



GINLONG (SOLIS)

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Ginlong (Solis) Technologies

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About this Report

Report Background

This is the first environmental, social and governance (ESG) report disclosed by Ginlong (Solis) Technologies Co., Ltd. The report adheres to the principles of being objective, standardized, transparent, and comprehensive. It discloses in detail the practical measures and achievements of Ginlong (Solis) Technologies in terms of environmental, social and governance.

Reporting Period

This is an annual report, covering the period from January 1, 2023 to December 31, 2023. In order to enhance the comparison and foresight of the report, some contents have been extended.

Scope of the Report

This report focuses on "Ginlong (Solis) Technologies". Unless otherwise specified, the organizational scope of this report covers Ginlong (Solis) Technologies Co., Ltd. and its subsidiaries (referred to as "Solis").

Compilation Basis

- Shenzhen Stock Exchange *Self-Regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of GEM Board Listed Companies*
- Chinese Academy of Social Sciences (CASS) *Guidelines for Preparing Corporate Social Responsibility Reports in China (CASS-ESG 5.0)*
- UN Sustainable Development Goals (SDGs) 2030
- Global Reporting Initiative *Sustainability Reporting Standards (GRI Standards)*

Source and Reliability Assurance

All the information and data quoted in this report are from the Company's official documents, statistics reports and financial reports. If there is any discrepancy between the financial data and the annual report, please refer to the annual report. Unless otherwise specified as international norms or Chinese laws, all documents mentioned in this report refer to the Company's internal regulations. In addition, the currency types and amounts involved in this report are all measured in CNY unless otherwise specified.

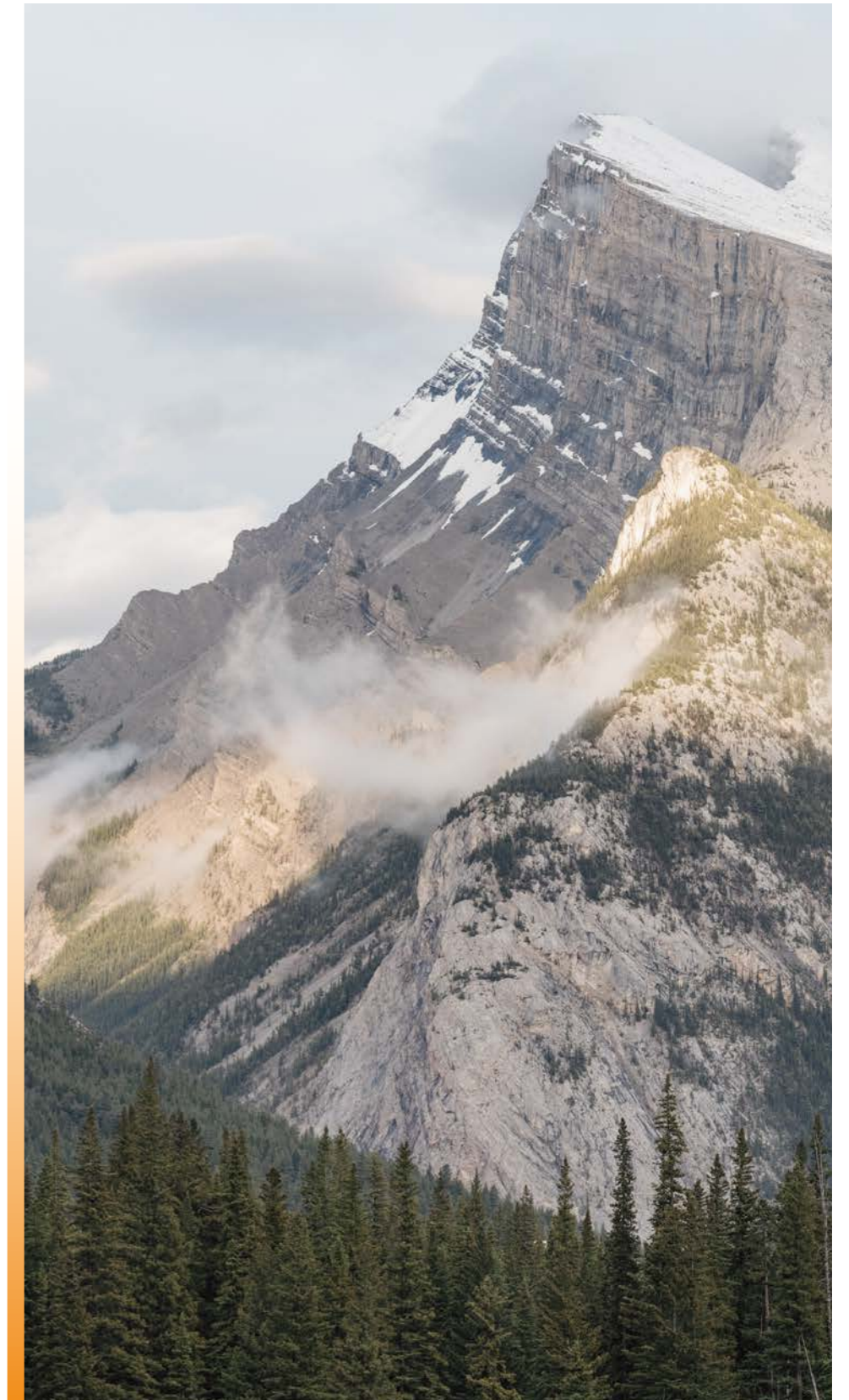
Definitions

In this report, for the convenience of presentation and reading, Ginlong (Solis) Technologies Co., Ltd. is referred to as "Ginlong (Solis) Technologies", "Solis", "Company" or "We" according to the specific circumstances of the text. The business subjects of branch and subsidiary companies should uniformly use the abbreviations of their respective names.

Report Acquisition

This report can be read online or downloaded from the Company's website (<https://www.solisinverters.com/uk>) and the website of the Shenzhen Stock Exchange (<http://www.szse.cn>). This report is prepared in Chinese and English respectively. In case of any misunderstanding between the Chinese and English versions, the Chinese version will prevail.

If you have any feedback or suggestions, please contact us through the following methods:
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Yiming Wang

Chairman and General Manager of
Ginlong (Solis) Technologies

Message from the Chairman

With further progress in the 14th Five-Year Plan¹, China is committed to applying the new concept of innovative, coordinated, green, open and shared development. Society now has a deeper understanding of "clean energy", "sustainable development", "smart manufacturing" and other ESG issues.

As a technology company with a global vision, Solis has consistently upheld its core mission of "Developing Technology to Power the World with Clean Energy". We actively incorporate the concept of sustainable development into our business strategies and decisions. In 2024, a pivotal year for Solis, particularly amidst the increasingly pressing global climate challenges, the Company focuses firmly on the main sector of new energy power and electronics. It is our responsibility to lead the industry towards greener, smarter, and more coordinated development. With the goal of reducing the cost of renewable energy generation, we will promote the sustainable progress of the entire energy industry through practical actions.

¹The "14th Five-Year Plan" refers to China's national development plan, aiming to guide the economic and social development of the country for the next five years.

Recognizing the crucial role of utilizing our technical expertise to drive emission reduction efforts as a leader in industry transformation, we persist in innovation and expanding our R&D investment. We've launched the sixth generation of PV grid-connected and energy storage inverters with high conversion efficiency and high reliability. This improves system compatibility, scalability, and adaption to power grids to meet the integration needs of distributed solar PV and large-scale energy storage. Through our intelligent and digital energy management platform, SolisCloud, we have achieved refined control of power plant operation and improved energy utilization efficiency. Our product series has been recognized as the first of its kind in China, and the Company has been honored as a national intelligent photovoltaic pilot demonstration project enterprise. In 2024, our products and solutions will be more closely aligned with the needs of the market and customers, empowering global green power conversion and intelligent management.

On the journey ahead, Solis will remain focused on our strengths, continuously delving deeper into our expertise while pooling collective wisdom. Together with our customers, partners, and developers, we aim to create industry-leading, user-friendly solutions that cater to all. We will also further enhance our ESG management system and embed sustainable development principles and social responsibility into the core values of the Company, ensuring that our operations, governance, and social responsibility are seamlessly aligned. Furthermore, we will keep delivering excellent products and services, creating long-term value for global customers. Together, we will build a global sustainable development framework for green development and win-win cooperation.

About Solis

Introduction

Rooted in the new energy sector, the Company is a high-tech enterprise specializing in the R&D, production, sales, and service of string inverters - the core equipment of a PV power generation system. Solis is the world's third largest inverter manufacturer. The Company was successfully listed on the Shenzhen Stock Exchange on March 19, 2019, becoming the first A-share listed company with string inverters as the main business and also the first in the world to obtain a reliability test report from third-party authoritative institution PVEL. The Company has been awarded the title of "Top PV Inverter Brand" by the global authoritative research institute EUPD for nine consecutive years.

Solis is a dedicated manufacturer of best-in-class energy storage and PV inverters. In recent years, R&D investment has seen sustained high growth, and a series of R&D platforms have been established, including national enterprise technology center, national exemplary academician expert workstation, national postdoctoral workstation and provincial enterprise research institute of Zhejiang Province within the Company's HQ. Our products have been upgraded from the first-generation inverter technology platform to the sixth-generation, with comprehensive competitiveness improvements in performance, functionality, reliability, and cost-effectiveness, driving the development of industry-leading technologies. Solis' Comprehensive Experimental Testing Center was recognized by CNAS as a National Comprehensive Laboratory. We have established strategic partnerships with research institutions such as Shanghai Jiao Tong University and Ningbo Institute of Materials Technology and Engineering, Chinese Academy of Sciences. The R&D team has more than 10 years' experience in the field of technical R&D and engineering of inverters. In recent years, the Company has participated in the formulation of more than twenty national and industry standards, and drafted two national standards as the leading organization. Solis is an integral participant and important developer of the industry standard for the PV string inverters.

As a national single champion demonstration enterprise and a national technological innovation model enterprise, Solis already has many domestic and foreign authorized patents and pioneering technologies in the process of R&D and product

industrialization. The products are well established in over 100 countries and regions around the world, selling under the Solis brand. There are global offices and technical after-sales service teams in the United Kingdom, the United States, Australia, Brazil, South Africa, India, Mexico, Spain, the Netherlands, Romania to name just a few. Solis products have been selected for use in international and domestic benchmark projects and landmark buildings such as the Shanghai World Expo and the Eiffel Tower in France. It is because of the focus on leading with technology and the pursuit of product quality that Solis has seen more and more customers choosing its products on a global scale and achieved rapid brand growth.

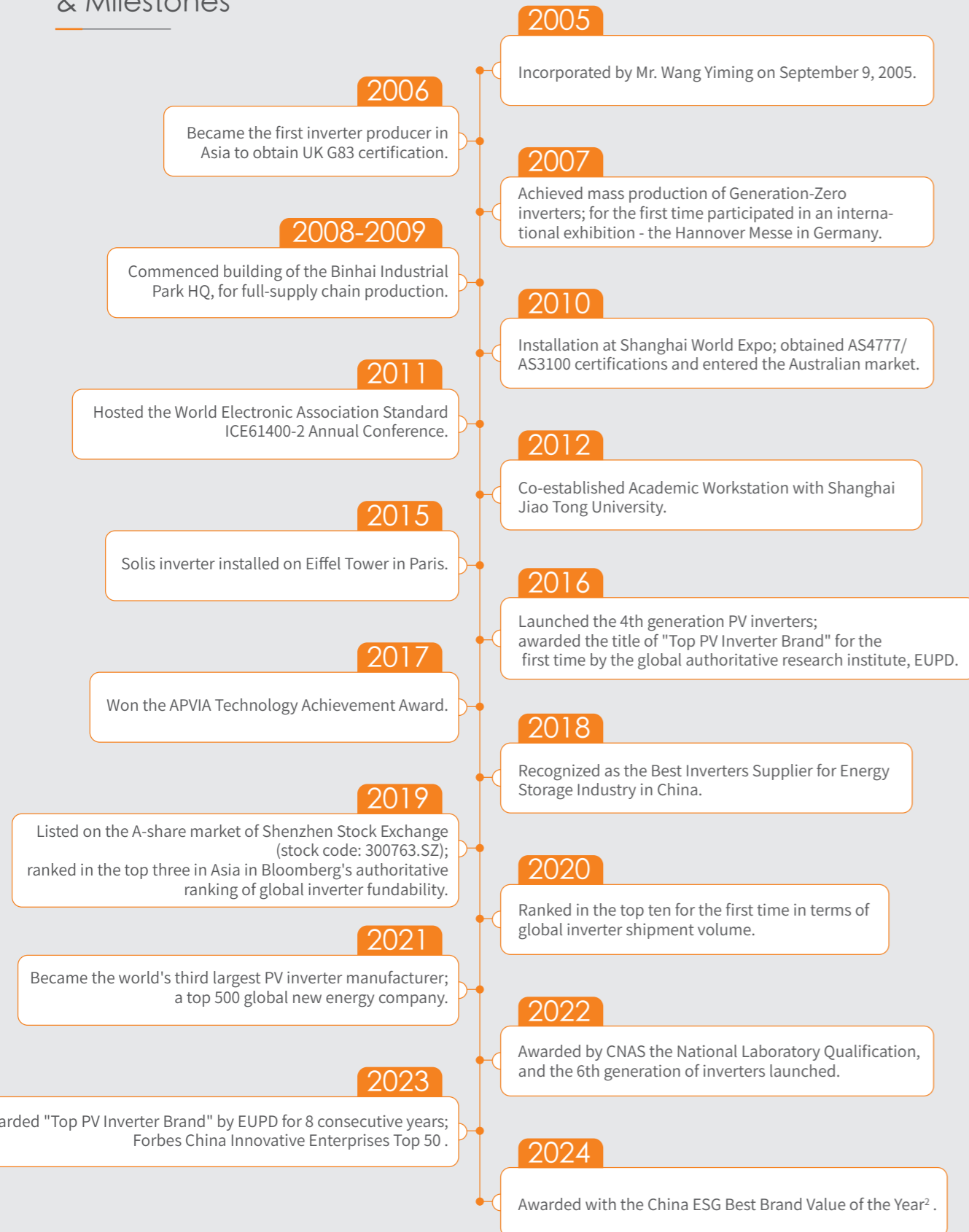
Solis is single minded with an international vision, insisting on putting the product at the center, putting itself in the shoes of customers, and using the power of technology to promote clean energy to become the world's main energy source.

Business Overview

The company operates an independent dual-brand global sales strategy, "Ginlong (Solis) Technologies" domestically and "SOLIS" as its internationally recognized brand. Moving at pace, achieving the effect of "1+1>2" and running with development acceleration, stabilizing competitive advantage.

The Company was one of the earliest to enter the international market for grid-connected string inverters. With excellent product performance and reliable product quality, the Company has many high-quality customers in Asia, Europe, America, Australia and elsewhere, forming long-term stable collaborative relationships.

Company Timeline & Milestones



² China ESG Best Brand Value of the Year refers to a significant award in China, which encourages global enterprises to attach greater importance to ESG issues and contributes to the achievement of sustainable economic development.

Corporate Culture



Mission Developing Technology to Power the World with Clean Energy.



Vision Product Centric
Customer Focused



Values We will meet the needs of customers around the world with our innovative products and contribute to prosperous sustainable living.

Honors & Qualifications



2021

APVIA Award Industry Contribution Enterprise

Asian Industry Association

APVIA Technology Achievement Enterprise

Asian Industry Association

Single-Champion Model Enterprise of the Manufacturing Industry

Ministry of Industry and Information Technology of the People's Republic of China, China Federation of Industrial Economies

National Technological Innovation Demonstration Enterprises

Ministry of Industry and Information Technology of the People's Republic of China

2020 first batch of recognized high-tech enterprises

Ningbo Science and Technology Bureau, Ningbo Municipal Finance Bureau, Ningbo Municipal Bureau of Commerce of the State Administration of Taxation

Ningbo Municipal Manufacturing Industry "Large, Excellent, and Powerful" Training Enterprise

Office of the Ningbo Manufacturing Industry High-Quality Development Leading Group

Zhejiang Famous Export Brand

Zhejiang Provincial Department of Commerce

Zhejiang Province Trademark Brand Strategy Demonstration Enterprise

Zhejiang Provincial Administration for Market Regulation

2022

Asia's Corporate Social Responsibility Award "Green Leader Award"

Global Non-Government Organization, Enterprise Asia

CNAS Comprehensive Laboratory Testing Center Certification

China National Accredited Committee for Conforming Assessment

2022 Ningbo Municipal Government Quality Innovation Award

General Office of Ningbo Municipal People's Government

2022 Ningbo PV and Energy Storage Industry Chain Innovation Consortium

Ningbo Science and Technology Bureau

2023

Top Brand of PV Inverters

EUPD Research

Global PV Inverter Enterprise Shipments Top 10 in 2022

Wood Mackenzie, S&P Global

Global100 Top50 Technology Faces of China's Globalized Enterprises

MIT Technology Review China, DeepTech, LinkedIn China

Tier1 Global Manufacturers of PV Inverters

BloombergNEF

2023 Forbes China List of the Most Innovative Enterprises.

Forbes China

Global Leader in Distributed PV Inverters

Euro-Asia Economic Forum, The Organizing Committee of 2023 Silk Road Green Energy International Cooperation Conference

TOP100 2023 Hurun China Top 100 Private Energy Enterprises

Hurun Report

APVIA Award Industrial Contribution

Asian Photovoltaic Industry Association (APVIA)

The first unit (set) of equipment in China-PV Energy Storage Inverter S6-EH1P (7.6-11.4)K-H

Office of Zhejiang Provincial Department of Economy and Information Technology, Department of Finance of Zhejiang Province

Zhejiang Province Key Enterprise Research Institute for Efficient and Reliable PV Storage Inverters

Department of Science and Technology of Zhejiang Province

National Smart PV Pilot Demonstration Project

Ministry of Industry and Information Technology
Ministry of Housing and Urban-Rural Development
Ministry of Transport
Ministry of Agriculture and Rural Affairs
National Energy Administration

National Post-doctoral Scientific Research Workstation

Department of Human Resources and Social Security
National Post-Doctorate Management Committee

2022 Zhejiang Province Science and Technology Leading Enterprise

Science and Technology Department of Zhejiang Province

The Second Batch of Manufacturing Cloud Enterprises in Zhejiang Province

Zhejiang Provincial Department of Economy and Information Technology

2023 Zhejiang Province's Future Factory Pilot Enterprise

Zhejiang Provincial Department of Economy and Information Technology

Key Performance

Economic performance

Operating income: CNY

6,100,836,987.28

Total profit: CNY

779,357,432.20

Total tax payment: CNY

175,763,441.22

Basic earnings per share: CNY

1.98

Total assets: CNY

21,592,306,774.67

Environmental performance

Pollutant Monitoring Compliance Rate

100 %

Total GHG emissions:

1,665,472.49tCO_{2e}

Total water consumption:

118,751 tons

Number of environmental training sessions

21 times

Total direct energy consumption

821,266.64 tons of standard coal

Total indirect energy consumption

3,100.93 tons of standard coal

Consumption of clean energy

304,044.20 kWh

Social performance

Total number of employees

3,805

Labor contract signing rate

100 %

Social insurance coverage

100 %

Total investment in employee training

CNY **650,000**

Total training duration

84,384 hours

Investment in safety production

CNY **577,000**

Investment in R&D: CNY

312,455,660.92

Product percent of pass

99 %

Customer complaint resolution rate

100 %

Governance performance

Number of Shareholders' General Meetings

5

Number of Board of Directors meetings

12

Number of Board of Supervisors meetings

12

The proportion of female directors in the Board of Directors

28.57 %

The proportion of independent directors in the Board of Directors

42.86 %

Management of Sustainable Development

Concept of Sustainable Development

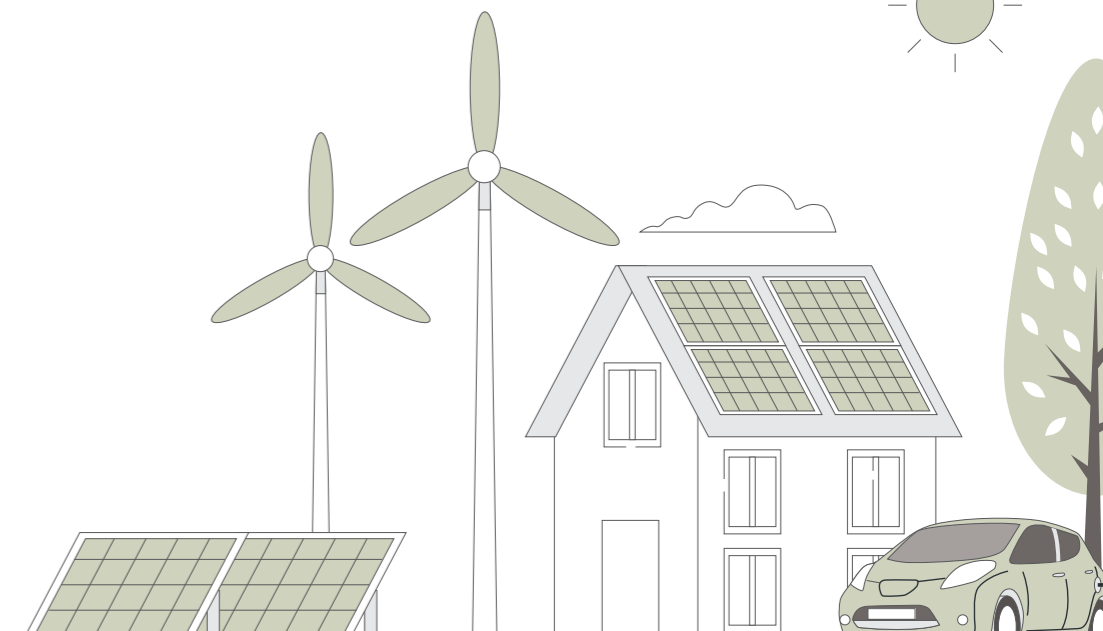
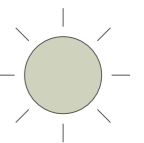
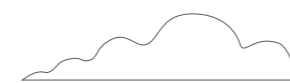
As a new energy company committed to sustainable development, we firmly adhere to Environmental, Social and Governance (ESG) principles, actively fulfill our social responsibilities, and carry out a number of system construction and organizational arrangements.

