



**FORST**

# ESG REPORT 2021

INNOVATIVE TECHNOLOGY FOR THE FUTURE

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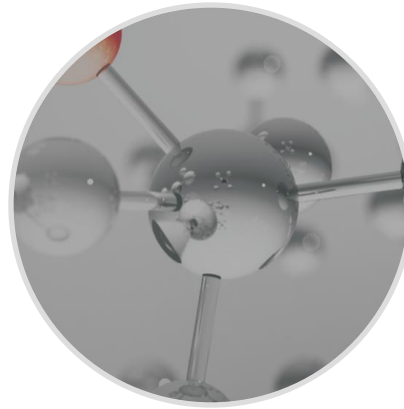
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# RISK DISCLARIMER

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## "Note to Reader"

This report is mainly a summary of past achievements in corporate social responsibility. Some chapters may contain forward-looking or aspirational statements. This statement, which is included in the "Message from the Chairman" and in the individual chapter summaries, is FIRST prediction of future events based on current circumstances and best judgment estimates. These statements with uncertain risks should not be relied upon as a primary investment basis, and FIRST disclaims any legal responsibility for the content of such forward-looking or prospective statements.

In addition to the contents of this report, readers and investors should mainly consider other documents disclosed by First Co., Ltd. to the Shanghai Stock Exchange. This report is published in both Chinese and English versions. If there is any discrepancy in the data, please refer to the disclosed Chinese version of the report.

# ABOUT THE REPORT

## Introduction

This is the first ESG report released by Hangzhou First Applied Material Co., Ltd. Based on the principles of openness and transparency, this report discloses in detail the practices and performance of Hangzhou First Applied Material Co., Ltd. in the areas of economic, environmental, social and corporate governance responsibilities in 2021 and previous years. The report covers issues of economic, environmental and social sustainability that are of concern to important stakeholders.

## Guidelines for Preparation

This report is prepared in accordance with the requirements of the Shanghai Stock Exchange's "*Guidelines for Environmental Information Disclosure of Listed Companies*", and refers to the Global Reporting Initiative (GRI) "*Sustainability Reporting Guidelines*", the international standards organization ISO 26000:2010 "*Social Responsibility Guidelines*", Chinese National Standard GB/T 36001-2015 "*Guidelines for Compilation of Social Responsibility Reports*".

## Scope

This report applies to Hangzhou First Applied Material Co., Ltd. and its wholly-owned and controlled subsidiaries, consistent with the scope of the annual report.

## Time Range of the Report

The statistical period is from January 1 to December 31, 2021. In some parts, data beyond such period is included.

## Date Source

The data disclosed in this report comes from the periodic report and the internal statistics of the company. If the data is different, please refer to the disclosed periodic report. FIRST promises that the contents in this report are free from any false record, misrepresentation or major omission and is responsible for the authenticity, accuracy and completeness of its contents.

## Availability of the Report

The report can be directly downloaded by visiting the official website of Hangzhou First Applied Material Co., Ltd. ([www.firstpvm.com](http://www.firstpvm.com)) and Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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# MESSAGE FROM THE CHAIRMAN

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Since its establishment, the company has been focusing on the research and development, production and sales of functional materials, and its business scope covers photovoltaic materials, electronic materials and functional film materials. The company has been focusing on accumulating the experience and ability of product formulation, production process and equipment research and development, in order to promote the localization of key materials for the new energy industry and electronic industry.

We are living in an era of rapid change and unpredictability. Advances in technology and changes in the environment have led to huge challenges in all walks of life around the world. The only way for us to survive is to constantly adapt and embrace these changes, starting from the needs of the market, and developing products that can bring great value to customers and society. Through R&D and innovation, we can drive the built-in power of the company, so that the company's foundation can be evergreen and sustainable.

In the future, the development of the company will be more closely linked with the interests of the majority of investors. We will adhere to the orientation of shareholders' interests and strive to create maximum value for shareholders. We will accelerate into the development phase with your supervision and support. FIRST will use the capital market as a higher platform to lead the development of the industry by means of resource integration and continuous technological innovation, and strive to create better performance, so as to return the trust of investors and give back to our society.

Hangzhou First Applied Material CO., Ltd.

Signature of the Chairman:



# CORE VALUES

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## INNOVATION

Encourage continuous innovation and active practice in product technology research and development, increasing productivity and optimizing workflow.



## CONCEPT

Efficiency, Excellence, Customer first; Modesty, Studious, Team spirit; Integrity, Equality, Caring for others.



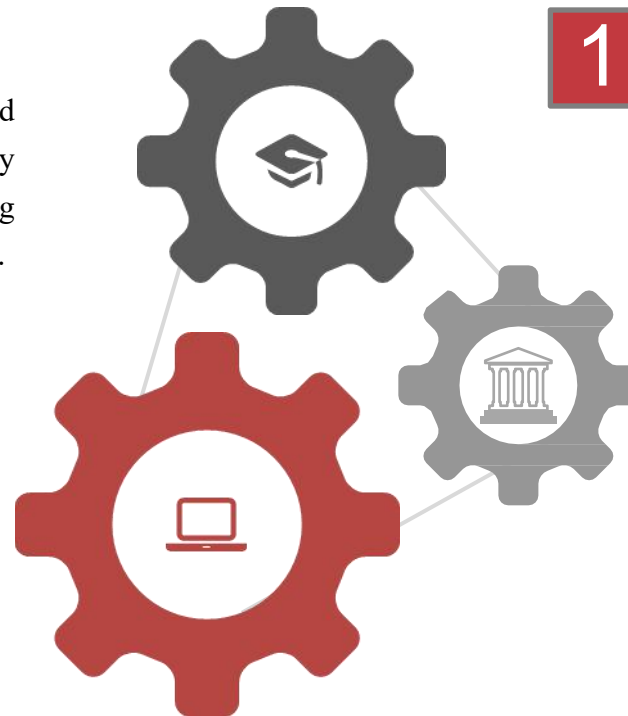
## MISSION

Produce excellent products with innovative technology and hard work to meet the needs of the environment and society. Creating value for customers and society.



## VISION

Becoming a globalized and technologically excellent enterprise with brand advantages, sustainable innovation and development.



# ABOUT FIRST

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## Summary

- HANGZHOU FIRST APPLIED MATERIAL CO., LTD. (Abbreviation: FIRST, Code: 603806) and its subsidiaries are the world's leading companies in PV packaging materials
- FIRST has advantages in technology research and development, scale and brand
- FIRST provides PV Film, PV Backsheet, Dry Film Photoresist and other products or technical services

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## Main Content

- About FIRST
  - Development History
  - Industry Status
  - Innovative R&D
- 



# ABOUT FIRST

Hangzhou First Applied Material Co., Ltd., headquartered in Lin'an, Hangzhou, is a high-tech enterprise focusing on the R&D, production and sales of new materials. FIRST was listed on the Shanghai Stock Exchange on September 5, 2014, stock code: 603806. We have a number of subsidiaries in Hangzhou, Changshu, Thailand, Chuzhou, Jiaxing, Jiangmen, Anji, Shenzhen, Beijing, Hong Kong and other places, which are engaged in photovoltaic materials, electronic materials and functional film materials.

FIRST is the world's largest PV film company, with a global market share of more than 50%. We have a wide range of PV film products, covering the diverse needs of different technical routes such as Polycrystalline silicon solar cell, Single crystalline silicon solar cell, Thin-film solar cell, Double-glass module, Double-sided cell, etc, it can fully adapt to and meet the diverse needs of downstream high-efficiency and high-reliability modules for packaging materials. In the meantime, based on its own common technology platform and years of R&D investment, the company has developed businesses in the field of electronic materials. At present, it has successfully launched Dry Film Photoresist, FCCL and other electronic material products, and has completed industrial development one after another.

