



(ESG) Report 2023

Environmental, Social and Governance

Letright Industrial Corp., Ltd.

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About this Report



Report Introduction

This report is the first Environmental, Social, and Governance (ESG) report released by Letright Industrial Corp., Ltd. (referred to as "Letright", "the Company," or "We") since its establishment. The report comprehensively, objectively, and systematically reviews the status of Letright's ESG management, as well as the Company's relevant practices and achievements in environmental protection, social responsibility, and corporate governance in 2023.

This report is prepared in both Chinese and English. If there are any discrepancies between the English version and the Chinese version, please refer to the Chinese version as the official one.

Report Scope and Boundaries

Unless otherwise specified, this report focuses on the headquarters of Letright in Hangzhou and includes its subsidiary companies and factories. The information in this report covers the period from January 1, 2023 to December 31, 2023 (referred to as the "reporting period"). To enhance the comprehensiveness and comparability of the report, some content may extend beyond the timeframe mentioned above.

Compilation Basis

This report is prepared with reference to the recommendations of the Global Reporting Initiative's GRI Standard 2021, the China Academy of Social Sciences' China Corporate Social Responsibility Reporting Guidelines Basic Framework CASS-ESG 5.0, and the United Nations' Guidance for Business Action on SDGs (Sustainable Development Goals).

Information Sources

The information disclosed in this report mainly comes from official documents, reports, and other publicly available materials of Letright and its subsidiary companies. It also includes some internally generated or manually compiled information. All information sources have been carefully selected and verified to ensure their authenticity and accuracy.



A Letter from CEO

Dear stakeholders,

Since its establishment in 1999, Letright has been dedicated to the design, research and development, production, and international expansion of outdoor leisure furniture. Over the past twenty years, our efforts have made us a leading enterprise in the Chinese outdoor furniture industry, currently ranking second in the industry. Our product portfolio is diverse and includes umbrellas, canopies, dining tables/chairs, sofas, coffee tables, solar lights, and more, covering global markets. We are proud to have achieved counter-trend growth in performance despite the severe challenges posed by the pandemic, with a year-on-year revenue growth of 66% in 2021 and 15% in 2022. As a member of the China Light Industry Council, China Furniture Association, and Zhejiang Furniture Industry Association, we have received numerous honors, including the Hangzhou City and Zhejiang Province Export Famous Brand, Zhejiang Province Manufacturing Brand Certification, Hangzhou City Enterprise Technology Center, Zhejiang Province Industrial Design Center, Hangzhou City Leading Export Enterprise, Zhejiang Province Cross-border E-commerce Export Famous Brand, Zhejiang Province Integrated Domestic and Foreign Trade Leading Enterprise, and Hangzhou City Top 100 Comprehensive Enterprise. With nearly 1000 product patents, we have also won international design awards such as IF, Red Dot, and DESIGN AWARD multiple times. We have four production bases in Deqing Zhejiang, Xincai Henan, and Tay Ninh Vietnam, which have made significant contributions to local economic development and employment. Since 2015, we have actively expanded our cross-border e-commerce business and become the industry leader. Since 2001, we have adhered to environmental principles and firmly abandoned the use of wood materials, instead adopting innovative technologies and new materials. We continuously improve our product portfolio, inject technological strength, and explore new species in the industry, bringing new transformations to the industry.

In 2023, Letright took on the mission of addressing this issue and created the world's first intelligent panoramic pergola, the SOLARPERGOLA. It integrates several innovative technologies, including the integrated outdoor heating and cooling system, efficient light storage system, super motor drive technology, complex circuit control system, and fully integrated smart control. It also overcame challenges in sealing, insulation, transparency, and aesthetics, solving the seasonal and weather limitations faced by outdoor products. At the same time, it emphasizes environmental protection, seamlessly connecting with outdoor leisure spaces using clean and green electric energy, contributing to the sustainable development of the Earth. When expanded, this panoramic pergola integrates harmoniously with nature, while in the closed state, it transforms into a private and comfortable space, achieving harmonious coexistence with the environment. With its portable, modular, detachable, and non-grounding design, it addresses the renewable energy supply for outdoor living and enables a sustainable lifestyle. Our goal is to provide 100 million intelligent panoramic pergolas to the world in the next decade, reducing carbon emissions by 180 million tonnes annually and assisting in global decarbonization efforts.

We will continue to strengthen our product research and development capabilities, expand the global market, and increase investment in the ESG field. Our goal is to achieve sustainable development for the Company through technological innovation and management optimization, making a greater contribution to environmental protection.

We have already developed a detailed plan to further enhance our ESG performance, including reducing energy consumption and waste emissions, improving the recyclability and sustainability of our products, and strengthening support for our employees and communities.

I want to express my gratitude to all the partners, customers, and employees who support Letright Industrial Corp., Ltd. It is your support that enables us to move forward continuously. We believe that through our joint efforts, we can not only achieve sustainable development for the Company but also contribute to building a better and more sustainable world.

Thank you wholeheartedly for your trust and support.
Best regards,

Letright Industrial Corp., Ltd.

About Letright



Letright Industrial Corp., Ltd. was established in 1999 and is headquartered in Hangzhou, Zhejiang Province. It is a fully integrated outdoor home furnishing company that combines research and development, production, and sales. Letright is committed to becoming a leader in the global outdoor home furnishing industry, providing a full range of outdoor home furnishing products in various fields, including outdoor furniture, sunshades, and lighting. These products are sold in over 30 developed countries and regions around the world, with annual sales exceeding CNY 4 billion. Currently, the Company has more than 9,000 employees and four major production bases in Deqing Zhejiang (2 bases), Xincai Henan, and Tay Ninh Vietnam. The manufacturing scale of Letright is leading among outdoor furniture exporting companies in China.

The Company has established six product brands, starting with "LETRIGHT". They are the outdoor furniture brand "EVERITE", the solar pergola series "OMBRA", the solar energy brand "SOLARYARD", the leisure series "GRAND PATIO", the garden series "GRAND LEISURE", and the camping series "HICAMP". These brands cover a wide range of fields including outdoor furniture, sunshade products, and lighting, providing consumers with diverse choices and meeting the diverse needs of the market in a comprehensive manner.



ENTERPRISE VISION

To be the global leader in outdoor living

ENTERPRISE MISSION

Better outdoor living,happier human being

CORE VALUES

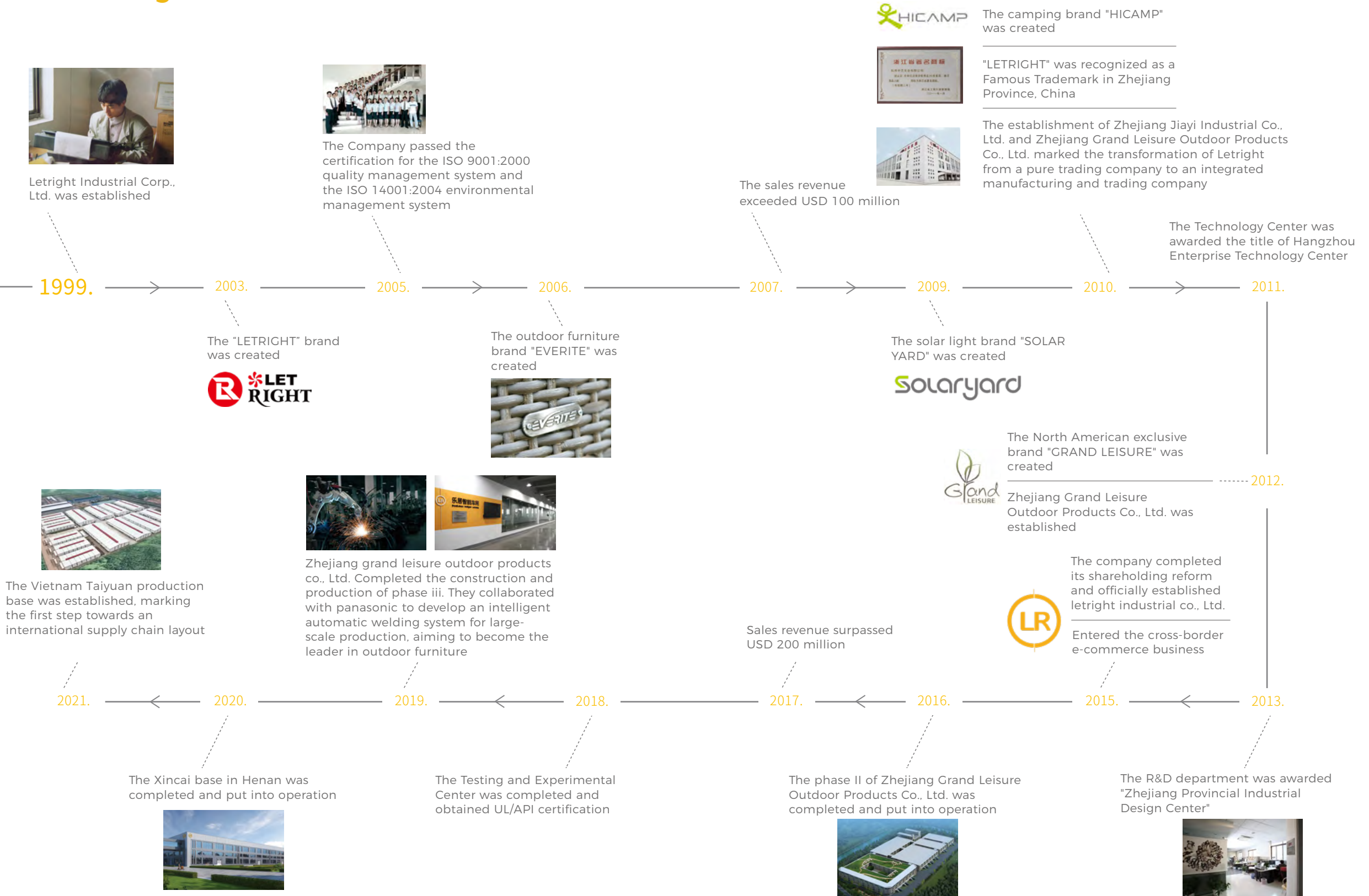
Innovation: Pioneer exploration, dare to break through

Diligence: Loyalty and integrity, courage to take responsibility

Perseverance, mission accomplished

Learning and sharing, growing together

About Letright



About Letright

In 2009, Letright was recognized as one of the "Top 100 Foreign Trade Enterprises in Hangzhou City"

In 2011, Letright was recognized as a "Patent Demonstration Enterprise in Zhejiang Province"

In 2012, Letright was recognized as a "Famous Trademark in Hangzhou City"

In 2013, Letright was recognized as an "Industrial Design Center in Zhejiang Province"

In 2014, Letright was recognized as a "Famous Trademark in Zhejiang Province"; a "Demonstration Enterprise for Foreign Trade Supply Chain Management in Hangzhou City"; and an "Export Famous Brand in Hangzhou City"

In 2015, Letright was recognized as one of the first pilot enterprises in the China (Hangzhou) Cross-border E-commerce Comprehensive Pilot Zone

In 2017, Letright was recognized as an "Advanced Enterprise of the Zhejiang Furniture Industry Association at the provincial level"

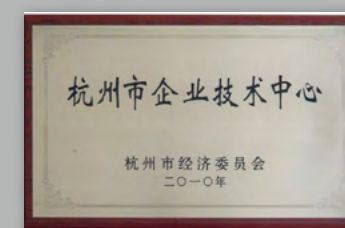
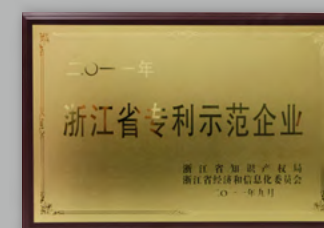
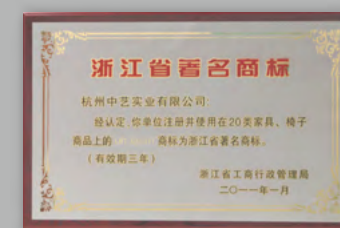
In 2018, Letright was recognized as an "Export Famous Brand in Zhejiang" and an "Advanced Enterprise of the Zhejiang Furniture Industry at the provincial level"

In 2019, Letright was recognized as a "Leading Foreign Trade Export Enterprise in Hangzhou City"; awarded the "Contribution to Open Economy in 2019"; and recognized as an "Outstanding Enterprise of the Zhejiang Furniture Industry"

In 2023, it was recognized as one of the "Top 100 Comprehensive Enterprises in Hangzhou City" in 2023; a "Headquarter Enterprise in Hangzhou City" in 2023; "Hangzhou Export Famous Brand" and "Zhejiang Export Famous Brand" successfully passed the re-evaluation; Grand patio was recognized as a provincial cross-border e-commerce export famous brand through re-evaluation.



