

GCL SI

Environmental Management

Policies

Introduction:

GCL System Integration Technology Co.,Ltd. (hereinafter referred to as “GCL SI” or the “Company”) is engaged in the R&D, design, production, sales, and one-stop services of high-efficiency photovoltaic (PV) cells, modules, energy storage systems, energy engineering, and integrated comprehensive energy systems. Leveraging the influence of the GCL brand and its resource integration capabilities, the Company actively expands the global market, strengthens overseas channels, strategic cooperation with central enterprises, state-owned enterprises, and expands residential, commercial, and industrial distributed development business and equipment distribution networks. The Company has been continuously enhancing its technological R&D efforts, improving cell and module efficiency, and system integration capabilities, providing customers with diversified comprehensive smart energy system integration solutions and high-quality, efficient services. We firmly adhere to the principle of technology leadership and innovation-driven, continuously adopting high-quality, efficient, and differentiated product technology routes.

In the long-term development process, GCL SI has fully recognized the importance of integrating ESG into industrial development for the photovoltaic industry, and ESG is also an important path for photovoltaic enterprises to respond to the global energy transition and climate change. Based on the industry characteristics and goals, we integrate our core strengths with ESG, expecting to enhance our overall ESG performance and contribute to and promote the global energy transition through strengthening our own ESG management.

The scope of the environmental management policy covers all production, operation, and business facilities of GCL SI, products and services, distribution and logistics, waste management, suppliers, service providers and contractors, other major business partners (such as non-custodial businesses, joint venture partners, licenses, contractors, etc.), due diligence, mergers and acquisitions activities.

Mission:

The Company has always adhered to the concept of “bringing green energy into life” and is committed to providing sustainable green energy for humanity, creating a cleaner and more beautiful living environment.

In the context of increasingly frequent extreme weather events, GCL SI deeply understands the social responsibility borne by companies in the field of clean energy. Therefore, the Company regards “Focusing on Green Development, Continuously Improving the Human Living Environment” as the corporate mission. Based on green innovation, GCL SI continuously upgrades photovoltaic technology, achieves technological breakthroughs, and helps increase the proportion of clean energy in the energy structure while reducing greenhouse gas emissions.

Environmental Management Commitment:

Under the leadership of the carbon peaking and carbon neutrality goals, GCL SI adheres to the mission of “Focusing on Green Development, Continuously Improving the Human Living Environment”. We are committed to continuously improving environmental performance, setting environmental goals, actively taking measures to reduce our impact on the environment, and make the following commitments:

- Strictly complying with applicable laws, regulations and standards on environmental protection at the place of operation.
- Setting clear environmental objectives and actively implementing environmental protection measures to reduce the Company’s operational impact on the environment. We continuously enhance performance in energy management, water resource management, greenhouse gas management, waste management, and biodiversity conservation.
- Integrating environmental factors into the supplier evaluation system and management, and actively engaging in exchanges and cooperation with partners to build a green supply chain.
- Providing necessary training and resource support for employees and suppliers to encourage and promote their implementation of environmental actions and improvement of environmental management.
- Strengthening communication with stakeholders to enhance their understanding of the Company’s environmental management policies, environmental protection practices, and related performance.

Execution Plan:**GCL SI Environmental Management System**

- GCL SI strictly comply with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Energy Conservation*, and other applicable laws and regulations at the location of projects. We develop and continuously improve the environmental management systems and energy management systems based on ISO 14001 Environmental Management System and ISO 50001 Energy Management System.
- GCL SI's Operations and Digitalization Center developed the environmental management policy, while each business unit (BU) and base formulated secondary and tertiary documents.
- By formulating a series of environmental management systems and management procedures, GCL SI standardizes greenhouse gas management, energy management, water resource management, and waste management. We set objectives and implement measures to reduce greenhouse gas emissions, energy consumption, water resource utilization, and waste emissions, thus improving the company's environmental protection performance.
- To enhance employees' awareness of environmental protection, GCL SI regularly provides environmental protection training sessions and various low-carbon environmental protection theme activities. These initiatives deepen all employees' understanding of the impact of their work activities on the environment, clarify the responsibilities of each position in greenhouse gas, energy management, water resource management, and waste management, and advocate for a green and environmentally friendly lifestyle.
- GCL SI pays attention to the environmental management of suppliers and gradually incorporates green procurement, energy conservation, and water resource management into supplier access evaluation. The Company requires suppliers to ensure that no environmental pollution incidents occur during cooperation and to minimize environmental impacts. The environmental management level of suppliers is included in access criteria and annual assessments with the aim of creating a green supply chain.

GCL SI Greenhouse Gas Emission Management

- GCL SI pays attention to the identification and disclosure of climate risks and opportunities, aligning with the ISO 14060 family of standards and greenhouse gas accounting standards. GCL SI conducts carbon chain management and forward-looking risk management to respond to long-term expectations of climate issues.
- GCL SI develops emission reduction targets, pathways, and strategies, not only mitigating potential risks but also proactively exploring opportunities for the future.
- With reference to the international standards and guidelines, GCL SI conducts carbon inventories for products in stages, to promote carbon reduction within the Company's internal operations and value chain.
- GCL SI continuously improves carbon inventory and audit to promote digitalization of carbon emission management, and dynamically plans industrial chain energy-saving and emission reduction strategies and goals to provide a solid foundation for the Company's future energy-saving and carbon reduction planning and implementation.
- GCL SI actively engages in product carbon chain tracing and product carbon footprint certification, and reduces carbon emission centering on the assessment of carbon emission for product lifecycle management.
- GCL SI actively promotes carbon reduction in the upstream and downstream supply chain, giving priority to selecting suppliers with lower product carbon footprints.