In the future, we will continue to focus on the main business of new materials and strive to become a world-class material supplier.



**Headquarter**

Hangzhou



**Established time**

2003



**Employees**

2997

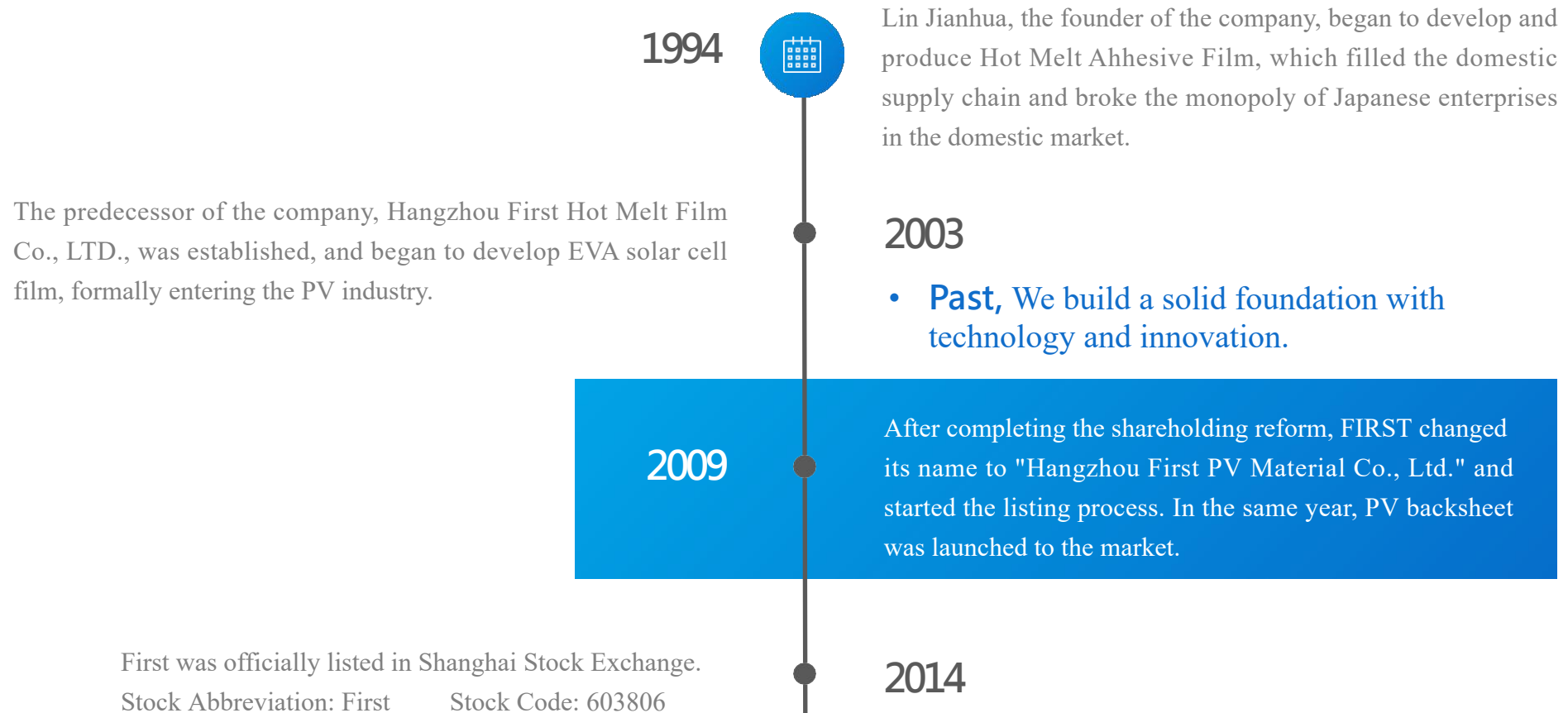


**Main Business**

PV Material  
Electronic Material  
Functional Film Material



# Development History



Decided to carry out the construction of Dry Film Photoresist, FCCL, PSPI, Aluminium Laminated Film, Organosilicon Packaging Material and other new materials.

2017

Started the construction of chuzhou and Jiaxing production base to accelerate the capacity reserve of PV packaging material.

2021

We will firmly implement the development strategy of "based on the main PV industry and vigorously develop other new material industries" to create a new chapter of development.

2015

Officially changed its name to "Hangzhou First Applied Material Co., LTD.", committing to becoming a comprehensive material company.

2020

Started the construction of production base in Jiangmen, Guangdong province to accelerated the capacity reserve of electronic material and other materials.

FUTURE

- **In the future,** FIRST continues to focus on the research and development of new materials, to be a world-class material supplier.

# Industry Status

1

## PV Material

The world's largest PV film supplier, with a global market share of more than **50%**.

2

## Electronic Material

Committed to promoting the localization of key electronic material, becoming a leading brand of domestic-funded Dry Film Photoresist supplier.

3

Member of the board of directors of CHINA PHOTOVOLTAIC INDUSTRY ASSOCIATION (CPIA)  
The executive director unit of CHINA PRINTED CIRCUIT ASSOCIATION (CPCA)  
One of the MSCI China Index constituent stock



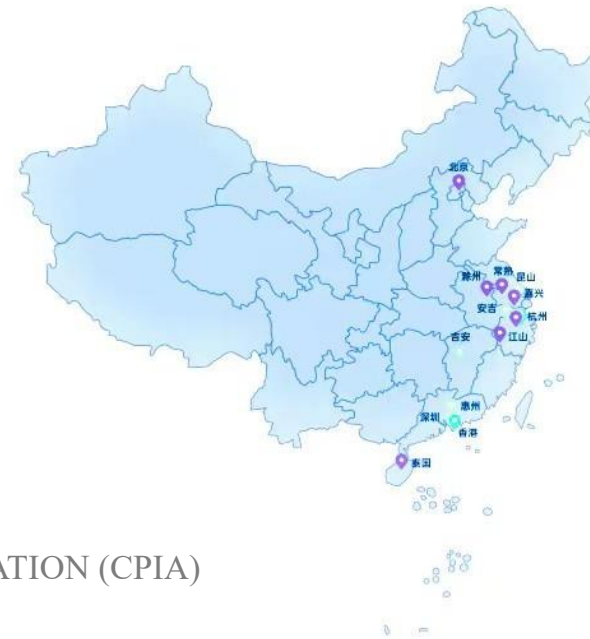
PV business: Hangzhou, Changshu, Thailand, Chuzhou, Jiaxing, Beijing, Jiangshan



Electronic Material business: Hangzhou, Anji, Huizhou, Shenzhen, Kunshan, Jiangmen, Jian