Environment: We focus on promoting clean energy. We use energy-efficient equipment and green production processes to reduce energy consumption and emissions. In addition, we actively promote the innovation and application of PV technology to achieve sustainable development.

Social: We care about the well-being and development of our employees. We have established a comprehensive human resource management system, providing employees with training and career development opportunities. We care about the working environment and welfare of our employees and are committed to improving their health, safety and happiness.

Governance: We uphold the principles of fairness, clarity, and compliance. We have established a comprehensive corporate governance structure and internal control system to ensure the accuracy and clarity of information disclosed.

We have clear ideas and plans for fulfilling our social responsibilities. We will improve environmental quality, promote social progress and become a leader in sustainable development through system development, organizational arrangements and partnerships.



Stakeholder Communication

We take the concerns of stakeholders as the starting point for our own practice of sustainable development, identifying six major stakeholder groups that may or have already had a significant impact on the Company's business and operations. In addition, during the preparation of the report, we actively collected topics of concern to stakeholders and incorporated them into the Company's decision-making.

We continuously improve the communication mechanism with stakeholders through various channels and methods such as the official website, supplier meetings, and communication with employees and customers. We aim to understand and respond to the expectations and demands of stakeholders in a timely manner. We also listen to the concerns of stakeholders and continuously optimize our sustainable development strategies and plans, so as to strengthen our relationship with stakeholders and achieve win-win development.



Stakeholders

Customers

Employees

Shareholders and investors

Supply chain partners

Government and supervision bodies

Community and professional institutions

Expectations and demands

- Customer rights
- Service quality
- Information security
- Product innovation
- Compliance management

- Legitimate rights and interests
- Professional training and development
- Humanistic care
- Diversity and inclusion
- Occupational health and safety

- Corporate governance
- R&D innovation
- Information disclosure
- Operational risks
- Safeguard shareholders' interests

- Good faith and cooperation
- Experience sharing
- Win-win cooperation
- Business ethics and credibility
- Responsible supply chain management

- Tax payment according to law
- Anti-corruption
- Climate action
- Rural revitalization
- Public charity

- Social welfare
- Community development

Communication and response

- Customer satisfaction survey
- Customer complaints and feedback
- Improve service level and product quality
- Improve information management technology

- Staff representative meeting
- Internal communication platform
- Employee satisfaction survey
- Visits and condolences
- Professional skills training opportunity

- Shareholders' General Meeting
- Information disclosure
- Interactive Easy Platform
- Phone and email communication

- Investigation and visit
- Exchanges and cooperation
- Social media
- Compliant procurement

- Policy directives
- Forum exchange
- Daily communication report
- Special research and on-site meetings

- Charitable donations
- Rural revitalization

Contribution to the Sustainability Goals

Based on characteristics of the industry, Solis focuses on the United Nations' sustainable development goals (SDGs) to achieve the company's sustainable development.



Solis' response to the SDGs

Actively devoted itself to education, public welfare, and rural construction, and constantly promoted the combination of PV and modern agriculture to help rural development.

1 NO POVERTY

Arrange occupational health examinations and fulfill occupational health protection to provide a healthy and safe working environment for employees.

3 GOOD HEALTH AND WELL-BEING

Set up Ginlong College, using online knowledge platform and offline training facilities to provide professional growth space for employees at all levels and functions. Encouraging enthusiasm about education, and making student-aided donations.

4 QUALITY EDUCATION

Advocate for a diverse and inclusive corporate culture, oppose any discrimination, implement gender equality policies, and support all employees to balance their work and life.

5 GENDER EQUALITY

Promote the use of clean energy and continue to improve the energy structure by building a PV power generation.

7 AFFORDABLE AND CLEAN ENERGY

Adhere to the principles of tolerance, variety, and equal opportunities, establish a rich and diverse salary and welfare system, always care for the living conditions of our employees, and actively support those in need.

8 DECENT WORK AND ECONOMIC GROWTH

Use technology to drive the transformation of clean energy, continuously increase investment in scientific and technological R&D, and achieve continuous technological progress and product innovation.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Adhere to the principle of equal competition for employees, implement democratic management, and prohibit the employment of child labor and forced labor.

10 REDUCED INEQUALITIES

Strictly control the generation and discharge management of solid waste and dangerous waste, and recycle resource such as products and materials.

11 SUSTAINABLE CITIES AND COMMUNITIES

Pay attention to the construction of quality management systems, constantly improve their own quality management level, control harmful substances in products, and provide customers with better products.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Enhance carbon management, carry out carbon verification to reduce carbon pollution in production and operation.

13 CLIMATE ACTION

Adhere to the operation of compliance. Timely and accurately fulfill the obligation to disclose information, fully protect the rights and interests of all shareholders, and attach great importance to integrity and anti-corruption work.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Actively promote standardized, transparent, honest and efficient purchasing activities and adhere to high standards of business ethics, opposing unfair competition.

17 PARTNERSHIPS FOR THE GOALS



Analysis of Substantial Issues

Based on the company's actual situation, the expectations of internal and external stakeholders and the global sustainable development background, we refer to domestic and foreign ESG guidelines, social responsibility-related standards, etc. We comprehensively identify and evaluate substantive issues that have a significant impact on the company's sustainable development and are closely monitored by stakeholders, and disclose relevant information.



Special Topic: Innovative Future, Reformed Energy



Creating the Road to the Future

We are determined to forge ahead and maintain momentum to deliver intelligent digital innovation.

In recent years, there has been an obvious global trend of energy electrification, which has led to a continuous increase in global electricity consumption. In pursuit of sustainable development, energy transformation has become a global consensus.

Under the common understanding, the road is long and arduous. In the future, PV power generation will gradually transition to a development mechanism that is market competitive. The industry will also become more regulated with clearer development goals. Survival of the fittest will become increasingly prominent, and Solis has been striving forward in the mainstream competitive field.

In the face of challenges, Solis has been actively organizing its strengths to carry out major key technology research. Guided by application-oriented goals, we prioritize the development of green, low-carbon, and high-efficiency new energy technologies, with a particular focus on areas of disruptive technologies, including advanced energy storage and off-grid storage. Looking forward to the "14th Five-Year Plan" and taking advantage of the "New Infrastructure Construction"³, Solis has actively responded to China's goal of achieving "carbon neutrality" and collaborated with partners in the industry ecosystem to achieve win-win development.

³New Infrastructure Construction" refers to a strategic initiative proposed by the Chinese government to drive economic transformation and upgrading, which mainly focuses on the construction of new infrastructure driven by technological innovation, such as 5G networks, data centers, and artificial intelligence.



We are committed to creating innovative arrangements for digital transformation.

The Company attaches great importance to the construction of digital information. Over the past three years, we have gradually improved the industry-university-research cooperation, IT infrastructure construction, application system platform, and strategic coordination in the industrial supply chain. With talent as an important support, we continuously optimize processes, upgrade to automated production lines, and integrate the industrial supply chain. With the overall design principle centered around "customer orientation, product-centered information technology innovation, and achieving excellent operation", we aim to build a future factory for Solis's solar PV inverters.

The layout of intelligent digital development

Industry-university-research cooperation and innovation

- The Company has established an industry-university-research cooperative relationship with Shanghai Jiao Tong University, University of Shanghai for Science and Technology, and other universities, and established a postdoctoral workstation in Zhejiang Province.
- With multiple core technologies including "new high-efficiency inverter circuit", Solis further consolidates its advantage of being an independent and controllable industrial supply chain, and achieves intelligent manufacturing upgrades through digital transformation.
- National Intelligent Photovoltaic Pilot Demonstration Enterprise, CNSA National Laboratory Certification Mark, Zhejiang Province Future Factory Pilot Enterprise, Zhejiang Province Cloud Enterprise, Zhejiang Province Industrial Internet Platform Creation Enterprise, Ningbo City 5G+ Industrial Internet Pilot project, etc.

IT infrastructure construction

- Integrating industrial control systems and industrial software such as SCADA, the Company achieves digitization and informatization of R&D, process, and simulation verification of PV inverter components.
- The Company is gradually building a new intelligent manufacturing model that spans the entire lifecycle management of production, logistics and warehousing, collaborative marketing, and customer service.
- The Company has stepped up automation in its production and online inspections, building intelligent warehousing and logistics systems, and visualizing digital information.

Application of system platforms

- Through the use of enterprise-level industrial internet, the Company achieves internal interconnection, collects multi-source heterogeneous data, and establishes an integrated platform for technological innovation, lean management, and digital manufacturing.
- Build an intelligent future factory with the focus on "production automation, closed-loop production process control, precise logistics control, visualized production command, and integrated design-manufacturing-operation".

Strategic coordination along the industrial chain

- Integrate the entire supply chain management of the enterprise, enabling intelligence in manufacturing processes, information collection, material distribution, and quality control.
- Engage in industry consolidation through mergers and acquisitions. Establish strategic alliances among companies across various segments of the supply chain to build industry ecosystems and enhance overall competitiveness.
- Intelligent operation and maintenance of PV systems significantly enhances the efficiency of operation and maintenance personnel, enhances operation and supervision, reduces losses during operation, and increases the power generation of PV power plants.

Leading the Energy Reform

Implementing the plan, Solis is leaving its footprint of innovation in digital transformation.

With firm steps, Solis is constantly exploring innovative approaches in its digital transformation journey. The Company has undertaken numerous projects both domestically and internationally, covering various fields including residential grid-connected systems, commercial and industrial energy storage systems, and ground-based power stations. Solis is committed to providing solid support for global carbon neutrality goals and striving to accelerate the transition towards a cleaner and low-carbon energy system.

3GW in China

The Tengger Desert 3GW new energy base located in Zhongwei City, Ningxia. The country's first ultra-high voltage power transmission channel that mainly developed desert PV power stations and transported new energy. It was a key supporting project of the "Ningxia-to-Hunan Power Transmission" project. Of great significance to boost the construction of the Yellow River Basin ecological protection and high-quality development area, expand cross-regional cooperation in the east, west and central regions, and promote the prosperity of Ningxia immigrants and achieve common prosperity.



20MW in Vietnam

Check out the remarkable 20MW rooftop solar project where Solis 110KW inverters played a pivotal role. According to publicly available data, it stands as the largest C&I solar project connected to the grid in Vietnam for 2023. We provided comprehensive training throughout the project, from office to on-site installation, ensuring seamless operations. We are grateful for our partners' support and trust, which made this success possible!



1MW in Sweden

With its cutting-edge technology, the Solis 110K-5G inverter has been selected for use in the 1MW utility-scale project focused on zero-carbon emissions. With 9/10 MPPTs and a max. Efficiency of 98.8%, it is an ideal fit for this project's unique configuration, providing greater efficiency and minimizing environmental impact.



1MW in USA

Discover the journey of a rural town, Minster, embracing renewable energy with Solis-(125-255)K-EHV-5G-US utility-scale inverters. By investing in Solar Energy, Minster is not only moving towards energy independence but also supporting local businesses in achieving their Renewable Energy goals.



2.5MW in Brazil

This project made full use of the mountainous terrain to allow the PV panels better receive sunlight, providing reliable clean energy for local residents and agricultural farms. In addition, the project also adopted the SolisCloud smart energy monitoring and management system to ensure the efficient operation and maintenance of the power station.



Energy Storage Project in USA

The case used the S6 single-phase low-voltage energy storage inverter, which was specially developed by Solis for the North American market. It has a global charging and discharge current of up to 50A in the same power range, 1+N full energy storage scenarios, simpler and more convenient application and operation, and is compatible with all major global mainstream battery brands.



NCC Project in Australia

We're thrilled to announce our donation of advanced inverters to Cricket Australia and Cricket for Climate's National Cricket Centre Solar Project in Brisbane, powering 285kW of solar energy – almost half of NCC's total needs. Collaborating with LONGi and OSW, we're making waves! Also, special thanks to the Australian men's captain, Pat Cummins, for leading the project launch.

The solar system will save \$50,000 in the first year, cutting 398 tonnes of carbon annually. Over 20 years, it means close to \$1 million in savings and an 8,000-tonne reduction in carbon. Solis is honored to play a role in this impactful project, showcasing our commitment to a greener future. Let's drive positive change and set the stage for sustainable cricket facilities worldwide! Read more: <https://rb.gy/gd47fe>



Building on our past efforts, we have continued to deliver innovative products with digital intelligence features. Thanks to our sustained investment and R&D efforts, we now have a variety of products that possess independent intellectual property rights.

Product category		Model	
Grid-connected string inverters	Three-phase string inverter	3kW-320kW	
	Single-phase string inverter	0.7kW-10kW	
Energy storage string inverters	Single-phase energy storage string inverter	3kW-16kW	
	Three-phase energy storage string inverter	5kW-20kW	
	Pure off-grid energy storage string inverter	4kW-5kW	
	Single-phase AC coupled inverter	3.6kW-6kW	
Commercial and industrial energy storage products	Industrial and commercial optical storage inverter	50kW	
	PV DC-DC energy storage module	60kW	
	PCS energy storage module	100kW	

In the future, Solis will continue its application-oriented efforts to deliver safe, reliable and intelligent products and solutions featuring green, low-carbon, and high-efficiency new energy technologies that will lead the energy transition. We will continue to create value for our customers, and contribute to carbon neutrality as well as focusing on our pursuit of major science and technology leadership and driving development of the global PV industry.

Robust Development of PV Inverters & Compliance Management



SDGs

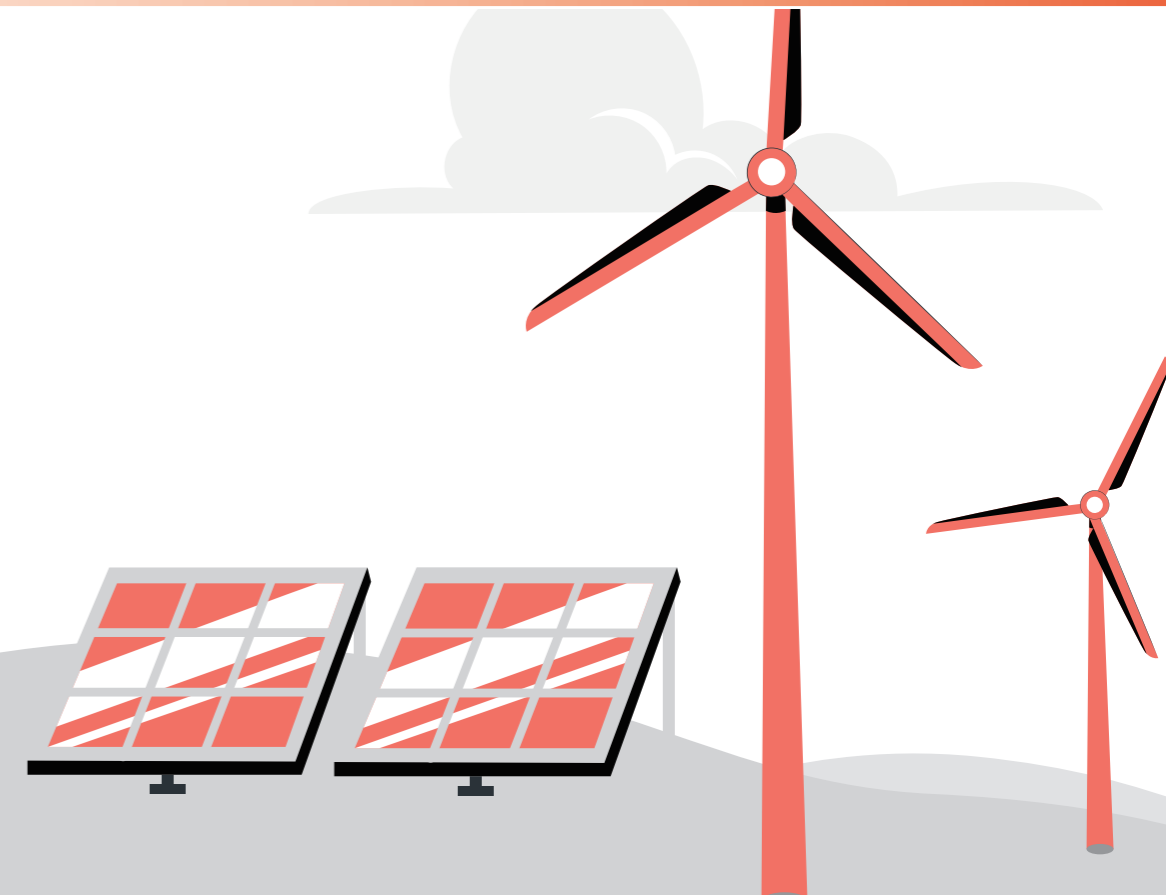
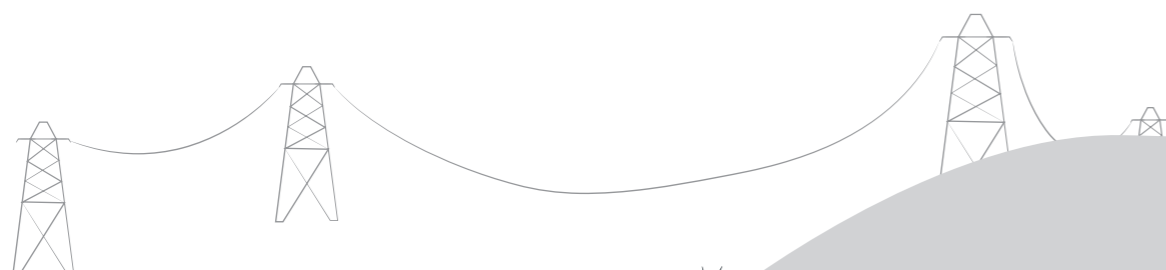


Our philosophy

Solis actively fulfills social responsibility, honesty and trustworthiness, abides by business ethics, regulates business behavior, protects investors' rights and interests, so as to continuously improve its social image and good reputation.

Our actions

- Improving the governance system
- Risk prevention and control
- Strengthening investor relations management
- Abiding by business ethics



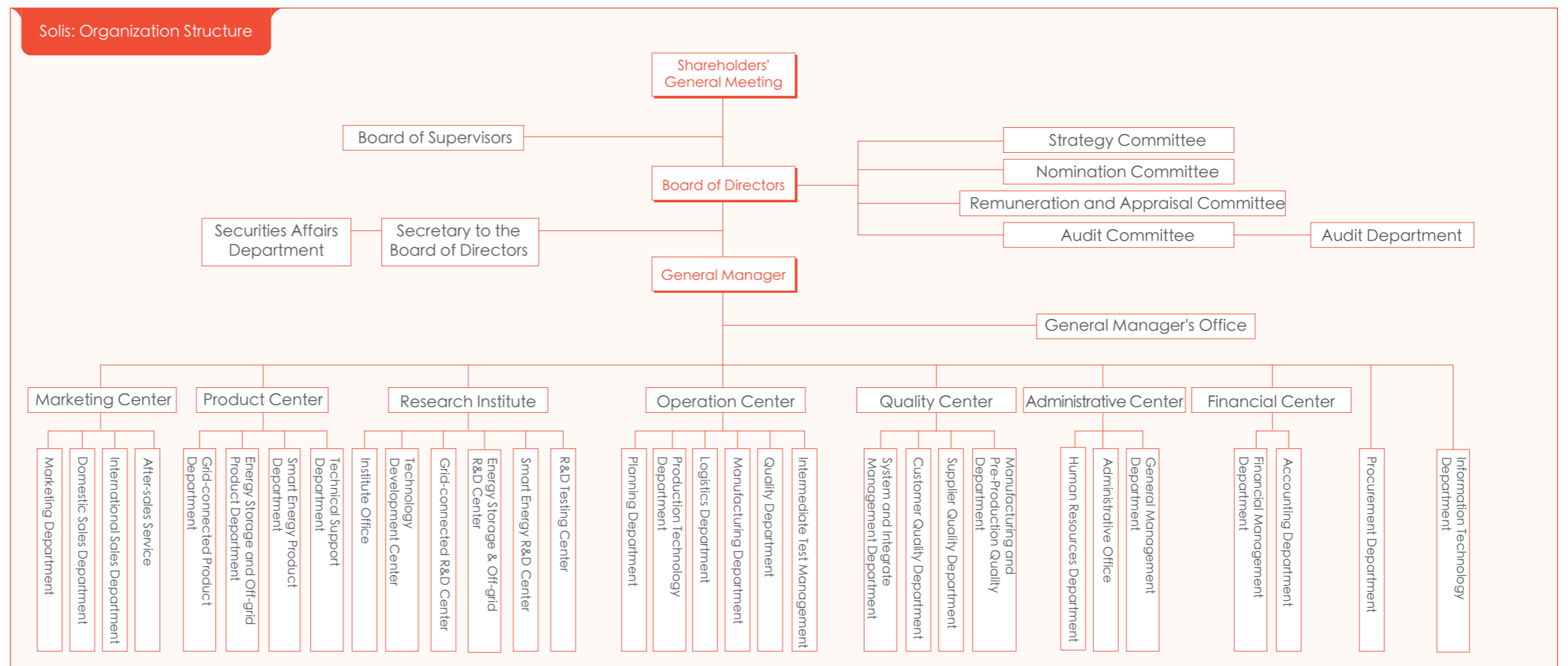


Improving the Governance System

Building a clear governance structure

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of GEM Board Listed Companies*, and other applicable laws, regulations and normative documents, we have formulated the *Articles of Association*, the *Working Rules of Independent Directors*, the *Investor Relations Management Rules*, and other proper corporate governance systems, thus establishing a mature and sustainable governance structure.

The Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the operation level of the Company have a clear division of responsibility, while working toward the same goals with a high level of coordination and synergy. We have forged a governance structure that steers our development while enabling effective decisions, supervision and implementation. Such structure is not subject to any subordinate relationship with controlling shareholders or functional departments, or any mixed operation with controlling shareholders. We continue to strengthen the check-and-balance mechanism in our internal governance, drawing clear boundaries among the operational and legal responsibilities of shareholders, directors, supervisors and senior management members, with clearly-defined principles of authorization from legal persons, Shareholders' General Meetings and the Board of Directors to the management, and improved communication among the Board of Directors, the Board of Supervisors and the management.



Shareholders' General Meeting

The Shareholders' General Meeting holds the highest authority in the Company. It is convened and held in strict accordance with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Company's Rules of Procedure* for the Shareholders' General Meeting. These regulations also apply to the voting process. We are committed to enhancing our corporate governance structure and the compliance levels, ensuring that shareholders can exercise their legal rights and interests and equally. We strive to provide maximum convenience for shareholders to participate in the Shareholders' General Meeting, enabling them to fully exercise their rights.

During the reporting period, we held a total of five Shareholders' General Meetings, all of which were convened by the Board of Directors, and passed 19 proposals. In accordance with applicable laws and regulations, normative documents and our Articles of Association, all important matters were ultimately decided based on the votes cast by the Shareholders' General Meeting, and the approval process was not subject to any ultra vires act or "act-and-advise" misconducts.

Key performance During the reporting period, the Company

 <p>held 5 Shareholders' General Meetings;</p>	 <p>4 extraordinary Shareholders' General Meeting;</p>	 <p>A total of 19 proposals passed.</p>
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Board of Directors

Our Board of Directors consists of seven members. This number and the Board's composition both adhere to applicable laws, regulations and the *Articles of Association*. All of the directors are capable of performing their duties in accordance with applicable laws, regulations, and normative documents, as well as the *Company's Rules of Procedure for the Board of Directors* and the *Working Rules of the Independent Directors*, attending the Board of Directors meetings and general meetings, and diligently perform their duties and obligations. They are deeply aware of the Company's operation, proactively participate in relevant training

programs to improve their understanding of laws and regulations. They fully implement the decisions of the Shareholders' General Meeting, and earnestly safeguard the legal rights and interests of the Company and all shareholders.

During the reporting period, the Company held 12 Board of Directors meetings and approved 46 proposals. The convening of the meetings, the voting procedures and the content of the resolutions all complied with applicable laws, regulations, and provisions of the *Articles of Association* and the *Company's Rules of Procedure for the Board of Directors*.

Special Committees

The Board of Directors of the Company has under its umbrella four special committees, which are the Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. The members of the special committees are all composed of directors. All the special committees are headed by independent directors except for the Strategy Committee, the leader of which is the Chairman of the Board.

In support of decision formulation and implementation of Solis under its modern corporate governance system and in the spirit of its Articles of Association, the Company has established a series of rules including *Working Rules of the Strategic Development Committee of the Board of Directors*, *Working Rules of the Audit Committee of the Board of Directors*, *Working Rules of the Remuneration and Appraisal Committee of the Board of Directors*, and *Working Rules of the Nomination Committee of the Board of Directors*. These documents underpin clear division of responsibilities among the special committees, so that they independently fulfill their own due roles while working together in a coordinated manner with proper check and balance, thus promoting the efficient, scientific and well-organized operation of the Company.

Strategy Committee

Composed of 3 directors, with Chairman of the Board as the convener. The proportion of independent directors is 33%. It studies and formulates the Company's long-term development strategy.

Audit Committee

Composed of 3 directors, with an independent director as the convener. The proportion of independent directors is 67%. It reviews the Company's financial reporting and disclosure, and monitors and evaluates both internal/external audits and internal controls

Remuneration and Appraisal Committee

Composed of 3 directors, with an independent director as the convener. The proportion of independent directors is 67%. It sets the standards for the performance evaluation of directors and members of senior management, and formulates and reviews the remuneration policies and packages for directors and senior management.

Nomination Committee

Composed of 3 directors, with an independent director as the convener. The proportion of independent directors is 67%. It defines the standards and procedures for nominating directors and senior management members, and selects proper candidates for these posts as well as reviewing their qualifications.

Key performance

During the reporting period, 8 special committee meetings were held, with 28 proposals reviewed, of which:

<p>4 meetings were convened by the Audit Committee, with 19 proposals reviewed.</p>	<p>2 meetings were convened by the Remuneration and Appraisal Committee, with 7 proposals reviewed.</p>	<p>2 meetings convened by the Nomination Committee, with 2 proposals reviewed.</p>
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Independence and diversity

We have three independent directors, representing a proportion of 42.86% of the total who play a vital role. Independent directors are in the majority in all of the special committees and serve as the convener except for the Strategy Committee. They provide professional and valuable suggestions that inform the Board's decision-making.

We attach great importance to diversity when defining the composition of the Board of Directors, in order to make the Board more competent in comprehensive governance. The Board members have either extensive knowledge in law, finance and management, which complement each other, or extensive management experience. The Board includes two female members, representing 28.57% of the total.

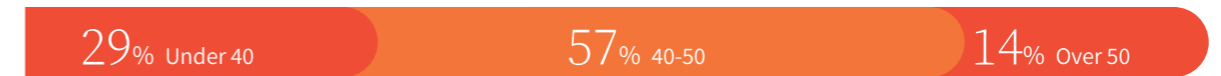
Independent directors as a share of all Board members



Board members: Gender structure



Board members: Age structure



Board of Supervisors

The Board of Supervisors is the supervisory body of the Company and oversees major transactions, related party transactions, financial performance, and the compliance of directors and management in the performance of their duties. The Company's Board of Supervisors consists of 3 members, one of whom is an employee representative.

During the reporting period, the Company held 12 Board of Supervisors meetings and passed 34 proposals. The convening of the meetings, their voting procedures and the contents of the decisions were all in compliance with applicable laws, regulations, and provisions of the *Articles of Association* and the *Company's Rules of Procedure of the Supervisory Board*.

Key performance

During the reporting period, the Company



held **12** Board of Supervisors meetings



passed **34** proposals



Risk Prevention and Control

Internal risk control

An effective risk management and internal control system is essential to our sustainable development. In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*, we have established a sound internal control system with proper implementation.

We have effectively self-assessed, and continue to strengthen our internal control over our key business processes and control procedures through enhanced day-to-day monitoring and special reviews. We have also engaged external audit firms to conduct independent reviews to ensure our compliance and the accuracy of our financial reporting.

Financial risk prevention and control

In 2023, Solis conducted an internal audit of its wholly-owned subsidiary, Ginlong Smart, and its subordinate companies on their distributed PV power plant business. The purpose of this audit was to obtain an in-depth understanding and evaluation of the internal control system over the distributed PV power plant business process, as well as the level of compliance of their accounting and tax treatment processes. The audit team also identified risks and compliance issues associated with the business segment, and proposed pragmatic suggestions for improvement to promote its sustainable and healthy development.

Taxation risk prevention and control

In accordance with applicable tax laws and regulations, we have established a standardized, complete and fact-based tax management process, which effectively promotes the in-depth integration of tax management within our business, and further enhances tax compliance and risk management.

In recent years, we have won a number of awards in recognition of our outstanding performance in tax management and integrity.



Xiangshan County Outstanding Contribution Award for Industrial Taxpayers



Xiangshan County Top 50 Taxpayers Gold Award

Related transaction management

To ensure compliance with its related party transactions, reduce unnecessary transactions of this kind, and protect the legitimate rights and interests of the Company and all shareholders, Solis has formulated the *Measures for the Management of Affiliated Businesses*. This is in accordance with the applicable provisions in the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Governance Code for Listed Companies*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and its *Articles of Association*. It has introduced detailed provisions stipulating rules on the principles, applicable scope, deliberation, disclosure and withdrawal of related party transactions, in order to ensure that such transactions are fair and equitable to all shareholders.



Strengthening Investor Relations Management

Compliance information disclosure

To enhance the management of our information disclosure and ensure its timeliness and accuracy and protect the legitimate rights and interests of the Company, its shareholders and other stakeholders, we have formulated and implemented the *Information Disclosure Management System*. This and other related regimes in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Administrative Measures for Information Disclosure of Listed Companies* and other applicable provisions of our *Articles of Association* in a fact-based manner, so as to clearly define the content, method and timing of information disclosure, and ensure its authenticity, accuracy, timeliness, fairness and integrity. We are not involved in any illegal disclosure.

Key performance



During the reporting period, the Company disclosed a total of **211** public announcements, and was subject to **0** punishment for any breach of disclosure rules.

Communication of shareholder interests

We proactively receive visits and inquiries from investors and related personnel to ensure that their questions and needs are addressed in a timely, accurate, and professional manner. In addition to the traditional way of receiving visitors and inquiries, we also take advantage of modern communication tools to maintain close interaction with investors via telephone, email, and interaction platforms and other channels. These diverse methods not only promote dialogue, but also help us to better understand investors' needs and feedback and protect the legitimate rights and interests of all shareholders.

We make compliance disclosure through the information disclosure channels and the stock exchange websites as defined by China Securities Regulatory Commission, faithfully, accurately, completely and in a timely manner to ensure that all investors have fair access to the information.



The "Best Practice Award" for Investor Relations Management of Listed Companies

Key performance

During the reporting period, the Company answered **116** questions from investors via the Online Interaction Platform of Shenzhen Stock Exchange.

Protection of shareholders' rights and interests

In order to fully protect the rights and interests of all shareholders, especially those of minority shareholders, we have offered both on-site and online voting on the agenda of the Shareholders' General Meeting to ensure that the voting process is fair, transparent, and effective. In addition, to ensure that the voting rights of minority shareholders are fully exercised, we have counted the votes of minority shareholders separately on all proposals so that their opinions and demands are fully reflected. This not only demonstrates our high regard for and protection of shareholders' rights and interests, but also enhances our corporate governance and reputation.

Abiding by Business Ethics

Improving anti-corruption processes

The Company attaches great importance to integrity and anti-corruption, and strictly abides by the *Criminal Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. Adhering to the philosophy of business integrity and high standards of business ethics, we oppose and crack down on all forms of corruption and unfair competition.

In order to enhance the ethics of all employees, deter corruption and build a sound corporate image, we have formulated systems such as the *Anti-Corruption Management Rules* and the *Code of Business Ethics*. We strictly implement accountability, and seek to build a closed-loop supervision system. We have set up an anti-corruption team to correct misconducts and establish related rules by strengthening advocacy, identifying vulnerable positions, implementing targeted supervision and management, conducting background and criminal investigation and other risk investigations, so as to minimize the risk of corruption and ill-advised decision-making throughout the Company.

In order to ensure the effective implementation of the *Code of Business Ethics*, we constantly improve the performance appraisal regime, and have formulated the *Staff Reward and Penalty System*, which is aimed at encouraging employees to comply with the code of ethics, punish violations as appropriate, and establish decent business ethics.

Developing a culture of integrity

We attach great importance to creating and maintaining a culture of integrity. Targeting both management members and employees, our supervision and oversight department has worked to promote such culture and strengthen moral values through training programs themed around honest practice, regular circulation of related articles, and the signing of the *Commitment on Integrity and Self-discipline*.

Measures	Results
Circulation of articles themed around integrity	We regularly publish articles on integrity viewable to all employees on the Company's WeChat account, "Law Training Academy". Seven such articles were published in 2023 and twelve in 2022.
Integrity-themed training	We provide regular integrity-themed training for employees. There were eight trainings in 2023 and three in 2022.
Supplier integrity	We require all suppliers to sign the <i>Integrity Commitment</i> , <i>Code of Conduct for Corporate Social Responsibility</i> , <i>Supplier Anti-Commercial Bribery Agreement</i> and other relevant documents with us.
Employee integrity	All employees are required to sign the <i>Commitment on Integrity and Self-discipline</i> . 100% of the employees have signed the document during the reporting period.

Case: Integrity-themed Training

On March 3 and 7, 2023, our Risk Control & Legal Department took the lead in organizing two large-scale integrity-themed training sessions, focusing on enhancing employees' professional ethics and self-discipline awareness. The majority of employees proactively participated them, deeply appreciated the necessity of honesty and self-discipline, and promised to strictly abide by our rules, in order to jointly create an honest, compliant, and self-disciplined working environment.



Improving Moral Initiatives & Reporting

We have established a comprehensive and multi-channel collection system for reporting and addressing violation of rules and ethics, and we hold all misconducts accountable. We encourage all business personnel to report any inappropriate behavior that violates business ethics that they observe in the course of their duties. To protect the informants and their safety, we strictly keep their name, affiliation, address and other personal information as well as the content of their report, strictly confidential.

Feedback channels



Report mailbox
xu.wu@ginlong.com

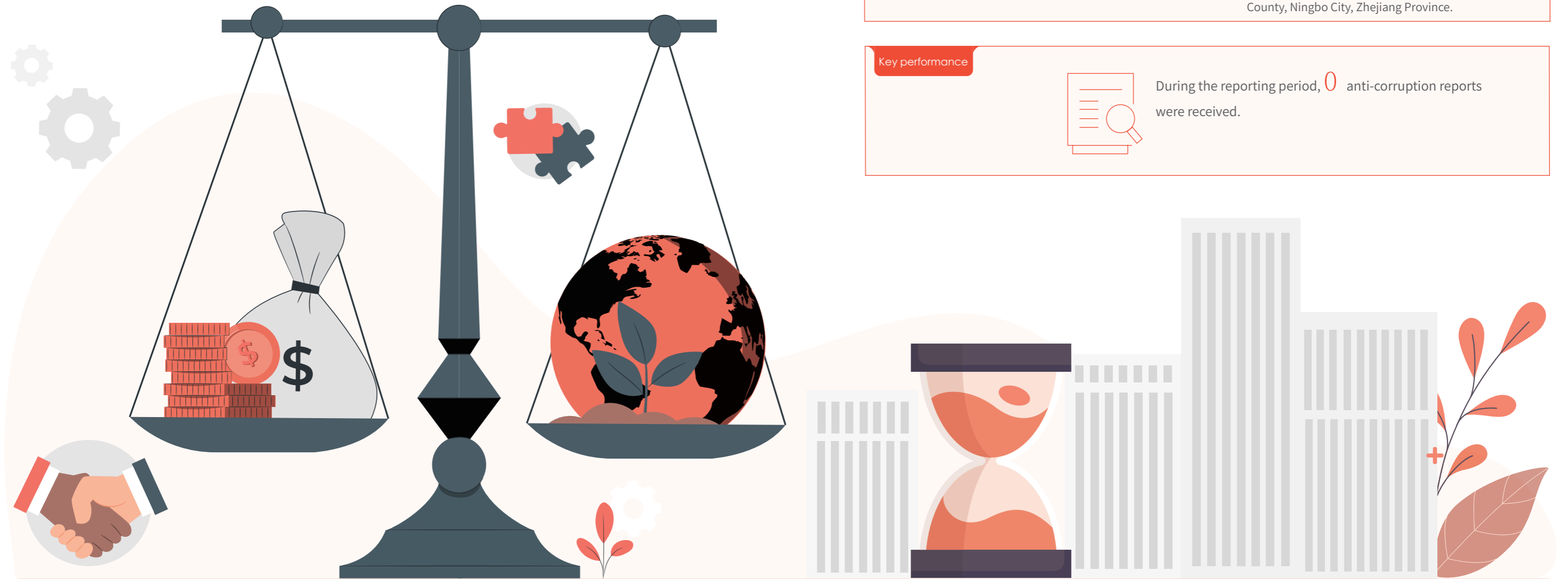


Correspondence address for complaints
No. 57, Jintong Road, Binhai Industrial Park, Xiangshan County, Ningbo City, Zhejiang Province.

Key performance



During the reporting period, 0 anti-corruption reports were received.



Leading the Green Energy and Low-Carbon Transitions



SDGs

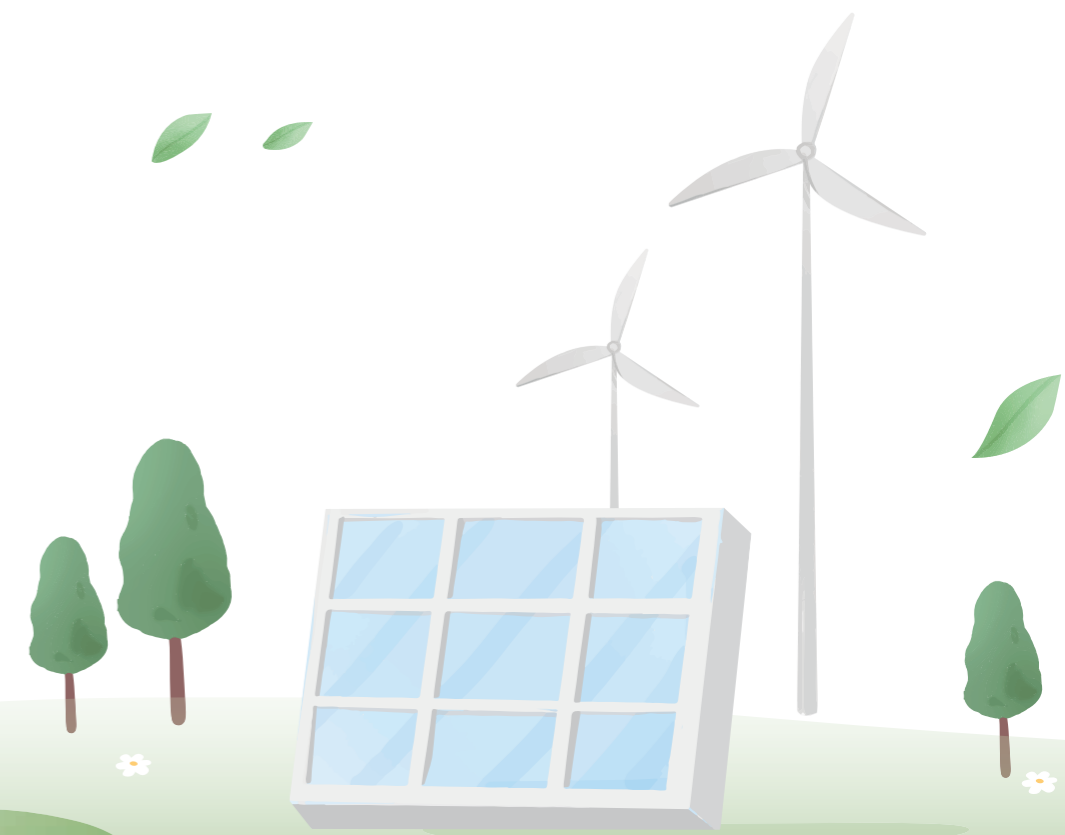


Our philosophy

Committed to green manufacturing and clean production, Solis has worked to improve environmental management, compliance on waste disposal and energy conservation, and reduce carbon emission and energy consumption, in order to minimize the environmental impact, promote sustainable development, and protect our shared planet.

