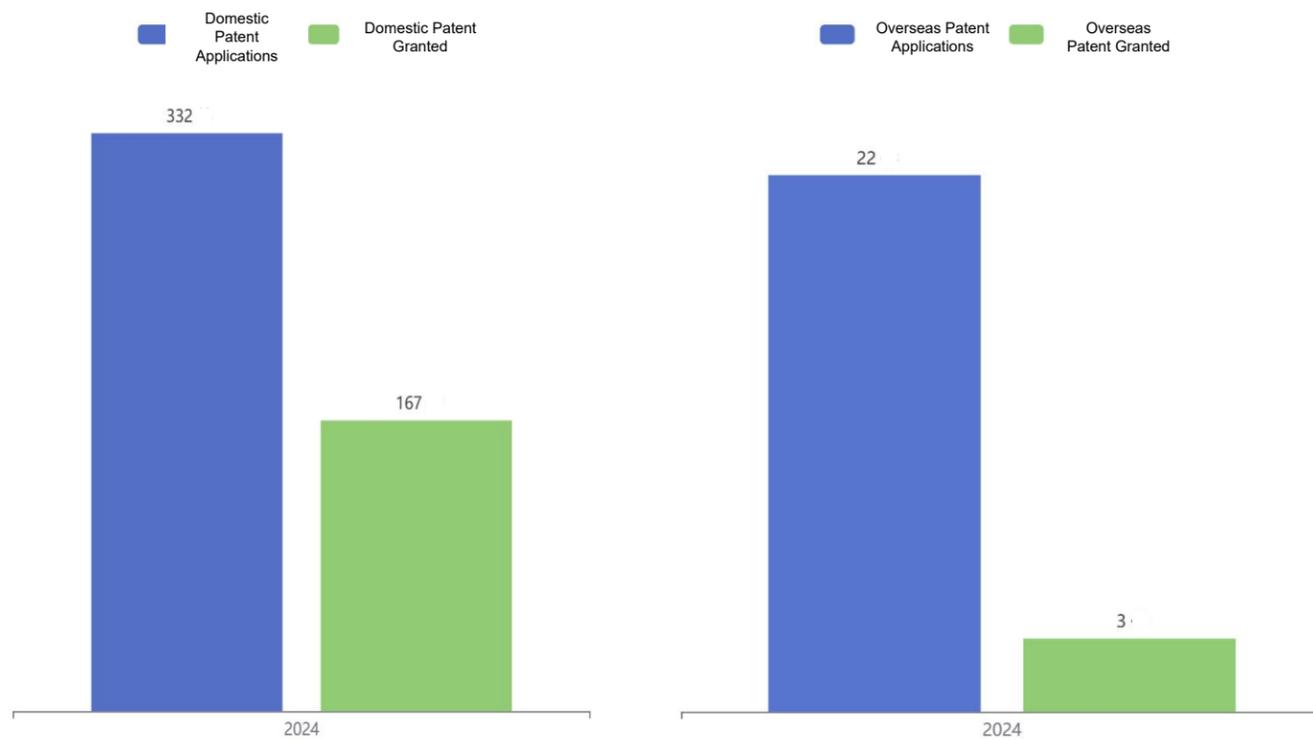
Trademarks:

4 Countries/Regions

The company has established a comprehensive intellectual property management system with standardized control procedures. Dedicated departments and personnel oversee the standardized and process-driven management of IP acquisition, maintenance, utilization, risk management, and dispute resolution. The company obtained the Intellectual Property Management System Certification and engages professional IP service providers for patent strategy and novelty searches.

In accordance with the *Notice on Selecting National IP Demonstration Enterprises in 2022 issued by the CNIPA*, Shanghai HIUV New Materials Co., Ltd. was designated as a National Intellectual Property Advantage Enterprise in September 2023 after evaluation and review. This recognition reflects the company's strategic IP management capabilities, outstanding comprehensive competitive advantages in IP, enhanced innovation system efficiency, and industry leadership.

2024 Patent Applications & Grants Disclosure



Collaborative Innovation

HIUV leverages technical collaborations to drive technology innovation, building a full-value-chain collaborative Innovation system to promote high-quality industry development. In 2024, the company partnered with academic institutions for R&D projects and collaborated with overseas research institutes and trade councils to advance international projects.

HIUV actively participates in national, industry, and corporate standard-setting, contributing to technological progress and quality assurance. By end-2024, the company had participated in 13 standard formulations.

External Technical Standards: 2

TCECS 1099-2022 *Technical Specification for Glass Structures*

TCECS 1281 2023 *Technical Specification for Glass Composite Panel Curtain Walls*

National Standards: 2

Industry Standards: 1

Association Standards: 10

2024 Association Standards: 4

T/CPIA 0064-2024 *Test Method for Surface Roughness of PV Encapsulation Films*

T/CPIA 0071-2024 *Co-extruded Encapsulation Films for PV Modules*

T/CPIA 0069-2024 *Coupled Environmental Stress Test Methods for PV Modules*

T/CPIA 0073-2024 *Test Method for Acid Content in PV Encapsulation Films*



1.2

Product Solutions

Leveraging technological innovation, we develop diversified product portfolios centered on customer value creation, delivering actionable solutions to advance global decarbonization and accelerate carbon neutrality goals.

Industry-Specific Carbon Reduction Solutions

The company provides carbon reduction solutions for photovoltaic industry clients by optimizing EVA and POE film formulations to minimize weight, improving processes to reduce energy consumption in PV module production, and helping clients achieve annual carbon emission reductions in their manufacturing processes. Simultaneously, the company enhances production line speed, lowers energy consumption, and achieves energy savings, emission reductions, and cost efficiency.

For film product packaging materials, the company adopts recyclable packaging materials to reduce carbon emissions and support industry clients in meeting their carbon reduction goals.



Low-Carbon Footprint and Eco-friendly Attribute

In innovative product development, the company thoroughly considers material environmental attributes and full product lifecycle carbon footprint: Prioritizing eco-friendly raw materials in product formulations; Ensuring safe and low-carbon operations throughout manufacturing; Adopting recyclable packaging materials; Guaranteeing green and safe application without environmental pollution.

The company meticulously addresses environmental protection, safety and low-carbon aspects across the entire new product chain. This approach not only reduces resource waste but also minimizes environmental impact, aligning with sustainable development principles.

Case | HIUV AXPO

HIUV AXPO is an environmentally friendly synthetic leather based on polyolefin elastomer (POE) material. As an innovative eco-leather, it eliminates harmful chemicals (plasticizers, heavy metals) used in traditional leather production while featuring low VOC emissions and minimal odor. This breakthrough product meets both modern demands for environmental/healthy materials and automotive industry requirements for premium interior surfaces.

HIUV AXPO demonstrates excellent aging resistance, maintaining stable performance under harsh environments, particularly meeting stringent automotive industry requirements. Its available color options (white, beige, etc.) perfectly align with contemporary light-color interior design trends, fulfilling diverse fashion demands.

Additionally, HIUV AXPO features low density and lightweight properties, weighing only 60-75% of comparable PVC leather. This significantly reduces product weight and transportation costs, making it the optimal choice for lightweight automotive seat designs.



1.3

Product Responsibility

Quality Management

In compliance with ISO 9001 requirements, HIUV implements a multi-dimensional quality management approach across production, R&D, quality control, and supply chain operations, consistently enhancing product and service quality with a customer-centric focus.

Production Quality Control	HIUV employs advanced production technologies and equipment to ensure efficient, stable, and reliable manufacturing processes. Production workflows are optimized using energy-efficient techniques to minimize resource waste and boost productivity.
R&D Quality Management	HIUV allocates significant resources to develop new products and improve existing ones, incorporating energy-saving and eco-friendly designs to meet evolving customer and market demands. Customer feedback is actively gathered and addressed through enhanced communication channels.
Product Quality Improvement	HIUV maintains a comprehensive quality management system encompassing inspection, control, and continuous improvement. State-of-the-art testing equipment and methodologies ensure products meet stringent customer specifications and industry standards.
Supplier Quality Management	HIUV implements rigorous supplier oversight through an evaluation system that enhances supply chain integration and transparency. This reduces logistics-related energy consumption and emissions, improving both ecological and social benefits.

Quality Service

While prioritizing innovation and reliability, HIUV places equal emphasis on exceptional customer service. We provide tailored product solutions across specifications and categories, supported by ongoing market research to promptly identify and fulfill client needs.

Customer Needs	Our Response
Product Innovation	<p>HIUV bases its business development on R&D and innovation, upgrading its technological R&D system and strengthening R&D infrastructure across the entire industry chain.</p> <p>Through continuous R&D innovation, the company further enhances product structures to help customers reduce costs and improve efficiency, while accelerating product iterations to maintain technological leadership.</p>
Privacy Protection	<p>HIUV signs confidentiality agreements with clients to clearly define privacy protection standards. Per client requirements, product packaging undergoes encryption for privacy protection.</p> <p>Specific collaborations include detailed confidentiality clauses to ensure mutual protection and accountability.</p>
Differentiated Product Services	<p>HIUV provides tailored encapsulation solutions for diverse application scenarios (desert, snow, lakes, marine environments, etc.).</p> <p>The company collaborates with industry leaders to pioneer the adoption of AXPO synthetic leather in automotive applications and achieve industrialization of PDCLC smart dimming films for intelligent glass, continuously optimizing product performance while reducing costs.</p>
Rapid Response	<p>HIUV swiftly develops and optimizes product performance to meet market demands for PV film quality and new film categories.</p> <p>For emerging industry needs, the company independently develops relevant technologies and products, achieving rapid industrialization and scaling.</p>
Supply Chain Optimization	<p>HIUV establishes and refines supplier management systems covering key processes: supplier qualification, procurement contract management, raw material procurement progress tracking, inbound material inspection. The company prioritizes ESG risk identification and control for suppliers.</p>

Quality Culture Development

Company-Wide Emphasis: All employees uphold quality as the corporate lifeline. Electronic archives for quality data records are established across subsidiaries. Monthly meetings consolidate quality complaints and solutions, while sharing standards and reports among plants to collectively enhance quality management through mutual learning and real-time data sharing.