Other business: Hangzhou, Hong Kong



## Innovative R&D

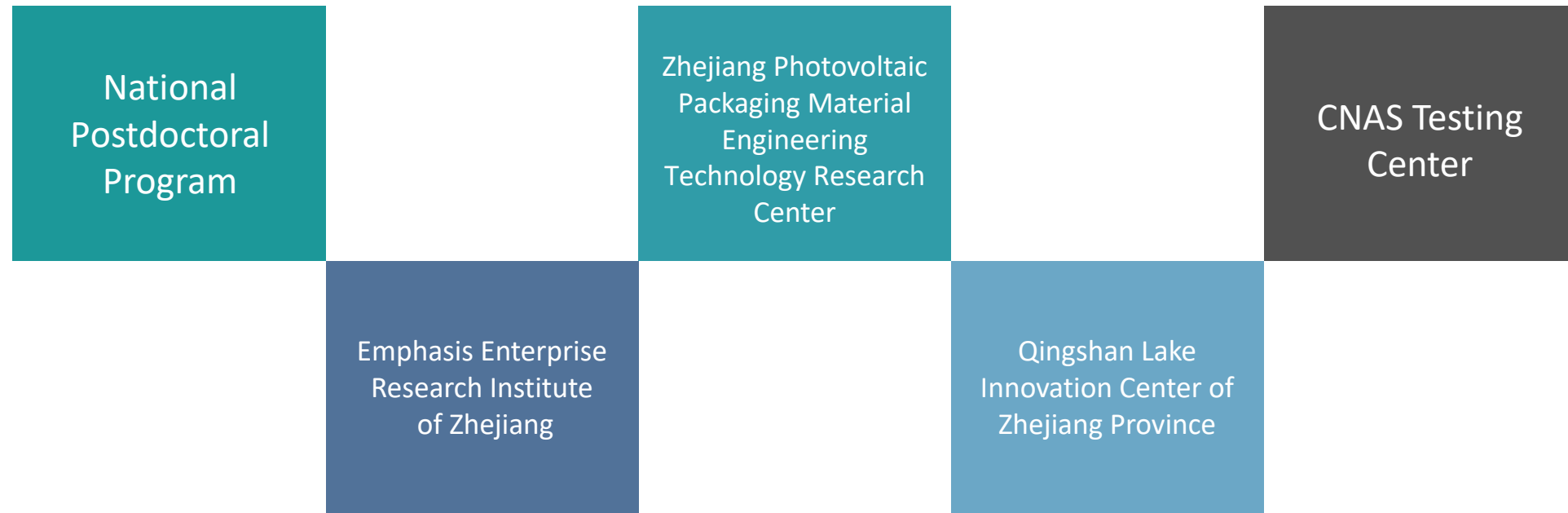
As a platform-based technology company positioned as a new material developer, First has been deeply engaged in the field of PV materials for nearly 20 years since it successfully developed EVA film in 2003, and has carried out in-depth research on the formulation, process and equipment of PV film and backsheet, which has a strong endogenous power. In recent years, with the strategic implementation of the company's expansion of new material product systems based on key common technology platforms, First has developed new material products such as Dry Film Photoresist, FCCL, PSPI, Aluminium Laminated Film, and Membrane Support Fabric. Some products have completed industrialization development and landed seed customers. In the future, we will firmly implement the development strategy of "based on the main PV industry and vigorously develop other new material industries", and is committed to realizing the localization of more key new materials through technological innovation.



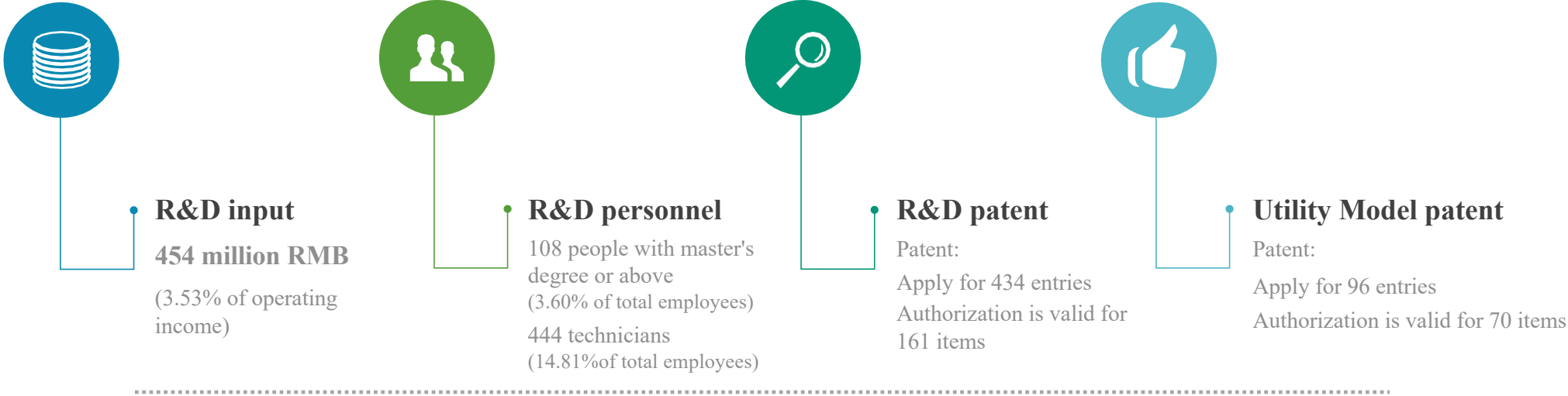
# R&D platform

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We have built the *FIRST Advanced Material R&D Institute*, equipped with advanced experimental instruments and testing equipment, and built a constant temperature and humidity clean laboratory, with the following qualifications:



# R&D platform



## R&D features

Relying on the understanding of product formulation and production process, the company has detailed polymer processing technologies overing the whole process flow of casting extrusion process, precision coating process, controllable cross-linking process, and polymer heterogeneous interface bonding processes. FIRST has the independent research and development capabilities of the core equipment of the industrial chain, and the independent development capabilities of the intelligent management system of the whole process of production and quality control. Meanwhile, FIRST is one of the few high-tech enterprises in the industry with independent research and development capabilities for the entire industry chain. FIRST purchases customized parts from suppliers to assemble the production line. On the one hand, the investment cost will be lower than that of competitors who purchase the entire production line, on the other hand, it ensures the production efficiency of products and improves its own process control ability. And it can effectively prevent the proliferation of core technologies and processes, and master the autonomy of technological upgrading.

# SUSTAINABLE ECONOMIC GROWTH

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## Summary

- FIRST has always insisted on operating transparency, focusing on shareholders' rights and interests, and engaging a sound and effective board of directors as the basis for corporate governance
- The board of supervisors is responsible for supervising the behavior of the directors and management, and the financial affairs of the company
- Under the leadership of the board of Directors, the operating management of FIRST is fully responsible for the daily operation and management activities