Awards



Our Highlights in 2023

Governance:

The signing rate of employees' Anti-Bribery Commitment was 100%, and no major corruption cases were involved;

No major data security incidents occurred, and no reports of privacy leakage were received;

A total of 58 new patents were granted, including 15 utility model patents and 43 design patents, and a total of 6 software copyrights;

Environmental:

Emission reduction during logistics and transportation in 2023

1,670 tonnes
CO_{2e}

Reduced carbon emissions during logistics and transportation by 1,670 tonnes of carbon dioxide equivalent;

Electric forklifts replace traditional oil forklifts, and the proportion of non-oil forklifts has reached 92%, reducing carbon emissions by 1,183 tonnes per year on average;

Social:

The total number of employees was 3,868, with 35 fresh graduates, 42 veterans, 325 employees from impoverished areas, and 37 disabled persons;

The total number of employees involved in training was 2,329, with a total of 16,561 hours of training and 7.22 hours of training per capita;

Occupational health and safety training for 2,599 people;

Total investment of 670,400 yuan in employee care;

The signing rate of suppliers of the Integrity Co-construction Agreement was 100%;

Three factories have obtained and maintain environmental management system certificate:

ZHEJIANG JIAYI
INDUSTRIAL CO.,LTD.
ISO 14001 Environmental
management system certificate



ZHEJIANG GRANDLEISURE
CO.,LTD.
ISO 14001 Environmental
management system certificate



HENAN GRAND LEISURE
OUTDOOR PRODUCTS CO.,LTD.
ISO 14001 Environmental
management system certificate



Obtain and maintain certificate of occupational health and safety management systems



Zhejiang Grand Leisure ISO:
45001 Occupational health and safety
management system certificate



Zhejiang Jiayi ISO:
45001 Occupational health and safety
management system certificate

Our Highlights in 2023

Certified by third-party laboratories such as UL and API for testing capabilities



UL and API Laboratory Certificates

Four factories obtained and maintained quality management system certificate



Quality Management System Certificate for Zhejiang Jiayi Industrial Co., Ltd.



Quality Management System Certificate for Henan Grand Leisure Outdoor Products Co., Ltd.



Quality Management System Certificate for Zhejiang Grand Leisure Outdoor Products Co., Ltd.



Quality Management System Certificate for Grand Leisure Outdoor Products (Vietnam) Company Limited

We insist on using green and sustainable materials



GRS Certificate

OEKO-TEX® STANDARD 100 Certificate for Henan Grand Leisure Outdoor Products Co., Ltd

Scope: outdoor sofas made from recycled polyethylene and other products



FSC Chain of Custody Certificate for Zhejiang Grand Leisure Outdoor Products Co., Ltd

Scope: the production and sales of outdoor furniture and garden products that are FSC 100% and FSC mixed certified.



Letright's Technological Innovation Strength:



Hangzhou City Enterprise Technology Center



Zhejiang Provincial Industrial Design Center



Participation in setting group standards for outdoor sofa for domestic use

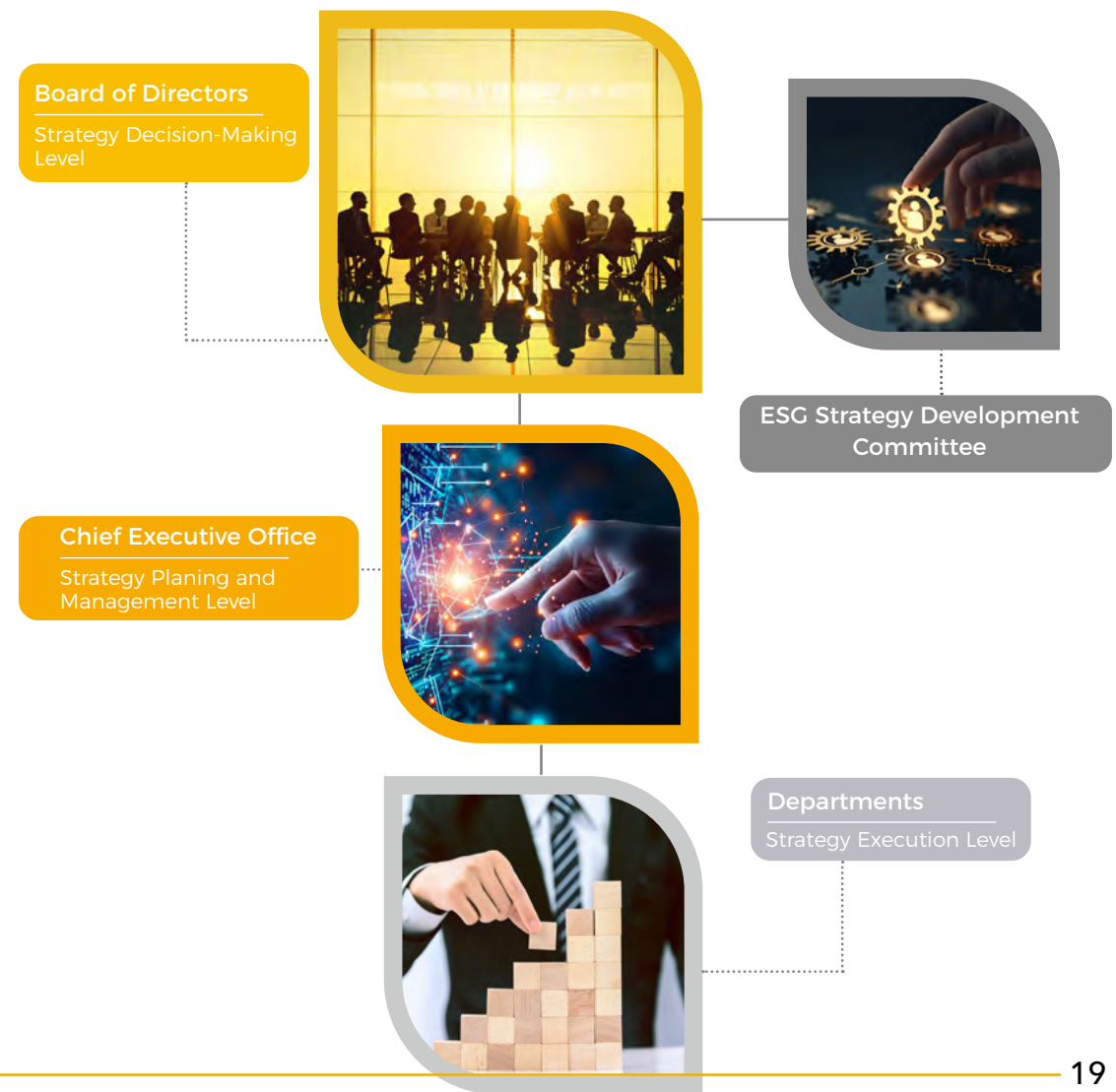
Sustainable Development Management

- I. ESG Management and Governance Structure
- II. ESG Strategies
- III. Stakeholder Communication
- IV. Identification of Material Issues

I. ESG Management and Governance Structure

As a responsible company, the Company always pays attention to the impact of its business on the surrounding environment, industry development, and society, as well as the associated risks and opportunities. We insist on integrating the concept of sustainable development into our daily operations and strive to bring continuous value to society.

In order to ensure the achievement of ESG goals, we have further improved the Company's ESG governance structure and established a sound governance system. We have built a comprehensive ESG management structure, strategy, and system. Underneath the board of directors, we have established an ESG Strategy Development Committee led by the Chairman, responsible for formulating the Company's ESG-related development strategies. The Chief Executive Office oversees strategy planning and management, which is then disseminated to various departments for execution. Under this governance structure, we have formed a three-tier system consisting of the Strategy Decision-Making Level, Strategy Planning and Management Level, and Strategy Execution Level, all working together to ensure the effective planning, management, and implementation of the Company's ESG strategic goals. In 2023, under the leadership of the board of directors, Letright responded to important issues such as climate change, quality management, supply chain management, compliant employment, and compliant operations.



II.ESG Strategies

As a leading brand in outdoor home furnishings, Letright has always adhered to the path of sustainable development and consciously practiced the concept of green and low-carbon. We have been continuously promoting a green and environmentally friendly strategic plan that emphasizes digitization, intelligentization, and environmental protection. We are committed to enhancing the Company's governance level by continuously upgrading production processes, product research and development, green environmental protection, and digitalization. We strive to drive the high-quality development of the outdoor home furnishings industry.

The Company is committed to sustainable development management and continuously improving its environmental governance level. We integrate the concept of green and healthy living into consumer environments, and strive to create green and environmentally friendly products. We actively respond to climate change and fully implement the national dual carbon policy. We continue to invest in the research and development of green and environmentally friendly products, and focus on meeting consumer demand for green and environmentally friendly outdoor home furnishings from four dimensions: spatialization, intelligentization, environmental protection, and comfort. We aim to create a better and more enjoyable outdoor home living experience for domestic and international consumers.



Five brands of sustainable development

The Company currently has five product brands that cover a wide range of fields including outdoor furniture, sunshade products, lighting, and more. These brands cater to the diverse needs of consumers across different dimensions. In the future, we will continue to leverage innovative technologies such as the Internet, big data, and supply chain collaboration to empower the retail distribution end. This will fully stimulate the creativity of various organizations and positions within the Company.



III.Stakeholder Communication

Letright has a wide range of stakeholders, including government/regulatory agencies, employees, shareholders, consumers, suppliers/partners, media, non-governmental organizations, and communities. We fully consider the demands of each stakeholder and maintain active and close communication with them.

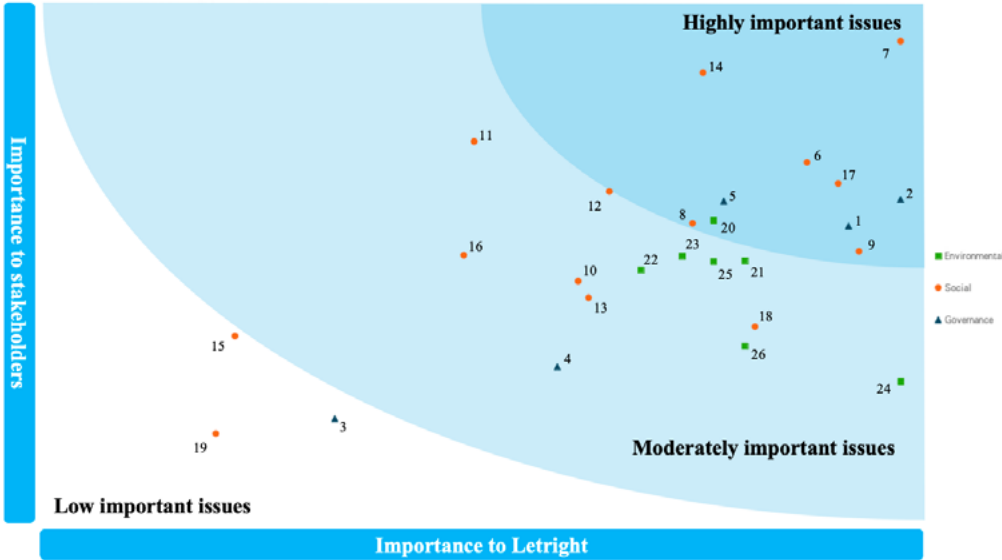
Stakeholders	Communications
 Governments/ Regulatory agencies	Compliance report, on-site inspection, meetings/seminars, license application, inquiry/inspection
 Employees	Labor contract, labor union, employee representative assembly, communication channel for employees, recreation al activities, collective bargaining agreement
 Shareholders	Public announcement, shareholders' meeting, press release, on-site visits, official website
 Customers	Customer satisfaction survey, on-site visits, customer service hotline, symposium, official website
 Suppliers/business partners	Bidding conference, on-site inspection, supplier admission and evaluation, daily communication, official website
 Media	Public announcement, press release, on-site visits, official website
 NGOs	Public announcement, press release, on-site visits, official website
 Community	Public welfare activity, community service

We value the protection of stakeholders' interests, treat all stakeholders fairly, actively seek their suggestions and opinions, and consider them in conjunction with the Company's actual situation. The main communication methods of the Company include public announcements, press releases, the Company's official website, and communication meetings with various stakeholders. Additionally, we conduct activities such as satisfaction surveys, visits, and symposiums to enhance communication and cooperation between both parties.

IV.Identification of Material Issues

We actively communicate and investigate with internal and external stakeholders of the Company, referring to domestic and international ESG standards and guidelines, and combining them with industry-specific issues. We have identified 26 important issues from the three dimensions of environment, society, and corporate governance, forming a material ESG issue list. The Company adheres to the principles of substance, integrity, and stakeholder participation, and based on these issues, we have prepared stakeholder questionnaires. We have invited shareholders, employees, customers, suppliers/business partners, government/regulatory agencies, media, banks, industry organizations, and other stakeholders to fill out the questionnaires, and we have received a total of 258 completed questionnaires.

According to the responses from the questionnaires, the Company conducted an analysis of material issues. We conducted a sorting analysis based on the importance to Letright and importance to stakeholders and formed a matrix of material issues. Based on this matrix, we have identified 10 highly important issues, 13 moderately important issues, and 3 low important issues, as follows:



Environmental	Social	Governance
1. Compliance operation	6. Safety and quality	20. Waste management
2.Risk management	7. Innovation and development	21. Energy management
3. Business ethics	8. Customer service and support	22. Water resources management
4. Anti-corruption	9. Responsible marketing	23. Material management
5. Intellectual property protection	10. Equal employment and diversity	24. Product lifecycle management
	11. Occupational health and safety	25. Greenhouse gas emissions
	12. Employee rights protection	26. Green factory
	13. Employee training and development	
	14. Talent attraction and employee benefits	
	15. Chemical management	
	16. Responsible procurement	
	17. Supply chain management	
	18. Promote industry development	
	19. Public welfare and charity	

Compliance Operation for Sustainable Development

- I. Establishing Sound Corporate Governance
- II. Adhere to Business Ethics
- III. Data Security and Privacy Protection
- IV. Intellectual Property Management

As a responsible company, the Company always prioritizes compliance operation. In the Company's operation, we continuously improve corporate governance, commit to abide by business ethics, emphasize data security and privacy protection, and value intellectual property rights management.