Quality Management System: A structured system is implemented using standardization and PDCA methodologies to elevate quality standards.

Quality Traceability Mechanism: Full lifecycle quality management covers raw materials, production, and end-user product performance. Electronic tracking of product codes and manufacturing data enables precise batch tracing to swiftly identify and mitigate quality risks.

Quality Assessment Mechanism: Quality issues are treated as priority cases, individually documented and escalated for immediate client response and resolution. Monthly meetings specifically address quality incidents and solutions, with follow-ups on prior issues. Quality performance is directly tied to staff evaluations, incentivizing diligent quality oversight.



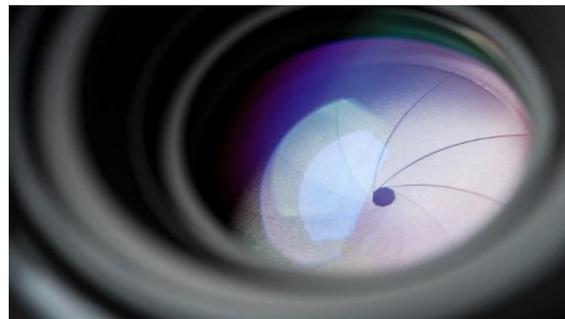
Case

HIUV's Multi-Pronged Approach to Enhance Quality Management

In March 2024, the company invited senior experts to conduct training on ISO Quality, Environmental, and Occupational Health & Safety Management Systems, with 40 trainees passing the assessment to obtain internal auditor certifications.

All production bases regularly conduct quality management training covering product standards, testing methods, anomaly analysis, and after-sales handling to enhance employees' quality awareness and skills.

The company launched the NAS Knowledge Base Platform, granting all employees access to quality management system documents. New employees are guided to utilize this platform for self-directed learning of company protocols.



Empowerment Training

Senior experts were invited to deliver courses on ISO management systems and professional skills, with 9 participants earning professional certifications.

Factories routinely organize quality training on standards, testing, issue analysis, and after-sale service to strengthen staff competency.

Proactive collaboration with suppliers and clients to jointly address quality-related challenges, improving product quality while reducing costs.



Case

Dow-HIUV Collaboration for AXPO Leather Quality Enhancement

For any material-related performance gaps or improvement needs in AXPO leather supplied to clients, HIUV's strategic partner Dow engages its R&D and technical teams to jointly analyze potential issues and develop solutions.



02

Environment

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SDGs Addressed in This Chapter



2.1 Climate Change Response

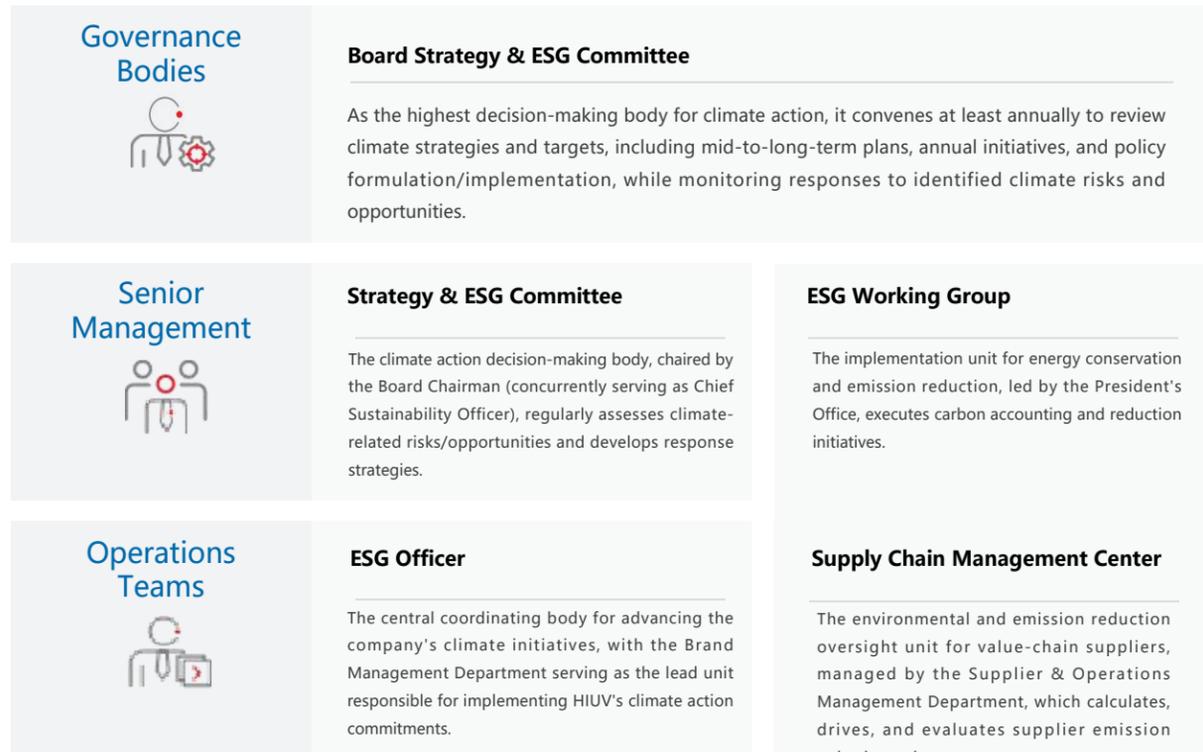
As a leading domestic polymer materials manufacturer, HIUV fully recognizes its emission reduction responsibilities. The company is establishing a full value-chain greenhouse gas accounting system aligned with mainstream international standards to proactively address climate-related risks. Concurrently, HIUV is advancing energy conservation and renewable energy adoption at production bases, accelerating product carbon footprint certification, and positioning itself as an industry pioneer in climate action and green development.

Climate Risk Management

Governance

As a member of the photovoltaic industry addressing climate change risks, HIUV is aligning with frameworks and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB)'s *IFRS S2 Climate-related Disclosures*.

HIUV has established a board-led climate governance system. Board members possess extensive experience in polymer materials, enabling precise risk identification and management, seizing opportunities in the global low-carbon transition, ensuring effective climate risk management, and formulating climate action strategies for long-term development.



Strategy

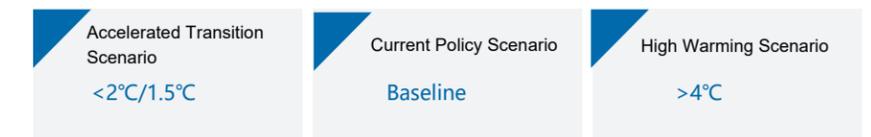
The company identifies and analyzes climate risk vulnerabilities and potential opportunities across its value chain through value-chain mapping, climate database risk screening, and industry research. This process generates a comprehensive list of climate risks and opportunities, enabling risk warnings and appropriate responses.

Risk Management

In accordance with the company's risk management framework, HIUV manages climate change risks using scenario analysis under three models:

Accelerated Transition Scenario (<2°C/1.5°C); Current Policy Scenario (Baseline); High Warming Scenario (>4°C)

Climate risk identification and assessment are fully integrated into strategic decision-making and daily operations.



Climate Risk Identification

Specialized climate risk initiatives identify and assess vulnerable points and potential opportunities in the value chain. These initiatives will be incorporated into HIUV's routine risk identification mechanisms.



Climate Risk Assessment & Prioritization

Risks/opportunities are prioritized based on likelihood, onset speed, and financial impact. Financial quantification of climate risks across different scenarios enables HIUV to focus on risks with significant financial implications.



Climate Risk Response

Following board approval of the climate risk inventory, the Sustainability & ESG Office coordinates cross-functional responses, including: environmental risk prevention measures; emergency management systems

Climate Action

In 2024, we focused on internal operational carbon management through key initiatives including carbon accounting, green office practices, waste reduction, and optimized energy use, systematically enhancing our energy conservation and emission reduction framework.

Operational Emission Reductions

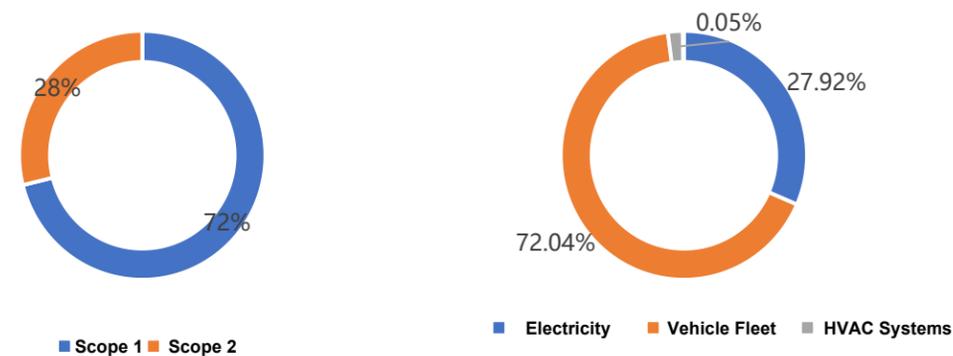
HIUV2024 total carbon emissions (tCO₂e)



HIUV2023 total carbon emissions (tCO₂e)



Group Carbon Emissions Structure (2024)



To address growing market demand, we will actively implement carbon reduction projects, including: establishing 3-year emission reduction targets and roadmaps; completing and expanding; photovoltaic power station projects; participating in green electricity trading; developing and launching more low-carbon products; strengthening supplier collaboration on emission reduction. These efforts contribute to achieving carbon neutrality goals.

Green Office

True sustainability requires every enterprise to address all operational and administrative details.

HIUV integrates environmental principles into daily operations through multi-pronged green office initiatives that encourage employee participation in energy conservation and ecological protection.

Green Office Key Measures

Environmental Advocacy

- Regular eco-awareness campaigns and energy conservation promotion
- Waste classification implementation
- Circular economy adoption

Energy Conservation

- LED and solar-powered lighting systems;
- Reduced printed materials through paperless workflows;
- Digital seal management to minimize physical documents and couriers;

Digital Work & Green Commuting

- Prioritizing virtual meetings via online collaboration platforms;
- Installing EV charging stations to encourage new energy vehicle adoption;

Case Comprehensive OA system usage to minimize paper consumption



Waste Reduction Initiatives

The company strictly complies with environmental regulations including the Environmental Protection Law of the People's Republic of China in daily operations, rigorously implementing environmental protection measures.