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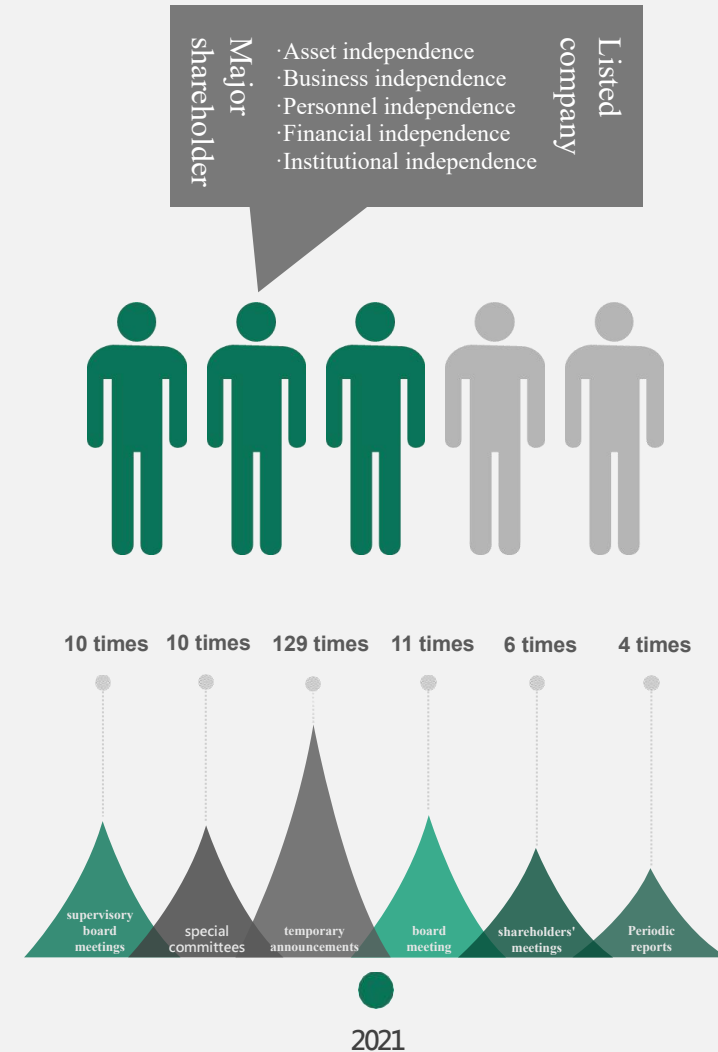
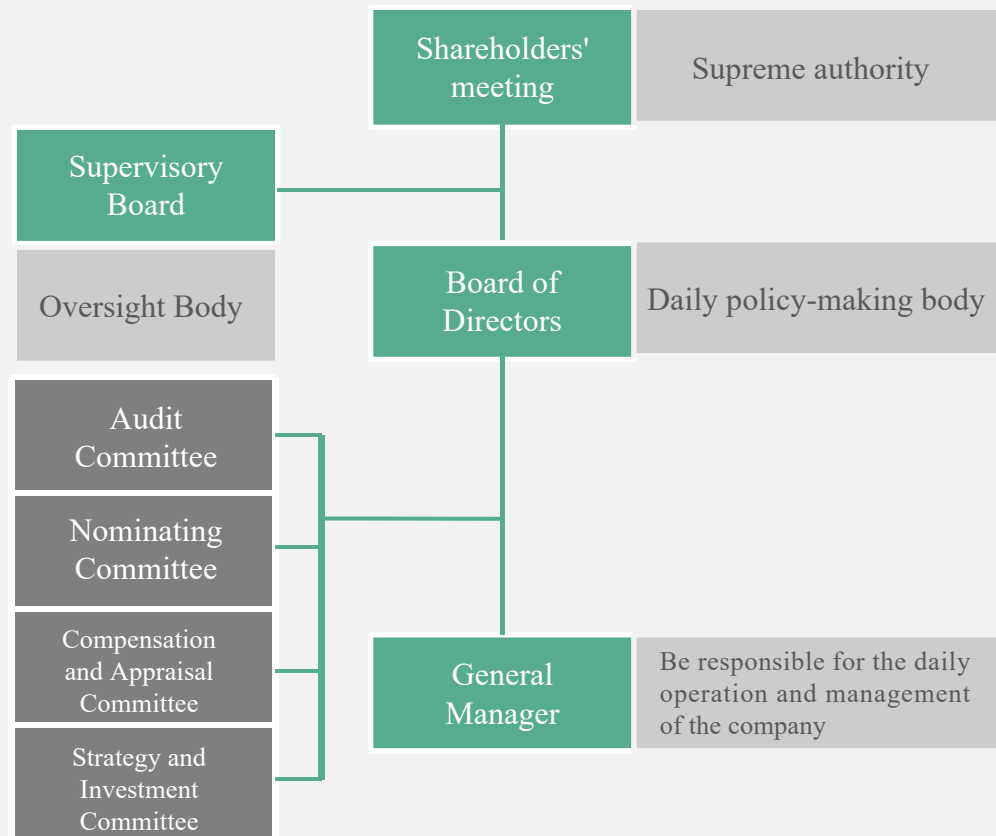
## Main Content

- Corporate Governance
- Protection of Shareholders' Rights and Interests
- Protection of Stakeholders' Rights and Interests



# Corporate Governance

## Organization Structure





# Protection of Shareholders' Rights and Interests



## Shareholders' meeting

The highest authority of the company



## Board of Directors

The Board of Directors is the company's daily decision-making body, and consists of four special committees: Strategy and Investment Committee, Compensation and Appraisal Committee, Nomination Committee and Audit Committee. The board of directors is responsible to the general meeting of shareholders, reviews and makes decisions on major issues in the company's business activities, or submits it to the general meeting of shareholders for deliberation



## Supervisory Board

The board of supervisors is responsible for supervising the behavior of the directors and management, and the financial affairs of the company



## General Manager

The general manager of the company is appointed by the board of directors. Under the leadership of the board of directors, he is fully responsible for the daily operation and management activities of the company.



FIRST in strict accordance with the *"Company Law"*, *"Securities Law"*, *"Governance Guidelines for Listed Companies"*, *"Shanghai Stock Exchange Listing Rules"* and the China Securities Regulatory Commission and other relevant departments of the relevant laws and regulations, as well as the requirements of the normative documents, to strengthen Information disclosure, constantly improve the corporate governance structure, establish and improve the internal management and control system, standardize the company's operation, and ensure the maximization of the shareholders' interests.

# Protection of Stakeholders' Rights and Interests

## 中华人民共和国杭州海关 重新认证通过通知书

杭关重通〔2019〕2902101号

企业名称：杭州福斯特应用材料股份有限公司

统一社会信用代码：91330000749463090B

我关自2019年7月22日起对你单位实施了一般认证企业高级认证企业重新认证。经认证，你单位符合《海关认证企业标准》规定要求，通过海关重新认证。



## Protection of Supplier's rights

- FIRST has established "Procurement Control Procedures" and "Supplier Management Control Procedures" to further standardize the supplier management process.
- FIRST has advanced customs AEO certification qualification, and will conduct a comprehensive evaluation according to the customs advanced certification standard when screening business partners, and focus on the evaluation of compliance and trade security.
- FIRST regularly reviews and assesses qualified suppliers to ensure the traceability of their qualifications and historical product quality files.
- FIRST has established a supplier integrity system. Prior to important procurement activities, suppliers will receive the "Integrity and Self-Discipline Notification Letter" from FIRST. The company only conducts bidding activities in some of the supply chain links that have met the conditions to ensure the fairness and impartiality of supply chain management.

# Protection of Stakeholders' Rights and Interests

FIRST has established a complete quality management system and process control system to ensure product quality and create value for customers.

## System Certification

FIRST has passed the **ISO9001 Quality Management System Certification**, clarified job responsibilities and work instructions for each process, and established strict internal control indicators. The whole process of product formation has strict quality control and supervision.

## Process Control

FIRST is equipped with advanced testing equipment, and carries out strict quality control over the steps of raw material inspection, process inspection and finished product inspection. Our product quality is stable, and customer satisfaction has reached expectations.

## After-sales Service

FIRST has formulated the "Customer Complaint Management Procedure" and "Quality Responsibility Management System", and established an efficient and effective after-sales service system. The sales department will timely and accurately deal with all kinds of problems and complaints raised by customers, understand the product quality and service status on site, ensure that the processing results can be satisfied by customers, and analyze the reasons for this time for future improvement.

## Quality Learning

In order to strengthen the quality control of the production process and improve the employees' work quality awareness, FIRST has been organizing training courses on relevant quality awareness, process requirements, equipment knowledge, etc. from time to time. Generally, the company's internal trainers or external lecturers are responsible for skills training. In order to improve the effect, various forms and methods are often used in training. The company will continue to inspect the follow-up work and evaluate the training effect.

## Customers' rights protection

Customer First is one of the core values of FIRST's corporate culture. Winning the trust of customers and maintaining long-term cooperative relationships are important cornerstones of the company's development. We always adhere to the principle of customer orientation and are committed to providing excellent service to our customers. FIRST creates value for customers through long-term unremitting efforts. In the long-term and stable development of cooperation with customers, we have established good relations with customers, won the trust of many customers around the world, and finally formed a win-win model between the company and customers.

# SOCIAL RESPONSIBILITY MANAGEMENT

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## Summary

- As a listed company with international operations, FIRST strictly abides by laws and regulations in corporate governance, financial accounting, transparent audit reports and other aspects
- We abide by the international laws, regulations and rules where we operate
- Be ethical, safe, do not harm the environment, and ensure that employees are treated fairly

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## Main Content

- Social Responsibility Management
  - Communication with Stakeholders
- 



# Social responsibility management

Based on years of practical experience in corporate social responsibility, FIRST has put forward the guiding ideology of "parallel development of social responsibility and benefit" through careful analysis and summary, rational planning and design, and established and gradually improved the social responsibility system. We adhere to the principles of integrity, equality and interaction, and actively promote and improve the communication and participation mechanism of stakeholders. We actively build a platform for communication with stakeholders and encourage them to participate in the company's responsibility fulfillment practices, so as to promote the coordinated development of economic growth, environmental protection and social progress.