The United Nations Sustainable Development Goals involved in this chapter:



Highlights:

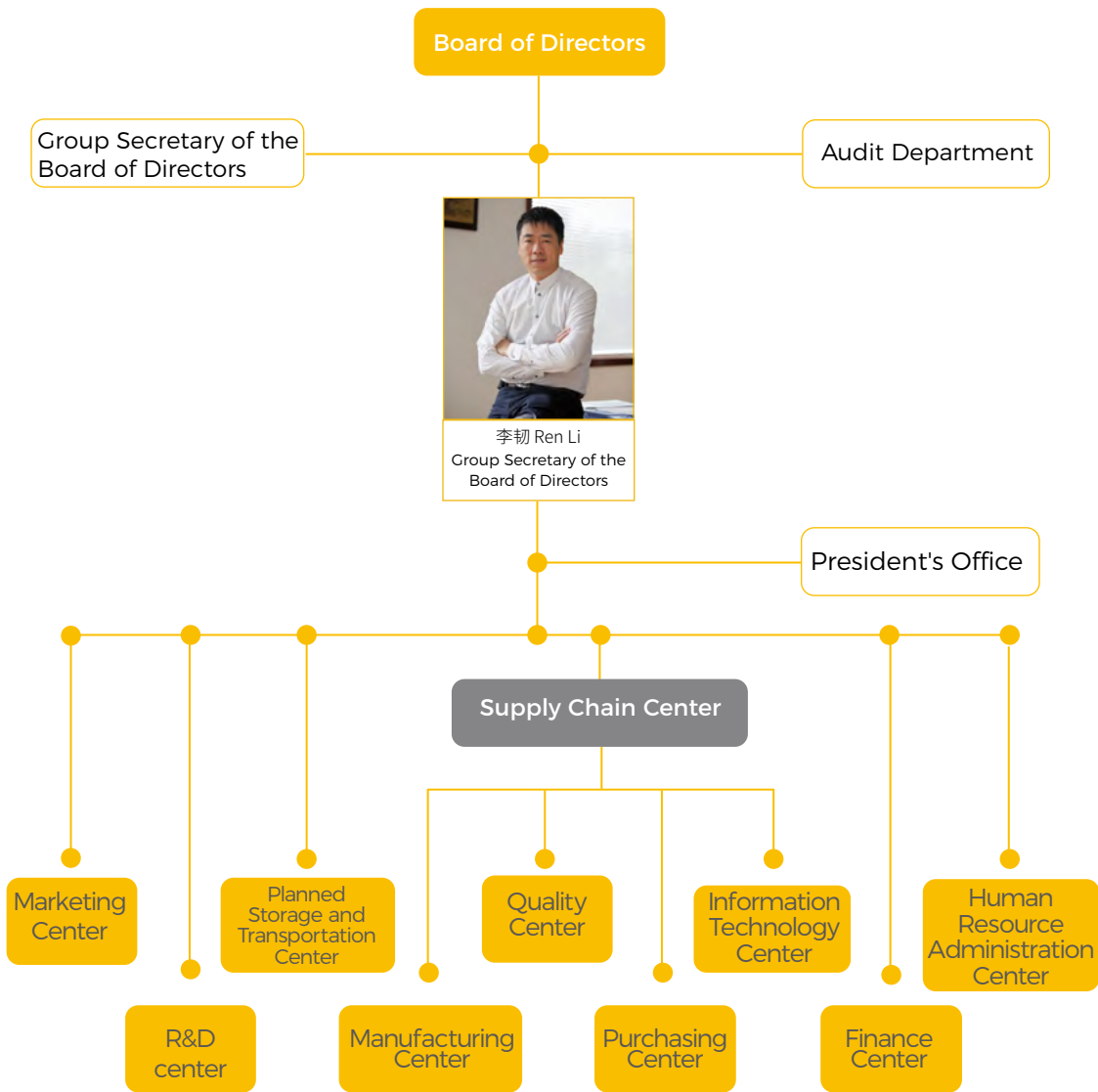
- There have been no significant corruption cases, and the signing rate of the anti-bribery commitment pledge was 100%.
- There have been no significant data security incidents and no reports of privacy breaches have been received.

Compliance Operation for Sustainable Development

I.Establishing Sound Corporate Governance

Letright highly values compliance management and risk control efforts, and has established a comprehensive top-down compliance management system. This system involves close collaboration between the Wealth Center and Audit Center, working together to strengthen regulatory compliance in accordance with the law.

We always view risk management as an important support for the sound development of the Company, led by the board of directors and coordinated by various departments. In the practice of risk management, we adhere to four principles: the strategic orientation principle, ensuring that risk management aligns with the Company's strategic objectives; the importance principle, focusing on key business areas and processes; the practical needs principle, formulating risk management measures based on the Company's actual situation; and the prevention and control principle, emphasizing the prevention and effective control of risks.



With risk control as the core, we continuously strengthen the internal environment, improve internal control processes, and enhance management capabilities while meeting regulatory requirements. We have established an internal control system with clear organization, well-defined procedures, clear authority and responsibilities, ensuring that risk management work is conducted in an orderly and efficient manner, while providing long-term support for the Company's development.

Enhancing Risk Management

In our business operations, each functional department has strict control over high-risk areas and implements precise compliance risk management. We have established a professional compliance supervision team that focuses on preventive management. This team is fully involved in key areas such as contract review, marketing and promotion, business collaboration, intellectual property protection, data compliance, and business ethics, in order to build an efficient and robust compliance management system.



Regulating Safe Production

In order to comprehensively identify and control risks, we have systematically reviewed the 64 processes of 14 categories of business operations, including procurement management, production management, sales management, equipment management, transportation management, waste management, human resource management, asset management, financial management, quality management, research and development management, business outsourcing, information security, and safety and environmental protection. We have identified a total of 202 risk points and have proposed 234 control measures and recommendations to address these risk points.

System Data

We identified a total of **202** risks and hazards and proposed **234** control measures for these hazards and recommendations

14 types of business **64** types of process

In terms of internal control, the Company has established an audit department that reports directly to the chairman of the board and has allocated professional internal audit and supervision personnel. In terms of regulations, we have established internal audit regulation, post-employment audit regulations, and supervision management regulations. In order to ensure that these regulations can adapt to the Company's development and external environment changes, we revise them annually in the first half of the year based on business conditions. At the beginning of each year, we also develop an internal audit plan, determining the focus areas and schedule of audits based on organizational risk assessment and management needs. At the end of each year, the internal audit department compiles an audit report that summarizes audit findings, evaluated risks, identified issues, and provides suggestions for improvement. This report serves as an important reference for the Company's decision-making and improvement efforts.

II. Adhere to Business Ethics

The Company strictly adheres to the local laws and regulations of operation, actively promotes fair competition and integrity in business. We have established a mechanism for clean governance and honest operation, with the audit department under the board of directors responsible for supervising and evaluating the Company's internal compliance and integrity.

To enhance employees' integrity awareness, employees are required to sign the Anti-Bribery Commitment Letter before joining the Company, which commits them to refrain from accepting any form of bribery during their tenure. In addition, we regularly conduct integrity education training sessions and invite detectives from the Economic Investigation Department to provide warning and educational training to employees, ensuring that they have a clear and accurate understanding of the Company's integrity policies and business ethics guidelines.

In terms of external cooperation, we have signed the Integrity Co-Building Agreement with suppliers and partners to regulate both parties in adhering to the highest standards of business ethics throughout the collaboration process. To prevent and promptly detect any misconduct, we have established a compliance reporting mechanism, which includes methods such as reporting directly to management and anonymous reporting, to ensure that employees and partners can safely report any suspicious activities.

During the reporting period, the signing rate of our anti-bribery commitment letter reached 100%, and the Company was not involved in any significant corruption cases.



III. Data Security and Privacy Protection

In order to ensure the security of company information and prevent information security incidents, protect privacy information, and ensure the secure operation of various information platforms within the Company, we have formulated the Letright Information Security Management System. This system establishes clear regulations for information confidentiality, as well as the use of hardware, software, networks, systems, and equipment facilities. At the same time, it sets accountability and punishment measures for violations of these regulations, ensuring the effective implementation of data security and privacy protection.

Product quality problem handling process:

During the reporting period, we continuously optimized our data security and privacy protection measures. We successively launched and promoted the ERP system and EIP platform, which effectively managed and standardized the Company's daily operation processes. In order to enhance the network security and data stability of the Company, we focused on upgrading the firewall and migrating data from the document servers.

In daily management, we assign network management specialists to maintain and manage servers, computer rooms, electronic facilities, and data storage devices based on employees' job responsibilities and operational needs. We strictly adhere to the corresponding confidentiality procedures and backup data in accordance with regulations and systems.

Meanwhile, we have established contingency plans for potential information security incidents. When an information security incident occurs, the network administrator will immediately report it to the respective business system administrators and take emergency measures. After the incident is resolved, the responsible department will analyze the event and propose improvement measures to enhance the contingency plans and prevent similar incidents from happening again.

During the reporting period, the Company did not experience any major data security incidents and received no reports concerning privacy breaches.

IV. Intellectual Property Management

Letright attaches great importance to intellectual property rights management, strictly complies with the relevant laws and regulations of the People's Republic of China on intellectual property rights, and has formulated the Patent Management Work Standards. We utilize ERP system, patent consolidation list, patent application list, Wisdom Bud system, and other management tools to coordinate with professional third-party organizations for intellectual property protection collaboration.

We divide the related functional departments into three aspects: patent search, patent application, and patent maintenance. Management of intellectual property rights is carried out by specialized officers in the respective functional departments.

The responsible department/position	The responsible issues
R&D center Marketing center	According to the patent retrieval requirements, the requester needs to provide product information: the appearance includes high-definition images of the product to be inspected, and the utility model includes a description of the implementation method of the components, proper nouns of the components, and other known information; According to the patent application requirements, the requester only needs to provide the specific product number or design number. The patent information of the product is collected by the intellectual property commissioner from relevant designers and technicians in the R&D center. Depending on the type of application, six views of the product should be provided for appearance patents, and a technical handover form should be provided for invention or utility model patents.
R&D center/ Intellectual Property Management Specialist	Provide product retrieval services according to the needs of relevant personnel in R&D center and marketing center; Provide patent application services for products according to the needs of relevant personnel in R&D center and marketing center, and complete the maintenance of registered patents;
Legal department	Provide legal support for the intellectual property management specialist.

Intellectual Property Protection:

In 2023, we obtained a total of 58 new patents, including 15 utility model patents and 43 design patents, and a total of 6 software copyrights; as of now, we have obtained a total of 722 patents and 8 software copyrights, including 9 invention patents, 153 utility model patents, and 560 design patents.

2023:

Utility
Model Patents
15

Design
Patents
43

Software
Copyrights
6

As Of Now:

Invention
Patents
9

Utility
Model Patents
153

Design
Patents
560



Green Home Furnishing for Harmonious Coexistence

- I. Responding to Climate Change
- II. Deepening Environmental Management
- III. Resource Conservation
- IV. Building Green Living Spaces

Letright is committed to sustainable development and has significantly enhanced its environmental performance through a series of eco-friendly measures and innovative practices. The Company has implemented an efficient energy management system and introduced advanced environmental protection technologies. It also strictly adheres to international environmental standards, ensuring that its production activities are environmentally friendly. Additionally, Letright actively promotes green office practices and advocates for the recycling of resources, further reducing the environmental impact of its operations. In the field of product design, we also demonstrate a deep understanding of environmental protection. The Company insists on using eco-friendly materials and integrates green concepts into every aspect of product design, launching a series of internationally certified green home products. These products are not only aesthetically pleasing and practical but also meet the market's demand for an eco-friendly lifestyle, leading the new trend of green consumption.

The United Nations Sustainable Development Goals involved in this chapter:



Highlights:



The Company utilizes air source heat pump water heaters to achieve high efficiency, environmental friendliness, and energy saving.



It has introduced welding fume purification equipment and high-efficiency filtration devices to further reduce the emission of harmful gases.



The Company has optimized logistics transportation methods, giving priority to multimodal transport to reduce reliance on road transport and lower carbon emissions.



In warehousing, a green work plan has been formulated to improve space utilization and promote the use of electric forklifts and the Warehouse Management System (WMS).



Green environmental concepts are integrated into product design, using sustainable raw materials to continuously develop energy-efficient, low-carbon, and comfortable outdoor furniture products.

I. Responding to Climate Change

1. Greenhouse Gas Management

As the frequency of extreme weather events increases globally, Letright profoundly recognizes the corporate responsibility and commitment required to address global climate change. The Company is consistently dedicated to promoting sustainable development and considers environmental protection and climate change response as key components of our corporate strategy. We are committed to implementing a series of practical and effective measures to reduce greenhouse gas emissions generated during our operations.