- ✓ Environmental protection facilities operate, undergo maintenance, and are repaired simultaneously with production equipment to ensure stable performance;
- ✓ Continuous improvement in the stability and efficiency of environmental protection systems;
- ✓ Regular monitoring of pollutant discharge levels to guarantee compliance with standards;
- ✓ Strengthened pollution and waste treatment protocols;
- ✓ Innovative resource utilization and online recycling to minimize waste generation;
- ✓ Wastewater, exhaust gases, and factory noise monitored for standard-compliant discharge.;
- ✓ Solid waste is categorized for treatment; hazardous waste is disposed per regulations;
- ✓ Obtained discharge permits (including registration) for all pollution-generating processes, ensuring licensed operations;
- ✓ Advanced cleaning technologies and production processes reduce hazardous waste generation;
- ✓ Ensured workplace safety and employee health protection.



Environmental Pollution Incidents:

0



Wastewater, Gas, and Noise Emissions Compliance Rate:

100%



Hazardous Waste Disposal Rate:

100%

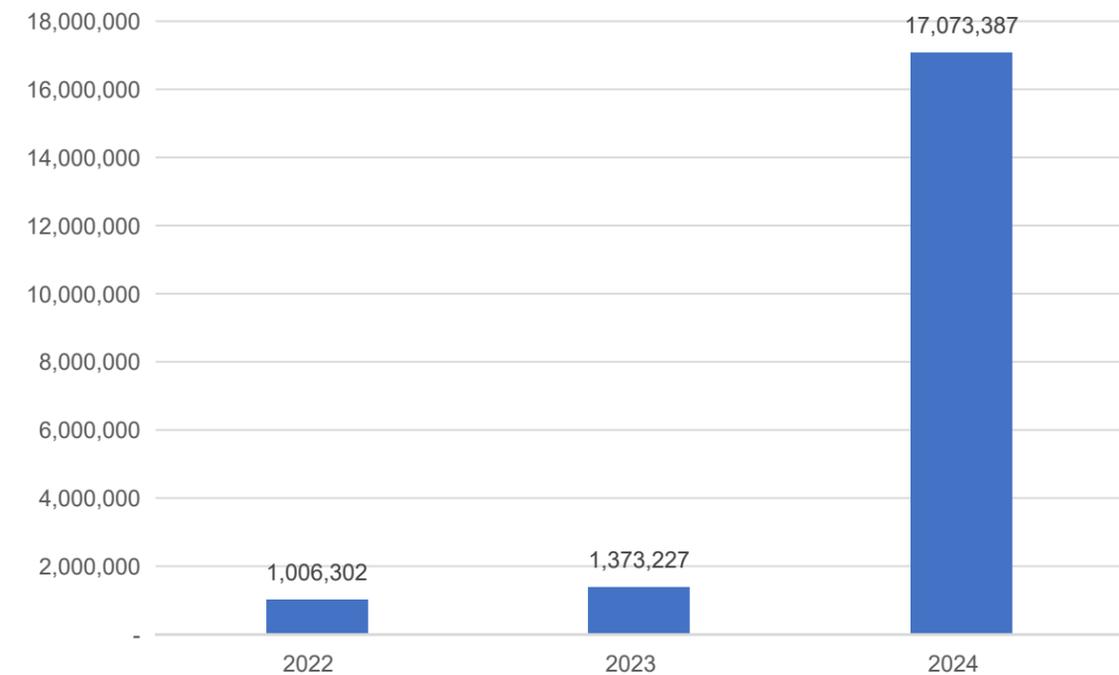
Renewable Energy Initiatives

The company actively fulfills its carbon reduction responsibilities by implementing the following measures across all facilities:

- Installation of distributed solar power stations on factory rooftops
- Deployment of new energy vehicle charging stations within plant areas
- Encouragement of employee rooftop solar installations at residential properties



HIUV Group Rooftop Solar PV Performance (kWh)



CO₂ emissions reduced (2024) **9,737** tCO₂e

CO₂ emissions reduced (2023) **783** tCO₂e

YoY: **1143.55%** ↑

Renewable energy share of total consumption (2024) **10.6%**

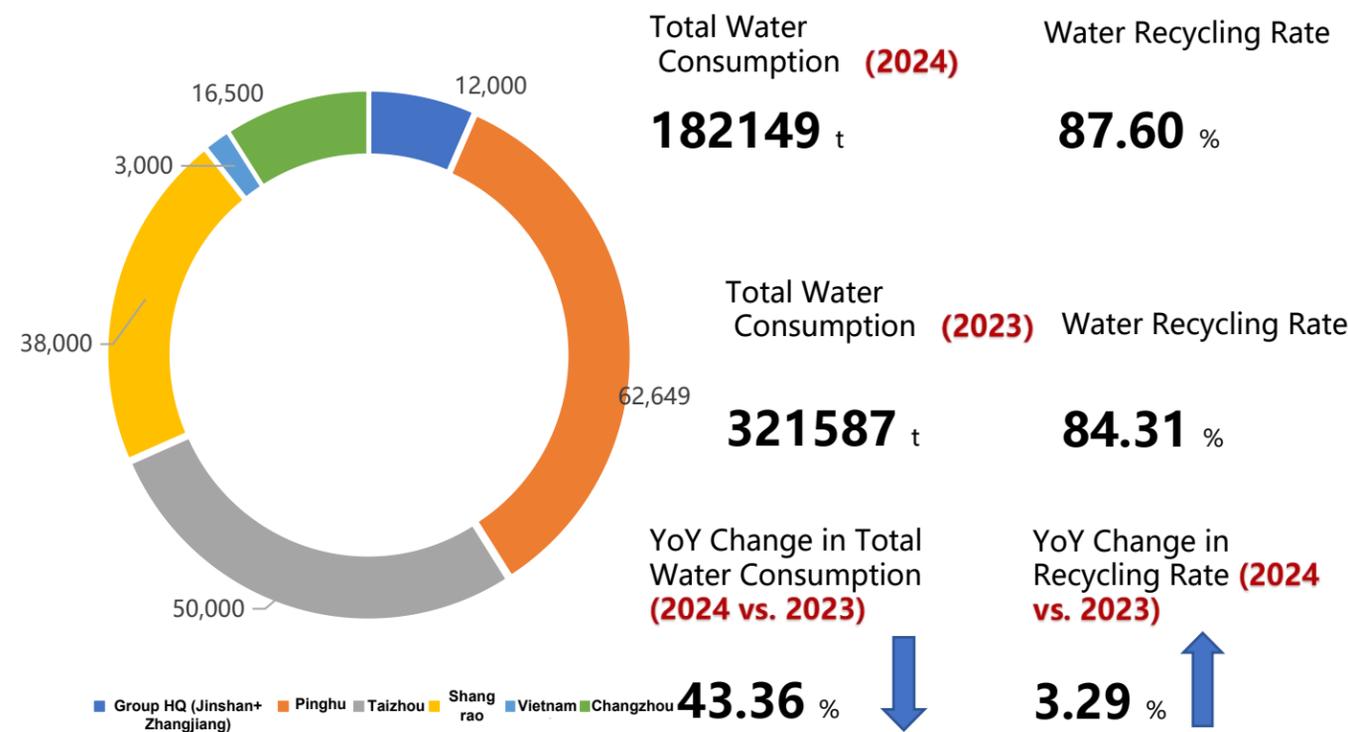
2.2 Water Resource Management

Water resource management is a key sustainability strategic objective for HIUV. In compliance with regulations including the *Water Law of the People's Republic of China* and local laws in operational regions, the company has established the *Water Conservation Management Policy* and formed a *Water Resource Management Task Force* led by the CEO. This task force is responsible for formulating water strategies and implementing performance evaluations, adhering to the principle of "environmental compliance, water conservation, and emission reduction."

HIUV has incorporated water resource management into its sustainable development strategy, adopting "environmental compliance, water conservation, and emission reduction" as the guiding principle. *The Water Resource Management Task Force* drives initiatives including water conservation planning, implementation, performance evaluation, and continuous improvement. The company has established a two-tier control system (Manufacturing Division → Production Bases) to implement hierarchical management of production water use. A performance evaluation mechanism prioritizes water-saving targets, linking results to responsible personnel's KPIs to foster company-wide engagement in energy management, effectively enhancing the company's water resource awareness and utilization efficiency.

In 2024, by analyzing water-saving potential across all production processes and implementing measures such as alternative water source exploration and production capacity utilization optimization, the company carried out water conservation campaigns and usage tracking throughout the organization, significantly improving overall water conservation awareness among all employees.

Water Withdrawal by Production Site (tonnes) - Pie Chart



Case | The factory has reduced cooling water usage through equipment upgrades and maintenance.

In 2024, HIUV implemented technical upgrades to accelerate production equipment for photovoltaic module encapsulation films. These improvements achieved dual benefits: reducing both electricity consumption per unit of film production and cooling water usage per product unit, thereby realizing water conservation, emission reduction, and lower energy consumption.

Concurrently, the company conducted timely maintenance and servicing of cooling towers to enhance equipment performance. This initiative decreased water waste, improved cooling efficiency, and reduced overall production water consumption.