## Honesty

We operate with integrity, pay taxes in accordance with the law, protect society, the environment and natural resources, and ensure the sustainable development of the company.



## Equality

We adhere to the people-oriented philosophy, safeguard human rights, and treat every employee and partner equally.



## Interaction

We focus on communication with stakeholders, fully understand their expectations and take active measures.

# Communication with Stakeholders

Types of stakeholders	Customer	Employee	Shareholder	Supplier	Government	Sociology	Environment
Communication objective	<ul style="list-style-type: none"> <li>·sales/technical support team</li> <li>·quality management department</li> </ul>	<ul style="list-style-type: none"> <li>·all employees</li> </ul>	<ul style="list-style-type: none"> <li>·shareholder</li> </ul>	<ul style="list-style-type: none"> <li>·supplier</li> </ul>	<ul style="list-style-type: none"> <li>·national and local NDRC, Economy and Information Technology, Excise Office, General Administration of Customs, Ministry Environmental Protection</li> <li>·national and local industry associations</li> </ul>	<ul style="list-style-type: none"> <li>·print media: newspapers, magazines</li> <li>·electronic media: Internet, wechat, TV</li> </ul>	<ul style="list-style-type: none"> <li>·living park</li> </ul>
Communication form	<ul style="list-style-type: none"> <li>·construction of customer service system</li> <li>·new product release conference</li> <li>·producing high-quality products</li> <li>·rapid improvement of quality issues</li> </ul>	<ul style="list-style-type: none"> <li>·comply with company rules and regulations, relevant laws and regulations</li> <li>·workers Congress</li> <li>·improve the compensation and welfare system</li> <li>·conducting various learning and training programs</li> <li>·protect the occupational health and safety of employees</li> <li>·employee care</li> </ul>	<ul style="list-style-type: none"> <li>·general meeting of shareholders</li> <li>·periodic reports and announcements of the company</li> <li>·strengthen risk monitoring, prevention and response</li> </ul>	<ul style="list-style-type: none"> <li>·supplier conference</li> <li>·to host or participate in industry seminars</li> </ul>	<ul style="list-style-type: none"> <li>·compliance management</li> <li>·pay taxes according to law</li> <li>·to strengthen environmental protection and management</li> </ul>	<ul style="list-style-type: none"> <li>·cultivation of talents</li> <li>·cooperation on projects</li> <li>·charity care</li> </ul>	<ul style="list-style-type: none"> <li>·comply with laws and regulations related to environmental protection</li> <li>·energy conservation</li> </ul>
Stakeholders expectation	<ul style="list-style-type: none"> <li>· notification of information</li> <li>· improvement of business ability</li> <li>·product safety</li> <li>·high quality of service</li> <li>·meet diverse product needs</li> </ul>	<ul style="list-style-type: none"> <li>·protection of basic rights and interests</li> <li>·democratic management</li> <li>·career development</li> <li>·occupational health and safety</li> <li>·excellent office environment</li> <li>·work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>·understand the company's operating status and basic rights protection</li> </ul>	<ul style="list-style-type: none"> <li>·fair competition</li> </ul>	<ul style="list-style-type: none"> <li>·compliance with laws and regulations</li> <li>·pay taxes according to law</li> <li>·to protect the environment</li> </ul>	<ul style="list-style-type: none"> <li>·promote employment</li> <li>·promote the development of streets and communities</li> <li>·caring for vulnerable groups</li> <li>·poverty alleviation and disaster relief</li> </ul>	<ul style="list-style-type: none"> <li>·reduce energy consumption</li> <li>·actions to improve the environment</li> <li>·sustainable development</li> </ul>
Follow with interest	<ul style="list-style-type: none"> <li>·customer satisfaction</li> <li>·Innovation management</li> <li>·competitive advantage in the industry</li> <li>·control of product quality</li> <li>·protection of confidential information</li> <li>·code of Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>·employee benefits and treatment</li> <li>·potential for future growth</li> <li>·competitive advantage in the industry</li> <li>·talent retention policy</li> <li>·training and education of employees</li> <li>·employee's physical and mental health</li> <li>·professional development of employees</li> <li>·corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>·outlook of the photovoltaic industry</li> <li>·competitive advantage in the industry</li> <li>·continued improvement in profitability</li> <li>·continued improvement in profitability</li> <li>·corporate strategy</li> <li>·R&amp;D goals and progress</li> <li>·the impact of international trade frictions</li> </ul>	<ul style="list-style-type: none"> <li>·quality, price, delivery, service</li> <li>·regulatory compliance</li> <li>·code of Business Ethics</li> <li>·sustainable behavior</li> <li>·management of suppliers</li> <li>·anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>·potential for future development</li> <li>·outlook of the photovoltaic industry</li> <li>·competitive advantage in the industry</li> <li>·pollution Prevention</li> <li>·continued improvement in profitability</li> <li>·innovation management</li> </ul>	<ul style="list-style-type: none"> <li>·corporate governance</li> <li>·economic benefits</li> <li>·innovation management</li> <li>·anti-corruption</li> <li>·social participation</li> <li>·external cooperation</li> </ul>	<ul style="list-style-type: none"> <li>·conservation of biological diversity</li> <li>·pollution prevention</li> </ul>

# UN's Sustainable and Development Goals



## NO POVERTY

Relying on the advantages of its own photovoltaic industry, FIRST conducts targeted poverty alleviation through the establishment of distributed solar power stations for welfare homes, nursing homes and poverty-stricken areas for free.



## GOOD HEALTH AND WELL-BEING

In order to ensure a healthy lifestyle for employees, FIRST will pay attention to the physical and mental health of employees, and will also actively care for and help disadvantaged groups in society. Disabled employees of FIRST account for 1.25% of the total employees.



## QUALITY EDUCATION

FIRST set up the "FIRST Love Student Fund" to help poor students to complete their studies.



## PARTNERSHIPS FOR THE GOALS

FIRST has customers and suppliers all over the world. FIRST insists on providing customers with high value-added products to create value for customers. FIRST and suppliers have established long-term strategic partnerships to ensure the security and stability of the supply chain.



## RESPONSIBLE CONSUMPTION AND PRODUCTION

FIRST actively implements the concept of lean production management, and actively improves production quality and cost management. FIRST sets cost-saving targets for key departments every year, and increases per capita efficiency by improving the level of production process control.



## GENDER EQUALITY

Among the 7 directors of the company's fifth board of directors, 2 are female directors, and 3 of the 6 senior executives who are concurrently held by the company's non-directors are female executives. Female employees of FIRST account for 23.99% of the total employees.



## CLIMATE ACTION

The photovoltaic industry that FIRST is engaged in is an important part of new energy, which belongs to renewable energy. Through technological innovation and cost reduction and efficiency enhancement, FIRST provides the most cost-effective packaging materials for the photovoltaic industry.



## DECENT WORK AND ECONOMIC GROWTH

Through the continuous development of the business, FIRST provides employees with stable employment positions and a salary system rich in incentive mechanisms. FIRST cares about employees, and understands the ideological dynamics of employees through a series of activities such as seminars with employees.

# Social Responsibility

## NO POVERTY

· FIRST donated photovoltaic equipment worth 600,000 yuan to the Shibing County People's Government through the Lin'an Red Cross Society. The construction of photovoltaic power generation projects can help Shibing County Micro-Business Incubation Park to save energy and reduce emissions; at the same time, it will drive Shibing County to build industrial and commercial roofs to improve the comprehensive utilization of solar energy.