In 2024, in accordance with the ISO 14064-1:2018 standard, we conducted a comprehensive audit of the carbon emissions of our Zhejiang Grand Leisure Factory (Zhejiang Grand Leisure Outdoor Products Co., Ltd.) for the reporting period. We calculated that the total carbon emissions of the Zhejiang Grand Leisure Factory amounted to **69,330 tonnes CO₂e** (including greenhouse gas emission categories 1 to 4). Referring to the requirements of the "PAS 2060: 2014 Specification for the Demonstration of Carbon Neutrality", we purchased and retired 6,511 MWh of International Renewable Energy Certificates (I-REC) and 4,584 tonnes of Verified Carbon Units (VCU), thereby achieving carbon neutrality for 8,296 tonnes of **CO₂e** (greenhouse gas emission categories 1 and 2) for the reporting period at the Zhejiang Grand Leisure Factory. Letright will continue to dedicate itself to environmental protection and climate change response, fulfilling corporate social responsibility, promoting sustainable development, and contributing to global climate action.

Greenhouse Gas Verification Statement



Certificate of Carbon Neutrality



Our action plan to achieve a comprehensive green and low-carbon transition includes:

- **Optimizing production processes:** Reducing energy and resource consumption during production through technological innovation and process improvement.
- **Improving energy efficiency:** Promoting the use of high-efficiency, energy-saving equipment to reduce energy waste.
- **Promoting energy-saving equipment:** Replacing outdated equipment with new energy-saving technologies to lower overall energy consumption.
- **Reducing energy consumption per unit of output value:** Optimizing resource allocation and reducing the energy input required per unit of output while ensuring production efficiency.

2. Energy Management

Letright is dedicated to building an efficient and eco-friendly energy management system through scientific planning, meticulous management, technological innovation, and continuous improvement, achieving optimal management of energy usage. The Company has set clear energy management goals, including reducing energy consumption per unit of product, enhancing energy efficiency, optimizing the energy structure, and reducing carbon emissions. By defining energy consumption targets and energy-saving tasks for each department, we ensure the effective implementation of energy management work.

To reduce electricity consumption, we use air source heat pump water heaters for dormitory hot water supply. These water heaters utilize the thermal energy from the air to heat water, featuring high efficiency, environmental friendliness, and energy-saving properties. Through proper configuration and operational management, air source heat pump water heaters significantly reduce the energy consumption of dormitory hot water supply, bringing substantial economic and environmental benefits to the Company.



Air Source Heat Pump Water Heaters

As a low-energy-consuming enterprise, the Company focuses on controlling energy consumption from the source. We employ advanced production processes and equipment, optimize production flows, and enhance product quality, thereby reducing energy consumption per unit of product. Additionally, we strengthen the energy-saving awareness of our employees, conduct energy-saving educational campaigns, and create an atmosphere of company-wide participation in energy conservation.

II. Deepening Environmental Management

1.Environmental Management System

Letright fully acknowledges the importance of environmental protection for its sustainable development and social responsibility, placing it at the forefront of corporate operations. The Company rigorously complies with national and local environmental laws and regulations, such as the Environmental Protection Law of the People's Republic of China and the Zhejiang Province Ecological Environment Protection Regulation, to construct and continually enhance its environmental management system. This ensures that environmental impacts are controlled and minimized in production and business activities. Currently, three of our factories have established and maintained comprehensive environmental management systems based on the ISO 14001 standard and have successfully passed the relevant certifications.

Relevant certifications of Letright owned factories

ZHEJIANG JIAYI INDUSTRIAL CO.,LTD.
ISO 14001 Environmental management system certificate



ZHEJIANG GRANDLEISURE CO.,LTD.
ISO 14001 Environmental management system certificate



HENAN GRAND LEISURE OUTDOOR PRODUCTS CO.,LTD.
ISO 14001 Environmental management system certificate



All factories under the Company have dedicated environmental management departments, led uniformly by the headquarters in Hangzhou, ensuring consistency and efficiency in environmental management. We take proactive measures by regularly commissioning professionally qualified third-party organizations to conduct thorough and detailed identification of environmental risks across all regions and departments, ensuring no blind spots. Based on precise identification, to further standardize environmental management practices, the Company has developed documents such as Environmental Analysis and Control Procedures and Environmental Factors Identification and Evaluation Control Procedures. These are aimed at systematically and comprehensively identifying potential environmental impact factors during company operations and evaluating them using scientific methods. From this foundation, we develop targeted control measures to minimize environmental risks and ensure the Company's sustainable development and harmonious coexistence with the ecological environment.

The Department of EHS Supervision in Headquarter

Strengthening the environmental protection responsibility system within the company, clarifying the responsibilities of environmental protection management, coordinating the management of each sub-factory, and ensuring that the company's various environmental protection measures are effectively implemented.

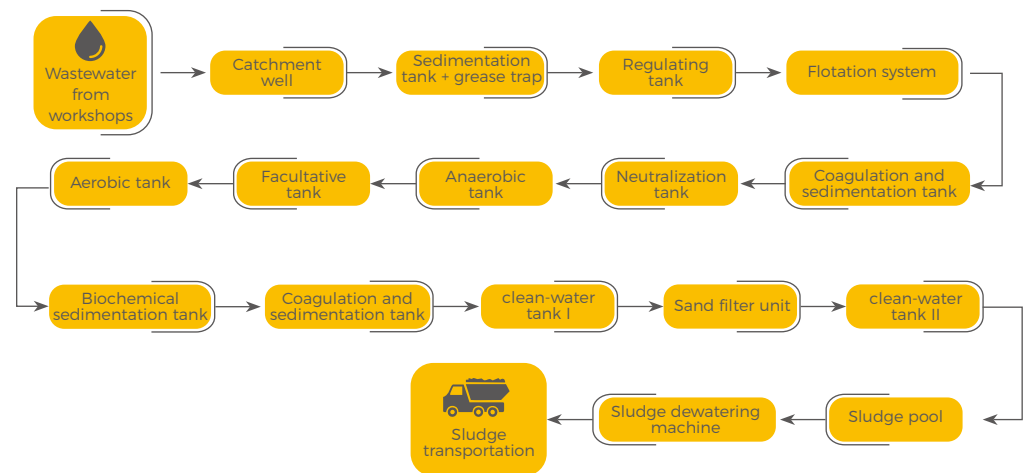
The EHS Department in branch companies

Preparation of environmental protection management norms, systems, etc., legally compliant operation of environmental pollution control facilities, to ensure that pollutants are discharged stably up to standards, and to prevent the occurrence of various types of environmental incidents.

2. Waste Management Measures

Letright's Wastewater Treatment Process

Letright has thoroughly identified its pollution sources and implemented strict pollution control measures. We have established Emission, Wastewater, and Noise Control Procedures. For wastewater discharge, we have identified potential wastewater sources in each production stage and equipped each factory with professional wastewater treatment plants. These plants utilize advanced physical, chemical, and biological treatment technologies to ensure that treated wastewater meets national discharge standards, thereby effectively reducing environmental impact.



Letright's Welding Fume Purification Equipment



Emissions primarily arise from welding and painting processes in production. To address this, we have introduced comprehensive welding fume purification equipment to reduce the production of harmful gases and installed high-efficiency filtering devices to ensure that emissions meet national standards.

Letright's Solid Waste Treatment Process

We have also conducted an in-depth analysis of solid waste production and implemented effective treatment measures aimed at achieving 100% classification and disposal of solid waste. For aluminum tube metal residues, waste paper, and other production waste, we collaborate with legal suppliers to maximize resource utilization. For domestic waste, we work closely with professional government sanitation companies to ensure timely collection and disposal. For hazardous waste, we strictly follow national regulations for processing and entrust professional hazardous waste management organizations for transfer and disposal to ensure no harm to the environment or human health. In addition, we have developed emergency response plans for potential environmental risk events, which are registered with local ecological environment authorities, to address various potential environmental risks.

III. Resource Conservation

1. Resource Usage Management

Letright is dedicated to achieving its own sustainable development and has established an Energy and Resource Consumption Control Procedure that adopts a series of effective measures in resource management to ensure efficient use of various resources.



Green office

We actively promote green office practices to support sustainable corporate development. We encourage employees to engage in paperless office practices, using emails and electronic documents for information transmission and file sharing, thus reducing paper usage. We also optimize office processes by adopting electronic approvals and signatures to decrease the use of paper documents. Additionally, we provide recycling facilities, encouraging employees to segregate and recycle waste paper and old items, thereby enabling resource reuse.



Water resource management

In terms of water resource management, we have implemented comprehensive water-saving measures in both factory operations and office management. At the factory level, we have introduced advanced water-saving production equipment and processes to reduce water waste at the source. In office management, we continuously strengthen employees' awareness of water conservation through systematic training and practical guidance, fostering good water usage habits and collectively contributing to water conservation efforts to ensure effective utilization of water resources.



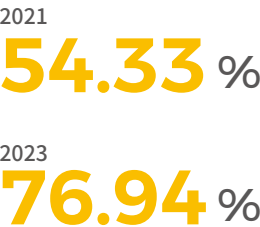
management of materials used in production

We also place a high emphasis on the management of materials used in production. In the procurement phase, we insist on selecting high-quality, environmentally friendly, and energy-efficient raw materials to ensure they meet the Company's quality requirements and minimize environmental impact. During material usage, we implement strict material demand forecasting and inventory management to ensure timely supply of materials needed on the production line, avoiding production stalls or delays due to material shortages. Moreover, we focus on the recycling and reuse of materials to reduce production costs and minimize resource wastage.

2. Green Warehousing and Transportation

Letright is committed to optimizing logistics and transportation methods, prioritizing multimodal transport as an effective way to reduce carbon emissions. In the core areas (Deqing and Henan), the proportion of multimodal transport has steadily increased. In the Deqing area, the proportion of multimodal transport rose significantly from 54.33% in 2021 to 76.94% in 2023, while in the Henan area, it has consistently remained around 94%. This strategy not only reduces reliance on road transport but also helps decrease the Company's carbon emissions. Additionally, in the Qingdao area, we actively promote the use of natural gas vehicles. In 2023, through calculations comparing diesel and carbon emission ratios, Letright successfully reduced its carbon emissions by 1,670 tonnes of CO_{2e} during transportation.

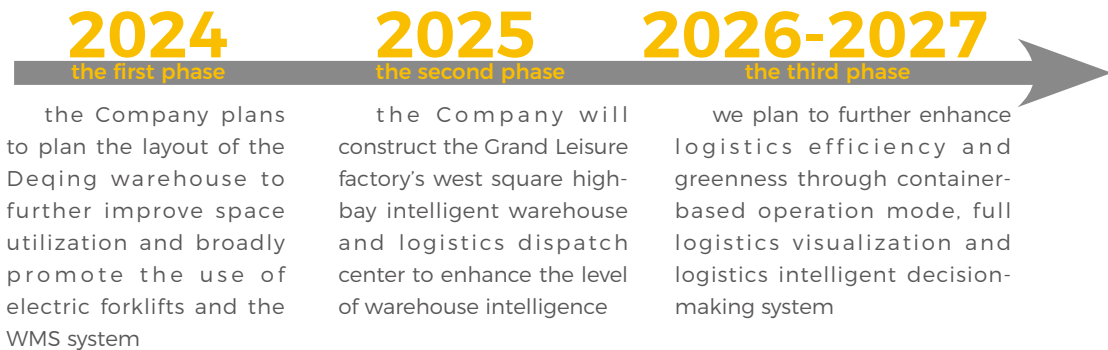
Percentage of multimodal transport in Deqing area



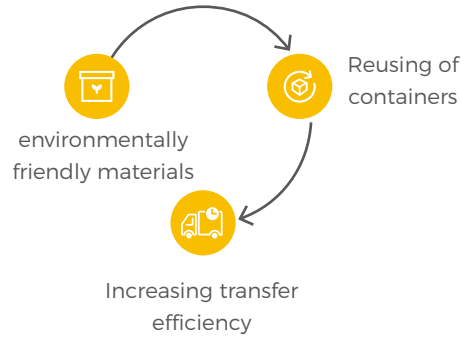
Emission reduction during transportation in 2023



In warehousing, to continuously advance green warehousing development, Letright has developed a phased green work plan. In the first phase (2024), the Company plans to plan the layout of the Deqing warehouse to further improve space utilization and broadly promote the use of electric forklifts and the WMS system. In the second phase (2025), the Company will construct the Grand Leisure factory's west square high-bay intelligent warehouse and logistics dispatch center to enhance the level of warehouse intelligence. During the third phase (2026-2027), we plan to further enhance logistics efficiency and greenness through container-based operation mode, full logistics visualization and logistics intelligent decision-making system.



To reduce plastic use, Letright actively employs environmentally friendly materials such as cardboard, kraft paper, honeycomb boards, paper protectors, and pulp molds for packaging. Moreover, the Company has realized container recycling through measures such as plastic pallets, stack racks, and transfer carts, not only doubling transfer efficiency but also reducing environmental impact.



Letright's Environmentally Friendly Packaging Materials
(Cardboard, Kraft Paper, Pulp Molds, etc.)

Currently, through a series of warehousing optimization measures, the Company has significantly improved the utilization of warehouse space. By optimizing the Grand Leisure factory's atrium, stack racks, and factory layouts, the Company successfully increased storage space by 20,000 square meters. Additionally, by vacating 130,000 square meters of external warehouse space in Deqing during the off-season, the space utilization rate reached 87%, effectively reducing warehousing costs. The transformation of the Grand Leisure factory's atrium is another highlight of Letright's green warehousing practices. By utilizing natural lighting, the Company reduced energy consumption effectively.