GCL SI Energy Management

- GCL SI refines the procedures and standards of energy management, and carries out technological improvements, equipment updates, and process iterations to increase energy efficiency and promote energy conservation.
- GCL SI actively explores ways to increase the energy efficiency per unit of product to reduce energy consumption, and increases the proportion of the Company's renewable electricity consumption.

- In response to national energy conservation and emission reduction initiatives, GCL SI engages in educational campaigns on energy conservation and carbon reduction. We strive to foster a culture of energy conservation and carbon reduction within the Company, and enhance awareness of energy conservation and carbon reduction among all employees.
- GCL SI evaluates supplier's energy utilization and management to promote and encourage the green energy upgrading in supply chain.

GCL SI Water Resource Management

- GCL SI establishes a scientific framework for water resource management, integrating water resource utilization efficiency indicators into the performance appraisal to incentivize management efficiency.
- GCL SI is committed to maximizing water conservation strategies, optimizing water-saving technologies in production equipment and infrastructure, and implementing recirculating water systems. We enhance the recovery and reuse of water throughout the production process to reduce freshwater consumption.
- GCL SI maintains close monitoring of water stress conditions at all production bases, focusing on improving our capabilities to identify and manage water risks. We have established a comprehensive mechanism for mitigating and responding to water risks.
- GCL SI requires the subsidiaries to set water consumption targets per unit of product based on the characteristics of their products, and annually review the target.
- GCL SI actively encourages suppliers to set water-saving targets and implementation plans, incorporating these as key indicators in supplier access criteria and annual assessment to reduce water consumption in the overall supply chain and transportation processes.

GCL SI Waste Management

- GCL SI strictly complies with applicable laws and regulations, attaches great importance to the legal and compliant management and efficient control of waste emissions. We implement comprehensive supervision over the classification,

collection, transfer, temporary storage, and treatment of non-hazardous waste and hazardous waste. We identify and effectively manage risks associated with the transfer and disposal of hazardous waste, and increase the comprehensive utilization rate of harmless waste.

- **Solid Waste Management:**

- GCL SI establishes a solid waste management system, inventory records, and internal transfer norms. Hazardous waste storage facilities comply with the *Standard for Pollution Control on Hazardous Waste Storage*, and are equipped with facilities to prevent wind, rain, theft, and leakage. We entrust the transfer and proper disposal of waste to qualified third parties.
- GCL SI strengthens control at the source of solid waste and incorporates solid waste management an important part of the “three simultaneous” approval process for construction projects, ensuring legal compliance and effective control of pollution in all stages of solid waste generation, storage, utilization, and disposal.

- **Waste Gas Management:**

- GCL SI strictly complies with national and local regulations on air pollution prevention and control. We adopt advanced treatment processes and facilities, optimize production processes, and use new materials to reduce the generation and emission of waste gases.
- GCL SI entrusts qualified third parties to regularly monitor the air quality around the Company and conduct regular maintenance of waste gas purification devices to ensure that the emissions meet the standards after treatment.

- **Wastewater Management:**

- GCL SI constructs supporting facilities for industrial and domestic wastewater treatment, implements separation of clean water and sewage, separation of rainwater and sewage, treatment based on of quality, and multiple usages of water. We develop scientific plans for wastewater collection and treatment,

and staff professional wastewater treatment personnel for daily inspections and maintenance.

- GCL SI continuously promote technological innovation and reform processes, adopting “physical+ chemical+ biological” treatment, acid-base neutralization, anaerobic-aerobic treatment processes, and other wastewater treatment processes to achieve standard emissions and reduce wastewater discharge.
- GCL SI establishes a real-time online monitoring system for wastewater, develops an annual wastewater discharge monitoring plan, and entrusts qualified third parties to conduct regular inspections.

GCL SI Ecological Environment Management

- GCL SI strictly complies with applicable laws and regulations related to the protection of natural resources, ecological environment, and biodiversity, as well as the overall environmental planning schemes of project locations. We take responsibility for the safe production of environmental protection facilities, establish and improve various environmental management responsibility systems, strengthen the environmental protection management organization and staffing, clarify job responsibilities, and implement environmental risk control requirements.
- GCL SI strictly controls the impact of production and business activities on the ecological environment, and conducts biodiversity risk assessments before engaging in operations.
- GCL SI incorporates ecological environmental factors into supplier code of conduct, requiring suppliers to obtain necessary approvals such as government environmental assessments and pollution discharge permits, and minimizing environmental pollution or potential risks.
- GCL SI implements the concept of ecological protection, actively undertakes ecological protection actions, and fulfill ecological protection obligations.

Policy Review and Revision:

The GCL SI Board of Directors will review and revise this environmental management policy.

This policy is published on the GCL SI official website for reference by stakeholders. The implementation of the policy and related key performance indicators will be disclosed annually in the Company's sustainability report.

Zhu Yufeng
Chairman of GCL System Integration Technology Co., Ltd

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