Our actions

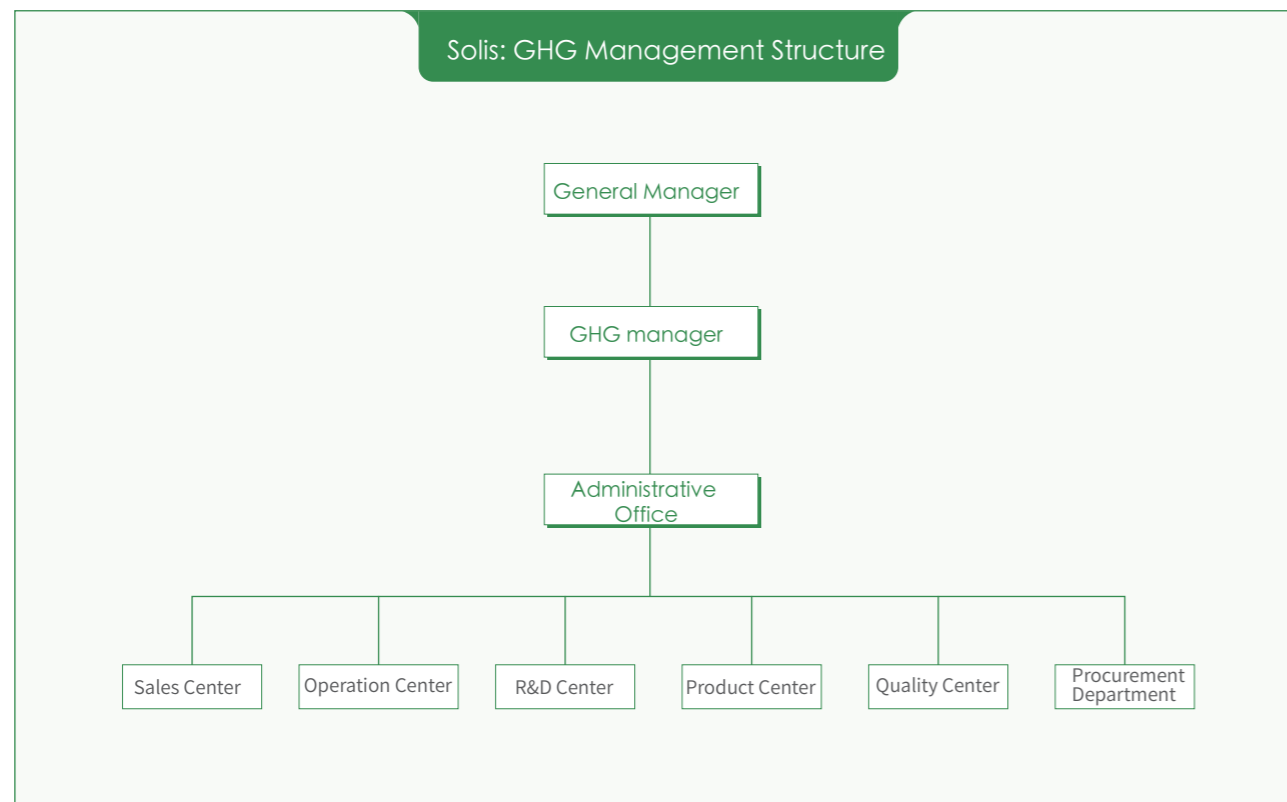
- Addressing climate change
- Improving environmental management
- Implementing green operation
- Enhancing pollution control



Addressing Climate Change

Enhancing carbon emission management

As part of its efforts to join the fight against climate change, Solis has established a comprehensive greenhouse gas management system. It clearly defines the carbon reduction responsibilities of each functional department, to effectively control carbon emissions throughout production, transportation, and supply chain management. To reduce carbon emissions, we have appointed a dedicated greenhouse gas manager to coordinate and oversee greenhouse gas measurement and formulate carbon reduction plans and targets. The administrative office provides support and guidance to various departments to ensure that they achieve their carbon reduction goals. In addition, we have continued to improve our carbon reduction measures during the reporting period, and enhanced our production processes while boosting energy efficiency, thus lowering our carbon intensity.



Conducting comprehensive carbon measurement

To get a full picture of our greenhouse gas emissions, we commissioned a third party organisation to measure our greenhouse gas emissions over the entire life cycle of our products and operations during the reporting period to provide a baseline for carbon reduction.

Indicators	Units	2023
Total GHG emissions	tCO _{2e}	1,665,472.49
Direct GHG emissions (Scope I)	tCO _{2e}	1,180.52
Indirect greenhouse gas emissions (Scope II)	tCO _{2e}	17,881.89
Other indirect GHG emissions (Scope III: transportation)	tCO _{2e}	9,596.58
Other indirect GHG emissions (Scope III: products used by organization)	tCO _{2e}	1,636,813.50

Note: The carbon emission measurement does not apply to any of Solis' subsidiaries.

Improving Environmental Management

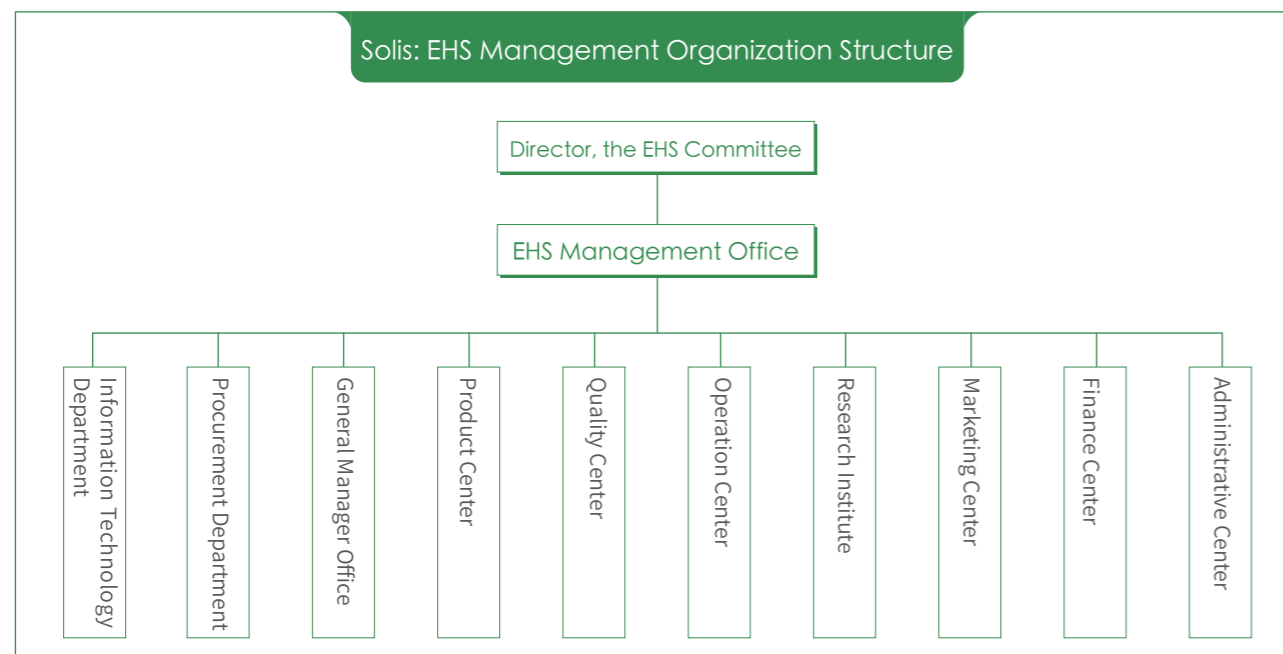
Environmental management system

With continuous effort to improve the environmental management system, we have formulated a sound system for this purpose and established a streamlined regime to cope with emergencies related to environmental protection. We have made tangible efforts to minimize the environmental impact of our production activities.

Improving the environmental management system

With energy consumption reduction and innovation in mind, we have adopted a human-centered and constantly-improving set of environmental protection systems. We strictly adhere to applicable laws, regulations, and normative documents such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on Clean Production Promotion*, and the *Measures for Management of Environmental Emergencies*. Various environmental protection management systems such as the Environmental Management Policy Procedures, Procedures for Controlling Industrial Wastewater, Waste Gases and Residues, and Safety and Environmental Monitoring and Measurement Procedures have been put in place.

We have established a comprehensive Environment Health Safety (EHS) management structure with clear division of labor among departments: The Safety Production Management Office oversees and directs the efforts; employees in charge of safety management report on a monthly basis; each department and functional center need to fully implement all measures; the Quality Center conducts inspection and assessment on a quarterly basis against our requirements. Such cross-department coordination has helped minimize our environmental impacts, prevent production or occupational accidents and environmental damage, and protect our employees and wider community.



Environmental management objectives

To improve our environmental management system, we have defined a series of phased plans and targets for 2023. And with the phased efforts materializing, we have not received any penalties from regulators during the reporting period, underpinning more sustainable growth.

S/N	Phases of environmental management planning
1	Formulate and publish environmental protection rules to build a sound control system.
2	Provide environmental protection training sessions to enhance awareness and sense of responsibility among our employees.
3	Prepare a self-check and correction plan to ensure that all vulnerabilities are exposed and resolved in a timely manner.
4	Report to regulators the environmental assessment results for all projects, and dispose of dangerous wastes at appropriate places.

2023 targets for environmental management

S/N	Targets	Results
1	Zero environmental pollution incident with material impacts	Zero
2	Achieving a score of over 90 points in random spot check on environmental effort records	Reached
3	100% participation rate of environmental training sessions and events	Reached
4	100% environmental monitor tasks implemented or up to standard	Reached
5	100% of environmental protection inspections implemented and 100% of detected problems/hidden dangers addressed	Reached
6	100% of environmental protection violations punished	Reached
7	100% of environmental harm incidents investigated and 100% of misconducts held accountable	Reached
8	100% of dangerous solid waste/general solid waste properly disposed of	Reached
9	100% of the functional departments conduct proper energy management	Reached
10	100% of environmental protection equipment and facilities in effective operation ⁴	Reached

⁴ The effective operation rate of a company's environmental protection equipment and facilities refers to the ratio of the effective operating time to the total operating time of these equipment and facilities.



Solis has obtained the GB/T 24001-2016/ISO 14001:2015 certification. The assessment takes into account all related environmental factors that the Company can control or influence throughout the product life cycle, including design, development, manufacturing and others.

Environmental management system certificate



Environmental risk management

Environmental risk prevention and control

To prevent environmental risks, we have implemented various systems and procedures such as the *Environmental Factor Identification and Evaluation*, and vigorously conduct environmental risk assessment and management. We have gained a comprehensive understanding of all environmental risks associated with our operation activities through risk sourcing efforts, categorized them according to their level of impact, and introduced targeted coping strategies which are regularly updated to minimize our impact on the environment.

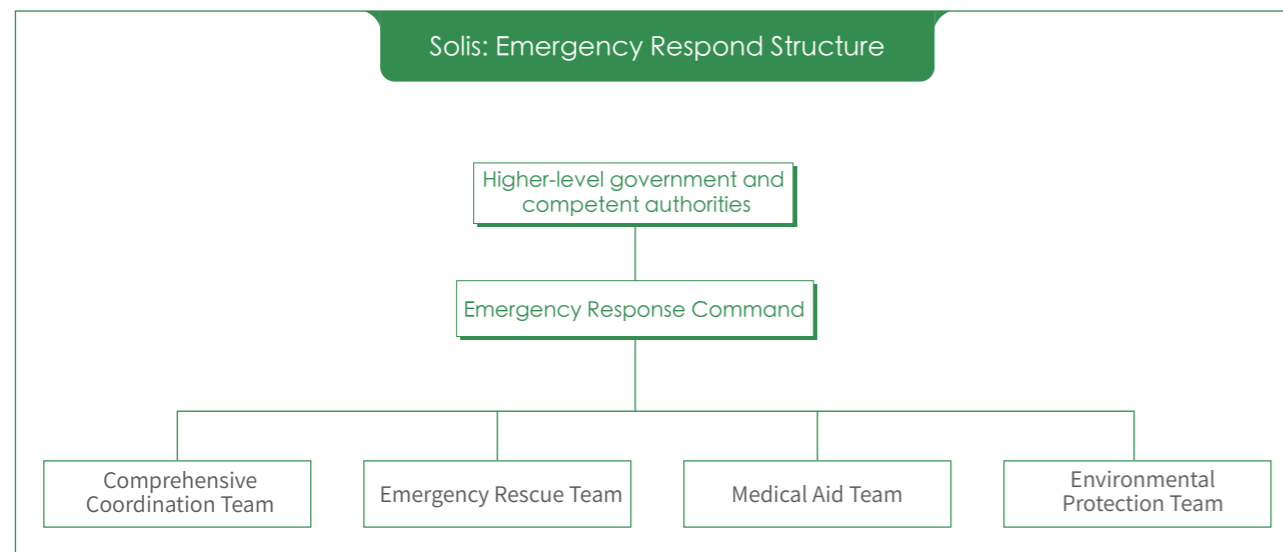
Key performance

During the reporting period, we conducted internal environmental inspection on a quarterly basis, and addressed all problems found.

Environmental emergency management

In order to better manage environmental emergencies, we have formulated management systems and processes such as the *Contingency Plan for Dealing with Environmental Emergency* with reference to applicable laws and regulations, including the *Measures for the Management of Environmental Emergencies*, the *Measures for the Administration of Environmental Emergency Plans for Businesses and Public Institutions on A Reporting Basis (Trial)*, and the *Rules on Risk Ranking of Environmental Emergencies in Businesses*.

We have set up an Emergency Response Command consisted of our most senior executives. It has full responsibility for emergency response and rescue, including dispatching rescue teams and managing personnel and resources. The Command has several specialized teams tasked with resource coordination, communications and emergency rescue to ensure that all major environmental safety incidents are effectively managed.



Emergency drills

To enable our employees to deal with environmental pollution incidents, we organize emergency drills. The drills are practice-oriented and pragmatic, where employees rehearse and practice in a simulation scenario so that they understand the procedures and master the required skills, with higher efficiency and better results. In addition, these drills help us update and improve the emergency plan on an ongoing basis, thus underpinning prompt and efficient responses to unexpected incidents and protect both the environment and our employees to the highest possible extent.



Emergency response drill: Waste gas treatment facility malfunction

Key performance

During the reporting period, there were no major environmental incidents with a material impact.

Communication of the "Green" concept

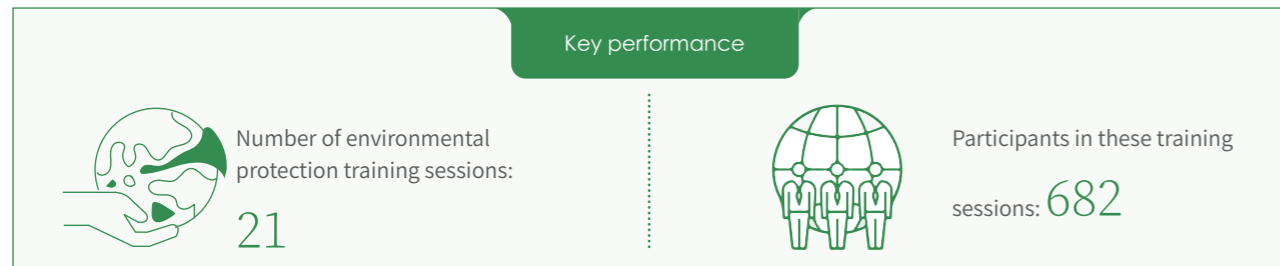
Sustainable product design

To ensure that all of our products comply with applicable laws, regulations and customer requirements with regard to the control of environmentally-hazardous substances, we have formulated the *Measures for Managing Environmental Substances* with reference to RoHS, REAK and other rules and standards. We carefully manage the entire product lifecycle covering suppliers, incoming materials, manufacturing process and storage, to reduce the use and discharge of harmful substances from them and the harm to the environment and human health.

Supplier management	We classify suppliers according to the level of environmental risk they pose, and ask suppliers to present environmental substance testing reports prepared by authoritative third-parties on a regular basis.
Incoming material control	We perform RoHS test on samples with various levels of risk and only those identified as qualified shall be put in storage.
Process control	We perform tests and inspections on environmentally-hazardous substances during production, acceptance and other processes, and unqualified products are isolated and traced.
Storage	Materials and parts with excessive environmentally-hazardous contents are labeled and separately stored.
Certification	We provide a prototype product for a qualified third-party certification body which inspects it and accordingly issues reports justifying that it meets the customers' requirement and applicable rules and regulations.

Providing training sessions to enhance awareness

During the reporting period, we have enhanced our employees' environmental awareness through various themed training sessions and activities, and encouraged them to take actions to save resources such as electricity and water. These efforts have been fruitful, saving corporate costs while promoting a green culture, thus underpinning our sustainable development.



Case: Special Session Advocating Resource Conservation



Case: Building an eco-friendly industrial park

We attach great importance to green development and environmental protection, and work to build a beautiful, eco-friendly industrial park where human and nature co-exist in harmony. In building the park, we have taken various measures to increase plantations, lawns, flower beds and green belts to create a green and environmentally friendly landscape. The greening facilities in the park are carefully managed and maintained, and we work to ensure the growth and health of the plants with regular trimming, watering, and fertilization so that the park remains well-afforested.



Implementing Green Operation

Enhancing energy management

In accordance with the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on Clean Production Promotion* and other applicable laws and regulations, as well as the local government rules, Solis has formulated the *Energy & Resource Management Procedure* and other rules and systems, implemented energy-saving and consumption-reducing measures, in order to improve internal energy management and energy efficiency in the production process. During the reporting period, we have obtained the ISO 50001 Energy Management System Certification.



In addition, Solis has taken several steps to reduce energy consumption and environmental impact, including the construction of a PV power station and delivering energy-saving upgrades, in order to drive sustainable development. These efforts have significantly reduced its energy footprint and put it above the average industrial level in Ningbo City.

- 1 We built a PV power station in 2021 (on old factory roofs) which has been put in operation, and is building another in 2024 (on new factory roofs). They have an output of 206 kWh and 700 kWh respectively, with a lower level of pollution than non-regenerative energy and thermal power.
- 2 We renovated our lighting facilities which are now energy-efficient, and have taken this into account when planning new projects. The utilization rate of energy-saving lamps was 100%;
- 3 We upgraded our air compressors to reduce their energy consumption, and introduced two Mps90-2ic screw air compressors with first-class energy consumption performance, which can save 17.2 tons of standard coal on an annual basis;
- 4 We recycled spray water to reduce water consumption;
- 5 We conducted the greenhouse gas verifications.

Case: Our Green Factories

Solis attaches great importance to energy conservation, pollution reduction and environmental protection. In 2019, we began to build a national-level green factory which was recognized among "the 5th batch of national green factories" in 2020, showcasing our achievements in promoting green production.

In addition, we have built future-oriented digital factories featuring intelligent control systems with automated access to the operation data of the plant system and equipment, which means that our data is interconnected. Our systematic facility management platform has helped us realize safe, reliable, efficient, energy-saving, green and low-carbon operation of our plant system.

Indicators	Units	2023
Total direct energy consumption	tons of standard coal	821,266.64
Total indirect energy consumption	tons of standard coal	3,100.93
PV power generation (self-use)	kWh	304,044.20

Clean energy

Compared with traditional thermal power generation, PV power generation slash the emission of greenhouse gases such as CO2 every year, providing an effective solution to global climate change. Since 2013, Solis has been dedicated to delivering PV power generation projects with intensified R&D and application efforts, becoming one of the pioneers in China committed to replacing traditional thermal power generation with solar energy. During 2021-2023, we continued to grow our efforts at the rooftop PV power generation front, and delivered multiple PV power stations which increased the proportion of green and clean energy.



Ansheng Jida PV Power Station



Guojing Pharmaceutical PV Power Station

Ginlong Smart: Grid-connected Power Generation and Energy Conservation / Pollution Reduction (2021-2023)

		2021	2022	2023
Energy saving and pollution reduction data	CO ₂ (kt)	510.19	1,891.78	4,310.99
	Sulfur dioxide (kt)	15.35	56.92	129.72
	Standard coal (kt)	204.69	758.99	1,729.58
Grid-connected power generation data	Total power generation (Gwh)	511.72	1,897.47	4,323.96
	Power generation: year-on-year growth	/	370.80%	227.88%

Improving water resources management

Fully appreciating the preciousness and limitation of water resources, we are committed to its preservation and efficient use, and view water conservation as a crucial part of our sustainable development strategy. To this end, we have implemented various measures, including the recycling of spray water, which reduces the use of fresh water and water consumption during production.

We have also enhanced water management through careful planning and distribution, thus reducing wastes and losses, and improved our efficiency in utilizing the resource. In addition, we have made water conservation an integral part of our organizational culture, and encouraged more employees to take tangible actions to save water.



Key performance



During the reporting period, we used **118,751** tons of fresh water.

Optimizing material management

To recycle more of our products, we have formulated the *Standard for Inspecting Recycled Materials and Technical Guidance on Dismantling Materials* to guide employees and downstream suppliers to dismantle defective products for repair and reuse. We have also performed special assessment of product recycling, and disassembled our PV inverters. Results showed that the recycling rate of the product was 91.83%. We also use cardboard boxes for packaging, all of which are recyclable. Packaging materials in good condition are directly recycled to regain their original function, and when they are no longer usable, they are recycled as waste.



Material recovery site

Recyclability of our products		
PV inverter Material category	Recoverable material composition	Recoverable material proportion (%)
Sheet metal	Sheet metal as raw material - reuse of original material	94
Radiator	Aluminum as raw materials - reuse of original material	90
Inductive	Copper - reuse of original material	100
Capacitive	Reuse of original material	75
Total		91.83

Key indicators	Units	2021	2022	2023
Total amount of packaging materials used	Ton	1840	3157	3420
Paper packaging material	Ton	1600	2750	3000
Plastic packaging material	Ton	240	407	420
Number of packaging materials recycled	Ton	500	920	1220
Recycling ratio of packaging materials	%	27.17%	29.14%	35.67%

Enhancing Pollution Control

Managing pollutant discharge

In strict compliance with local environmental protection laws and regulations and applicable rules, Solis carefully manages its pollution discharge process as well as the waste water, exhaust gas, noise, and solid waste generated from its production activities. In addition, it has hired a third-party testing agency to monitor its waste water, pollution, and noise. Based on these efforts, it has formulated fact-based annual pollution target management plans, and taken proactive reduction measures.

We have formulated the *2023 EHS Targets, Indicators, and Management Plan*, which clearly defines the discharge standards for waste water, waste gas, and noise in each plant area as well as corresponding indicators and measures to manage the discharge of polluting matters. During the reporting period, test results indicate that our waste water, waste gas and noise discharge have complied with applicable laws and regulations without any violations.