Atrium Transformation

Furthermore, we are committed to replacing traditional Fuel-powered forklifts with electric forklifts, this measure not only enhances work efficiency but also significantly reduces carbon emissions. Currently, the proportion of non-fuel forklifts in the Deqing, Henan, and Vietnam warehouses has reached 92%, with an annual average reduction of 1,183 tonnes of carbon emissions, making a positive contribution to the Company's green development goals.



Warehouse	Fuel-powered Forklifts	Electric Forklifts	Hand Forklifts
Deqing	5	39	22
Henan	1	14	10
Vietnam	2	0	2
Total	8	53	34

IV. Building Green Living Spaces

Embracing coexistence with nature has been a fundamental development philosophy for Letright since its inception. This not only represents the core of our corporate responsibility but also embodies our commitment to the future world. As such, we continually explore how to integrate green and environmental concepts into product design. By utilizing sustainable materials, implementing recycling and reuse strategies, and innovating eco-friendly designs, we are dedicated to creating environmentally friendly green living spaces for our customers.



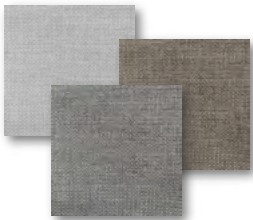
1. Green and Sustainable Materials

Our selection of raw materials is based on sustainable principles of regeneration, non-toxicity, resource conservation, and energy efficiency. We prioritize materials that meet the Global Recycle Standard (GRS), such as recycled plastics, bio-based plastics, and wood-plastic composites, which have a low environmental impact. The use of these materials not only reduces our reliance on virgin resources but also significantly lowers the carbon footprint of our products throughout their lifecycle.

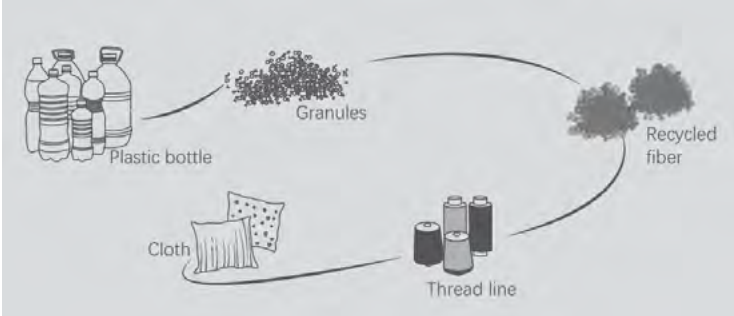
Currently, some of the green and sustainable materials we use include:

Recycled PET Fabric

100% recycled polyester, made from recycled plastics and GRS-certified, used in similar applications as regular polyester fabric.



Production Process:



Application:

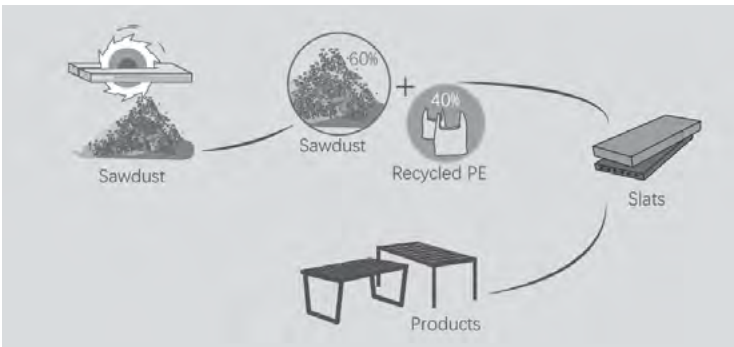


Recycled PE Wood Plastic

Composed of 40% recycled PE plastic and 60% sawdust, REACH-certified, suitable for various tables and coffee tables.



Production Process:

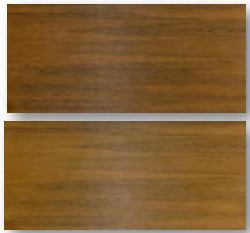


Application:

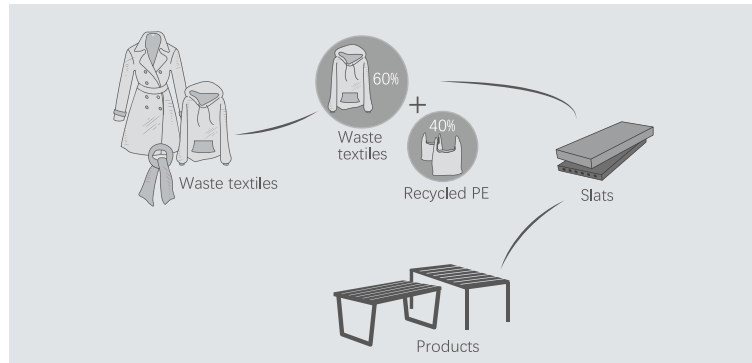


Recycled PE Fiber Plastic

Made from 40% recycled PE plastic and 60% recycled fibers, REACH-certified, used for various tables and coffee tables.



Production Process:



Application:

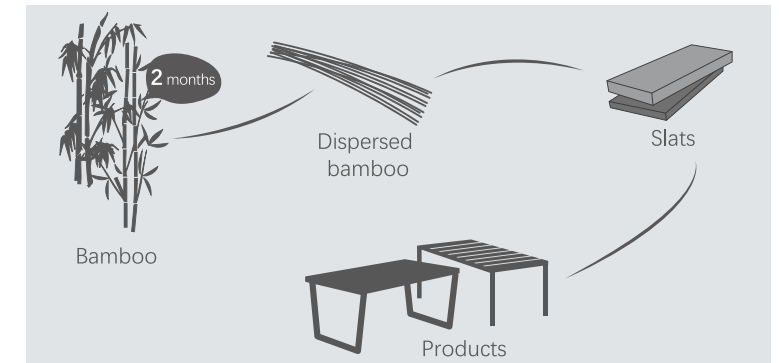


Carbonized Bamboo

Consisting of 10% eco-friendly glue and 90% bamboo fiber, applicable for various tables and coffee tables.



Production Process:

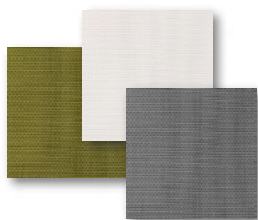


Application:

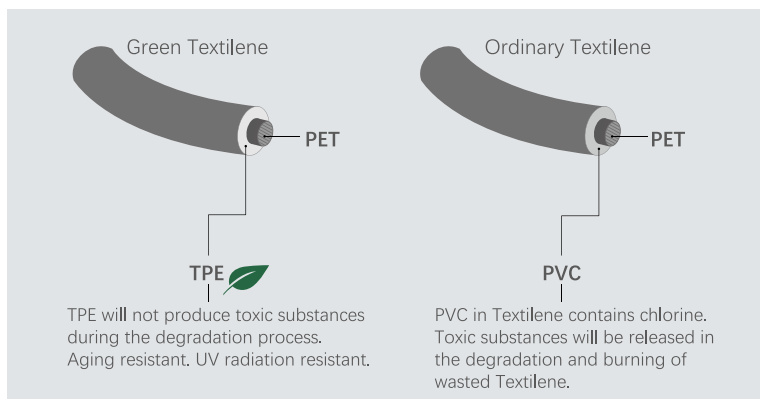


TPE Teslin

Made from TPE and PET, with over 60% of the material being environmentally friendly, suitable for sofas, pillow fabrics, and cushions.



Material Structure:



Application:

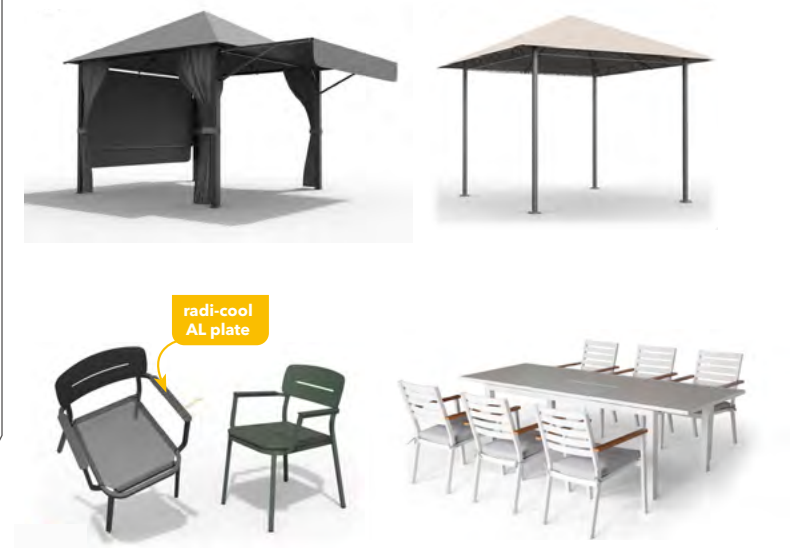


Cooling Coating Materials

Made from synthetic fibers or metal sheets covered with a cooling coating, REACH-certified, used for outdoor umbrellas, sunshades, and various tables and chairs, offering significant cooling effects and effective energy savings (cooling energy).



Application:



2. Environmentally Friendly Products

As a leader in the outdoor furniture industry, Letright has always considered the practice of green products as one of the core strategies for its development. To date, the green product certifications obtained by the Company include:

OEKO-TEX® STANDARD 100 Certificate for Henan Grand Leisure Outdoor Products Co., Ltd

Scope: outdoor sofas made from recycled polyethylene and other products



FSC Chain of Custody Certificate for Zhejiang Grand Leisure Outdoor Products Co., Ltd

Scope: the production and sales of outdoor furniture and garden products that are FSC 100% and FSC mixed certified.



Based on our research and application of sustainable raw materials, we fully integrate an understanding and innovation of sustainable concepts into our product design. We are committed to developing outdoor furniture products that are energy-efficient, low-carbon, and comfortable, meeting consumers' demands for a green lifestyle.

Blue Whale Chair

Inspired by the blue whale, with features derived from the whale's pleats. This design translates nature's curves into organic product forms, offering both aesthetics and comfort. The material used is GRS-certified recycled plastic for the chair surface, emphasizing sustainability and symbolizing the protection of oceans and blue whales.



KADA Chair

Features detachable strips made from ocean-recycled plastic, designed to extend the product's lifespan. The strips come in various lengths, offering dimensional flexibility and ease of application to other furniture categories. Available in multiple colors, these strips allow for rich combinations to meet diverse customer preferences.



All-in-one Smart Pergola

A global innovation by Letright, the Ombra all-in-one smart pergola seamlessly integrates solar energy with outdoor leisure spaces. When deployed, it blends naturally with the environment, and when closed, it provides a private, comfortable haven, achieving harmonious coexistence with the environment. Its movable, modular, detachable, and ground-free design addresses the renewable energy supply for outdoor living, realizing a sustainable lifestyle.



Responsible Quality for Optimum Operations

- I. Product Quality Management
- II. Innovative Design Practices
- III. Customer Rights Protection

At Letright, our pursuit extends beyond just excellent product quality and seamless customer service experiences to include ongoing innovation and a steadfast commitment to our customers. Through meticulous quality management, forward-thinking design practices, and comprehensive customer rights protection, Letright achieves full control over quality.

The United Nations Sustainable Development Goals involved in this chapter:



Highlights:



A comprehensive quality management system that meets international standards, covering product design, raw material procurement, manufacturing, and after-sales service.



A testing center equipped with over 100 testing devices, ensuring quality control throughout the production process.



Holding credentials such as Hangzhou City Enterprise Technology Center and Provincial Industrial Design Center.

I. Product Quality Management

1. Quality Management System

With the corporate vision of "becoming the leader of the global outdoor furniture industry", Letright is committed to providing high-quality products and services, ensuring that all products meet international standards and strict customer requirements at every stage of design, production, and delivery. We adhere to the quality policy of "integrity-based, credibility-first," and have set clear quality objectives, which are ensured through strict implementation and monitoring.

Our quality policy:

**Integrity-based,
credibility-first.**

Our quality objectives:

Customer satisfaction rate

≥ 92%

No repeat complaints for the same issue from the same customer.

In terms of product quality management, the Company has established a Quality Management Manual based on the GB/T 19001 and ISO 9001 quality management system standards. This has enabled the establishment of a comprehensive and scientific quality management system that covers all processes from product design and raw material procurement to manufacturing, sales, and after-sales service. Each stage has clear quality standards and control measures to ensure strict quality control over every aspect of our products and services. We also have robust document and record control procedures; all quality-related documents and records are managed strictly following the Document Control Procedure to ensure the accuracy and timeliness of information, as well as transparency and traceability in quality management processes.



The Company operates four factories, each with its own quality management procedure documents, strictly adhering to the GB/T 19001-2016 and/or ISO 9001:2015 standards to implement modern quality management systems. All factories are certified, and we use proven scientific management methods to achieve top-quality standards.



Quality Management System Certificate for Zhejiang Jiayi Industrial Co.,Ltd.



Quality Management System Certificate for Henan Grand Leisure Outdoor Products Co.,Ltd.



Quality Management System Certificate for Zhejiang Grand Leisure Outdoor Products Co.,Ltd.