Water Conservation Measures

Target Setting	<ul style="list-style-type: none"> Establish a water resource management system to record, monitor, evaluate and improve water usage efficiency. Develop water conservation policies and plans that clearly define conservation targets, responsible departments and implementation procedures to ensure effective execution of water-saving measures.
Implement Water Conservation Assessments	<ul style="list-style-type: none"> Collect usage data of production wastewater and equipment cooling water, incorporating monthly metrics into departmental cost accounting. Conduct evaluations of water usage costs, linking results to departmental and individual performance metrics to incentivize water-saving initiatives.
Production Water Reuse	<ul style="list-style-type: none"> Collect production wastewater and treat it by removing solid particles, metal ions, and other particulates to achieve compliant discharge standards. Collect equipment cooling water for recycling and reuse.
Compliant Discharge Planning	<ul style="list-style-type: none"> Evaluate the environmental impact of wastewater discharge by analyzing sources, types, and volumes of effluent. Develop methods to recover reusable resources from wastewater to achieve circular utilization of energy, water, and materials. Implement technical, managerial, and monitoring measures to ensure full compliance with discharge regulations and eliminate pollution risks.
Water-Saving Technology Upgrades	<ul style="list-style-type: none"> Implement equipment technical modifications to reduce energy consumption and conserve water. Establish production water recycling systems. Conduct water-saving retrofits for water-using equipment.
Water Conservation Monitoring & Supervision	<ul style="list-style-type: none"> Form a dedicated water resource management team with assigned supervisors. Conduct monthly statistics on production and domestic water usage to promote water-saving awareness and implementation of conservation measures. Monitor wastewater discharge.

2.3

Clean Production

HIUV continuously refines environmental management in production operations, increasing environmental protection investments to reduce ecological impacts. In compliance with national clean production audit policies, the company has established an environmental management system led by the EHS Management Committee.

In 2024, HIUV's total environmental protection investment reached 4.7525 million RMB, with zero incidents of major discharge violations or environmental non-compliance.

As of the end of the reporting period, HIUV possesses:

5 production bases equipped with photovoltaic power stations green electricity 17.07m kWh/year	3 production bases meeting clean production standards 3 bases	5 operational headquarters and production bases achieving 100% ISO 14001 environmental management system certification coverage 5 bases 100 %
--	---	--

Environment Management

To ensure effective execution of environmental management systems and enhance overall environmental governance, HIUV conducted regular specialized inspections and training programs. The company implemented standardized environmental management initiatives, developing environmental assessment checklists based on regulatory requirements. Comprehensive inspections were performed at all production bases to identify and rectify potential hazards, while systematic training programs elevated environmental management capabilities across facilities.

To standardize tracking of environmental protection investments, the company added dedicated accounting categories in the financial ERP system for improved data collection and analysis of environmental expenditures.

HIUV's Core Internal Environmental Management Documents

Environmental Protection Control Procedures

Waste Gas Management Regulations

Technical Guidelines for Waste Gas Treatment Facility Operations (Newly Added)

Wastewater Management Regulations

Solid Waste Management Regulations

Hazardous Waste Management Technical Guidelines (Newly Added)

Monthly internal training sessions 12	Pre-shift training for production teams 15 min/shift	Annual environmental compliance violations with issues identified and resolved through on-site inspections 0
---	--	--

Waste Gas Management

The primary gaseous pollutants generated during HIUV's production processes include VOCs, ammonia, and fluorides. The company has developed tailored emission reduction plans for each production stage. During the reporting period, all 5 operational HQ and production bases underwent individual inspections and emission reduction assessments to ensure full compliance with standards; zero incidents of non-compliant emissions; adherence to clean production requirements

HIUV 2024 Waste Gas Emission Statistics

 Total waste gas emissions 7.08 million m ³	Nitrogen oxides (NOx) emissions 0 t	Sulfur oxides (SOx) emissions 0 t	Particulate matter (PM) emissions 0 t	VOC 7.048 t
	Total nitrogen emissions 0 t	Ammonia nitrogen emissions 0.076 t	COD 0.757 t	

- In 2024, the company's Shangrao production base initiated upgrades to its environmental protection facilities, significantly enhancing waste gas collection and treatment capacity.
- During the construction of the Pinghu production base in 2024, the company prioritized investments in environmental protection facilities and workplace safety measures to ensure clean production standards.
- In 2024, the company installed rooftop photovoltaic power stations at its Pinghu production base to increase renewable electricity generation capacity.
- In 2024, the company planned rooftop photovoltaic installations at its Gansu production base in preparation for expanded renewable energy output.



Wastewater Management

We classify generated wastewater into industrial production wastewater and employee domestic sewage, implementing corresponding treatment methods for each category.

Mainly originates from production line cooling cycles, equipment cleaning, and facility maintenance. We maximize utilization of recyclable wastewater, while treating non-recyclable wastewater to meet discharge standards.

Case | HIUV Implements Industrial Water Usage Reduction Project

In 2024, multiple HIUV production bases implemented water conservation projects through:

The company increased production equipment speed and efficiency to reduce energy consumption, including reducing total cooling water usage. Simultaneously, we evaluated and tested cooling tower equipment, precisely calculating usage efficiency across different brands and the impact of maintenance on water consumption metrics. Through comprehensive consideration of cooling tower supplier selection and regular maintenance measures, we reduced water consumption.

▼ HIUV 2024 Wastewater Discharge Statistics

				Wastewater Discharge 0.031 kt
COD emissions	Ammonia Nitrogen Discharge Volume	Total Phosphorus Discharge Volume	Total Suspended Solids Discharge Volume	
0.0022 t	0.3 kg	0.002 kg	0.3 kg	

Solid Waste Management

HIUV has established a comprehensive system for technical guidance, regular diagnosis, and evaluation to enhance the overall waste management level;

For the treatment of hazardous waste, we entrust third-party organizations with a hazardous waste management license for utilization or disposal, and conduct full-process tracking to ensure the closed-loop management of hazardous waste;

For non-hazardous waste, we prioritize external sales for comprehensive utilization, with disposal as a secondary approach, aiming to improve the recycling rate of non-hazardous waste.

Case | HIUV Implements Non-Hazardous Solid Waste Total Volume Reduction Program

In 2024, HIUV launched a special project focused on the resource utilization and emission reduction of solid waste.

The company has rectified the processes involved in the generation, storage, and disposal of non-hazardous waste, with a primary focus on controlling the source of waste generation. Through online recycling, improvements in process technology, and other approaches, we aim to reduce waste generation while increasing the proportion of recycling, thereby reducing the total amount of solid waste produced by the company.

▼ HIUV Solid Waste Discharge Statistics

				2024 Hazardous Waste 32.5 t	2023 Hazardous Waste 45.6 t	Total 28.73 %	Compliance Disposal Ratio 100 %
				2024 Non-Hazardous Waste 98 t	2023 Non-Hazardous Waste 151 t	Total 35.10 %	Compliance Disposal Ratio 100 %

2.4 Circular Economy

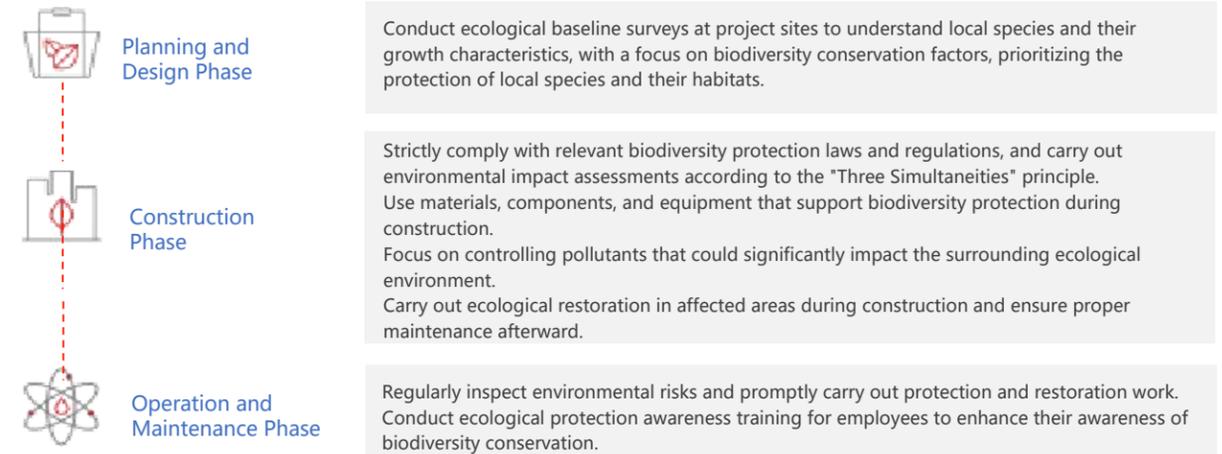
HIUV adheres to the 14th Five-Year Plan for Industrial Green Development, the 14th Five-Year Plan for Circular Economy Development, as well as the European Union's Circular Economy Action Plan and other relevant domestic and international policies and initiatives. We uphold the product design philosophy of minimizing environmental impact and emphasize energy conservation and environmental protection throughout the entire product lifecycle.

While ensuring product quality, we reduce the environmental impact of packaging by using renewable, recyclable, and environmentally friendly materials. At the same time, we optimize logistics and the construction of product recycling systems, promoting the sustainable development of the industry chain.