Waste water treatment

We dispose of waste water in accordance with the *Integrated Wastewater Discharge Standard (GB8978 -1996)* Level 3. The plant's waste water is separated from rain water, and the sewage is discharged to the appropriate sewage pipe network as required after removal of impurities via the settling tank and the screen mesh.

Waste gas treatment

Waste gas in our factories is mainly a result of welding, spot welding, and spraying operations. The welding waste gas shall be subject to the Class II standard in the *Standard for the Integrated Emission of Air Pollutants (GB16297 -1996)*; the waste gas from coating shall be subject to the limits in Table 2 and Table 6 from the *Emission Standard for Discharging Air Pollutants from Industrial Coating (DB332146 -2018)*; the exhaust gas from canteen kitchens shall be subject to the large-scale standard in the *Standard for the Emission of Cooking Fume (GB19483 -2001)*. Among them, waste gas from welding, spot welding and spraying operations has been lifted by the fan and then discharged at a height of over 20 meters after treated with spraying, demisting, photocatalysis, activated carbon absorption and other measures. The cooking fumes from the canteen were lifted by the fan and discharged into the air after purification.

Noise processing

Solis strictly implements the Level 3 standard of the *Standard for the Emission of Industrial Companies Noise at Boundary (GB12348-2008)* to reduce the level of noise in its facilities. We use equipment with low noise, and keep them in good condition via sound maintenance and lubrication so as to minimize their noise during operation. In addition, we have major noise-generating equipment specially managed and regularly inspected to ensure that any malfunctions resulting in noises are properly addressed and their noise during operation meets applicable requirements.

Key indicators		2023
Waste water discharge		38,260.53 tons
Waste gas emission	Non-methane hydrocarbon	9.43 tons
	Acetone	3.57 tons
	Tin	0.04 tons

Improving waste management

In accordance with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes* and other applicable laws and regulations, we strictly manage and monitor energy consumption and waste discharge during operations. For waste generated in the production process, we have formulated the *Waste Management System* and the *Dangerous Waste Management Plan*, which clearly define the names and categories of general industrial solid waste, dangerous waste and domestic waste, and put forward corresponding disposal procedures. In accordance with applicable management requirements, we have collected and stored the waste generated across our product lifecycle, and asked a qualified third party to remove and dispose of dangerous waste. These processes have been properly recorded.

General industrial solid waste

For general industrial solid waste, we have set up a special warehouse, which is designed and planned with the type and quantity of solid waste in mind. Each area is clearly labeled so that our staff can efficiently and accurately identify and classify different types of solid waste, which also facilitates subsequent recycling and processing. In addition, to deal with emergencies such as fire, the warehouse has been equipped with rainproof and fire-fighting facilities, and its electrical system is explosion-proof to ensure safety.

Domestic waste

We have adopted a scientific and environmentally-friendly approach to domestic waste disposal. We place or collect this waste in a concentrated manner, and the places for their storage are both rainproof and leakage-proof to prevent pollution. In accordance with latest environmental rules, we have designated different places to store different types of waste, including but not limited to recyclable waste, non-recyclable waste, kitchen waste, and harmful waste. The span of each place is flexible based on actual needs for domestic waste proposal, in order to effectively recycle resources and reduce their environmental impact.

Dangerous waste

Management plan

Keep the amount of hazardous waste generated as a proportion of total production within a proper range. Improve the standardized operation throughout the production lifecycle, carefully measuring and controlling the energy consumption and physical usage of materials;

Enhance the management of recycling equipment. The equipment department shall regularly maintain the waste collection equipment to ensure that it functions properly;

Replace existing hazardous chemicals with eco-friendly materials.

Management measures

Standard operation

- Formulate detailed operating procedures for the collection of hazardous wastes, including its scope of application, operating procedures and methods, special equipment and tools, transfer and handover, safety assurance and emergency protection;
- Prepare protective equipment for workers involved in the collection and transfer of dangerous wastes, such as gloves, goggles, clothing, gas masks or masks.

Collection and transport

- We shall place hazardous waste in suitable packaging containers or transport vehicles where they are generated to ensure that they are properly handled;
- The packaged or transported hazardous waste shall then be concentrated at a stopgap facility for internal transfer.

Dangerous waste classification

- When collecting, storing, and transporting hazardous waste, we shall strictly classify and package them according to their corrosive, toxic, flammable, responsive, and infectious natures. They shall also be marked with warning signs and labels, so that they can be processed in a safe and professional manner.

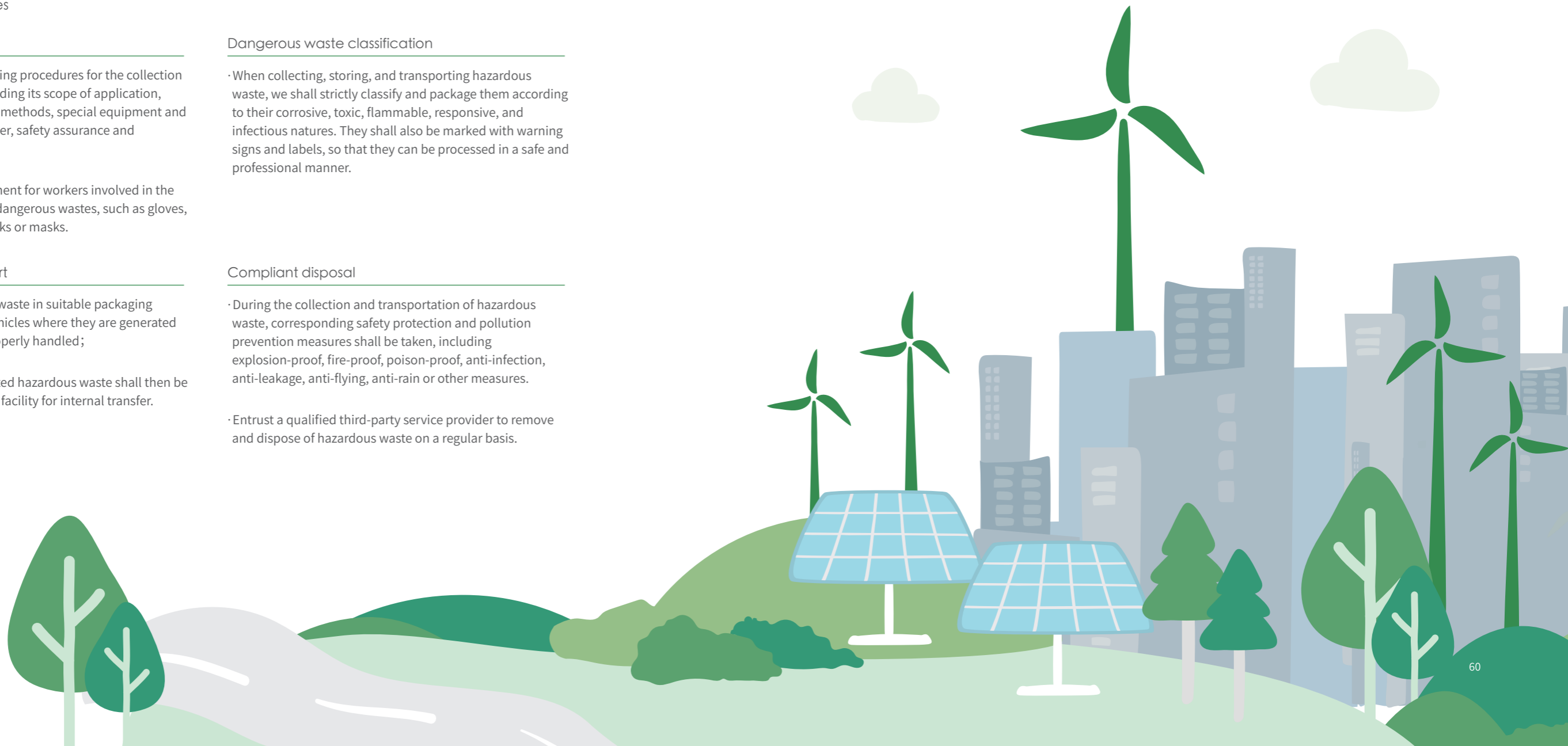
Compliant disposal

- During the collection and transportation of hazardous waste, corresponding safety protection and pollution prevention measures shall be taken, including explosion-proof, fire-proof, poison-proof, anti-infection, anti-leakage, anti-flying, anti-rain or other measures.
- Entrust a qualified third-party service provider to remove and dispose of hazardous waste on a regular basis.

Key performance

During the reporting period, we have strictly implemented the hazardous waste reduction plan, and delivered tangible outcomes in protecting the environment.

Key indicators	2022	2023
General waste generation	-	907,245tons
General waste recycling capacity	-	471,738 tons
General waste disposal	-	907,245 tons
Hazardous waste generation	9.02tons	10.79 tons
Hazardous waste disposal	9.02tons	10.79 tons



Intelligence-based and Technology-driven Solutions

SDGs

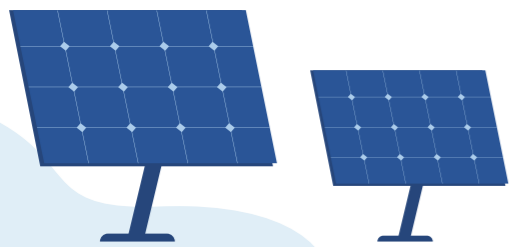


Our philosophy

Dedicated to independent innovation and R&D, Solis seeks to provide high-quality products and services, protect information security, and build a sustainable supply chain to achieve shared growth with customers and suppliers and a high-quality sustainable ecosystem.

Our actions

- A pioneer in R&D and innovation
- Strict quality control
- Customer-oriented services
- Work with partners to build a responsibility chain
- Rigorous information protection



A Pioneer in R&D and Innovation

R&D system building

R&D goals and planning

Solis has a long-standing commitment to R&D, which underpins its development strategy. Based on in-depth market research and technical analysis, the company has formulated a comprehensive five-pronged long-term plan focusing on technology, talent, system, resource and platform. It has broken down the long-term plan into clear and specific annual R&D targets so that it can closely monitor and properly evaluate R&D progress and update its strategy in a timely manner.



⁵"double first-class university" is a programme implemented by the Chinese government to improve the quality of higher education, aiming to build world-class universities and first-class disciplines, which are the best representatives of higher education in China.

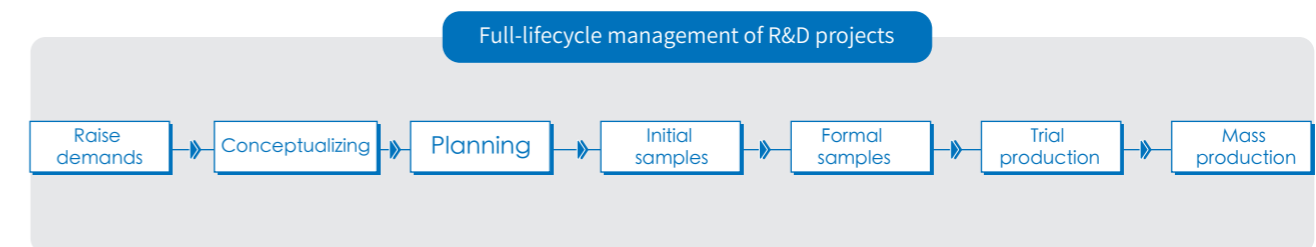
To achieve our annual R&D target, we constantly adjust and increase our R&D investment in line with business needs and market competition to maintain our competitive edge and leading position.

	Units	2021	2022	2023
R&D investment	CNY 10,000	17,306.35	30,118.92	31,245.57
R&D investment as a percentage of operating income	%	5.22	5.11	5.12
Year-on-year growth	%	83.48	74.03	3.74

R&D system management

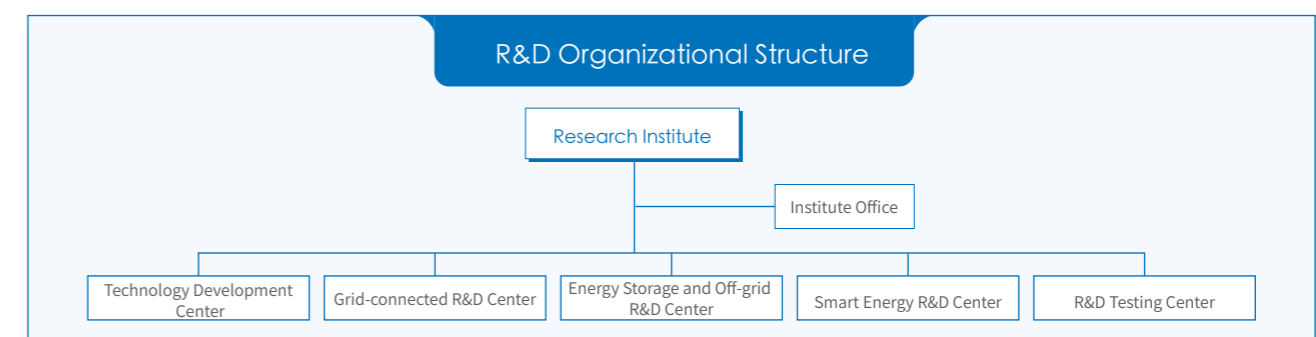
Management of innovative projects

Based on our R&D needs, we have formulated a series of systems such as the *Management Procedure for Product Design and Development*, the *Research Institute Testing Work Flow*, the *Research Institute New Product On-site Testing Management Measures*, and the *Management Procedure for Product and Project Planning*. We have clarified the requirements for new product approval, design, development, and the technical improvement of the finalized product to manage the entire lifecycle of our innovation projects.



R&D organizational structure

We have established a Research Institute to steer and manage our R&D efforts, including project design and development, which is directly responsible for the delivery of project objectives. The research institute has six centers, with the major R&D projects seeking to develop core technologies and brand-new products, including PV application, cutting-edge PV optical storage, and energy storage evaluation and standards.



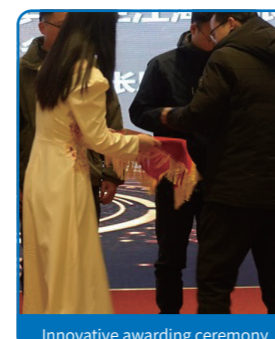
Based on the proper organizational structure, we now have a better-organized R&D team with outstanding talents. At the end of the reporting period, Solis had 762 R&D employees, including 120 Masters and 3 PhDs.

	Units	2021	2022	2023
Total number of R&D members	Persons	468	524	762
The proportion of R&D members in overall staff	%	19.98	13.12	20.03
Grouping by educational background				
Below Bachelor	Persons	185	233	240
Bachelor	Persons	230	237	399
Master	Persons	52	52	120
Doctor	Persons	1	2	3
Grouping by age				
Under 30 (excluding 30)	Persons	315	316	450
30-40 (including 30, but excluding 40)	Persons	140	185	258
Over 40	Persons	13	23	54

▶ Training and incentives

For human resources development purposes, we have formulated the *Research Institute's Talent Special Project Promotion and Management System*, implemented the "Eagle Program", and established an apprenticeship-style mechanism. Participants who have finished these programs are rewarded, and the outstanding ones were given positions or promotions according to their performance evaluation results. We have also established an incentive system to promote R&D innovation and team efficiency in order to encourage our researchers, improve our overall R&D level, and inject inexhaustible momentum into our sustainable growth and innovation.

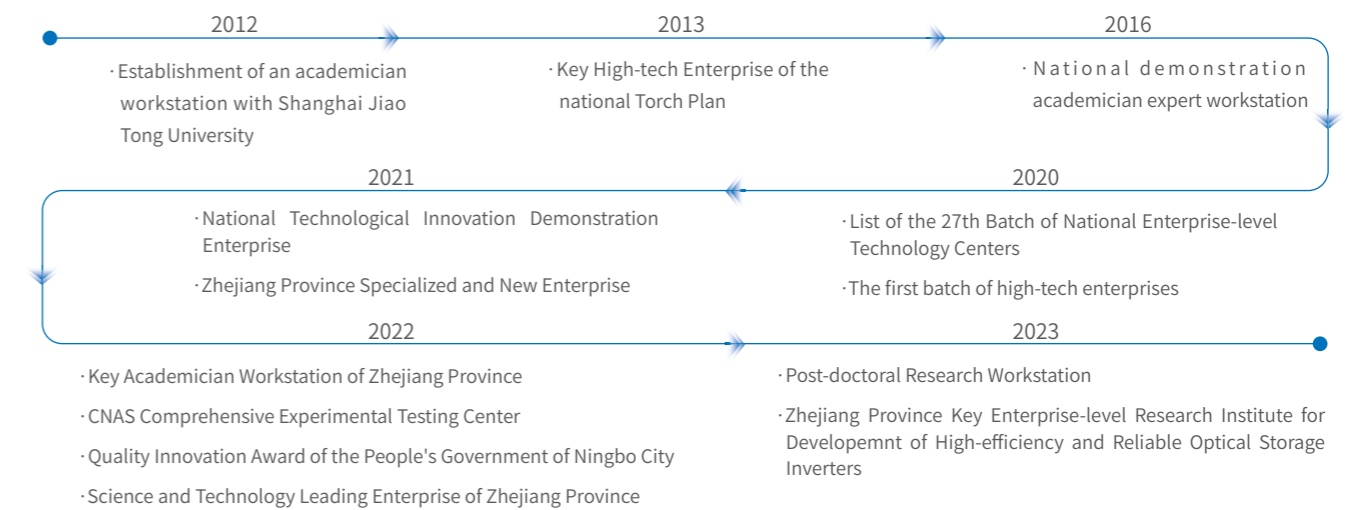
	Incentive system	Target
Innovation	<i>Patents Rewarding System</i>	Successful application for patents for new products, processes, materials, and designs
Team efficiency	<i>Research Institute's Management Measures for Boosting Efficiency</i>	Tangible efforts that boost the efficiency of the Research Institute (such as compiling technical documents and revising standards and processes, etc.)



Innovative awarding ceremony

Building a sound R&D platform

Solis has long been committed to building a solid technological innovation platform that not only provides strong technical and intellectual support, but also promotes in-depth integration of industry, academia, and research, accelerating both the transformation and application of scientific research results. As early as 2012, we took the lead in establishing an academician workstation with Shanghai Jiao Tong University which focuses on breakthroughs in key technologies in the industry and accelerates product upgrades. Since then, we have won the recognition of many national research platforms with our innovations. In 2023, we acquired the approval to set up a "post-doctoral research station" for post-doctoral talent development. In addition, our Research Institute was recognized as a key enterprise-level research institute for the development of efficient and reliable optical storage inverters in Zhejiang Province, marking a new milestone on our path forward.



Case: An advanced laboratory for greater core competitiveness

We have built a number of R&D laboratories, with 44 sets of various well-equipped laboratory platforms with an approximate floor space of 2,000 square meters. With variety of functions including design, development, testing, quality control, and supplier development, these labs provide as a robust basis for product design and testing. Among them, our comprehensive experimental testing center has obtained the industry's top certification from CNAS, in recognition of its leading R&D capacity.



Innovation-driven and cooperation-led development

R&D achievements

Long dedicated to independent innovation, Solis seeks to explore critical technologies underpinning distributed PV projects with a focus on advanced inverters, and has constantly upgraded the flagship product. Building on its forward-looking, experienced and professional R&D team, it has delivered fruitful innovation results. As of the end of 2023, we had boasted over 30 core technologies.

Part of our core technologies

No.	Innovative technologies
1	Innovative high-efficiency inverter circuit
2	High-efficiency heat-dissipation technology for string inverters
3	Technology for the detection of fire dangers posed by direct current arcs
4	Anti-resonance control algorithm for multiple parallel inverters
5	Intelligent PV maximum power tracking algorithm
6	Intelligent countercurrent control technology
7	AI-based detection technology for direct current arcs
8	Optimization design method for the heat dissipation of air-cooled power supply equipment
9	Fault recording technology
10	Grid-connected technology



Innovation-oriented, Solis has been working to combine various elements of innovation to drive the smooth application of new technological R&D achievements. As of the end of the reporting period, it had secured **214** authorized patents, **10** software copyrights and **222** trademarks.

	Units	2023
Accumulated number of authorized patents	Item(s)	214
Accumulated number of authorized invention patents	Item(s)	54
Accumulated number of authorized utility model patents	Item(s)	125
Accumulated number of authorized design patents	Item(s)	35
Accumulated number of software copyrights	Item(s)	10
Accumulated number of trademarks	Item(s)	222
Total number of published papers	Piece(s)	38

Cooperative R&D mechanism

To sustain its competitive advantages and innovation momentum, Solis has proactively explored external cooperation and new areas of R&D, thus establishing a business-based and market-oriented innovation system that joins the industry, higher educational institutions and the research community. To tap into the resources of leading universities in the Yangtze River Delta region, it has formulated the *Measures for Promoting College-Business Cooperation* and established strategic cooperation mechanism with various universities. In addition, Solis has worked with the Science and Technology Bureau of the Ningbo City, the Science and Technology Commission of Shanghai Municipality, and other research institutes to press ahead with key scientific research projects with joint efforts. Based on its R&D strength and extensive resources, it has delivered more technology-intensive products and further sharpened its competitive edges.