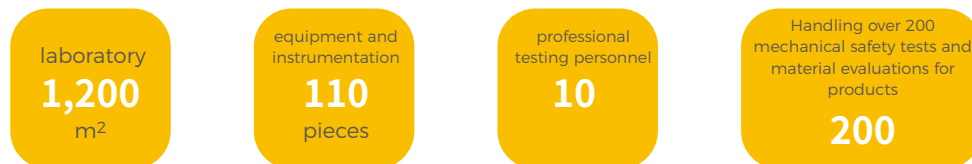
Quality Management System Certificate for Grand Leisure Outdoor Products (Vietnam) Company Limited

With a robust quality management system in place, the Company has developed the Risk and Opportunity Response Control Procedure and the Product Identification and Traceability Control Procedure. These actively address various risks that might affect product quality and customer satisfaction, and strictly control product identification and traceability to prevent misuse or confusion of products of different categories or inspection statuses. Additionally, when product quality issues or other traceable situations arise, the Company can effectively trace the products.

Furthermore, the Product and Service Release Control Procedure ensures that all products undergo rigorous inspection and testing before delivery, meeting customer and regulatory requirements. To comprehensively evaluate and continuously optimize the performance of the quality management system, the Company persistently collects and analyzes various quality data, including internal audit results, customer feedback, and market research. This data could help us timely adjust our quality management strategies to meet customer and market needs.

In terms of quality control infrastructure, we operate a testing center and have established laboratories in the Deqing factory, Jiayi factory, Henan factory, and Vietnam factory. The testing center's laboratory features a complete testing and quality control process, ensuring that the production of each product is rigorously monitored, reflecting the core of Letright's commitment to quality control.

Letright's testing center has been operational since 2008, and in 2017, the Company invested approximately USD 500,000 to construct a new laboratory covering nearly 1,200 square meters. The testing center now features over 110 pieces of on-site equipment and instrumentation, staffed by 10 professional testing personnel. We have the capability to conduct various types of product tests, material tests, and reliability tests, capable of handling over 200 mechanical safety tests and material evaluations for products, encompassing both European Union and North American standards. Our laboratory has received certifications from third-party laboratories such as UL and API, authorizing it to issue corresponding test reports.



Currently, we are able to conduct tests according to the following standards:

- | | |
|---------------------|--------------------------|
| ✓ EN 581-1: 2017 | ✓ EN 1022: 2018 |
| ✓ EN 581-2: 2015 | ✓ EN 1728: 2012 |
| ✓ EN 581-3: 2017 | ✓ EN 1730: 2012 |
| ✓ ISO 105 B02: 2014 | ✓ ISO 4892-3: 2016 |
| ✓ ISO 105 B04: 1997 | ✓ ISO 9227: 2017 |
| ✓ ISO 4892-2: 2013 | |
| ✓ ASTM B117: 2018 | ✓ UL 4041 |
| ✓ ASTM G154: 2016 | ✓ BIFMA X 5.1 (Part) |
| ✓ ASTM G155: 2013 | ✓ ISTA 1A/1B, ISTA 2A/2B |



2. Quality Culture Development

Our employees play a crucial role in quality management, which is why the Company places significant emphasis on training employees in quality awareness and professional skills through education and development programs. We are committed to enhancing every employee's awareness of quality management, ensuring that they can effectively implement quality control measures in their respective roles.

Case: Quality Month Activities

The most recent Quality Month activities was held from May to June 2022, encompassing our three domestic factories. The objective of Quality Month is to improve employees' awareness of quality and operational skills through a series of training sessions, competitions, and promotional activities, thereby enhancing the quality management level of our factories, advancing internal quality control management, and ultimately improving product quality and corporate competitiveness.



Quality Awareness Training

Case: Quality Month Activities

Quality Month activities reached all employees at our factories, with training covering key aspects of quality control in welding, grinding, mold management, spray painting, and furniture technology. The goal was to enhance the quality management capabilities and operational skills of new employees, team leaders, and other key process personnel through a combination of theoretical teaching and practical operations.



Skills Competition

II. Innovative Design Practices

For Letright, quality control permeates every stage from design creativity to production and market launch. Innovation is not only the core driver of our continuous development but also crucial for enhancing our market competitiveness. We have formed customized design teams based on different market preferences, committed to gaining continuous recognition from customers and markets through relentless innovative practices. In 2023, the European line completed 594 designs, the American line completed 340 designs, developed 24 new materials, and released 5 new materials.



In managing innovation, we maintain strict control and have established the Design Innovation Incentive System, Design Trend Research Work Standard, Design Outsourcing Management Standard, and New Product Sales Analysis Standard. These documents provide robust support and assurance for motivating and nurturing innovative personnel and thinking. In 2023, our investment in research and development for innovation reached **54.11 million yuan**, and we provided **23 training** sessions targeted at technology and design personnel.

To achieve high-level design innovation, we have adopted an open strategy. Leveraging the Design Trend Research Work Standard and Design Outsourcing Management Standard, we extensively absorb and analyze design trends and incorporate external creativity and technology, effectively enhancing the diversity and innovativeness of our designs. We also integrate market feedback directly into design innovation practices through the New Product Sales Analysis Standard. This involves analyzing and assessing new product designs based on market performance, ensuring our design team can learn from actual sales and swiftly adjust design strategies.

In 2023, our team engaged in multiple external learning and collaborative exchanges to tackle specific challenges in product development. With the assistance of Matsui Electronics, we successfully reduced the noise level of air conditioners from 70 decibels to 55 decibels by changing compressor models and selecting optimal brands.

collaboration with Hisense Air Conditioning

In Dubai, in collaboration with Hisense Air Conditioning Middle East R&D Center, we adjusted our air conditioner designs to suit the extreme local climate, particularly addressing issues of blown-sand and cooling efficiency.



expanded new product lines



Additionally, our collaboration with Tianyuan Pet explored the crossover integration of pets and outdoor furniture. By incorporating elements of the pet economy into product designs, we expanded into a new product line, exploring innovative ways to blend lifestyle and utility in outdoor spaces.

III. Customer Rights Protection

1. Customer Health and Safety

Letright always prioritizes customer health and safety. We recognize that customer health and safety not only reflect the quality and safety of the product itself but also encompass the entire process of using the product. We have established product control documents such as the Hazardous Substances Control Procedure, Needle Check Control Procedure, Product Final Inspection and Testing Procedure, and Glass Product Control Procedure to support our strict quality control of products before they leave the factory.

For product use

We provide detailed instructions and safety guidelines with each product to help consumers use our products correctly and safely. Additionally, we have established an efficient customer service system that promptly responds to any customer inquiries and provides professional after-sales support to ensure the safe use of our products.

In selecting materials for furniture

we consistently use raw materials that meet international safety standards. We prioritize low formaldehyde, non-toxic or low-toxic environmentally friendly materials and strictly adhere to national and regional laws and regulations. We conduct rigorous quality control and safety testing on all raw materials to ensure the health and safety of consumers from the source.

With a comprehensive product quality control system, we maintain strict quality standards and testing processes at every stage of production to the final product in the warehouse. All products must undergo a series of safety and quality tests before outgoing, including but not limited to structural stability, durability tests, and hazardous substance content tests, to ensure that every piece of furniture delivered to consumers is **safe, healthy, and environmentally friendly**.

2. Responsible Marketing

Letright strictly adheres to laws and regulations such as the Advertising Law of the People's Republic of China and the Consumer Rights Protection Law of the People's Republic of China to ensure all marketing activities are based on principles of honesty and truthfulness. We have established detailed marketing ethics guidelines that explicitly prohibit any form of misleading advertising. Additionally, we regularly organize legal and ethical training for our employees to enhance their compliance awareness and professional ethics.



Respecting and protecting consumer rights are at the core of our marketing activities. We commit to transparent information dissemination, allowing consumers to make informed choices. We insist on accurately describing product information, avoiding exaggeration, and ensuring that consumers make purchasing decisions based on a clear understanding. We also value consumer feedback and suggestions, actively responding to and addressing consumer inquiries and complaints through a comprehensive consumer service system.

3. After-Sales Service Guarantee

Based on a well-established after-sales service system, Letright is committed to providing an excellent service experience for customers. We have developed a series of normative documents, including After-Sales Service Control Procedure, Product Emergency Incident Handling Procedure, and Product Recall Procedure. By clearly assigning responsibilities, managing processes, and tracking records, we ensure that every customer's rights are fully respected and protected. For sold products, we offer a warranty period of 1-3 years depending on the material and function of the product, during which any product quality issues will be resolved free of charge.

Product Quality Issue Handling Process:

If a product is found to be defective after delivery or at the start of use, the Marketing Center will determine an appropriate course of action—return, exchange, repair, or other suitable solutions based on the nature of the defect. Complaints related to product quality, once confirmed by the Quality Management Department, are addressed by relevant departments in accordance with the Correction and Prevention Control Procedure.

For any product emergency incidents, we swiftly respond according to the Product Emergency Incident Handling Procedure, ensuring that effective measures are taken as quickly as possible to minimize customer losses. Furthermore, in cases of significant quality issues, we can quickly initiate the recall process according to the Product Recall Procedure, promptly notifying and protecting all affected customers to ensure their safety.

Additionally, we have established a Customer Satisfaction Control Procedure and set up a mechanism for collecting and processing customer feedback. Through various service methods such as customer callbacks and consultation responses, we actively collect and address customer feedback, ensuring timely responses and appropriate actions to continuously improve customer satisfaction.

Partner Synergies for Mutual Benefit

- I. Responsible Procurement
- II. Supply Chain Management
- III. Social Contribution

Letright actively fulfills corporate social responsibility, responds to national strategies, continuously promotes digital transformation of procurement, deepens supervision of sunshine procurement, and improves the supply chain management system. We persist in contributing to public welfare, school enterprise cooperation, industry development, and other areas, aiming to enhance social welfare and build a better community.

The United Nations Sustainable Development Goals involved in this chapter:



Highlights:

100%

The signing rate of Clean and Honest Co construction Agreement is 100%.



Donations for education assistance, disaster relief, rural development support, and the development of public welfare projects, etc..



Collaboration with the Foreign Language College of Zhejiang University of Science and Technology in school-enterprise cooperation.



Participation in the compilation of the Zhejiang Manufacturing Group Standard Outdoor Sofa for Domestic Use (2019).

I. Responsible Procurement

Letright adheres to the principles of "fairness, openness, and impartiality" and "comparison based on quality, price, delivery time, and service" in the procurement process. We strictly abide by relevant laws and regulations such as the Laws of the People's Republic of China on Tenders, and actively practicing responsible procurement and transparent procurement. We have established systems such as the Procurement Officer's Operation Manual, Supplier Mutual Visit Operation Specification, and Project Procurement Management Measures to standardize procurement procedures.

To uphold a fair and transparent business order and safeguard the legitimate right and interest of all parties, we regularly hold procurement training, sign a Clean and Honest Co construction Agreement with suppliers. We rigorously guard against corruption and bribery in the supply chain process, promoting the healthy development of business cooperation. During the reporting period, the signing rate of suppliers who should sign the Clean and Honest Co construction Agreement was 100%.



II. Supply Chain Management

To ensure the orderly operation of the supply chain management system and continuously improve the supervision process, the Company has formulated systems such as the Supplier Management System and the Raw Material Supplier Performance Assessment Management Measures. These systems clarify the full life Letright management process of supplier selection, evaluation, assessment, and exit, reducing supply chain risks from the source, promoting continuous optimization of the supply chain, and forming a standardized, fair, and unified supplier management system.

All suppliers of Letright must:

1

Obtaining ISO:9001 Quality Management System certification and pass BSCI factory inspection, or undergo other factory inspections specified by clients.

2

Establishing and improving their own quality management system, including setting up a quality control team and ensuring proper staffing of quality control personnel to effectively operate the quality system.

Supplier Management System of Letright

Supplier Entry

- Supplier data collection and compliance review
- Supplier on-site evaluation: Conduct a comprehensive assessment of the quality and technical aspects of the supplier, and conduct on-site inspections and evaluations from modules such as "management system", "financial funds", "warehousing management", "technical processes", and "social responsibility" to ensure supplier stability. In principle, suppliers with a total evaluation score of less than 60 points cannot be introduced
- Supplier admission documentation

Supplier supervision

- Suppliers of bulk goods are required to verify and determine the production and delivery plans for the following month and week, with authorized personnel designated by the Company on a monthly and weekly basis
- Regularly organize supervision and spot checks on finished product suppliers, with a frequency of twice a year
- Conduct annual performance evaluations of suppliers, including quality, delivery time, price, service, etc., and rate suppliers based on the performance evaluation results
- Ensure the supplier quality qualification rate and delivery qualification rate

Supplier Elimination

- Finished product suppliers must be eliminated when they engage in violations, fail re-evaluations, have significant integrity issues, undergo production or transformation, or require integration and optimization

III. Social Contribution

Letright is committed to achieving harmonious development of economic and social benefits. the Company actively engages in or participates in welfare activities that contribute to social and economic development. Through donations, donations, school-enterprise cooperation, participation in industry standard-setting and other public welfare measures and benevolent actions, Letright demonstrates our sense of responsibility, supports industry development, and spreads positive social energy.

1. Enthusiastic in Public Welfare and Charity

Letright has always been actively committed to public welfare. We leverage our industry advantages and take public welfare measures such as donating funds and materials to aid education, disaster relief, and rural construction. While achieving stable development, we actively give back to society and make unremitting efforts to promote social harmony and progress.