Process	Concept	Annual Achievements
 <p>Product Design</p>	<ul style="list-style-type: none"> Implement the "Four New" initiative, upgrading processes and technologies with new materials, processes, technologies, and models. Follow green design principles to reduce the carbon footprint throughout the product lifecycle. Improve component efficiency and lifespan. Enhance the quality and performance of new components. Design for better recyclability and higher product yield. Develop recycling technologies to minimize environmental impact after component retirement. 	<ul style="list-style-type: none"> Successfully developed green, eco-friendly AXPO innovative products, reducing the carbon footprint of traditional synthetic leather. Developed component recycling technologies, providing solutions for environmental impact after component retirement. Introduced Zero-Migration Light-Coverion Film, improving conversion efficiency of HJT components. Launched specialized adhesive films for BIPV components, enhancing component quality.
 <p>Green Packaging</p>	<ul style="list-style-type: none"> Closely follow relevant policies such as the 14th Five-Year Plan for Industrial Green Development, practice green production, build green factories, and reduce product carbon footprints. Source Reduction: Improve material efficiency within standard limits, achieve product recyclability and reparability, and ensure that component designs lower costs, increase efficiency, and guarantee quality, thereby enhancing market competitiveness. In the production and manufacturing of photovoltaic products, prioritize the use of recyclable and renewable materials. In the warehouse process, follow internal packaging material recycling procedures, registering daily information on items and quantities to be recycled, along with actual recycling records. 	<ul style="list-style-type: none"> Collaborated with suppliers to design and promote recyclable iron packaging, reducing industrial waste. Enhanced adhesive film packaging design to reduce loss rates and increase recyclability. Implemented technological improvements and equipment upgrades in the production process to reduce loss rates. Upgraded production lines to increase automation in the packaging process.
 <p>Logistics & Transportation</p>	<ul style="list-style-type: none"> Promote circular packaging in the product transportation process, enabling packaging to be reused from the transportation end to the client and back to the shipping end. Enhance the level of informatization across the packing, storage, and transportation processes to improve resource utilization efficiency. 	<ul style="list-style-type: none"> Enhanced green logistics capabilities, promoting reduced emissions and carbon footprint in deliveries. Improved warehousing informatization with an information management system to boost efficiency. Integrated logistics and warehousing: Real-time coordination of shipping plans and orders to optimize routes and transport methods, utilizing multimodal transport (rail-truck, rail-sea) and initiatives like forward/central warehouses to reduce logistics waste.
 <p>Product Recycling</p>	<ul style="list-style-type: none"> Strictly adhere to the Industrial Emissions Directive IED 2010/75/EU and the EU WEEE Directive for the scientific treatment of retired components. 	<ul style="list-style-type: none"> Actively engaged in scientific research on component recycling innovation projects. HIUV's component recycling innovation technology achieves a silicon-based photovoltaic panel recycling rate of over 95%, with future research aiming to reach 100%.

2.5 Biodiversity Conservation

HIUV places great importance on biodiversity conservation during production operations and project development. We require all construction projects to identify and assess the impact on ecosystems and biodiversity during the design phase, prioritizing avoidance principles to minimize the impact on ecologically sensitive and vulnerable areas. In 2024, we did not operate any owned, leased, or managed sites located in or adjacent to protected areas and biodiversity-rich regions outside of protected areas.



HIUV values the cultivation of employee biodiversity protection awareness and integrates it into daily business operations.

2.6 Energy Utilization

HIUV places great emphasis on energy efficiency and, through technological improvements and operational optimization, effectively enhances energy utilization efficiency. While reducing energy consumption, the company is continuously transitioning to clean energy through the use of renewable energy sources. In recent years, HIUV has been actively installing photovoltaic power stations to increase clean energy generation and raise the proportion of clean energy used by the company.

In 2024, by installing rooftop power stations at new production bases such as Pinghu, clean energy generation increased by 1143.55% compared to 2023, with renewable energy accounting for 10.6% of total energy consumption.

03

Supply Chain

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SDGs Addressed in This Chapter



3.1 Supply Chain Management System

HIUV strictly complies with relevant laws and regulations such as the Tendering and Bidding Law of the People's Republic of China and other applicable laws in the countries and regions where it operates. The company has established a comprehensive supplier management process, covering supplier entry evaluation, risk identification, performance assessment, annual audits, and corrective actions for non-compliance, ensuring full lifecycle management of suppliers and minimizing supply chain risks.

Supplier Management Mechanism

As of the end of the reporting period, HIUV had suppliers in total

79

HIUV has developed the *Supplier Management Procedures*, *Supplier Recruitment Management Measures*, and *Supplier CSR Management Measures*, and during the year, revised and added 5 internal management documents, including Supplier Development Management, Supplier Exit Management, and procedures for supplier performance and communication management. These documents break down the management framework into detailed rules and processes, achieving a systematic and standardized approach to supplier control.

HIUV 2024 Supplier Overview (Unit: Entities)

- | | | | |
|------------------|-----------|------------------------|-----------|
| ● China Mainland | 69 | ● Tier-1 Suppliers | 15 |
| ● HK/MO/TW | 1 | ● Non-Tier-1 Suppliers | 64 |
| ● International | 9 | ○ Key Suppliers | 15 |

HIUV is committed to building a fair, just, transparent, and efficient supplier management system.

In 2024, HIUV enhanced its group procurement structure for suppliers by clarifying roles and responsibilities at all levels and optimizing procurement processes. This has led to more efficient and professional division of labor and collaboration, ensuring refined management with dedicated personnel for each function.

Decision-making Level 	<ul style="list-style-type: none"> Responsible for setting the direction and strategy for supplier management, as well as formulating supplier management policies and internal control/audit procedures. Holds biannual meetings for regular communication with strategic suppliers.
Execution Level 	<ul style="list-style-type: none"> Comprised of teams from procurement, quality, technical, bidding, and risk control departments. Jointly responsible for establishing, reviewing, and implementing supplier management rules. Holds quarterly meetings to conduct supplier evaluations, monitor supply chain irregularities, and resolve supplier-related business appeals.
Procurement Personnel 	<ul style="list-style-type: none"> Responsible for daily supplier management and procurement operations, including handling purchase orders and process management, standardizing procedures and systems, monitoring operational status, and collecting related complaints.

HIUV classifies suppliers based on business characteristics, cooperation status, and other dimensions, and conducts regular evaluations—monthly, semi-annually, or annually—on aspects such as product and service quality, delivery capability, technical competence, and ESG performance.

Based on the evaluation results, suppliers are categorized into three tiers: A, B, and C, with corresponding incentive or penalty measures implemented for each level.

In **2024**, suppliers underwent annual due diligence audits in total:

79

Spend Coverage

50 %

Suppliers with Significant Negative Impact and Terminated for Significant Negative Impact

0

HIUV conducts internal and external evaluations to assess the environmental and social risks of suppliers.

During the supplier onboarding process, we implement a strict social responsibility risk screening. In the supplier management process, we introduce authoritative third-party risk tools to comprehensively monitor suppliers' business qualifications, legal litigation records, compliance risks, and environmental violations.

In 2024, HIUV carried out annual CSR due diligence, identifying supplier social responsibility risks, covering areas such as environmental management, labor rights protection, health and safety, business ethics, and anti-corruption. We established and implemented a supplier ESG risk survey, requiring procurement personnel to document supplier performance in the *Supplier ESG Risk Survey Form*. Additionally, we conduct annual supplier environmental management and social responsibility audits and evaluations. Based on evaluation scores and rankings, suppliers are classified and managed accordingly. For high-risk suppliers, we actively guide them in necessary corrective actions and conduct regular on-site audits to ensure the closure of the corrective loop.

Supply Chain Risk Management

To ensure the stability and security of the supply chain, HIUV has established a comprehensive risk monitoring mechanism, regularly assessing and updating supply chain risks to ensure the timeliness and effectiveness of risk management.

 <p>Trade Risk</p> <p>Developed the <i>Global Customs Compliance Management Measures</i> to conduct annual assessments of import and export control trade compliance risks and take timely preventive actions.</p>	 <p>Supply Fluctuation Risk</p> <p>Established a specialized department to assess market trends, supply fluctuations, and other risks on a monthly basis, and formulate timely risk response plans.</p>	 <p>ESG Risk</p> <p>Developed the <i>Supplier Due Diligence Management Guidelines</i> to regularly audit suppliers' compliance with the <i>Supplier CSR Code of Conduct</i>.</p>
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3.2

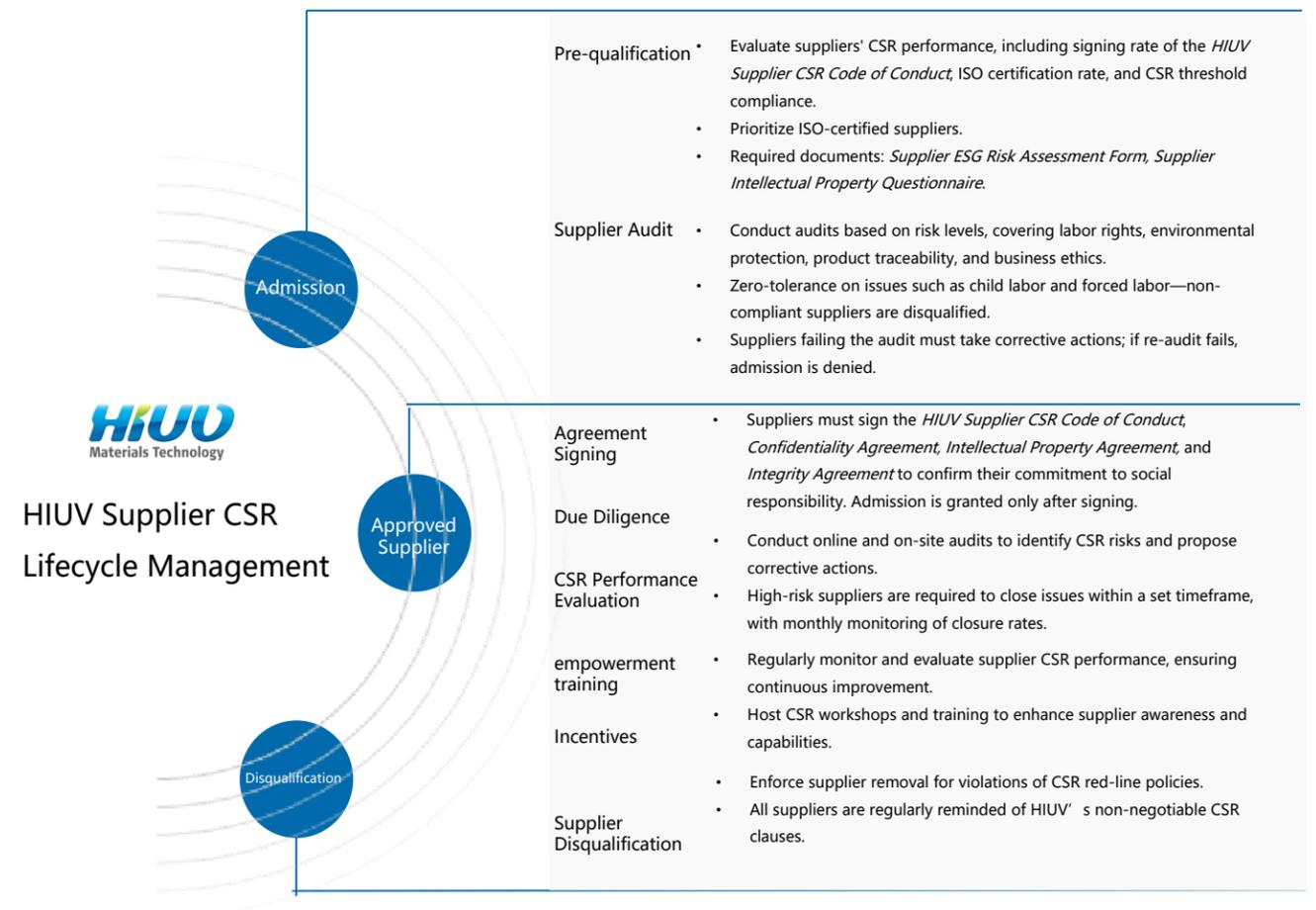
Sustainable Procurement

HIUV implements sustainable procurement, committed to building a green and responsible supply chain. We actively encourage suppliers to improve their environmental and safety management performance, ensuring the protection of labor rights and working with suppliers to create a dignified and ethical workplace environment.