Case: Co-Developing Working Condition Simulation Test Platform and Key Device Evaluation Method with Shanghai Jiao Tong University

Solis and Shanghai Jiao Tong University have worked together to design, develop and perform proof-of-principle verification on three-phase/single-phase PV inverters/energy-storage inverters, as well as single-tube and module power semiconductor device packaging. We jointly developed a reliability test platform for optical storage inverters and a reliability evaluation method for key components based on the simulation of operating conditions. We also successfully developed a simulation platform and a device test method that could rapidly grasp the characteristics of insulated-gate bipolar transistors (IGBTs), simulate complex operating conditions, monitor operating conditions, and calculate reliability indicators.



Promoting the development of the industry

With proactive participation in industry activities, Solis has been deeply involved in the sectors' ecosystem and thus gained insights into industrial development. It has established partnerships and shared experiences and achievements with other players, which has helped build a more cooperative and prosperous industrial landscape.

► Standard formulation

As a leading production and R&D company in the industry, Solis has been seeking to make and draft applicable standards for the sector while stepping up efforts the innovation front. As of 2023, it had participated in the formulation of 32 standards, including 1 international standard, 9 national standards, 6 industry standards, 14 group standards, 1 local standard, and 1 CQQ standard. Among them, 20 standards have been approved. It is currently involved in the formulation of 12 standards covering various aspects including the safety conditions and evaluation of grid-connected PV power stations, and technical requirements for household all-in-one optical storage machines.

Industry exchange

Solis has been deeply involved in events, forums and exhibitions with an open embrace, where it discusses industrial development with experts and scholars with diversified views. By sharing research results and experience, showcasing its latest products and innovative technologies, it has forged valuable partnerships and gained R&D inspiration, pushing the industry forward and achieving greater breakthroughs and progress.

Exchange forums



Seminar Reviewing the PV Industry in 2022 and Discussing the Outlook for 2023 (February 2023)



Ocean Ecology Forum (July 2023)



China PV Green Supply Chain Conference (August 2023)



Euro-Asia Economic Forum, 2023 Silk Road Green Energy International Cooperation Conference (September 2023)

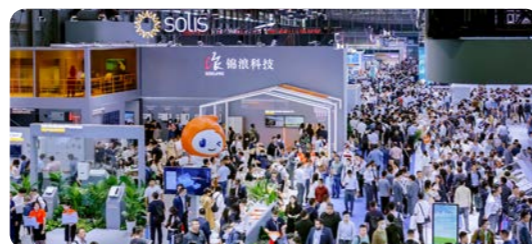
Exhibitions



18th China (Jinan) International Solar Utilization Conference & Exhibition (March 2023)



Clean Energy Biennale in Lyon (March 2023)



16th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (May 2023)



2nd China (Suzhou) International Energy Storage Exhibition (August 2023)

Case: The New Energy Industry Chamber of Commerce in Ningbo City was established, and Wang Yiming, Chairman of Solis, was appointed its first President.

On February 25, 2023, the founding conference of the New Energy Industry Chamber of Commerce in Ningbo City and the First (2023) China (Zhejiang) New Energy Industry Summit was held in Shangri-La Hotel, marking the establishment of the first new energy industry chamber of commerce in Zhejiang Province. Wang Yiming, Chairman of Solis, was elected the first President of the Chamber.



At the founding meeting, President Wang Yiming said that the new energy industry is at the cusp of rapid development. The Chamber of Commerce will live up to its responsibilities in promoting cooperation, seizing opportunities and building advanced industrial clusters. In the new era, the Chamber will strive to deliver outstanding performance and gain the trust and support of the government, the industry and the business community, in order to promote the high-quality development of new energy industry in Ningbo and across the country.



Intellectual property protection

Protecting intellectual property rights

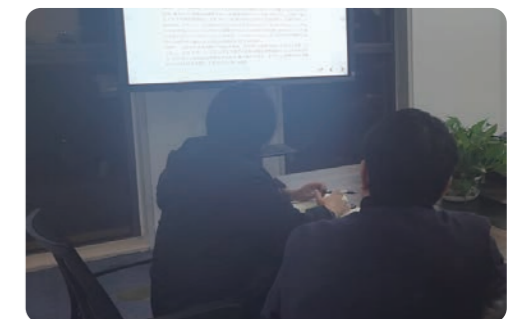
Solis highly appreciates the importance of protecting intellectual property rights and strictly abides by applicable laws and regulations both at home and abroad, such as the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*. To enhance intellectual property management, it continues to improve related processes and has put in place systems such as the *Intellectual Property Management Measures* and the *Research Institute's Patent Application Management Rules* to ensure full-lifecycle and multi-dimensional protection of its innovations.

Solis has established a complete intellectual property management system, and set up a specialized intellectual property management department under its Technology Development Center. At the beginning of each year, an annual patent preparation plan is formulated to provide clear guidance for intellectual property protection. The Company also participates in the research institute's R&D process. Through technical evaluation, patent planning, and risk control, it seeks to improve the agility of intellectual properties and their close integration with the projects, ensure that intellectual property protection is exercised across the R&D lifecycle, and prevent related risks.

Enhance the awareness of property rights

In order to understand industrial and technological development and prevent copyright infringement, Solis has been conducting patent searches and analyses related to its core business and products in order to identify potential intellectual property conflicts, prevent potential economic losses and legal disputes, as well as explore innovation opportunities and business prospects.

Solis also proactively provides regular training session on a monthly basis to enhance the awareness among its employees. In 2023, 685 employees participated in these training programs online and 328 offline, which boosted the Company's level of intellectual property right management.



Patent training

Strict Quality Control



Product quality management

Solis upholds a full-crew, full-time and full-lifecycle quality control regime that seeks to deliver high-quality, satisfactory products. We have formulated such systems as the *Quality, Environment, Occupational Health and Safety System Management Manual*, the *Product Certification Management Process*, the *Product Monitoring and Measurement Management Procedure*, and the *Product Consistency Control Management Measures* to build a robust quality culture, ensure product safety and reliability, and fulfill our commitment to customers. Based on continuous improvement and innovation, our inverter products and services remain at the industrial frontier industry which underpins our confidence in taking further strides ahead.

Solis has established a sound organizational structure in support of the quality management system. Under this structure, the Quality Center establishes and runs an integrated, four-pronged system. It works to ensure operational quality from both physical and process dimensions, covering various stages from supply chain management, R&D, manufacturing, and after-sales services. Customer-oriented, it bears the “zero defection” goal in mind to continuously improve products and services. The Quality Department of the Operation Center is responsible for addressing systematic quality problems throughout the process to ensure consistent quality. It participates in and leads full-lifecycle quality management of new products, ensures full implementation of the quality accountability system and quality project management, so as to reinforce product quality and safety.

Full-process quality management



Quality management certification

During the reporting period, based on the ISO 9001:2015 quality management system, Solis has established a comprehensive management system comprised of various standards including ISO/IEC 17025:2017, BSCI, GB/T 19039-2009, GB/T27922-2001, ASOLC-BYC-041:2021 and T/CAPS 001-2019, and its products have also been certified by multiple authoritative international organizations such as TÜV Rheinland and TÜV Süd, in recognition of their reliability and safety.

Certification standard	Certification body	Certification standard	Certification body
ISO9001:2015	Xingyuan Certification	ISO/IEC 17025: 2017	CNAS
ISO 14001: 2015	Xingyuan Certification	GB/T 19039-2009	Beijing Biaoyuan Certification
ISO45001:2018	Xingyuan Certification	GB/T27922-2001	Beijing Biaoyuan Certification
ISO5001:2018	WIT Certification	ASOLC-BYC-041:2021	Beijing Biaoyuan Certification
BSCI	TÜV Süd	T/CAPS 001-2019	Beijing Biaoyuan Certification



Enhancing quality control

Full-lifecycle product management

To better manage product quality throughout their lifecycle, Solis has adopted comprehensive quality control measures. Through strict review and testing across the lifecycle, we work to ensure that the quality at all important stages in production are effectively managed. We also conduct a comprehensive review of the quality management system in our annual internal audit to ensure its effectiveness and compliance. In addition, we have implemented an annual system maturity evaluation that underpins sustained improvement. To prevent and reduce product failures, we have put in place the FMEA management and historical problem evasion management mechanism, which identifies vulnerabilities and possible defections with our products or systems as well as their impacts, and formulate and implement solutions accordingly.

Source quality control	Process control	Defect control	Equipment management
IQC Division is responsible for incoming material check, and providing feedback, analysis, processing and tracking of abnormalities.	PQL Division is responsible for the day-to-day inspection of the first and last parts as well as processes in accordance with applicable rules, standards, norms and methods. It also keeps track of the quality dynamics of the workshops, and proposes and implements measures for improvement. In addition, it applies advanced AI-based Automated Optical Inspection (AOI) technology to examine key processes to ensure quality.	According to the <i>Control Procedure of Defective Products</i> of Solis, the control targets and requirements for all kinds of defective products shall be clearly defined, all defective products shall be properly handled, without being subject to any unexpected use or delivery.	The Production Technology Department and the Quality Department conduct technical review and energy consumption assessment of the equipment against applicable technical requirements on products and processing technology. The equipment shall be used, maintained and scrapped properly and subject to regular check, so that all assets are appropriately managed to meet production and quality requirements.

Quality inspection control

Solis conducts sampling inspection on materials according to the sampling scheme specified in the national standard GB/T2828.1 and its own *Incoming Inspection Specification* to ensure the quality of raw materials. In addition, during the production process, it uses first inspection, final inspection, and patrol inspection methods to control quality. It also strictly inspects finished products stored in the warehouse and products for shipment to ensure consistent quality throughout the lifecycle and that the final products meet customers' need.

In addition, Solis has implemented the MES management system, and used the MES scanning system during product manufacturing. After the product passed the inspection, they are scanned and registered with the system before put in storage. Empowered by the modern information system, we will enforce more traceable and effective quality control.

2023 Key performance



Product qualification rate
99%



Number of third-party spot checks
6



Number of products withdrawn for health and safety reasons
0



Number of annual quality internal audits performed
14



Percentage of products withdrawn for health and safety reasons
0

Product quality training

In order to improve the awareness and ability of all employees, Solis continuously reinforces its quality culture. In accordance with the applicable standards, annual quality management objectives, business needs and post ability requirements, Solis formulated the 2023 annual quality training plan, and provided training programs on PV system application, inverter process flow and quality control, basic knowledge on electronic components, and quality control system and tools, which raised the ability and awareness of its employees in this regard.

Key performance

During the reporting period, Solis provided **40** quality-related training sessions with a total length of **66.5** hours and **1,417** participants.



Case: Training session on quality control plan

On April 22, 2023, the Company's Quality Control Center held a training session on its quality control plan, which included introductions to the process flow, key tools, and product uniqueness control methods during production, among others. The training was followed by tests to ensure that all participants had been well-informed.

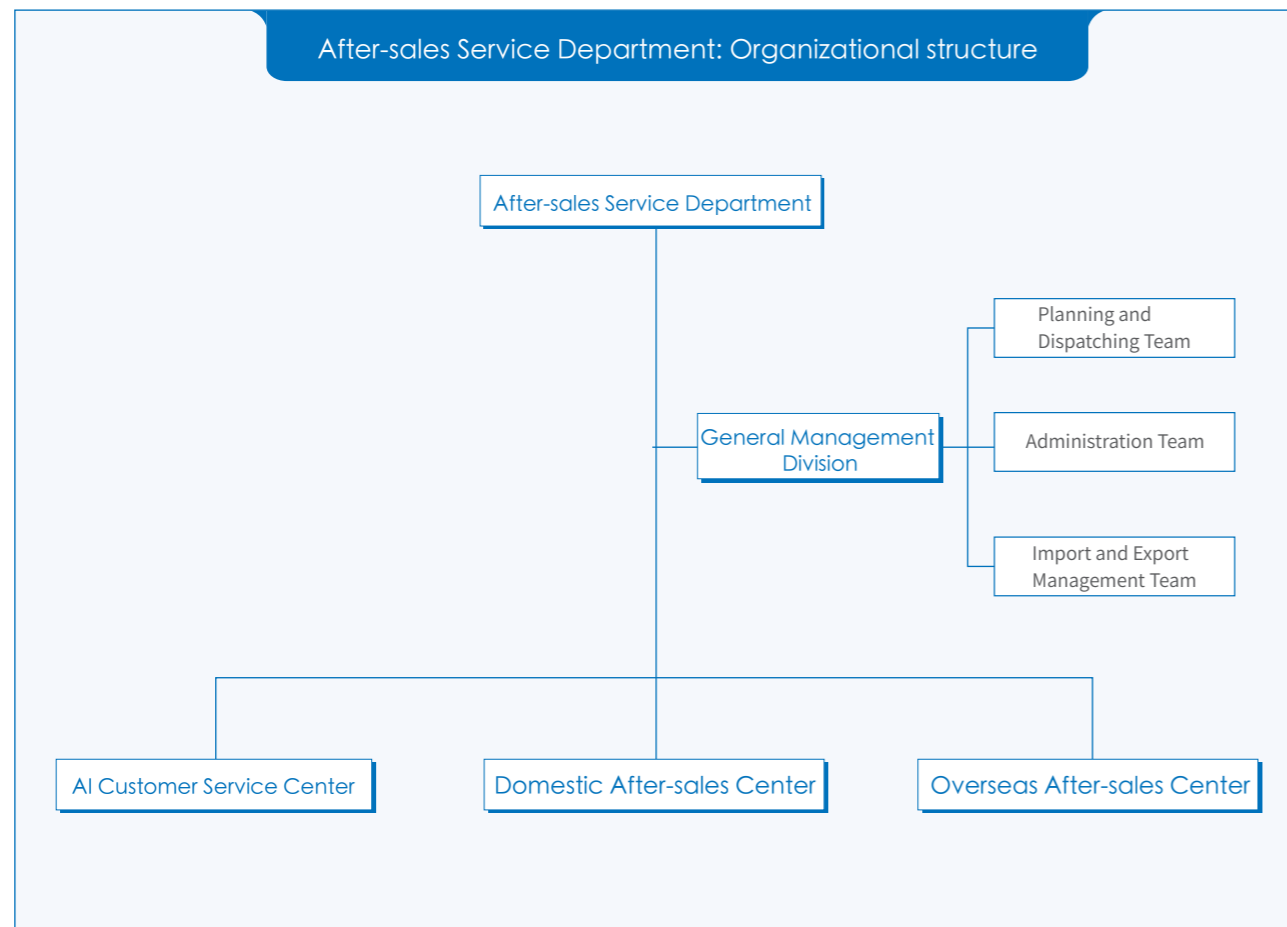


Customer-oriented Services

Protecting customers' rights and interests

▶ Customer service management system

To deliver timely, efficient, high-quality, and worry-free service to its customers worldwide, Solis has established the *After-sales Machine Return and Replacement Management Measures*, the *After-sales Machine Delivery Timing Management Measures*, the *Customer Feedback and Complaint Management Procedure* and other systems. It set up as After-sales Service Department that oversees all activities and processes in after-sales services and defined applicable scopes, functions, division of labor and operation mechanism. This department has formulated the *After-sales Service Management Manual* to improve customer experience and enhance its global presence so that our stable and high-quality products go to a larger group of consumers around the world.



Standard-wise, the Company has obtained five-star certification for its after-sales service, ten-star (excellence) certification in recognition of its complete after-sales system, twelve-star certification for its continuous improvement, and ten-star certification in terms of customer satisfaction. These recognitions demonstrate that our service process and system are industry-leading. Going forward, we will remain committed to providing high-quality services and creating more value for our customers.



▶ Improving customer service

To provide more professional, higher-quality and safer after-sales service and build a sound brand image, Solis has formulated various systems such as the *On-Site Maintenance Service Standards* that clearly define on-site operation rules in support of the service team's work and efficiency. With these efforts, we continue to improve the service quality and cater to customer demands.

In addition, Solis has paid sustained efforts to improve the customer service work process and provided themed training sessions. During the reporting period, 102 special training sessions lasting a total of 2,403.5 hours were organized and received 1,222 participants.



After-sales service awareness training

▶ Digital management

Solis has implemented a set of intelligent systems such as CRM, CSM, and Freshdesk to realize digital and intelligent customer management. These systems cover the front-end sales processes such as customer visits, file management, quote management, business opportunity tracking, and contract creation. Regular orders are managed using the CRM system, while after-sales issues are handled through the CSM system. These smart systems are the basic tools of the after-sales department, and they help reduce redundancies, streamline management, ensure rapid response, and underpin our timeliness and efficiency.

In addition, Solis has applied the Freshdesk system overseas for consistent user management and processing orders and conversations. It has also used the Freddy AI self-service system to answer customer queries in real time and resolve repetitive problems, so our employees could focus on dealing with more complex needs in a more efficient manner.

Complaint management

Complaint response

Solis has formulated the *Customer Feedback and Complaint Management Procedures*, which clearly defines the responsibilities of each department. We remain committed to addressing customer demand, and maintain close communications with clients via various platforms so as to understand customer feedbacks in a timely manner, improve the complaint management process, and handle the complaints in a rapid and coordinated way.

Key performance

During the reporting period, **100%** of customer complaints were resolved.



Customer satisfaction

We have formulated and implemented the *Customer Satisfaction Survey Management Procedure*. We conduct surveys on an annual basis to understand the customer needs and expectations and whether they are satisfied with our products and services. We also track the feedbacks and suggestions from our business departments on improving standards and quality in a targeted manner to deliver better products and services that can obtain a higher level of customer recognition and satisfaction.

Customer satisfaction survey

<p>Respondents Installers, channel vendors, system builders, EPCs, terminal owners</p>	<p>Purpose Understand customer demands and suggestions for services and products to increase product competitiveness and deliver better experience.</p>	<p>Frequency A survey is conducted every 6 months and a report on the level of satisfaction is produced every 12 months.</p>	<p>Scope Sales service, after-sales service, product and technical support, monitoring, brand awareness, etc.</p>
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2023 Key performance

<p>Number of questionnaires issued</p> <p style="font-size: 24px; font-weight: bold;">1,605</p>	<p>Number of questionnaires answered</p> <p style="font-size: 24px; font-weight: bold;">871</p>	<p>Customer satisfaction: Total score</p> <p style="font-size: 24px; font-weight: bold;">93.01</p>
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Responsible marketing

Solis acts in strict accordance with the *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests* and the *Advertising Law of the People's Republic of China*, and practice responsible sales and marketing. We constantly improve the marketing system, enhance the compliance of our product release and sales, and carefully review our publicity and communication materials to ensure their accuracy. We do not provide misleading or ambiguous product information; we are not involved in false or excessive communication, and work to ensure that our marketing activities are legal and compliant.

Work with Partners to Build a Responsibility Chain

Improving supply chain management

Supplier management

Solis has formulated a set of systems including the *Supplier Management Procedure*, the *Supplier Admission Management Measures* and the *Supplier Performance Management Measures*, carefully managed the entire process from supplier selection to contract signing and implementation, and reinforced supplier accountability through qualification examination, assessment and supervision mechanisms. Meanwhile, we highly value integrity, compliance, and corporate social responsibility, and work to improve the standard, transparency, honesty, and efficiency of procurement activities in support of robust industrial growth. During the reporting period, Solis has forged stable partnerships with a total of 204 suppliers.

Full-process supplier management

Solis has developed a series of measures and procedures for the supplier admission review, grading, evaluation, and exit that underpin full-lifecycle supplier management.

Supplier admission and review	We select potential suppliers based on our <i>Potential Supplier Survey Form</i> , and conduct on-spot assessment of their qualifications. Potential suppliers will be evaluated according to the <i>Supplier Process Audit Form (QSA)</i> in terms of their qualification, product quality, price, production capacity, after-sales service, etc., and the qualified ones will be included in the <i>List of Qualified Suppliers</i> .
Supplier grading	After evaluating the potential suppliers, our review team group them into four grades, A, B, C, D with scores based on their performance. A-grade suppliers will be granted full access; B- and C-grade suppliers will be benchmarked against their peers and the better suppliers are admitted; and D-grade suppliers are rejected in principle except for special circumstances where they are granted conditional access.
Supplier assessment	Solis carries out monthly, quarterly, and annual performance evaluation of qualified suppliers in four dimensions: quality, delivery, cost, and development. We also perform annual reviews of their peer suppliers and suppliers that have experienced major upgrades to ensure that they continue to meet our requirements.
Supplier exit	We have established a <i>Supplier Blacklist Database</i> . For suppliers with persistent quality or delivery problems, those graded D, or those subject to violation of business ethics, they will be blacklisted if they fail to improve. Depending on the severity of the situation, they can be banned from cooperation for 3 or 5 years. If the circumstances are particularly serious, they will be permanently banned.

Key performance

Solis has 204 suppliers with quality management system certification, and 182 suppliers with environmental management system certification. 15 of its suppliers have been suspended due to non-compliance, and 8 potential suppliers have been rejected for the same reason.

As of the end of the reporting period, Solis has a total of 204 suppliers, with 201 located in China and 3 situated overseas.

Improving procurement management

To improve our procurement management and accountability, we have clearly defined the management responsibilities, processes, and requirements for material purchase in accordance with the existing *Management Measures for Purchasing Tendering* and *Management Measures for Procurement Framework Agreements* and other systems, which required the procurement department to purchase materials in a legal and compliant manner. We have also set up a special team for the acquisition of materials in emergent short supply. Taking into account the level of shortage and potential substitutes, we have established a system for managing and acquiring such materials, expanded their buffer inventory and worked to ensure their on-time purchase, thus ensuring stable supply.