From 2020 to 2023

The Company's public welfare donations amounted to **CNY6.0292 million**. This includes (partial):



The "Charity Day Donation" activity of the High-tech Industrial Development Zone Management Committee has a total of **CNY45,000** for three consecutive years;



The "9+9" public welfare day event, totaling **CNY17,200** for two consecutive years;



A total donation of **CNY520,000** to the Xincai County Charity Association for two consecutive years to support rural construction;



A donation of **CNY300,000** to the Qinghai Baoyuze Charity Foundation to support the environmental protection and tree planting cause;



A donation of **CNY48,000** to the Qinghai Guoluo Vocational School Student Assistance Project;



Donation to Yuhang District



Donation to Xinchai County Charity Federation

Case: Letright's Contribution to Dream Town Development

Dream Town is located in the hinterland of Future Science and Technology City (Haichuang Park) in Yuhang District, Hangzhou, Zhejiang Province. It is one of the first characteristic towns in Zhejiang Province and a national Internet innovation and entrepreneurship highland. To support the development of Dream Town, Letright donated multiple sets of outdoor equipment such as tables and chairs, umbrellas, sofas, etc. free of charge, totaling approximately CNY68,200.



Outdoor Supplies Donated by Letright in Dream Town

2. Supporting Industry Development

Letright focuses on improving our competitiveness and innovation capabilities while also paying attention to industry development. We participated in the preparation of the Zhejiang Manufacturing Group Standard Outdoor Sofa for Domestic Use(2019), promoting the standardization development of the industry. We have prioritized talent cultivation, achieved organic integration of school enterprise resources, continuously strengthened organizational vitality and talent echelon construction, explored new paths for the moderate integration of industry, academia, and research. This lays a solid foundation for the construction of the Company's talent ladder and the creation of a learning organization.



Cover of Zhejiang Manufacturing Group Standard Outdoor Sofa for Domestic Use (2019)

Case: Letright's Collaboration with the College of Foreign Languages, Zhejiang University of Science and Technology

Letright has reached a school-enterprise cooperation agreement with the College of Foreign Languages, Zhejiang University of Science and Technology. At the licensing ceremony for school enterprise cooperation, Letright briefly introduced the Company's overall situation, development history, employee activities, and the types of talents expected to cooperate with the university. The College of Foreign Languages expressed recognition of Letright's pragmatic talent concept, and both sides put forward constructive suggestions for future cooperation in various projects such as big data analysis and supply chain logistics management. This school-enterprise strategic cooperation mainly targets majors such as e-commerce and marketing. We hope to explore new models of school-enterprise cooperation through the joint efforts of both parties and provide more outstanding talents for society.

School-Enterprise
Cooperation Licensing
Ceremony



We actively understand the industry's latest technology and market trends. Through participating in industry conferences, organizing field exchanges with peers to learn from each other to complement each other's strengths and weaknesses. Additionally, we showcase our technological capabilities and product advantages to seize more market opportunities.



"Future City - Digital Intelligent Consumption IN Yuhang" and the 2nd "Perfect Life Festival"



Symposium on Foreign Investment and Foreign Trade

Case: Letright participated in the 51st China (Guangzhou) International Furniture Fair

From March 18 to March 21, 2023, Letright participated in the 51st China (Guangzhou) International Furniture Fair. In the exhibition, Letright showcased a variety of sustainable products, including the whale chair designed with whale inspiration and the Jupiter outdoor parasol, which won the 2020 China Design Intelligence Award (DIA). These new products, new design, new image and sustainability brought a trendy visual impact to visitors.



The 51st China (Guangzhou) International Furniture Fair Exhibition Site

Case: Letright participated in Spoga+Gafa, the International Outdoor Furniture Fair in Cologne, Germany several times

From June 18th to 20th, 2023, Letright once again participated in Spoga+Gafa, the international outdoor furniture fair in Cologne, Germany, which covered an area of 215,000 square meters and brought together more than 1,000 exhibitors from 52 countries, focusing on the power of gardens to connect people to collaborate on the theme "Social Gardens - Places of Encounter". Letright presented seven thematic products in the fair from the directions of garden social space, urban gardening, sustainable gardening, multi-functional gardens, indoor gardens, and diversified dinners, breaking the traditional boundaries, proposing new life initiatives, and renewing perceptions with new concepts and new images, bringing the cutting-edge outdoor lifestyles to the exhibition visitors.



2023 International Outdoor Furniture Fair Spoga+Gafa in Cologne, Germany

Employees at Heart for a Better Future

- I. Employee Compliance Employment
- II. Employee Development and Training
- III. Employee Compensation and Care
- IV. Employee Health and Safety

In terms of talent management, Letright adheres to the mission of "configuring and activating talents, stimulating the energy field of the organization, and guaranteeing the realization of strategic goals", and deeply implements the strategy of strengthening the enterprise with talents. We value talents, care for employees, and promote the common growth of the Company and employees by providing market-oriented, differentiated and professional salaries, personalized development plans, and safe and comfortable working environment.

The United Nations Sustainable Development Goals involved in this chapter:



Highlights:



Promote employment by hiring 35 fresh graduates, 42 veterans, 325 employees from poor areas, and 37 people with disabilities.



Signed labor contracts, collective contracts, and social insurance coverage with 100% of employees .



Formulates personal development plan, reserve talent plan, talent inventory program and personal performance commitment .



Declared the titles of "Wuchang Craftsman", "Yuhang Craftsman" and "Hangzhou Craftsman" for its employees and gave them rewards .



100% coverage of occupational health and safety training.

I.Employee Compliance Employment

Letright respects employees' career choices and insists on reasonable employment. We strictly abide by Labor Law of the People's Republic of China, the Law of Labor Contract Law of the People's Republic of China, the Law of The Social Insurance Law of the People's Republic of China and other laws and regulations. We have established a sound human resource management system, deepened democratic management mechanisms, and treat every employee fairly and justly to effectively safeguard the right and interest of employees.

I.Protecting Employee Right and Interest

Letright values the diversity and equality of employees, and firmly opposes any discrimination on the basis of education, gender, age, cultural background, religious beliefs, etc. We also condemn any form of harassment and abuse, and strictly prohibits the use of child labor and all forms of forced labor. The Company has signed labor contracts, collective contracts and social insurance coverage of 100% with our employees and protects their right and interest in accordance with the law.

We have legally established a labor union organization and formulated the Trade Union Management Measures. Regular trade union general elections, establish the system of employee's congresses. This system organizes employees to participate in the Company's democratic decision-making, democratic management and democratic supervision, and put the reasonable demands and rights of employees in the first place.

2023



Receiving 17 reasonable suggestions and demands from employees, and the result of the employee satisfaction survey was **91%**



Conducted employee seminars **5 times**



Conducted employee representative meeting **1 times**

Letright pays attention to gender equality, controls the representation ratio of female employees, and supports the career development and personal growth of female employees. We provide female employees with benefits such as maternity leave, breastfeeding leave, mutual aid protection for female employees' special disease subsidies, sets up nursing room, and carries out International Women's Day activities to create a relaxed and friendly working environment for them. During the reporting period, the return-to-work rates of employees on parental leave and maternity leave were both **100%**.



International Women's Day Flower Arrangement

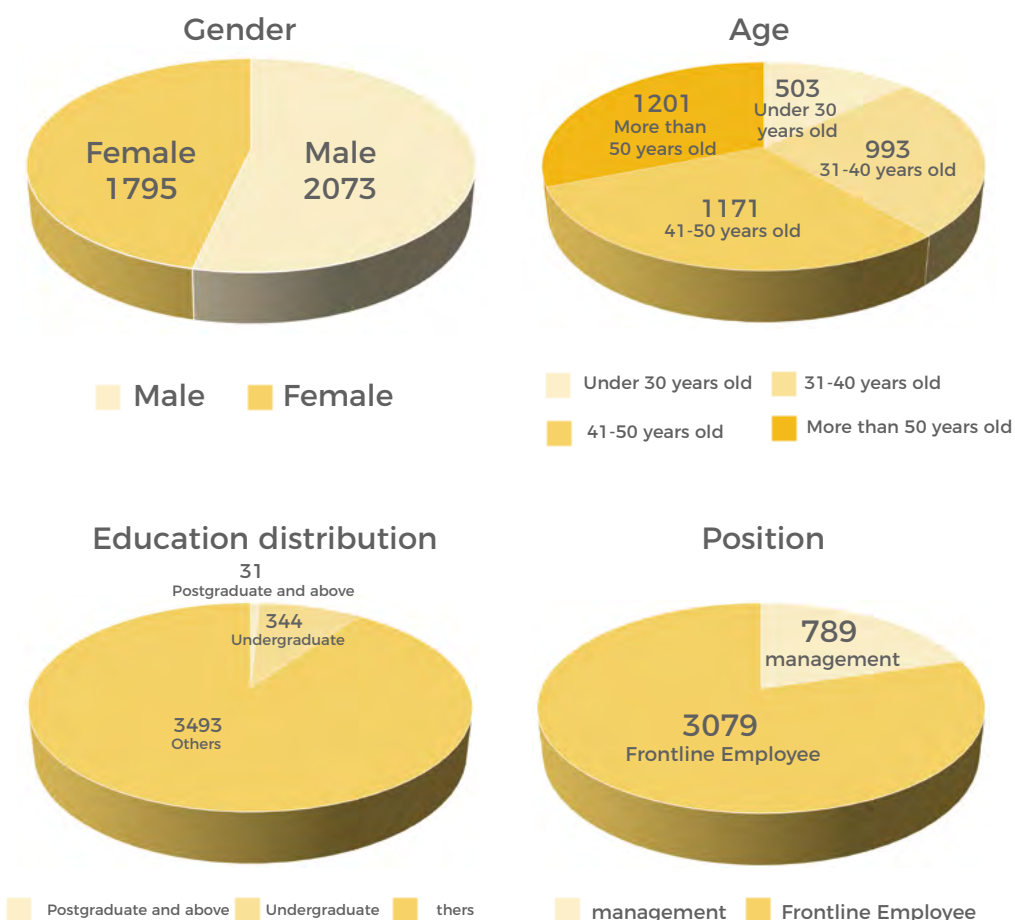


Nursing Room

Responsible Recruitment

Letright adheres to the recruitment principles of open recruitment, internal before external, equal competition and selection of the best candidates. We formulate the Recruitment Management System, develop recruitment plans according to the employment needs, and attract excellent talents from different backgrounds through multiple channels and methods, such as campus recruitment, social recruitment, introduction of talents, and other internal and external online and offline recruitment. Meanwhile, we conduct identity verification during recruitment to ensure that the age and background information of the interviewed personnel are true and in compliance with the law, so as to avoid recruitment risks. During the reporting period, we conducted campus recruitment in many universities in Wuhan, Changsha, Nanjing and other cities across the country and successfully recruited 35 fresh graduates, so as to make a good job of the "through train" for talents in colleges and universities.

During the reporting period, the Company did not experience any large-scale layoffs or strikes, and there were no illegal hiring practices. As of December 31, 2023, the number of full-time employees of the Company amounted to 3,868, of which 42 were veterans, 325 were employees from underprivileged areas, and 37 were disabled. The number of employees statistically by gender, age, educational distribution, and grade is as follows:



II. Employee Development and Training

Letright's vision is to become a global leader in outdoor home furnishings, and a leader is far more than a frontrunner, which especially needs the support of talent strategy and adherence to the principle of the first nature of talent. We create more opportunities to cultivate innovative and composite management talents through influx of talents, development of scale, breaking job boundaries, and stimulating individual vitality.

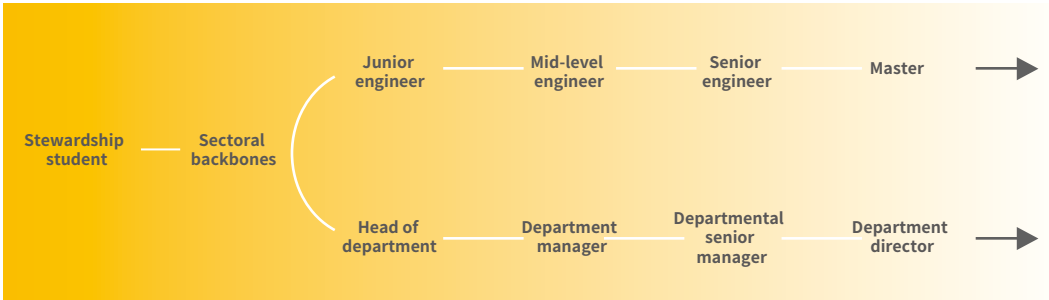
2023

- Complete implementation of 178 training sessions
- Invested \$14.91 million in employee training and development
- Total number of employees involved in training is 2,329
- Training time totaled 16,561 hours, with 7.11 hours of training per capita
- Annual talent recruitment of 163 people, with a total investment of CNY100,000

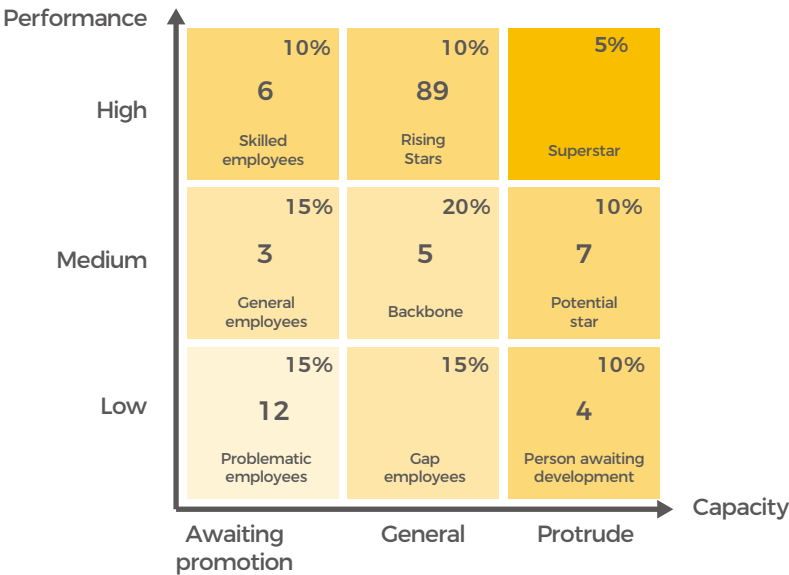
1. Employee Promotion

Through fair and transparent selection criteria and technical management promotion channels, Letright ensures that every employee has an equal opportunity to achieve success and advancement in his/her career. We have formulated the Internal Rotation Management Regulations to carry out planned, purposeful and systematic lateral mobility within and between departments according to business development needs and employees' career development planning, so as to form a mechanism that enables cadres to move up and down, employees to move in and out, and to realize the reasonable advancement and retirement mechanism of final elimination.