In line with ISO 26000, SA8000 standards, and relevant laws and regulations, we have developed the *Supplier CSR Management Measures*. These measures integrate CSR management into the entire procurement lifecycle, forming a comprehensive compliance management system from supplier development to exit. This promotes sustainable procurement and contributes to building a green and responsible supply chain.

Supply Chain Responsibility Management

HIUV places great emphasis on CSR management within the supply chain and has established a comprehensive supplier CSR lifecycle management system. By the end of 2024, the signing rate of the HIUV Supplier CSR Code of Conduct reached 100%, with 100% of new suppliers being selected based on social and environmental standards.



▼ HIUV Supplier Environmental and Social Management System Certification Status

Number of suppliers with ISO 45001 certification	Number of suppliers with ISO 14001 certification	Number of suppliers with ISO 9001 certification
20	65	79

HIUV Supplier Screening by Social and Environmental Standards (2022-2024)

Percentage of suppliers screened using social standards

70%

Percentage of suppliers screened using environmental standards

70%

Green Supply Chain Development

HIUV actively promotes the development of a green supply chain by prioritizing suppliers certified with *ISO 14001 Environmental Management System*. Environmental performance is integrated into supplier evaluations, and preference is given to low-carbon and environmentally responsible suppliers under equal conditions.

HIUV has clearly defined environmental requirements for suppliers, including:

- Compliance with national environmental protection laws or relevant international standards, with lawful discharge of wastewater, waste, and emissions.
- Implementation of green supply chain practices, including energy conservation, use of renewable energy, reduction of resource consumption, and emission control.
- Avoidance, reduction, or offsetting of significant impacts on biodiversity during production and operations.
- Close attention to environmental legislation at both international and local levels, and active response to environmental impact assessments.

HIUV has established a supplier environmental violation monitoring and management mechanism to drive corrective actions and assist suppliers in eliminating adverse records.

Protection of Labor Rights in the Supply Chain

HIUV has established the *HIUV Supplier CSR Code of Conduct*, which outlines clear standards for labor rights protection across its supply chain. These include anti-discrimination, prohibition of child and forced labor, fair compensation, freedom of association and collective bargaining, and responsible sourcing of raw materials. The Code provides behavioral guidance to help suppliers fulfill their human rights responsibilities and manage social compliance.

We require and encourage suppliers to create a fair, safe, and healthy working environment for their employees.

HIUV is committed to building a “green, transparent, and compliant” supply chain with its partners, promoting ethical business conduct and integrity throughout upstream and downstream operations.

In 2024, HIUV achieved a 100% signing rate of integrity agreements with suppliers. We conducted 79 planned supplier visits, held 10 communication sessions with logistics suppliers, organized 35 training sessions, and recorded 120 training participations.

Supplier Integrity and Compliance

Supplier Integrity Agreement Signing Rate in 2024:

100 %

▼ onboarding stage

Business ethics is one of the key selection criteria to ensure that all partners uphold principles of integrity and ethical conduct.

▼ Post-engagement

HIUV conducts regular follow-up assessments to ensure suppliers remain fully compliant throughout the cooperation, with zero tolerance for corruption or bribery.



Supplier Integrity Compliance Trainings

1

Supplier Integrity Compliance Training Hours

98 h

Supplier Integrity Compliance Training Coverage

100 %

Supply Chain Traceability

HIUV has established a strict supplier traceability management system, enabling full-process monitoring from raw material entry to final product output, ensuring reliable sourcing and qualified quality.

We maintain long-term, stable partnerships with traceable and quality-assured suppliers to safeguard product safety and traceability.

In 2024, HIUV optimized its information management system and launched a digital traceability platform, enabling full-process management including raw material tracking, data analysis, and quality claims.

3.3

Supplier Collaboration and Empowerment

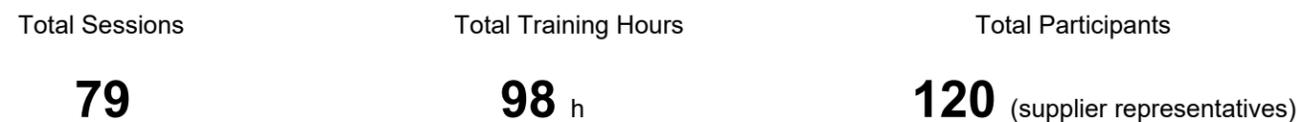
HIUV upholds an open, collaborative, and mutually beneficial approach to maintain close communication and cooperation with suppliers. We promote information exchange and technology sharing, while actively supporting suppliers to overcome market challenges and achieve shared growth and prosperity.

Supplier Communication and Collaboration

HIUV has established a relationship of mutual trust and support with suppliers, and built diversified communication channels. In 2024, we introduced a new SRM supplier collaboration survey, covering areas such as management rules, process transparency, collaboration efficiency, and business ethics. A total of 79 questionnaires were distributed and completed, with results showing high supplier satisfaction in management rule awareness, transparency, and payment timeliness. No corruption issues were identified.

Daily Business Collaboration	Regular Communication	Business Communication	Joint R&D Initiatives	Open Complaint Channels
Comprehensive Business Communication & Collaboration	Regular Supplier Visits	Quality Issue Complaints	Joint New Product Development	The company has established a supervision hotline (15900564361) and a dedicated email (shenjijubao@hiuv.com) to receive reports. Reported issues are investigated by responsible internal departments, and relevant personnel are interviewed accordingly.
Purchase Order Confirmation & Execution	Executive-Level Engagement	Technical Communication & Collaboration	Technical Forums & Workshops	
Daily Communication & Coordination	Supplier Reception & Onsite Visits	Onsite Guidance	Onsite Process Improvement & Trials	
	Regular Training & Exchanges	Technical Exchanges & Forums	Customer Issue Resolution	
	Supplier Audits & Inspections			

HIUV 2024 Supplier Training Performance



Supplier Empowerment and Support

Upholding the principle of empowerment, HIUV provides systematic training and technical support to help suppliers enhance their ESG practices and promote sustainable supply chain development.

In 2024, HIUV conducted 79 training sessions and carried out on-site visits and CSR due diligence for 7 key suppliers. Through discussions on environmental management, occupational health, production safety, and social responsibility, we helped suppliers build awareness and strategies for sustainable development.

Case | HIUV and Dow Co-develop New Eco-friendly Surface Material

In 2024, HIUV and Dow Chemical jointly advanced the R&D and market promotion of a new eco-friendly surface material.

To meet the growing demands for lightweight, energy efficiency, extended range, and environmental performance in new energy vehicles, as well as the rising consumer preference for personalized interior designs, HIUV introduced an innovative and sustainable surface material—AXPO, empowering the transformation of vehicle cabins in the new energy era.

On May 25, the next-generation seat using HIUV's AXPO as the surface leather was officially launched. This seat was jointly developed by HIUV, Dow, Zhuojun, and Deren, aiming to drive innovations in lightweight, low-carbon, and customized solutions for the automotive industry.

Mr. Yu Hang, Vice President of HIUV, joined representatives from Dow, Fusheng, and Deren at the launch event, engaging in a roundtable discussion on the theme of automotive cabins in the new energy era.

HIUV AXPO features outstanding properties including excellent lightweight performance, superior anti-yellowing, lower VOC emissions, exceptional low-temperature durability, and is free from harmful plasticizers, flame retardants, and solvents. It meets the demands for lightweight and personalized designs in the NEV market. Moreover, AXPO offers a reduced carbon footprint, contributing to a greener, safer, and more comfortable global environment.



04

Employee and Community

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SDGs Addressed in This Chapter



4.1 Labor Rights

HIUV is committed to the United Nations Global Compact and its principles in the areas of human rights, labor, environment, and anti-corruption. The company strictly complies with all applicable labor rights protection laws and regulations in China and in all regions where it operates, while actively respecting and protecting labor rights across its value chain.

To proactively identify and assess potential human rights impacts and risks, HIUV has established a company-wide risk identification and regular review mechanism. This framework encompasses human rights risk assessments across its own operations, business activities, supply chain, and any new business relationships—including mergers, acquisitions, and joint ventures.

HIUV is committed to working together with employees, suppliers, and other business partners to build a fair, open, inclusive, and harmonious working environment.

The company has established internal policies such as the *HIUV-HR-WIQ-018 Recruitment Management System*, *Personnel Business Management System*, and *Labor Protection Supplies Management Regulations* to fully implement labor contracts and collective agreements. These policies ensure that employee rights, including labor remuneration, rest and vacation, occupational health and safety, social insurance, and vocational training, are safeguarded in accordance with the law. We strongly oppose all forms of discrimination, including but not limited to ethnicity, race, nationality, religion, gender, age, sexual orientation, disability, and marital or reproductive status. We firmly reject and strictly prohibit forced labor and child labor.