Procurement integrity

Solis attaches great importance to business integrity and honesty, and upholds the principles of justice, openness and fairness. We ask our purchasing staff and suppliers to observe the code of ethics during our cooperation, and practice integrity and honesty while fighting against corruption. To ensure compliance, we ask our suppliers to sign agreements such as the *Integrity Commitment* so that we join force in creating a sound business environment and a level playing field.

Key performance



In 2023, 91.18% of our suppliers signed the *Integrity Commitment*.

Green procurement

We are committed to building a green supply chain and spreading the concept of green and low-carbon development to our core suppliers, so that we work together to reduce pollution and carbon emission. In terms of supplier management, we have implemented HSF risk management framework. When there is a need to control the generation of ROSH, REACH or other harmful substances, our procurement department would work with the Quality Center, the Research Institute, and the R&D Testing Center to apply this framework on the supplier in accordance with the *Measures for Managing Environmental Substances*. Before working with our suppliers, we would sign an agreement with them detailing the requirements for handling harmful substances to ensure the green compliance of our supply chain and boost its sustainable development.

Supply chain due diligence

Solis does not purchase, process, or sell conflict minerals. We have formulated the *Procedures for Controlling Conflict Minerals*, which clearly defines rules on the selection of origin for raw material purchase. We prohibit the use of key mineral resources explored by miners controlled by armed groups in the Democratic Republic of the Congo and its neighboring countries and conflict areas, or the acquisition of critical minerals via smuggling through anarchic armies or illegal groups. We also conduct due diligence on upstream suppliers, in order to build a responsible mineral supply chain.

To ensure the supply chain's visibility and continuity, our Purchasing Department would select proper suppliers based on our material needs, support the Quality Department in requiring them to investigate the use of conflict minerals and their sources, and conduct regular assessments to identify supply chain risks in a timely manner.

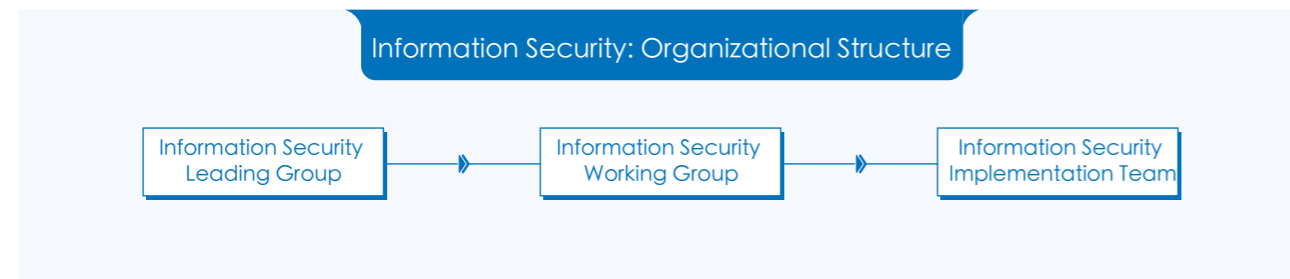
Key performance

During the reporting period, 128 suppliers that may have been involved in conflict minerals were investigated, and 100% of the investigations were completed.

Rigorous Information Protection

Information security management

Solis acts in accordance with the *Internet Security Law*, the *Personal Information Protection Law*, the *Information Security Technology—Personal Information Security Specification* and other applicable laws and regulations in formulating its *Information Security Management System*, *Solis Cloud Platform Management System* and other regimes. We have established an information security leading group to coordinate our internal information security efforts to build a sound climate and increase our preparedness at this front.



Key performance

In 2023, Solis stepped up its input in information security management to effectively protect the data of the Company and its customers, including a total investment of CNY 3.6 million. No violation of information or privacy protection has occurred.

Security governance on a regular basis

► Data security risk management

Information security is of paramount significance to Solis. It conducts in-depth analysis on a regular basis of the security vulnerabilities in its target system or software, such as misoperation, artificial damage and unauthorized operation, as well as the defects and security loopholes in its software and hardware platforms. It then addresses the identified weaknesses and adopts an in-depth defense strategy featuring separation of duties, and takes targeted application risk control measures in various scenarios. Meanwhile, robust security tests are performed to ensure the safety of the systems.

► Full-fledged approach to information protection

Solis has taken various measures to protect information security and privacy. It has built a digital platform where data is properly classified and maintained, and strictly managed the recruitment, audit, transfer, and dismissal of our security team members. We have also conducted performance appraisal, provided skill training, and clearly defined responsibilities, so that our systems work effectively to protect our information.



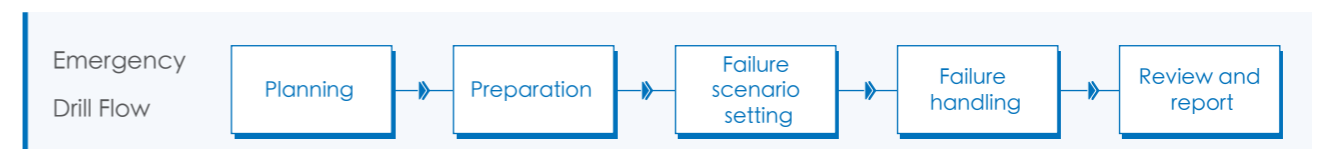
Information security training>>>

Data classification management	Solis' s data management efforts are fully compliant and well organized. We classify data in multiple dimensions, define their levels of importance, and build a complete classification framework. We hold the "Information Security Annual Meeting" on an annual basis to review our information and data protection work, in order to properly manage our digital assets, reduce leakage and abuse, and protect data security and integrity.
Digitalized management of information security	We have built the Solis Cloud platform software dedicated to information security and management, and regularly maintain the server and network configuration to sustain its safe operation. We work to safeguard our database user privacy, improve network and information security management, and ensure the ongoing functioning of our business system.
Information security training	We provide information security training sessions for our colleagues, especially members of our operation and technical teams, and hold various campaigns to improve employees' awareness and understanding of information security, in support of our information protection efforts. In 2023, a total of 715 participants were received in these training sessions.

Emergency management

To cope with potential risks from the information system, Solis has developed an emergency plan to ensure rapid and effective response. We have also established supporting resources such as a technical team, equipment, and special budgets, so as to handle emergencies efficiently.

During the reporting period, we formulated various emergency drill plans and guides at the department level, which detailed the drill process. The Information Security Leading Group collected the problems and failures exposed in the drill, and performed quantitative evaluation to ensure its effectiveness. We have also included the emergency plan in our awareness building and training efforts, and worked to make sure that our employees understand it and improve their ability accordingly.



Sharing the Solar Energy Benefits and Building Mutual Trust

SDGs



Our philosophy

Solis highly values talent, pursues healthy competition, and forges interpersonal ties with sincerity and efficiency. We work to promote public good and shared growth of individuals, teams, businesses, and our society.

Our actions

- Principled selection of employees
- Strengthen employee communication
- Shared growth with employees
- Protect employee health and safety
- Giving back to society



Principled Selection of Employees

Improve the talent structure

Selection

Solis ensures fair access and competition in employee recruitment. It selects people with a post- and competitiveness-based approach, provides abundant promotion opportunities, and gives full play to our employees' potential. We have formulated the *Recruitment Management System* and *Recruitment Management Measures* to improve recruitment and selection processes and mechanisms, which serves as an unbiased basis for talent evaluation. Such sound systems have underpinned our efforts in optimizing talent supply and appointment, nurturing a mature and effective staffing strategy, under which we adopt targeted measures to attract different types of talents who inject new vitality into our development.

Talent supply and staffing strategy

Supply strategy	Specific measures
<ul style="list-style-type: none"> High-end talents Benchmark against peer companies 	<ul style="list-style-type: none"> Recruit more experienced employees from the market Focus on internal recommendation Introduction of excellent talents from outside
<ul style="list-style-type: none"> Match the production capacity Output-based supply 	<ul style="list-style-type: none"> Promote human resource flows, and flexibly adjust recruitment channels Enhance self-recruitment with production, cost reduction and efficiency in mind
<ul style="list-style-type: none"> Establishing standards Building talent echelon 	<ul style="list-style-type: none"> Establish standardized work process Concentrate on outstanding talents in the industry

Diverse recruitment

Solis recruits via online recruitment, on-site job fairs, campus job fairs, internal recommendation, publication and posting of recruitment notices and other means to attract talent. As of the end of the reporting period, it had a total of 3,805 employees, 1,447 of whom were new, with its talent team continuing to expand.

	Units	2021	2022	2023
Total number of employees	Person	2,342	3,994	3,805
Number of new employees	Person	794	1,049	1,447

Number of new employees by recruitment channel				
Number of experienced employees recruited from the market	Person	575	316	1,047
Number of campus recruitment	Person	117	122	167
Number of employees recruited from other channels	Person	102	611	233

Staff gender structure

	Number (Unit: Person)	Proportion (Unit: %)
Male	2,551	67.04
Female	1,254	32.96

Age structure of employees

	Number (Unit: Person)	Proportion (Unit: %)
Below 30 (exclusive of 30)	1,872	49.20
30-40 (Inclusive of 30, but exclusive of 40)	1,433	37.66
40-50 (Inclusive of 40, but exclusive of 50)	451	11.85
50-60 (Inclusive of 50, but exclusive of 60)	46	1.21
60 or above	3	0.08

Educational background of employees

	Number (Unit: Person)	Proportion (Unit: %)
Doctor	3	0.08
Master	143	3.76
Bachelor	809	21.26
Junior college	849	22.31
Below junior college	2,001	52.59

Expertise structure of employees

	Number (Unit: Person)	Proportion (Unit: %)
Production	1,953	51.32
Marketing	555	14.59
Technology	762	20.03
Finance	96	2.52
Administration	129	3.39
Others	310	8.15

Employee protection

In accordance with *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and local laws and regulations at the places of operations, Solis has established a series of special systems to protect the legitimate rights and interests of all employees, including the *Labor Contract Management System*, the *Staff Abnormal Change Management System*, and the *Staff Manual*, which define the measures for employee protection while providing for the prevention of labor compliance risks and remedies. In 2023, 100% of the labor contracts were signed between Solis and its employees.

Diversity and anti-discrimination

We advocate a diverse and inclusive corporate culture, and pursue tolerance, diversity, and equal opportunity. In these spirits, we have formulated the *Anti-Discrimination Management Measures*, which provides that in terms of recruitment, compensation package and benefits, training, work arrangement, promotion, punishment, and dismissal, no discrimination shall occur due to factors such as gender, race, religious belief, age, disability, sexual orientation, nationality, political views, social status, or social orientation.

In 2023, we have not had any labor discrimination practice.

	Units	2021	2022	2023
Labor discrimination	cases	0	0	0
Total length of diversity training	hours	280	320	400
Number of disabled employees	persons	2	51	122
Number of ethnic minority employees	persons	264	481	603
Average compensation gap by gender	%	17	12	11
Median compensation gap by gender	%	6	4	9

Prohibition of forced and child labor

Solis clearly stipulates in its *Measures for Managing Labor and Recruitment Practice* that it prohibits forced labor, forbids employing child labor or prisoner labor, and puts a ban on corporal punishment or abuse. These documents also provide for overtime working on a voluntary basis, and working hour control and management. During recruitment, we identify the age of the candidates by obtaining their ID card information. If an employee under the age of 16 was found in our internal review, we would immediately stop him or her from working and provide remedy for the misuse of child labor, including paying the due salary, escorting them home, reporting to the local public security bureau, and promising to give hiring priority after he/she comes of age.

In 2023, we have not been subject to any child labor abuse, forced labor, or harassment.

Employee compensation and benefits

Solis has always viewed employees as of the utmost importance. We have established a rich and diverse salary and welfare system, and a fair and sound performance management system. We also promote the alignment of our organizational goals with employees' personal development via the equity incentive plan, and work to enhance the financial wellbeing of our employees so that they live a decent life.

Performance-based compensation

Based on our development goals, Solis has formulated the *Compensation Management System* and the *Performance Management System* in the spirit of fairness, competitiveness, motivation, and legitimacy. We have established a compensation system based on job value and performance contribution, and kept it in constant update according to corporate profits and employee performance, so as to motivate employees to improve their contribution. When formulating the salary policy, we also hired a third-party agency to evaluate the compensation level of the general market, so that we could adjust our package in a timely manner to ensure that our offer remains competitive in attracting and retaining outstanding talents.

Welfare and leave

In accordance with the national and local policies, we have always provided pension, medical, unemployment, work-related injury, and maternity insurances as well as the housing provident fund for our employees to protect their legitimate rights and interests. We have also offered various subsidies and benefits to ensure that our employees are well-supported in their life, in addition to various holiday arrangements so that they strike a proper balance between life and work.

Compensation and benefits		Other benefits	
Salary and bonus	Monthly basic salary, monthly performance bonus, special incentive, year-end bonus, benefits	Social security programs	Pension, medical, unemployment, work-related injury, and maternity insurances as well as the housing provident fund
Allowances	Post allowance, high temperature allowance, night shift allowance, meal allowance, transportation allowance, full attendance bonus, rental allowance	Leaves	Marriage leave, maternity leave, funeral leave, work-related injury leave, legal annual leave, leave in lieu, annual leave, 11 days of legal holidays paid rest, 1-3 days of leave in lieu for non-local employees
Other bonuses and benefits	Other bonuses: Special contribution bonus, innovation bonus, patent bonus, excellent team bonus, excellent employee bonus, employee recommendation bonus Benefits: Festival allowance, Spring Festival Gift Pack/ Shopping Card	Other benefits	New employee physical examination, occupational disease check, regular employee physical examination

Key indicators	2021	2022	2023
Social insurance coverage	100%	100%	100%
Number of days of paid annual leave per capita	5.87 days	5.72 days	5.75 days
The proportion of employees who receive regular performance and career development assessments	100%	100%	100%

Equity incentive

Solis has established a long-term incentive mechanism and formulated an equity incentive policy. In 2020, 2022 and 2023, the Company respectively implemented an annual equity incentive plan which covered directors, senior management members, managers, and key technical (business) personnel. It aligned the interests of shareholders, the Company, and the core team, boosting cohesion and our core competitiveness, and promoting our long-term sustainable development.

	Number of people awarded	Total shares granted	As a proportion of the total share capital at the time	Progress
2023 Restricted Stock Incentive Plan	221	4,159,500 shares	1.05%	In process
2022 Restricted Stock Incentive Plan	199	1,719,000 shares	0.457%	In process
2020 Restricted Stock Incentive Plan	96	1,393,900 shares	1.63%	Completed

Humanistic care for employees

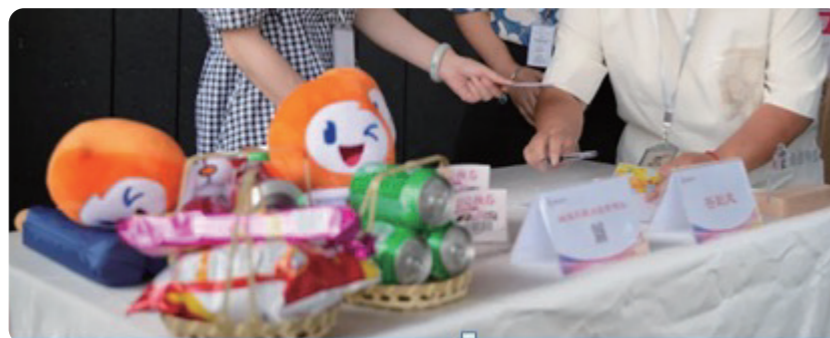
Solis recognizes the importance of employee welfare, and thus has organized various activities to enhance our employees' sense of identity, belonging, and satisfaction by forging a harmonious and friendly culture.

Employee activities

Solis cares for the physical and mental health of its employees and advocates the concept of work-life balance. Every year, the Company's Trade Union would formulate an annual activity plan and implement it as scheduled to ensure that employees could enjoy a variety of cultural, health, and public welfare activities after work.

Case: "Know the customs and enjoy the autumn"| Solis launched the themed activity to celebrate the beginning of autumn.

Chinese celebrate the beginning of autumn at the end of the dog days. Upholding this tradition, on August 8, Solis' s Trade Union organized the themed activity of "Greeting the Autumn". More than 70 employees from various departments attended the event.



Case Study: Miss Home? Here is Home | Solis launched the Mid-Autumn Festival Themed Event.

Chinese celebrate the Mid-Autumn Festival when they watch the full moon and express care for home and their loved ones. In the spirit of this tradition and in order to enrich our life, on the morning of September 28, Solis' s Trade Union rolled out a Mid-Autumn Festival Garden Activity so that our employees feel more fulfilled, happy and secured.



Care for female employees

Solis has clearly provided for the holidays and leaves that female employees are entitled to in its *Employee Attendance Management System*, such as maternity leave, paternity leave, breast-feeding leave, abortion leave, etc., to protect their rights and interests. It has also formulated the *Occupational Risk Management Measures for Pregnant Women and Lying-in Women*, based on which it assesses the related risks and accordingly adjusts the working conditions and hours of female employees in a fact-based manner, and provides substitute jobs or suspends their full-paid positions to ensure the health and safety of them and their children. It has also set up a baby care room to provide a private and comfortable place for mothers. During Women's Day, Solis prepared gifts for female employees and provided holidays to express their recognition and gratitude to them.

Key indicators	2021	2022	2023
Proportion of women in management	27.27%	36.90%	26.31%
Proportion of women in Science and Technology (STEM)	21.88%	17.57%	20.62%
Proportion of women in management in income-generating departments	45.45%	45.45%	38.46%
Number of employees on maternity leave	33	33	32
Rate of returning to work after maternity leave	100%	100%	100%
Number of employees on child-care leave	0	0	2
Rate of returning to work after child-care leave	0%	0%	100%

Support to employees

Solis has been concerned with the life of its employees and proactively provided the needed support. It has formulated the *Management Measures for Condolences to Employees*, which requires that in special circumstances such as birthdays, weddings, illnesses, work-related injuries, funerals, condolence visits shall be paid to them in the name of the Trade Union, demonstrating the Company's care and cherish for them.

During the Mid-Autumn Festival in 2023, the Company held visits to 40 employees who suffered from illnesses or accidents, and provided consolation fund and holiday gifts worth a total of CNY 50,620.

Strengthening Employee Communication

Scientific and democratic management

Solis has established a trade union organization and formulated the *Management Measures for Trade Union Organization and Representative Selection*, which stipulates that the trade union office shall organize a general meeting to elect employee representatives. The Trade Union supports employees in collective bargaining and signing collective contracts with the company. It holds regular meetings among employee representatives, provides social responsibility training for them, understands and helps address employees' day-to-day concerns, and announces the decisions reached at the meetings. These efforts increase the level of employee participation, nourish labor relations, and underpin our long-term stable development.

	2021	2022	2023
Number of projects reviewed and approved by the employee representative meeting/trade union	3	4	6
Serving employees as a proportion of Trade Union members	96%	96%	98%
Coverage of collective bargaining agreements	100%	100%	100%

In-depth democratic communication

Solis has built a comprehensive communication mechanism combining various online and offline channels, to ensure smooth communication with employees.

Online communication

Main online communication tools employed include enterprise WeChat platform, human resources tweets, various satisfaction surveys, and cloud forums.

Case: Employee engagement survey

In the middle of 2023, we conducted an engagement survey that involved 82.71% of employees in the marketing center and research institute. Through an online survey, we understood the employees' opinions and suggestions in terms of their basic needs, and their need for management support, teamwork, and mutual growth, which guided our management improvement and enhanced consensus. The survey showed an average level of engagement of 81.60%.

Offline communication

We host regular symposiums for different groups, such as new employees, team leaders, graduates, and general managers, so as to directly understand their thoughts and needs.



2023 New Staff Conference ▶

Feedback

In order to ensure that the feedback and suggestions from employees are fairly and properly handled, we have formulated the *Management Measures for the Opinions, Suggestions and Feedback from Employees* and set up a "suggestion box" in our factory. The box is opened by an employee representative and a management representative every Monday. Based on the feedback collected, we carried out related investigations and evaluations, and formulated a preliminary solution all of that were recorded. Once confirmed by the management representative, the solutions were circulated via communications, announcements or meetings. Throughout the process, we fully respected and protected the privacy of employees and kept their sensitive information confidential.

Employee satisfaction survey

We attach great importance to the demands of our employees. To provide them with greater care and support, we have established a regular, closed-loop, satisfaction survey-based feedback and improvement mechanism that covers all levels and multiple dimensions. To understand whether our employees are satisfied with their living and working environment, we have conducted surveys that include aspects such as food, accommodation, and working environment, and made improvements according to their feedback.

In 2023, all of our employees participated in the survey, and the satisfaction rate reached 93%.

	2021	2022	2023
Employee satisfaction	92%	93%	93%
Participation rate in the survey	100%	100%	100%

Shared Growth with Employees

Solis adopts a three-pronged approach to hiring. Committed to building channels and cultivating talents, we select employees by assessing whether they have the qualities we cherish, in order to build a high-quality and professional team which is critical to our sustained growth and culture development.



Building a career path

Solis has established a complete promotion system in accordance with its *Promotion Management Measures*. We provide two promotion routes respectively for management and professional members. We comprehensively evaluate the candidates in terms of their compatibility, moral standards, academic background, expertise, and key experiences, and provide excellent performers and contributors with growth opportunities compatible with their abilities and contributions.