## QUALITY EDUCATION

· FIRST set up the "FIRST Love Student Fund" to help poor students to complete their studies.

## GOOD HEALTH AND WELL-BEING

· Respecting and loving the elderly is a precious spiritual wealth handed down by our ancestors. In order to practice and carry forward the traditional virtues, FIRST regularly conducts special condolence activities for the elderly in the nursing home of Changshou Homeland.

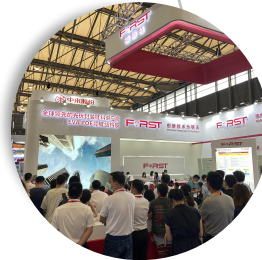


## GENDER EQUALITY

· FIRST holds various types of activities on March 8th Women's Day every year.

## GLOBAL PARTNERSHIP

· FIRST actively participates in industry exhibitions every year to strengthen communication with customers and suppliers.



## CLIMATE ACTION

· Based on the main business of photovoltaic packaging materials, the company provides the most cost-effective packaging materials for the photovoltaic industry by technological innovation, reducing costs and increasing benefits.

## RESPONSIBLE CONSUMPTION AND PRODUCTION

· FIRST actively implements the concept of lean production management, encourages all employees to carry out technological innovation and cost-saving activities, and rewards outstanding teams and individuals every year.



## DECENT WORK AND ECONOMIC GROWTH

· FIRST cares for its employees. FIRST understands the ideological dynamics of employees through a series of activities such as new employee symposiums, and focuses on solving problems that employees care about in work.



# CARING FOR EMPLOYEES

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## Summary

- FIRST always believes that only by giving employees a macro vision and a broad stage, allowing them the opportunity to realize their personal dreams, can they enjoy work and life, and have a better future
- FIRST has always been adhering to the people-oriented concept, ensuring that employees can receive fair treatment, good health, and opportunities for continuous self-improvement, thereby promoting the company's economic development and enhancing the company's social influence

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## Main Content

- Attracting and Keeping Personnel
- Vocational Development
- Vocational Health and Safety
- Varied Life



# Attracting and Keeping Personnel

## Employee Care

FIRST adheres to the people-oriented concept and attaches great importance to the optimization of talent structure and management organization. FIRST values the life and occupational health and safety of its employees. FIRST cares about the life of employees and provides loving assistance to employees in need.

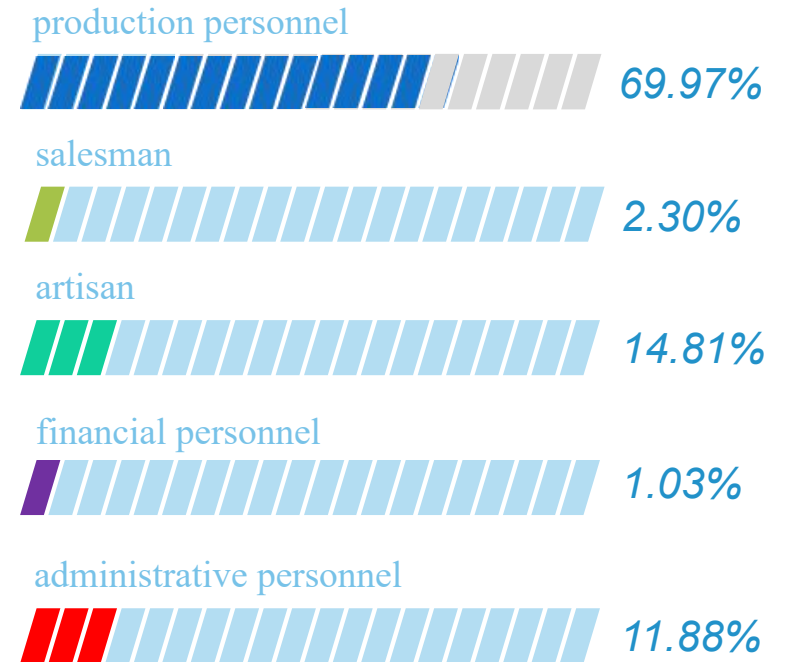


## Pay Policy:

FIRST follows the salary concept of "adhering to fairness and order, adapting to the market environment, reflecting the value of talents, and playing an incentive role" to promote the sustainable development of the company and achieve a win-win situation for employees and the company.

- Adhering to the concept of "focusing on position value, guided by performance and contribution", FIRST regards the labor value, ability contribution and performance results of the position as the main basis for salary distribution.
- Adhering to the concept of linking "ability, contribution, performance and salary level", FIRST has established a normal salary adjustment and promotion system to encourage employees to become talents based on their own positions.
- Adhering to the concept of "orderly and sustainable development", FIRST links employees' remuneration levels with the company's overall income, so as to realize the common development of employees and the organization. Through continuous improvement of the performance appraisal system, salary and welfare system, training management system, and employee development and promotion channels, FIRST guides and motivates employees to improve and develop, so as to achieve the goal of employees growing in work, harvesting in growth, and developing harmoniously with the company.

## Staff Structure



FIRST pays attention to the career development of employees, formulates reasonable development channels, provides comprehensive promotion resources and establishes special retention system.



#### "Xinya" Program

It is a learning enhancement project planned for fresh graduates.



#### "Qingmiao" Program

It is a reserve cadre training project planned for the talent training and T team construction.



#### "Qingteng" Program

It is a talent reserve project aimed at improving the comprehensive management of middle and high-level cadres, accelerating the construction of talent echelon, and promoting the sustainable and rapid development of enterprises.

## Vocational Development

"Humble, studious, team spirit" is one of the FIRST core concepts. The important way to build a corporate culture and show the core concept of an enterprise is to "create a learning organization".

- Around this core idea, FIRST established the *"Training Management System"*. Our starting point is to improve the capabilities of existing employees and improve their job competencies. According to the annual human resources inventory and personnel competency analysis results, we prepare annual training plans year by year, update and improve training development plans, and establish a training management system that is in line with the company's self-development. In daily implementation, we decompose the annual plan into monthly plans, and adopt the form of training combining internal and external, and gradually promoting it in depth. According to the different positions, abilities and competencies of personnel, we adopt a hierarchical design and a phased promotion model, and pay attention to the training effect. Through all-staff coverage, full-staff management, and hierarchical organization of training management, we create a platform for employees' improvement abilities and career development, ensure the realization of the company's strategic development goals, and achieve the sustainable development of the company.

- **Fast development channel:** In order to build a fast channel for the growth of technical talents, attract high-potential talents, and cultivate a group of high-level technical experts, FIRST has set up rapid development projects in the technical sequence. The employees of this project will be given more attention and training, at the same time they will be assume more responsibilities, so that they can quickly grow into the technical backbone.

# Employee Training Program

Through regular management courses (such as corporate culture, quality, product knowledge, safety, etc.), general workplace courses (such as social etiquette, career development, etc.) and Foster online Cloud University courses, combined with outdoor activities, fresh graduates can quickly adapt to the workplace life, smoothly from "campus people" to "social people". At the same time, it is also beneficial for the fresh graduates to form a learning exchange circle for college students, which is convenient for everyone to communicate in work and study.

"Xinya" Program



By carrying out a series of courses, such as safety, quality, lean production, etc., students can systematically and comprehensively learn management knowledge. We also organized various learning activities such as reading sharing sessions, study tours, and outdoor expansion. In addition, we also set up psychology courses, so that students can better devote themselves to work and study, and maintain the ability of lifelong growth. Through project study, students can not only learn various aspects of management knowledge, but also combine theory with practice, implement a number of improvement projects in their work, and practically apply what they have learned.