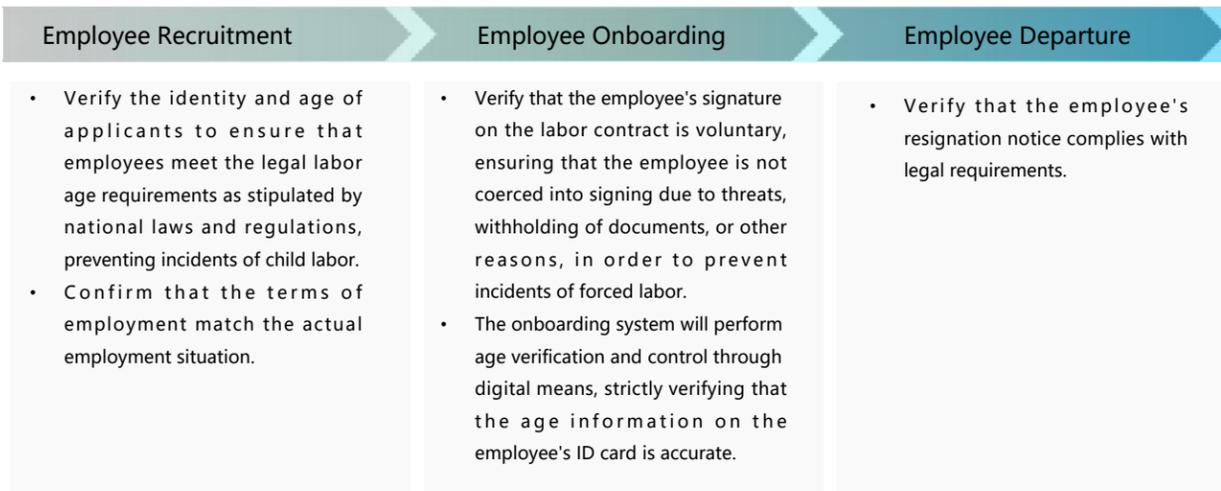
At the same time, we respect employees' legal rights to freedom of assembly and association, and are committed to creating a diverse, equal, and inclusive work environment.

We deeply understand that protecting employee rights is the responsibility of every enterprise. In the recruitment and employment process, we legally safeguard the basic rights of every employee. We continuously improve the Employee Recruitment Management Measures, establish and perfect a market-oriented personnel selection mechanism, and treat employees of different genders, ages, ethnicities, and cultural backgrounds equally, providing all candidates with equal employment opportunities.

In line with the company's development plan, we implement an open recruitment system, expand diversified recruitment channels, and maximize the public disclosure of job vacancies. We adopt standardized and regulated recruitment processes, comprehensively assess candidates, and select the best talents. This ensures that every employee enjoys equal opportunities in terms of career development, salary, and benefits, while also ensuring that female employees have the right to enter different decision-making leadership positions.

Case | Skilled Personnel Training

To meet the diverse and comprehensive learning needs of employees, we have tailored a "mandatory course" program that enables employees to quickly acquire essential knowledge and skills, fostering skill development and enhancing employee competitiveness.



4.2 Employee Development

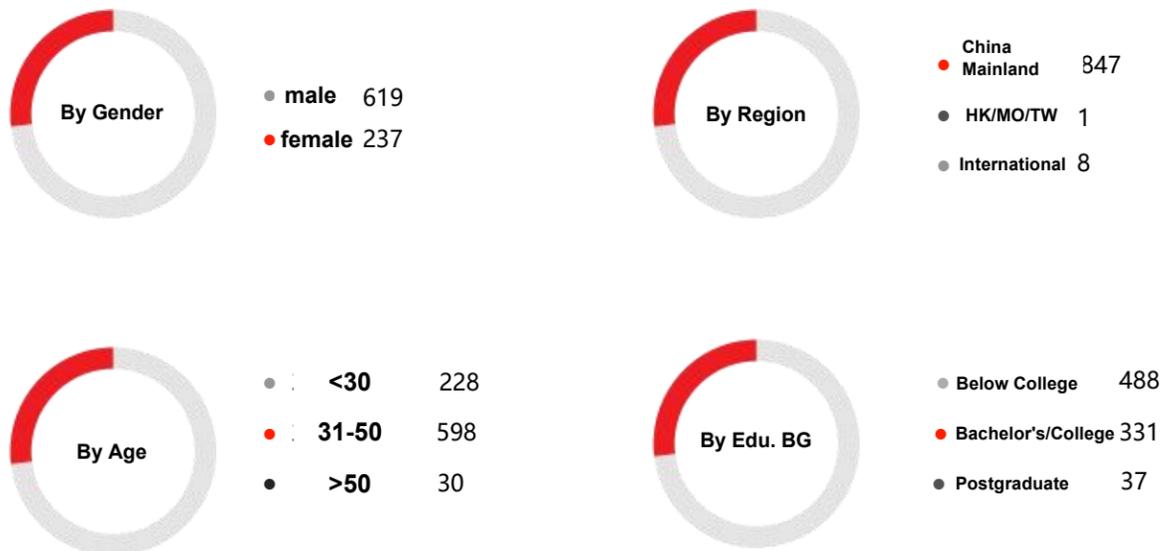
Based on the business development needs, HIUV formulates corresponding talent attraction strategies to provide employees with clear career development paths, ensuring a talent reserve for business innovation and upgrading, and creating a win-win platform for employee growth.

Talent Attraction

We attract various types of talent from society and activate internal personnel movement through multiple channels. By the end of 2024, the company has a total of 856 employees worldwide, with 619 males and 237 females. There are 21 ethnic minority employees and 8 foreign employees, with 53.10% of employees being between the ages of 31 and 50.



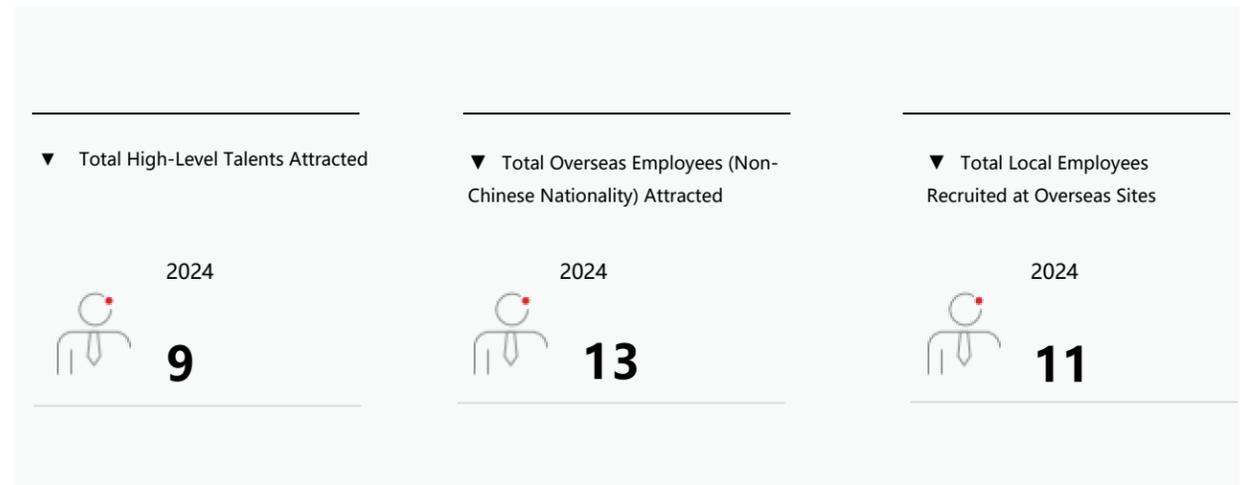
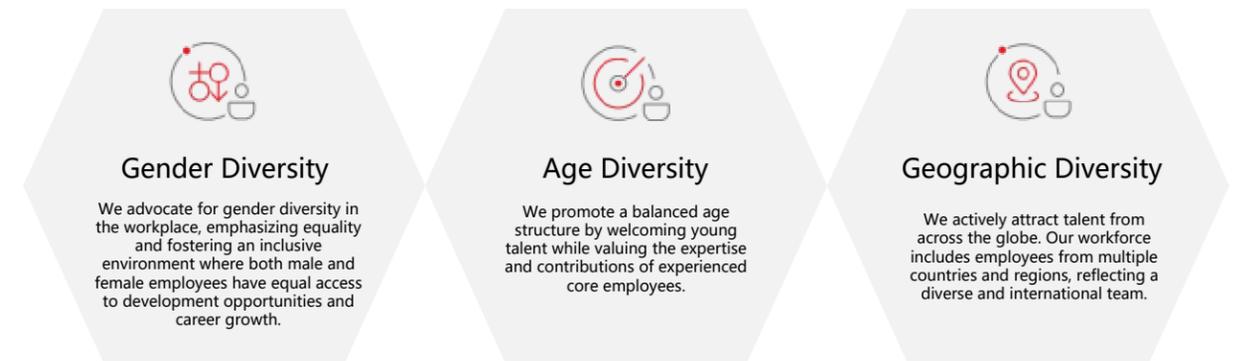
HIUV Employee Structure in 2024 (Unit: People)



Diversity, Equity, and Inclusion

HIUV upholds the values of openness, inclusiveness, and equality, striving to foster a diverse workplace culture. We do not discriminate based on race, color, gender, religion, age, nationality, social or ethnic background, sexual orientation, gender identity or expression, marital status, pregnancy, disability, or veteran status. We embed equality throughout the entire recruitment and employment process.

In 2024, with our accelerating internationalization, our workforce has expanded to include employees from Southeast Asia, India, Europe, Australia, and other regions—encompassing diverse nationalities and ethnicities. The number of disputes arising from employment discrimination: 0.



Career Development Planning

We are deeply committed to cultivating employee capabilities and advancing their career development. Guided by our talent philosophy of continuous innovation and pragmatic action, we strive to optimize our talent development mechanisms and build robust talent pipelines. This creates an enabling environment for employee growth and injects lasting momentum into the company's sustainable development.

We prioritize building a scientific training system by analyzing training needs based on corporate development, job requirements, company culture, and individual career goals, and we develop annual training plans accordingly.

Employee Training System

We also emphasize a culture of shared growth with our employees, leveraging performance-based and equity-based incentives to foster collective development.

Onboarding Training

- We provide comprehensive onboarding programs for new employees, including orientation sessions, the "Rising Star" training program, and probationary training.
- A combination of online and offline formats, with synchronized practical exercises to ensure effective learning and integration.