Promotion path	
Management	Professional
General Manager	Talent A+
Deputy General Manager	
Department Head	Talent A
Section Head	Talent B
Group Leader	Talent C
—	Talent D

Job mobility

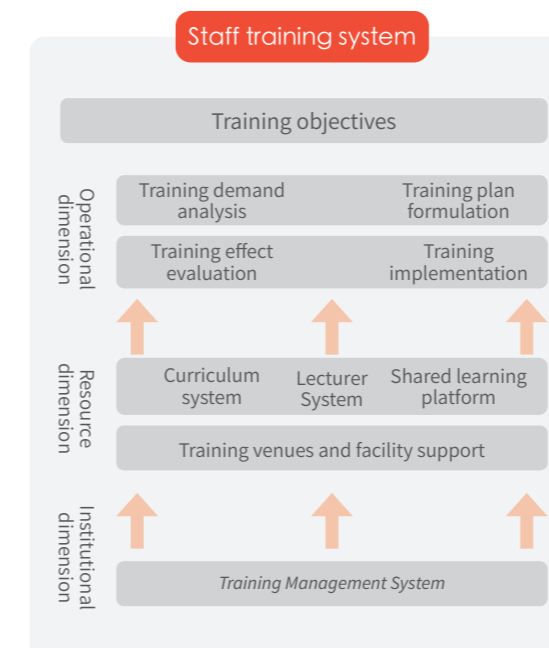
Solis has formulated the *Staff Abnormal Change Management System*, which covers all kinds of situations when employees change their positions, including joining full time, transferring positions, adjusting salaries, promotion/demotion, resignation, and working overseas. We have also defined the detailed operation processes to ensure that job changes are compliant and transparent, thus optimizing the allocation of human resources and has promoted the reasonable turnover of employees.

In 2023, 37 employees were transferred or appointed internally. The proportion of internal transfer or appointment was 1.06%, and the number of positions filled in this way accounted for 8.1% in total.

	Unit	2021	2022	2023
Proportion of positions filled through internal transfer or appointment	%	9.37	8.33	8.10
Number of employees transferred or appointed internally	Person	32	48	37
Proportion of internal transfer or appointment	%	1.18	1.25	1.06

Staff training

Solis has aligned the individual development of its employees with the Company's growth, and provided a variety of learning and development opportunities. Focusing on boosting efficiency, we have formulated the *Training Management System*, *Training Resource Management System*, and *Training Operation Management System* to motivate employees to improve their professional skills and comprehensive ability, and provide outstanding talents for various departments of the Company.



	Units	2021	2022	2023
Staff training investment	CNY 10,000	45	60	65
Number of staff training sessions	Sessions	955	1,104	1,187
Total number of trainees	Person-time	19,978	23,000	37,230
Staff training coverage	%	100	100	100
Total training hours	Hour	42,760	60,954	84,384
Average training hour per employee per year	Hour/person	18.26	15.26	22.18

Training System Management

Solis has put in place the *Training Management System*, which covers induction training, on-the-job training and management staff training. It has provided for a sound and complete training process that spans from planning to evaluation, so that its employees can receive well-designed, systematic and efficient training they need. We have also implemented the *Training & Learning Credits Management System* for quantitative management of training. Employees who have completed the training could receive corresponding credits, and those with high credits would be commended and rewarded. The credits were associated with the salary and promotion evaluation, thus serve as a strong motivation for employees which has made the training even more effective.

Training resource management

› Lecturers

We have formulated the *Internal Lecturers Management System*, establishing a comprehensive internal trainer management mechanism covering the selection, grading, assessment, training and motivation of lecturers. We have established the Solis Academy with a team of over 100 lecturers who come from various levels and posts across the Company and are dedicated to cultivating and reserving outstanding talents.

› Further education resources

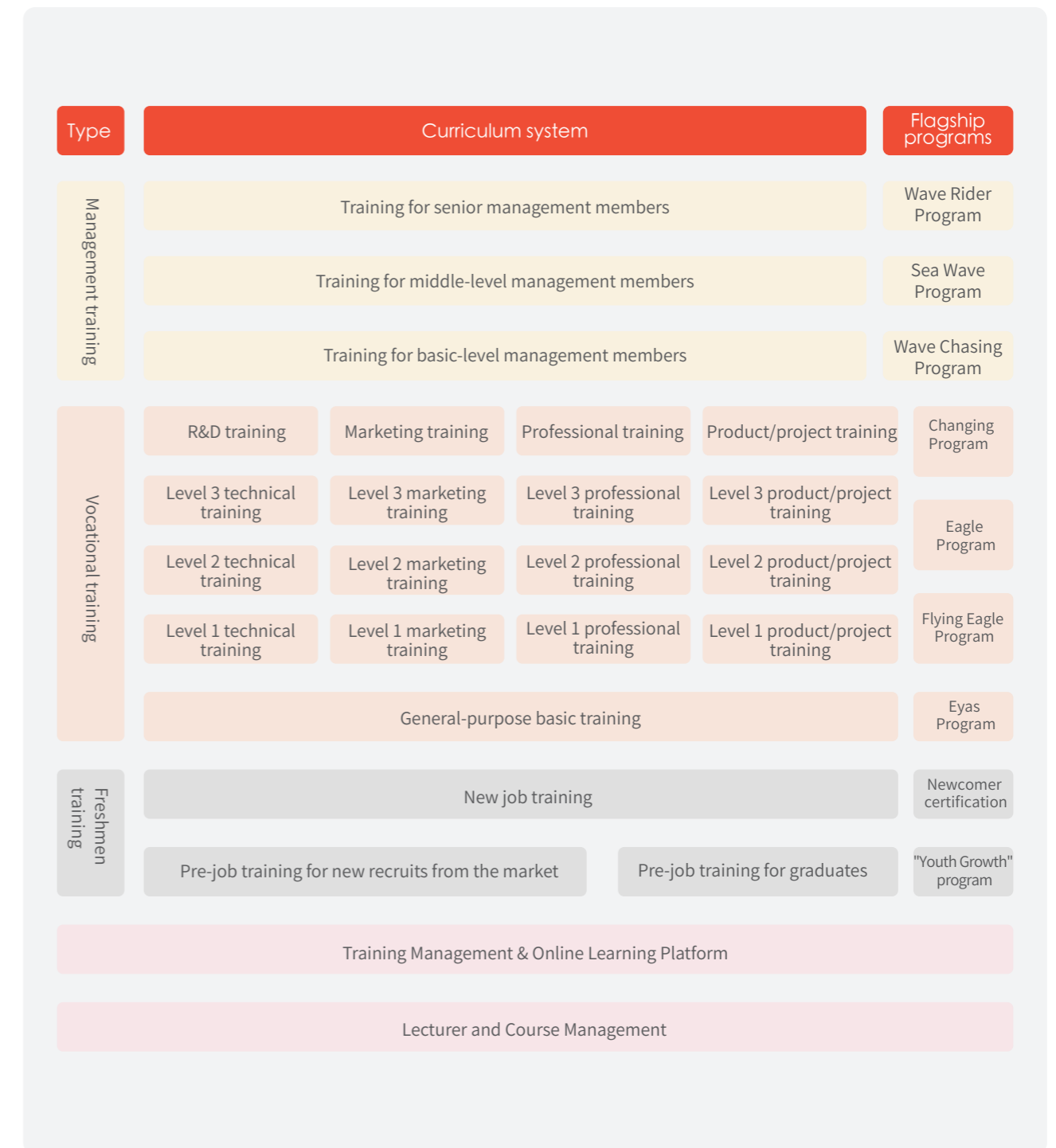
We have built a complete internal knowledge base, building on which more than 200 internal courses were developed, covering R&D, products, marketing and many other aspects. We have also prepared manuals for employees in different positions based on actual cases. In addition, Solis has provided an online learning platform and training facilities so that our employees are better-equipped for more efficient training.

Case: Digital Online Learning Platform "Solis Cloud Academy"

The digital online learning platform "Solis Cloud Academy" has been in stable operation for more than 2 years, dedicated to promoting smarter business-level knowledge sharing. By improving the efficiency in managing training programs and learning experience, we have streamlined the management and learning process, and improved our talent files. In addition, with data support from our Report Center, effectiveness of the training programs could be presented in a more digitized and visualized manner, reducing the training development cost. At present, our platform provides 1,582 courses, of which 444 were prepared and uploaded in-house. The platform's activity rate reached 93%, and the learning rate reached 84%.

› Course preparation

Based on Solis Academy, we have built a platform empowering the growth of employees at different levels and positions by providing properly-designed internal training programs for new employees, professional talents and management members. Underpinning such a complete system are an excellent lecturer team and abundant resources.



Training management

Through the closed-loop management of training activities, consisted of needs analysis, planning, implementation, and evaluation, Solis has continuously improved the quality of training to ensure that it caters to our actual needs and promoted our sustained development.



Staff training				
	Units	2021	2022	2023
Training by type				
Average length of management training	Hour/person	12.50	14.50	20.60
Average length of professional training	Hour/person	16.80	16.70	27.30
Average length of leadership training	Hour/person	10.50	12.70	16.20
Average length of training by post level				
Senior management	Hour/person	14.30	16.50	18.50
Middle management	Hour/person	19.80	18.70	24.60
Employees	Hour/person	15.15	15.03	22.15
Average length of training by gender				
Female	Hour/person	15.20	16.30	21.85
Male	Hour/person	15.32	14.60	22.38

Protect Employee Health and Safety

Improving employee safety protection system

System building

Solis has strictly abided by the requirements of the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. We have established a complete safety production management system, and formulated a series of systems such as the *QEHS Manual*, the *EHS Guidelines, Objectives and Management Plan Control Procedures*, and the *Safety Production Management Policy (Procedures)* to guide, support and underpin safe production.

Goal planning

Under the above systems, we have clearly defined the safe production management and control targets for 2023 in the *2023 EHS Implementation Plan*. With these targets as the guide, we have carried out well-organized inspections and provided supervision on a regular basis, urged all production bases to address safety vulnerabilities, and continuously improved safe production management. During the reporting period, we have successfully achieved our annual safe production targets.

2023 Safe Production Targets and Their Delivery		
No.	Targets	Delivery
1	Explosion accidents, controlled within 0;	0
2	Poisoning (over 3 people) accidents, controlled within 0;	0
3	Graded accidents, controlled within 0;	0
4	Patients with occupational diseases, controlled within 0;	0
5	Major traffic safety accidents that Solis holds responsibility for, controlled within 0;	0
6	Major thefts, controlled within 0;	0
7	Major hidden dangers and accidents the handling of which has involved law enforcement departments (safety supervision, fire protection, quality supervision departments, etc.) due to safety management problems, controlled within 0;	100%
8	100% of the safety risks are addressed in a timely manner.	100%
9	100% of safety accidents and violations are punished;	100%
10	100% of the new employees receive 3-Level safety education;	100%
11	100% of the special equipment operators and special operation personnel hold permits;	100%
12	100% of safety incidents are reported and handled in time (reporting within 10 minutes after occurrence, submitting Safety Incident Report within 30 days).	100%

Organization management

To fully implement the health and safety management system and deliver the objectives, we have named management representatives and defined their responsibilities for establishing, implementing and maintaining this system. We have appointed staff representatives to identify risk sources, assess the risks, formulate coping strategies and investigate accidents. In 2023, to boost safe production, we set up a special evaluation team to formulate company standards in accordance with the standards of the Ningbo City. We have evaluated the safety management work of each department, formulated improvement plans accordingly, and made sure they were delivered.

System certification

Based on its carefully-designed systems, clear planning, and efficient management, Solis established a successful and effective safety production management system that obtained the ISO 45001 certification for occupational health and safety management system.

There were no work-related fatalities or major safety accidents in the Company in 2023, and the production activities were carried out in a safe manner.

	Units	2021	2022	2023
Number of production safety accidents	No.	0	0	0
Work-related deaths	Person	0	0	0



Occupational health and safety management system certification ▶

Ensuring safe production

Risk prevention and control

Solis views safety management as a key priority, and has established systems such as the *Hazard Identification and Evaluation Management Procedure*. We have adopted a two-pronged risk prevention mechanism, managed safety risks at different levels, and worked to ensure the full implementation of all precautions. Coordinated by our administrative office, all employees have been involved in risk identification and assessment as well as the formulation and implementation of risk reduction measures. These efforts have improved risk control and underpinned the quality of our products.

Hidden danger investigation

Solis has carried out full-fledged investigations of possible hidden dangers, and strictly supervised the handling of main vulnerabilities identified to improve efficiency and governance. We organize a comprehensive safety hazard investigation every month, announce the identified hidden dangers and who are held accountable for them, and keep a detailed record of these efforts to ensure that all coping measures have been fully implemented and tracked.

		Hidden danger:		
	Units	2021	2022	2023
Hidden danger:				
investigation and handling rate	%	100	100	100

Emergency management

We have formulated the *Emergency and Response Management Procedure and the Emergency Plan for Production Safety Accidents*, in order to implement necessary precautions in advance, promptly respond to emergencies or safety incidents, and conduct post-incident reviews and improve our plans accordingly to reduce environmental impacts and injuries. Meanwhile, we conduct regular emergency drills to ensure that the procedures and plans are feasible and effective in protecting the safety and health of our employees, customers, and the society at large. In 2023, Solis organized eight safety emergency drills.

Security precautions

Upholding the “safety-first” concept, Solis has provided regular safety training sessions to raise the awareness and ability of our employees in protecting themselves and preventing accidents. To this end, in 2023, we offered both online and office training programs as well as the EHS training courses. We have also carefully planned a series of interesting activities such as fire-fighting competitions and hidden danger investigation knowledge contests to build awareness.

	Units	2021	2022	2023
Total investment in safety training	CNY	36,300	60,500	48,400
Number of safety training sessions	sessions	80	120	78
Total length of safety training	hours	3,000	5,000	4,000
Proportion of employees covered by safety training	%	80	85	82
Proportion of employees covered by risk prevention training	%	100	100	100

While reinforcing internal management, we have also increased the requirement on our related parties. We formulated the *Related Parties Management Procedure for Environmental Safety* and the *External-party Construction Management System*. By signing the *Notification of Related Parties' Safety and Social Obligations*, the *Project Safety and Environmental Protection Agreement*, and the *External-party Construction Safety Management Agreement* with our partners, we have clearly defined the rights, responsibilities, and obligations of both parties in terms of safe production, and evaluated and reviewed the occupational health and safety measures taken, thus protecting safety and all parties involved.

Cherishing occupational health

Solis strictly abides by national and local laws and regulations on occupational health, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Measures for Managing the Examination of Occupational Health*. Based on its documents including the *Control Procedure for Occupational Harm* and the *Management System for Occupational Health*, Solis has improved its working environment and removed potential risks, in order to create a healthy and safe place for its employees.

Occupational health monitoring

Solis regularly asks occupational health service institutions certified by the health administrative departments above the provincial level to monitor and evaluate potential hazards in the workplace that could cause occupational health issues, and circulates the results in a timely manner. For departments that failed to meet the standards, we immediately halted their operations until risks were removed, while reminding our workers to enhance self-protection and prevent occupational health issues. We also bear the cost of occupational injury insurance for our employees, so that they receive necessary compensation in the event of work-related injuries or illnesses.

	Units	2021	2022	2023
Coverage of occupational injury insurance for employees	%	100	100	100
Investment in occupational injury insurance	CNY 10,000	100	100	100
Detection of risks that might cause occupational diseases	%	100	100	100

Occupational health examination

To ensure the health of our employees exposed to occupational hazards, we have provided them with annual occupational health examination in accordance with the health surveillance requirements, as well as pre-job, on-the-job, and off-job occupational health checks. For those found with occupational contraindication during these examinations, we would transfer them from their posts in a timely manner and make appropriate arrangements for them. We also arrange for employees who need re-examination and observation to seek medical attention in a timely manner. In 2023, 100% of our employees were provided with health checks.

Occupational health protection

Solis has provided special training on occupational health for employees exposed to occupational hazards, to elevate their risk awareness. In workplaces with occupational disease risks, we have provided visible notices, warnings and signals, and installed automatic alarm and alarm communication devices, so that we could respond rapidly and take effective protective measures, empower our employees to rescue themselves and others, and protect their safety and health. In 2023, we had zero new occupational disease.

Solis has formulated the *Management System for Special Operation Personnel*, the *Management System for Special Equipment Certificate*, and the *Management System for Special Equipment*. We have asked all special operation personnel to provide their certificates before putting them into work, provided protective equipment for them and asked them to use them properly, and regularly tested and maintained special equipment. With these efforts, we seek to reduce occupational health and safety risks caused by improper or illegal operations, thus ensuring the safety of our production personnel. During the reporting period, 100% of our special operation personnel were certified.

Hazard Notification Card ▶



Mental health training

Solis attaches great importance to the mental health of its employees. In order to create a sound working environment, we have organized mental health lectures and training featuring professional psychological counselors and psychologists, which covered various topics from stress management and emotional control to interpersonal communication, to raise our employees' awareness and emotion management, so that they could better cope with the challenges in work and life.

Case: Mental health counseling activity

On May 19, 2023, Xiangshan County Federation of Trade Union and Solis jointly organized a mental health counseling activity. We invited psychologists from the Third Hospital of Xiangshan County Traditional Chinese Medicine Group to provide mental health advice to our employees, which helped relieve their pressure and improved their state of mind which is indispensable to our stable development.



Giving Back to Society

Promoting public welfare

Solis can never grow without the shared development of the economy and our society. While pursuing its own growth, Solis understood that support and trust of the society were extremely important. During the reporting period, we have a number of charity donations to promote public good and give back to the society. These efforts have spread positive energy, and provided support and care to more people in need.

Donation recipient	Donation details	Purpose of donation
Xiangshan County People's Education Foundation	From 2022 to 2024, CNY one million annually donated	To improve local middle school improvement and compensation for teachers
Xiangshan County Charity Federation	From 2022 to 2026, CNY one million annually donated	Social welfare and public good projects such as supporting doctors, students, the poor, and the disabled
China University of Mining and Technology Education Development Foundation	From 2023-2027, CNY 100,000 annually donated	To set up scholarship and teacher reward funds, and to support the development of the university's talent development
Xiangshan County People's Education Foundation	From 2023 to 2027, CNY 200,000 annually donated	To set up scholarship and teacher reward funds, and to support teacher training, among others

Contributing to rural development

Solis understands that green and low-carbon energy serves as an important driver for rural development, and proactively spurs the combination of PV and modern agriculture to foster new energy industries. We are committed to promoting rural energy transformation, and building PV power stations that support agricultural development based on our own advantages. By stepping up energy support, we contribute to rural construction and modernization in China.

Case: Agriculture-PV Complementation Power Stations Programs in support of rural development

The Xunshan Agriculture-PV Complementation Power Station in Qingyuan County, Zhejiang Province was the first of its kind invested by Zhejiang Research Institute. With a total planned capacity of 30MW, it adopts the local voltage boost and concentrated grid connection scheme, and has been equipped with Solis' high-power string inverters to improve stability and power generation. The Station can provide about 32 million kWh of electricity to the power grid and save about 10,000 tons of standard coal every year. This new model not only boosts cost efficiency and reduces environmental impacts, but also improves local power supply capacity, which is important for local energy structure upgrade, rural development and common prosperity.



Xunshan Agricultural-PV Complementation Power Station, Qingyuan County, Zhejiang Province

Case: Sanlihuang PV Power Station boosting poverty relief

In the Sanlihuang mountain area, 1,500 meters above sea level in Xingshan County, Hubei Province, villagers witnessed the huge transformation of the barren mountain into a green energy base. The original mountain ravines and steep slopes have now become home to an 18MW PV power project. This project not only turned the barren mountains into valuable resources, but also generated 21.6 million kWh of green electricity every year.

In addition to meeting the clean energy needs of rural areas, the project also brought considerable benefits to local villagers through land lease, planting and breeding, and labor export. This not only improved their living conditions, but also illuminated their path toward prosperity.



Sanlihuang PV Power Station in Xingshan County, Hubei Province

Case: Green mine PV power plant driving rural energy transition

In Shuiyuesi Town, Xingshan County, Hubei Province, there was a high-quality ore mine that once brought wealth to the village, but at the same time shrouded it in dusts. However, the green mine PV power station built by Solis has refreshed this mountainous area with higher income yet lower damage to the environment. Products from this clean energy power station with an installed capacity of 12MW have been fully absorbed by the large power grid, achieving a replacement of about 14 million kWh of electricity.

The power station has reduced the excessive evaporating of water on the ground surface, and made local soil full of water and organic matters. In the future, crops could grow here under the PV panels, and more robust recycling of resources is also within reach. These would inject new momentum into the local economy.



Green Mine PV Power Station in Xingshan County, Hubei Province

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Feedback Form

Thank you for reading this report. In order to continuously improve the Company's ESG-related information, we invite you to provide feedback. This will also be an important basis for us to continue to strengthen our sustainable development management!

1. What's your overall evaluation of the Company's ESG report this year?

Very good Good Average Relatively Poor Poor

2. What do you think of the clarity, accuracy and completeness of the information disclosed in this report?

Very good Good Average Relatively Poor Poor

3. How do you think this report reflects the company's significant economic, environmental and social impacts?

Very good Good Average Relatively Poor Poor

4. What is your overall evaluation of all aspects of our ESG work?

Very good Good Average Relatively Poor Poor

5. Do you have any other suggestions for our future ESG work and release of reports?

You can contact us through the following channels:

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