"Qingmiao" Program



In order to improve the comprehensive ability of the company's middle management cadres, we set up the "Qingteng Program", and hire external experts to give lectures throughout the project. The project conducts knowledge training and practice transformation for management cadres in all directions and from multiple perspectives. The project adopts the methods of "setting goals", "building plans", "grasping implementation", "showing results", and using practical workshops for practical training, which not only allows everyone to actively participate in learning, but also solves the pain points in the work through the project. This will help improve corporate performance and promote the achievement of annual business goals. At present, the first phase has been launched, with a total of more than 40 participants.

"Qingteng" Program

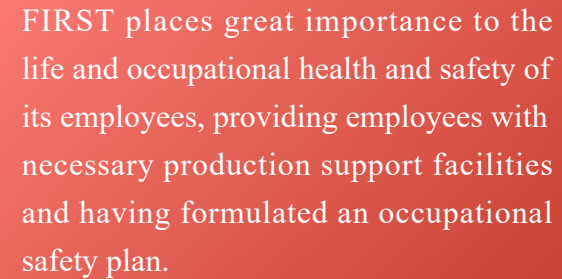




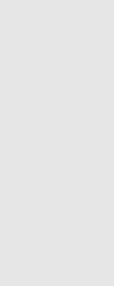
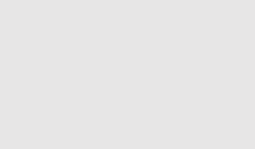
# Vocational Health and Safety

## Occupational Health

FIRST carries out various occupational disease prevention and control work in strict accordance with the requirements of the "Occupational Disease Prevention and Control Law" according to the certification of the **ISO45001:2018** occupational health and safety management system that has been obtained. It tests occupational hazards in the workplace every year, and announces the results of the test . Every year, FIRST conducts occupational health examinations for all employees exposed to occupational hazards and establishes employee personal monitoring files, regularly distributes individual labor protection articles to employees to prevent occupational hazards, and establishes a "mood station" to care for employees' mental health.



FIRST places great importance to the life and occupational health and safety of its employees, providing employees with necessary production support facilities and having formulated an occupational safety plan.



# Stock Ownership Incentive

## Employee Stock Ownership

In order to establish and improve the benefit-sharing mechanism for employees and shareholders, improve the level of corporate governance, enhance the cohesion of employees and the competitiveness of the company, mobilize the enthusiasm and creativity of employees, and promote the long-term, sustainable and healthy development of the company, FIRST will continue to carry out the employee stock ownership plan.

FIRST pays attention to career progress and ability for personal development of each employee, and provides various equity incentives within the company.

The first and second phases of the employee stock ownership plan have been successfully completed, and the employees have successfully shared the dividends brought by the company's rapid growth. The third phase of the employee stock ownership plan is in the process of implementation. Our employee stock ownership plan has the characteristics of wide coverage (including middle and senior management personnel, department personnel and front-line employees) and light burden on employees (the company provides incentive funds and major shareholders reduce their holdings through targeted block transactions, etc.).





# Varied Life

FIRST establishes trade unions in accordance with national regulations, formulates trade union management systems, and implements democratic management to safeguard the legitimate rights and interests of employees.

The trade union organization consists of the chairman, the executive vice-chairman, the vice-chairman, the trade union committee member, and the trade union office. The chairman of the trade union, the executive vice-chairman, the vice-chairman and the committee members of the trade union are composed of representatives of employees from various departments who voluntarily join the trade union. The trade union strictly performs the functions of maintenance, construction, participation and education, and serves the employees wholeheartedly. In 2021, the trade union has cared about the lives of employees, harmonious labor relations, and promoted employees to actively participate in activities related to the company's business, such as scientific and technological innovation, labor competitions, selection and recognition of advanced collectives and labor models. The trade union carries out various cultural and sports activities and builds a talent display platform to enrich employees' spare time life. In order to promote union work, FIRST encourages employees to participate in union activities extensively, so as to jointly create a healthy, orderly and vibrant Foster culture.

# CARING FOR THE ENVIRONMENT

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## Summary

- FIRST not only pays attention to the development of enterprises and the creation of value, but also pays attention to environmental protection
- Our environmental protection policy emphasizes the efficient use of resources and energy, and the reduction of greenhouse gas and harmful substances emissions
- We will continue to implement improvement measures and practice the concept of sustainable development to reduce the impact on the ecological environment, natural resources and climate change

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## Main content

- Green Industry
  - Green Production
  - Management of "Three Wastes"
  - Environmental Awareness
- 





# Green Industry

**2020  
9.22**

President Xi delivered an important report at the United Nations General Debate Conference, talking about the enlightenment brought by the new crown epidemic.

Among them, it is pointed out that China should improve its independent contribution capability. Under the premise of the Paris Agreement, China should further carry out actions to reduce emissions and control climate, and strive to achieve carbon neutrality by 2060. This is a daunting and complex challenge, and achieving zero emissions is the final goal of the energy transition.

**2020  
12.12**

President Xi said at the Climate Ambition Summit that by 2030, the total installed capacity of wind power and solar power in China will reach more than 1.2 billion kw.

The industry generally predicts that 1.2 billion kw is only the lower limit. The agency predicts that by 2030, the installed capacity of wind power and photovoltaics may be 1.6-1.8 billion kw. As of the end of 2020, the cumulative installed capacity of wind power and photovoltaics in China is 530 million kw, which means that in the next ten years from now, the installed capacity of new energy will increase by 1.07 billion to 1.27 billion kw.

**2021  
3.15**

President Xi presided over the ninth meeting of the Central Financial and Economic Commission

The meeting pointed out that it is necessary to build a clean, low-carbon, safe and efficient energy system, control the total amount of fossil energy, focus on improving utilization efficiency, implement renewable energy alternative actions, deepen the reform of the power system, and build a new power system with new energy as the main body. Energy mainly refers to wind energy, electricity and photovoltaics.

The main industry of FIRST is the photovoltaic industry. The PV film and backsheet produced by FIRST play a role in encapsulating and protecting the solar cell modules, which can improve the photoelectric conversion efficiency of the modules and prolong the service life of the modules. The energy consumed in the production process will eventually be converted into green energy output by photovoltaic power generation.



## Green & Beyond

With the global promotion of the concepts of "carbon peaking" and "carbon neutrality", the proportion of photovoltaic power generation in the new power system dominated by new energy will increase significantly in the future. We will firmly implement the development strategy of "Based on the main photovoltaic industry and vigorously develop other new material industries", and will make full use of the advantages of R&D and cost control to accelerate the production capacity expansion of PV film and backsheets to consolidate and enhance the company's market share and get growth with the global photovoltaic industry. At the same time, We have actively implemented the concept of "solar for solar". In addition to building a distributed power generation system on the roof of our own factory, we have also opened up a business section to develop various types of photovoltaic power plants.

# Green Photovoltaic Power Station

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**Jiangshan FIRST**

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**Aoxing Electronics**

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**Drainage Company**

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**Greentown Yuhua**

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# Green Production



FIRST is led by the safety production responsibility system, fully implements safety responsibilities at all levels, and signs safety responsibility letters and safety commitments at every level. FIRST strengthens safety education, organizes "three-level safety education" for new employees and safety re-education for old employees. Meanwhile, we organizes various occupational health promotions and various activities on safety and environmental protection, such as Ankang Cup competitions, safety qualified teams, safety month activities, etc.



FIRST attaches great importance to the inspection and rectification of safety hazards and fire management, organizes fire emergency evacuation drills from time to time, and improves the fire control system of each plant area, so that the safety standardization work has been improved. FIRST and its subsidiaries strictly abide by the "Environmental Protection Law of the People's Republic of China" and other relevant environmental protection laws and regulations in the daily operations. First of all, our environmental protection facilities are operated, repaired and maintained synchronously with normal production facilities to ensure the stable operation of environmental protection facilities. Secondly, FIRST continuously strengthens the process management of the operation of environmental protection facilities, and implements pre-management of pollutant discharge in combination with the stable rate of device operation, which improves the operational stability and treatment efficiency of environmental protection facilities. Finally, by regularly monitoring pollutant discharge levels, we can ensure that pollutants are discharged within the standard.