Leadership Training

- We offer leadership development programs to enhance strategic thinking among mid- to senior-level management. These trainings aim to strengthen leadership capabilities and build a robust pipeline of high-level talent.

Professional Skills Training

- We conduct hands-on training for special job roles and professional technical training to help employees enhance their expertise. These efforts support the development of a skilled and specialized talent team.

Employee Training Performance in 2024

Total Training Sessions in 2024	Total Number of Trained Employees	Total Employee Attendances	Total Training Hours
530	769	8433	4900 h



Onboarding Training

We place great emphasis on onboarding new employees by designing a comprehensive training program to help them become familiar with company policies, understand corporate culture, and acquire essential knowledge on safety, 5S, and quality. The training also includes job-specific skills to accelerate their integration process, ensuring a smooth transition into their roles. The new employee training coverage rate reached 100%.



Leadership Training

To build a high-performance organization and nurture a strong core team, HIUV regularly conducts leadership training through a combination of empowerment, project-based learning, and one-on-one coaching. These programs are designed to help employees acquire and develop leadership competencies, equipping them to take on managerial and leadership roles within the organization.

Key company personnel and safety management staff participated in specialized training programs such as Red Cross First Aid, fire station skills training, and internal auditor training for management systems. In addition, HIUV continues to host the "Pioneer Training Camp" to further enhance managerial capabilities.



Skills Training Programs

HIUV provides customized “core curriculum” training to meet employees' diverse and comprehensive learning needs. These programs enable employees to quickly acquire essential knowledge and skills, enhance their professional capabilities, and strengthen overall competitiveness.

Case: Market and R&D Seminars

The company regularly organizes seminars on market trends and R&D developments. These sessions facilitate discussion on industry dynamics and technological advancements, aiming to jointly develop products that align with industry evolution and customer needs.



Case: First Aid Training

To enhance awareness of workplace safety and health, HIUV organizes first aid training sessions to improve employees' emergency response capabilities.



Case: HR Team Empowerment Program

The HR team implements tailored training programs to strengthen its professional management skills and improve operational efficiency.



Employee Communication

HIUV ensures that its compensation system is compliant, fair, and reasonable, and firmly adheres to the principle of equal pay for equal work.

In 2024, based on both domestic and international markets, we updated and iterated our internal systems and compensation structures. We developed a differentiated incentive policy framework, linking various functional roles to specific operational indicators. A differentiated distribution plan was implemented to fully motivate employees and allow them to share in the company's development achievements.

Providing Diverse Non-Salary Benefits. In addition to statutory annual leave and regular sick leave, we have added additional welfare benefits, such as welfare holidays, birthday benefits, and holiday bonuses, to enhance employees' sense of satisfaction and happiness.

In 2024, the social insurance coverage rate for employees in Mainland China:

100%

▼ Organizing Employee Forums ▼ Participants in Employee Forums ▼ Employees Engagement Satisfaction Ratio



4

19

90%

Conducting Monthly Employee Satisfaction Surveys and Enhancing Service Quality

▼ Feedback Closure Rate



feedback received through the open mailbox:

nearly 30 pieces

Company mailbox feedback closure rate:

100%

4.3

Health & Safety

Employee health and safety is a fundamental cornerstone for the stable operation and business development of the company. At HIUV, we always prioritize the life and occupational health of our employees, upholding the philosophy of "life above all."

We strictly comply with laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and we have established and continuously improved our occupational health and safety management system.

We rigorously implement a wide range of occupational health and safety measures, effectively enhancing our safety production capabilities and ensuring the safety and well-being of every employee.

Employee Occupational Health and Safety Protection Measures



Safety Culture Training

The foundation of the company's entire safety management system is built upon the identification of hazards and the results of risk assessments. Based on these outcomes, mechanisms, measures, and plans are established and improved to prevent various hazards or risks. The company conducts regular and ad hoc employee safety education and training sessions to uphold the principle of "safety first, prevention-oriented."



Occupational Disease Prevention and Health Protection

We prioritize the physical health of our employees by providing annual medical check-ups and health consultation services. These initiatives help employees monitor their health status, enable effective health interventions, and prevent occupational diseases. As a result, employees' sense of belonging and identification with the company has been significantly enhanced.



Strict Accountability and Assessment

We implement strict safety performance assessments and accountability to reinforce the primary responsibility for production safety. By strengthening risk prevention and control, emphasizing safety standardization, and building robust safety infrastructure, we continuously improve hierarchical, professional, standardized, and digital safety management capabilities. These efforts help create a safe and stable environment for the company's development.

Case: Fire Drill and Safety Training

On the occasion of National Fire Safety Day on November 9, Pinghu HIUV Applied Material Co., Ltd. organized a "119" Fire Drill event. Fire safety professionals were invited to deliver a Fire Safety Classroom, combining theoretical instruction with hands-on emergency drills to enhance employees' fire response capabilities.

HIUV emphasizes prevention over disaster recovery. By preparing comprehensive emergency supplies and developing a detailed fire drill plan, the company established clearly defined emergency teams to ensure that all aspects of fire safety are thoroughly implemented and responsibilities are clearly assigned.



Employee Benefits

HIUV continuously improves its employee benefits system to foster a positive organizational atmosphere, attract and retain talent, and enhance employee well-being. The company offers a comprehensive range of benefits, including statutory benefits, inclusive benefits, position-based benefits, and incentive-based benefits. These include social insurance and housing fund contributions, household registration and housing support, employee training and development, and mentorship programs, helping employees address concerns such as home ownership and personal development.

The company has established a long-term incentive system to attract, motivate, and retain key technical personnel. This system encourages employee engagement and creativity, enhances team cohesion and HIUV's core competitiveness, and supports the company's long-term, sustainable, and healthy development.

Employee Equity Incentive

Since 2021, HIUV has implemented three consecutive phases of its Employee Stock Ownership Plan (ESOP) over three years, transferring a total of 26.359 million shares to 199 incentive recipients. In 2024, the company completed the unlocking and distribution of shares that had reached maturity under these plans.

Additionally, in 2024, HIUV launched a new Equity Incentive Plan, granting 2.41 million stock options to 28 incentive recipients. These options will be distributed over four years, contingent on performance evaluations.

Employee Dormitories

We consistently practice a "people-oriented" approach with a focus on human care, continuously honoring our commitment to employee welfare. The company provides well-equipped employee dormitories at all of its plant locations, ensuring that accommodation needs are met. This initiative enhances employees' sense of belonging and satisfaction, contributing to an improved quality of life for our workforce.

Rich Cultural Life



4.4

Social Responsibility

HIUV takes on a strong sense of mission and responsibility. While generating profits and fulfilling legal obligations to shareholders and employees, the company also bears responsibility toward consumers, communities, and the environment. HIUV views profit not as the sole objective but emphasizes the value of people in the production process. The company is committed to making positive contributions to the environment, consumers, and society, prioritizing corporate social responsibility and contributing to the healthy development of society.

Support Local Employment

HIUV follows the principle of "adapting to local conditions" and has established a localized recruitment system. Except for positions that require specialized technical personnel in fields that are relatively scarce locally or are not available in the region, all other positions prioritize local applicants, actively promoting local employment development.

HIUV Scholarship

In 2024, the HIUV Scholarship, donated to the School of Polymer Materials at Shanghai Jiao Tong University, continued to be awarded. The annual prize amounts to 120,000 RMB, encouraging outstanding students to focus on technological innovation and contribute to the development of polymer technology.

Establishment of Running, Table Tennis, and Badminton Clubs

In 2024, the company established running, table tennis, and badminton clubs, organizing a variety of activities and competitions. Each production base actively hosted half-marathons and various other competitive events, creating exciting and vibrant activities that enriched employees' lives.



4.5

Rural Revitalization

In line with the United Nations SDGs' goals of No Poverty and Zero Hunger, as well as China's "14th Five-Year Plan" which highlights the goal of comprehensive poverty alleviation, HIUV actively responds to policies related to rural revitalization. The company focuses on participating in the photovoltaic rural rooftop poverty alleviation project. HIUV provides cost-effective adhesive film products to component factories undertaking the photovoltaic rooftop projects, ensuring the quality and electricity generation efficiency of rural photovoltaic rooftops, thus contributing to the success of the poverty alleviation initiative.

Annex

GRI Index

Instruction: HIUV reported the information referenced in this GRI content index in accordance with the GRI standards from January 1, 2024, to December 31, 2024.

GRI 1 used: GRI 1: Foundation 2021.

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GRI 2: General Disclosures 2021		
Organization and Reporting Practices		
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2-2	Entities included in the organization's sustainability reporting	P1-2
2-3	Reporting period, frequency and contact point	P1-2
2-4	Restatements of information	P1-2
2-5	External assurance	Not Applicable
Activities and Workers		
2-6	Activities, value chain and other business relationships	P11-18
2-7	Employees	P59-69
2-8	Workers who are not employees	P51-58

Disclosure Topic/Disclosure Item	Disclosure Item Title	Page
GRI 2: General Disclosures 2021		
Governance		
2-9	Governance structure and composition	P12, 19-20
2-10	Nomination and selection of the highest governance body	P12, 19-20
2-11	Chair of the highest governance body	P12, 19-20
2-12	Role of the highest governance body in overseeing the management of impacts	P12, 19-20
2-13	Delegation of responsibility for managing impacts	P12, 19-20
2-14	Role of the highest governance body in sustainability reporting	P12-18
2-15	Conflicts of interest	P19-20
2-16	Communication of critical concerns	P9-18
2-17	Collective knowledge of the highest governance body	P9-18
2-18	Evaluation of the performance of the highest governance body	P9-18
2-19	Remuneration policies	P19-20
2-20	Process to determine remuneration	P19-20
Strategy, Policies, and Practices		
2-22	Statement on sustainable development strategy	P11-13
2-23	Policy commitments	P11-13
2-24	Embedding policy commitments	P11-13
2-26	Mechanisms for seeking advice and raising concerns	P19-20
2-27	Compliance with laws and regulations	P11-13
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