Dual Channel for Employee Promotion in Letright



Talent Inventory Nine Grid Management Strategy



Based on the results of the talent inventory and employees' personal wishes, we assist employees at all levels in establishing clear career development goals, formulating personal development plans and personal performance commitments, evaluating them in terms of their ability to fulfill their responsibilities and their professional competence, and selecting the best people to enter the reserve talent pool, and providing them with corresponding career counseling and training.

2. Employee Training

Letrigh is aware of the importance of talent growth. We formulate internal systems such as Talent Inventory Program and Individual Development Plan, adopt diversified training methods, and provide every employee with high-quality internal and external training and development assistance such as relevant laws and regulations, quality target indexes, management skills, basic knowledge of the position, etc. through scientific and reasonable annual training plan, tailor-made learning rotation plan and domestic and international advanced learning opportunities. We have established a perfect training management mechanism, which mainly includes training test question testing, training summaries, training satisfaction research, etc., to ensure the all-round improvement of the effectiveness of training activities.

We require employees to learn to ace success, failure review summary, through the pyramid principle, the golden circle, the SMART law and other framework, logical, structured thinking methods used to obtain rapid growth. For freshmen, we gradually build up a corporate university, knowledge base, with a good mentorship system can lead freshmen quickly into the workplace.

2023	
Training Objects	
· Management	
· Key Positions Employees for Special Processes, Critical Processes, and Positions with Potential Significant Quality Impact	
· For and on behalf of the Company employees	
· Transfer employees	
· New employees	
Forms of training	
· Lean Management Training for Supervisors	
· "One-to-One" Mentorship and Coaching Program	
· Rotational training	
· Specialized training	
· Leadership training	
· On-the-job learning	
· Project Exercise	
· Specialized courses	



Lamps and lanterns incoming material inspection standard practical talk



"Morning and evening meetings" training



5S management knowledge training



Outdoor Furniture Characteristics and Cost Analysis Training

Case: Letright Corporation carries out various vocational skill trainings



Training Management Training for Supervisors
The First Team Leader Skills Upgrading Course

In response to the work of Henan Province "Everyone holds a license, skill Henan", we carry out various vocational skills training on safety, environmental protection and management for the employees in the enterprise. At present, more than 4,000 employees have participated in vocational skills training, and 2,900 employees have obtained vocational skills level certificates.

III. Employee Compensation and Care

Letright has established a sound compensation and benefit system that is compatible with the modern enterprise system, continuously revised the Compensation and Benefit Management System, and implemented the compensation management strategy of "determining grades according to posts, determining salaries according to grades, and determining prizes according to performance", so as to ensure that the Company's compensation system is externally competitive, internally fair and motivating. At the same time, we build a comprehensive, scientific and humanized employee welfare system to attract and retain talents that meet the Company's development needs.

We care for vulnerable groups and promote mutual assistance and support among employees, set up a perfect help system. We keep abreast of the financial or living difficulties of our employees, launch fund-raising initiatives for employees who have difficulties in life due to illness, and actively take relief measures to help them get out of the difficult situation as soon as possible. In 2023, our public welfare donations for the disabled and the investment in help amounted to CNY20,000, and the total investment in employee care amounted to CNY670,400.

Employee Compensation and Benefit System of Letright

Compensation System

Monthly salary (position salary + performance salary),
year-end bonus (according to year-end bonus policy)

Statutory Benefits

Basic social insurance, high temperature fee, housing provident fund,
statutory holidays, paid annual leave, maternity leave

Company benefits

Full attendance award, various types of subsidies
(transportation subsidies, telephone subsidies, talent subsidies, etc.),
holiday expenses, wedding and funeral condolences, old employees care

Other benefits

Employees lunch and dinner, activity funds, free medical checkups,
birthday and holiday activities, employee medical mutual aid protection, honorary awards



Dragon Boat Festival Activities



2023 Annual Central Arts employees
Basketball Tournament



Christmas Activities



Employee Anniversary

Case: Mid-Autumn Iced Mooncake Making Activity at Letright



Iced Mooncake Making

On the Mid-Autumn Festival in 2023, we held a handmade iced mooncake making activity. At the activity site, the employees prepared the gloves, molds, dough, filling and other materials for making mooncakes. They shared knowledge and techniques about making ice skin mooncakes with the participants. Attendees engaged in kneading dough, rolling out the skin, wrapping fillings, and shaping the mooncakes in molds. This activity fostered teamwork and cohesion among the participants.

IV. Employee Health and Safety

Letright adheres to the guiding principle of "people-oriented", complies with the requirements of the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other relevant laws and regulations. We have established a sound safety management mechanism that implements a hierarchical safety production responsibility system. We continuously strive to prevent safety risks, enhance safety awareness, and ensure the occupational health and safety of our employees.

2023



1. Safety Production

Letright has always adheres to the business philosophy of safety development. We have established procedures such as Control Procedures for Identification of Dangerous Sources, Risk Evaluation and Determination of Measures and Control Procedures for Laws, Regulations and Other Requirements, and formulated production safety goals and targets, which are decomposed into departments and assessed on a regular basis. In accordance with the principle of supervision and management of production safety, we have set up a production safety management committee, signed safety commitments at all levels, implemented the responsibility of the first person responsible for production safety and production safety of the whole enterprise, and continued to build a strong sense of red line of safety, so as to ensure the effective management of production safety work.

Our production safety goal:



Letright has established risk assessment and control procedures to identify the sources of risks to safety in production, we evaluate the degree of danger to form the Dangerous Sources Identification and Risk Evaluation Form. We carry out daily safety inspections, monthly safety checks, hidden danger inspections, emergency drills and actions, and establish a safety risk ledger and a list of hidden dangers, so as to eliminate hidden dangers and cope with safety risks in a timely manner.

Safety production work is a long way to go. In order to further enhance the safety awareness of all employees, Letright shares to take incentives and penalties, training, publicity and education and other measures. We carry out safety production conference, safety training and education for new entrants, job changes, job transfers, three-level safety education for employees, and special training for employees in special positions, and to carry out the training effectiveness evaluation and assessment, for promote the all the employees to learn something, qualified for the workplace.



Induction Safety Training



Fire Training

Letright has developed the Emergency Preparedness and Response Control Procedure and formulated an annual emergency drill plan. We regularly conduct activities such as fire evacuation drills and organize exercises for project emergency preparedness and response measures. We also inspect the adequacy and effectiveness of the emergency plans to ensure our ability to respond swiftly and effectively to unforeseen circumstances.

Case: Letright Conducted Fire Emergency Drill for 2023



Fire Drill

In 2023, we conducted a fire emergency drill. The activity includes the explanation of fire emergency knowledge, as well as the instruction of using fire extinguishers and operation drills. Through this fire safety training, we further strengthened our employee's fire awareness of "paying attention to fire and cherishing life" in their work and life, and created a good fire safety environment for the Company's safe production and employee's life and health.

2. Occupational Health and Safety

Letright puts the health and safety of our employees at the forefront of our business operations. We have set up an Occupational Health and Safety Management Committee with the factory director as the director and the heads of each department as the members, passed the ISO:45001 Occupational Health and Safety Management System Certification. We implement a system of occupational safety and environmental responsibility throughout the company to standardize the prevention, control, and elimination of occupational hazards. During the reporting period, the Company has not exceeded the standard of occupational disease hazards, and no major occupational health cases have occurred.

Measures taken to ensure the occupational safety of our employees include:

- Conducting pre-employment, in-employment and post-employment occupational health checkups for employees engaged in exposure to occupational hazards, and establishing individual occupational health monitoring files
- Carrying out testing of occupational hazards
- Equip employees with labor protective equipment, relevant emergency equipment and emergency medicines
- Set up occupational disease hazard notification boards and bulletin boards to publicize health knowledge
- Regularly conduct occupational health training



Zhejiang Grand Leisure ISO: 45001 System Certification



Zhejiang Jiayi ISO: 45001 system certification



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Table of Key Performance

Type		Unit	2023	Note	
Environment					
Energy and Resource					
Photovoltaic power generation		kWh	3,320,280		
Water Withdrawal		m ³	322,688		
Water Discharge		m ³	9,500		
Water Consumption		m ³	99,298		
Society					
Employment Diversity					
	By Employment Type	Regular Employees	Person	3,868	
		Secondment	Person	1,633	
	By Region	Mainland China	Person	3,866	
		Overseas (including Hong Kong, Macao and Taiwan)	Person	2	
	By Position	Management	Person	789	
		Frontline Employee	Person	3,079	
	By Gender	Male	Person	2,073	
		Female	Person	1,795	
	By Education Background	Postgraduate and above	Person	31	
		Undergraduate	Person	344	
		Others	Person	3,493	
	By Age	30 and below	Person	503	
		31-50	Person	2,164	
		Over 50	Person	1,201	

Types of Socially Responsible Recruitment	Number of disabled employees		Person	37	
	Number of employees from poor areas		Person	325	
	Number of veterans		Person	42	
Training					
Number of Employees Trained	Number of Employees Trained		Person	2,329	
	By Gender	Male	Person	1,395	
		Female	Person	934	
	By Employee Grade	Management	Person	247	
Frontline Employee		Person	2,082		
Employee Training Hours	Total Employee Training Hours		Hour	16,561	
	By Gender	Male	Hour	11,118	
		Female	Hour	5,443	
	By Employee Grade	Management	Hour	4,303	
Frontline Employee		Hour	12,258		
Hours of Training Per Employee	Total Employee Training Hours		Hour	7.11	
	By Gender	Male	Hour	7.97	
		Female	Hour	5.83	
	By Employee Grade	Management	Hour	17.42	
Frontline Employee		Hour	5.89		
Safety Training	Hours of Training about Health and Safety		Hour	1,517	
	Safety Risk Protection Training Coverage		%	100	
	Time of Emergency Drill		Times	9	
Employee Rights & Benefits					
Rate of Signing of Employment Contracts			%	100	
Social Insurance Coverage			%	100	
Satisfaction Rate of Employees			%	91%	
Return Rate of Employees on Maternity and Parental Leave			%	100	
Amount of Public Welfare Donations and Support for the Disabled			CNY	2.00	
Total Investment in Employee Care			CNY	67.04	

Occupational Health and Safety					
Inputs to Production Safety		CNY 10,000	70.983		
Occupational Diseases	Occupational Disease Rate	%	0		
Work-related Injury or Death	Number of Work-related Injuries	Person	50		
	Lost Man-hours	Day	1,484		
	Number of Work-related Death	Person	1		
Medical Check-up	Employee Annual Medical Checkup Coverage	%	100		
Product Responsibility					
Investment in R&D for Product Innovation		CNY 10,000	5,411		
Completion Rate of Complaint Handling		%	100		
Community Investment					
Community Benefit Contributions		CNY 10,000	602.92	Data of 2020 to 2023	
Governance					
Anticorruption					
Number of Embezzlement Lawsuits Filed by Companies and Employees		Cases	0		
Intellectual Property Rights					
Cumulative Number of Patents for Inventions Granted by the End of 2023		Cases	722		
Cumulative Number of Design Patents Granted as of the End of 2023		Cases	560		
Cumulative Utility Model Patents Granted as of the End of 2023		Cases	153		
Cumulative Invention Patent as of the End of 2023		Cases	9		
Cumulative Software Copyright as of the End of 2023		Cases	8		

Feedback Form

Dear readers,

Greetings!

We sincerely look forward to your comments on our ESG work and this ESG report. Your comments and suggestions will help us to continuously promote our sustainability management and practices. You can fill in the following content and give us your feedback by mail or email. Thank you very much!

Hangzhou Letright Industrial Corp., Ltd.

May, 2024

Your evaluation of this report: (Please choose to tick in the corresponding position)

- 1、Report content: ☐ very good ☐ good ☐ general ☐ bad ☐ very bad
2. Information quality: ☐ very good ☐ good ☐ general ☐ bad ☐ very bad
3. Textual presentation: ☐ very good ☐ good ☐ general ☐ bad ☐ very bad
4. Design and layout: ☐ very good ☐ good ☐ general ☐ bad ☐ very bad
- 5、Overall evaluation: ☐ very good ☐ good ☐ general ☐ bad ☐ very bad

Open questions:

What other information do you want to know?

What suggestions do you have for the content and form of this report?

What suggestions do you have for the future sustainable development work of Letright?



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