## Waste water



Our production cooling water is recycled, and the domestic wastewater is treated by the sewage station to meet all the requirements of the management.

## Flue gas




Our production waste gas is mainly discharged after being collected and fully combusted by the RTO device.

## Solid waste



Our general solid waste is classified and utilized, and hazardous waste is strictly controlled and disposed of in compliance with qualified units

# Management of "Three Wastes"



## Source Control

FIRST conducts cleaner production projects, improving the use of raw materials at the production source to reduce resource consumption and waste generation. The waste generated in the production process is striving to seek the possibility of reuse, so as to maximize the recycling of resources and reduce the environmental load. The remaining waste that cannot be recycled will be handed over to qualified waste manufacturers for disposal.

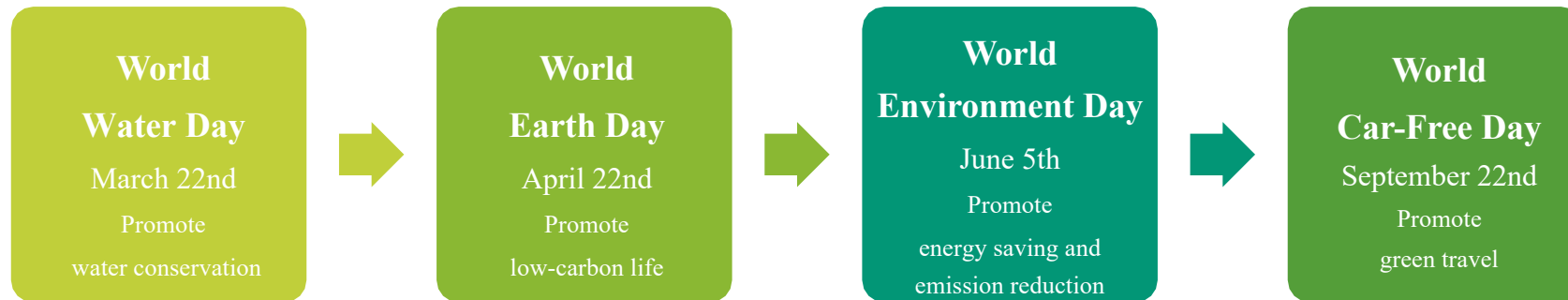
## Classified Collection and Temporary Storage

FIRST collects and temporarily stores waste according to the shape and nature of waste. The types of waste include: production waste, domestic waste, hazardous waste, etc. For hazardous waste, we strictly implement relevant control measures.

## Hazardous Waste Management

1. Divide the waste generated in the production workshop into acid, alkaline, toxic, oxidative, spontaneous, flammable and general, and use different colored recycling buckets to distinguish
2. Collect the sorted waste regularly every day
3. The collected waste will be transported to the hazardous waste warehouse by special personnel for temporary storage
4. Hand it over to a manufacturer with hazardous waste disposal qualifications for disposal

# Environmental Awareness



FIRST encourages employees to actively participate in activities related to environmental protection, advocates the concept that environmental protection is everyone's responsibility, and organizes various activities to enhance employees' awareness of environmental protection.

In 2021, the EHS department of FIRST conducted a special promotion on the Environmental Protection Publicity Day, such as holding on-site activities for employees to participate in, so that employees could enhance their awareness of environmental protection in practice.

# CARING FOR SOCIETY

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## Summary

- Since its establishment, FIRST has actively participated in social welfare activities and community services, focusing on giving back to the society.
- In the face of the complex and ever-changing epidemic situation, FIRST has done a good job in its own prevention and control, actively donated money and materials, and worked with people from all walks of life to fight the epidemic.

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## Main content

- Public Benefit Activities
  - Epidemic Aid
- 



# Public Benefit Activities

FIRST is enthusiastic about public welfare undertakings and actively fulfills its social responsibilities. Starting from the photovoltaic industry, we established a long-term poverty alleviation mechanism by assisting in the construction of distributed power generation systems for free and more. FIRST attaches great importance to the help of employees in need and groups, actively donates to various public welfare undertakings, and donates a love through activities such as "Spring Breeze Action" and "FIRST Love Student Fund".



## Community Construction

FIRST actively pays attention to the needs of the community, and has repeatedly donated to the community to build rural roads, cultural auditoriums and elderly activity centers

## Helping Poor Workers

In addition to donating to the "Spring Breeze Action" every year, FIRST also actively pays attention to the needy people and makes targeted donations to help them tide over the difficulties

## Contribute to the Society

FIRST and Zhejiang University of Technology signed a school-enterprise strategic cooperation agreement, which will lead more alumni to work together with their alma mater to create greater glories in the future



# Epidemic Aid

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## Epidemic Control

Before the Spring Festival in 2020, a sudden COVID-19 completely disrupted people's work and life rhythm. The epidemic is raging, spreading rapidly and affecting a wide range, and all sectors of society are facing enormous challenges and pressures. In the face of the complex and changing epidemic situation, the chairman of FIRST personally led the establishment of an epidemic prevention and control team to implement various measures to ensure the orderly operation of the company.



## Various Contributions

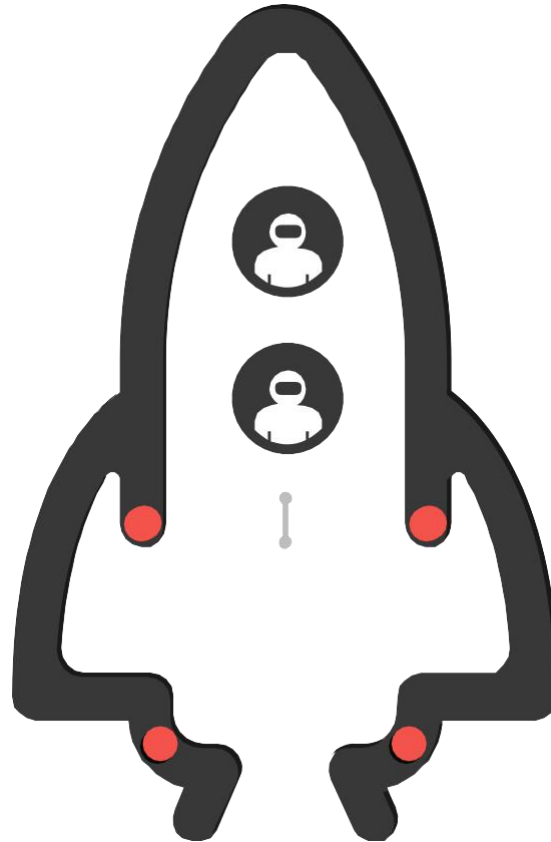
FIRST actively cared about the local staff who are fighting on the front line of epidemic prevention and control, and donated prevention and control materials to medical staff as soon as possible. At the same time, FIRST donated 1 million rmb to the Lin'an Red Cross Society and 1.2 million rmb to the "White Angel Fund" to express the highest respect for the medical staff.

# Future Expectations

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In the future, FIRST will continue to improve the corporate social responsibility management system, further deepen the corporate social responsibility concept, and improve the corporate social responsibility implementation mechanism, so as to be law-abiding, honest, innovative, and maintain a stable operation, creating more economic and social value for shareholders, employees, customers and society.



FIRST implements the scientific concept of development through practice, strives to improve operational efficiency and promotes enterprise development. At the same time, we will strengthen communication and exchanges with various stakeholders, actively promote the sustainable development of the ecological environment, continue to support the construction of social welfare undertakings, and take social responsibility as an obligation and responsibility to achieve the company's sustainable development.



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