2020 Corporate Social Responsibility Report

Guangdong Great River Smarter Logistics Co., Ltd.

宏川智慧 GR
GR Smarter Logistics

ABOUT THIS REPORT

Introduction

This is the second corporate social responsibility report the Company has disclosed since its listing in 2018. The report aims to truly reflect the Company's CSR practice and development in 2020 in an objective, conforming, transparent and all-inclusive manner. It offers a detailed look into the practice and achievements of the Company in corporate governance, safe and environmentally-friendly operations, and innovation and development from a number of CSR perspectives.

Time Frame

The report covers the time frame from January 1, 2020, to December 31, 2020.

Scope

The report covers the scope of businesses of the Company and its holding subsidiaries.

Form of Release

This report is released in the electronic version on the Cninfo website of www.cninfo.com.cn.

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Message From Chairman

The year 2020 has proved to be an extraordinary one, as the outbreak of the COVID-19 pandemic and changes in the global market gave rise to remarkable challenges and difficulties. Great River Smarter, along with its entire staff, emerged from the incredible year as a more resilient company that was able to maintain a solid development pace, seek opportunities amid the crisis, and achieve steady growth in both performance and profit.

Building On Operations Strategies To Succeed In Both Business Performance And Pandemic Prevention And Control

The year 2020 has proved to be an extraordinary one, as the outbreak of the COVID-19 pandemic and changes in the global market gave rise to remarkable challenges and difficulties. Great River Smarter, along with its entire staff, emerged from the incredible year as a more resilient company that was able to maintain a solid development pace, seek opportunities amid the crisis, and achieve steady growth in both performance and profit.

The successive battles of the COVID-19 pandemic have resulted in huge instability and uncertainties in the global market, making 2020 one of the most difficult years for all businesses with numerous challenges.

In 2020, in the face of incredible challenges in pandemic prevention and control and business development, the entire staff of the Company worked closely and collaboratively together. We established a COVID-19 emergency response team at the earliest possible time to ensure the full functioning of pandemic prevention and control and to restore work and production in an orderly manner. By the end of April, operations and management had fully returned to the normal state.

In 2020, by proactively analyzing the complicated pandemic-induced economic situations, seizing opportunities arising from the changes in the market, and ensuring continued strategic adjustment, the Company managed to secure performance generated by newly built and newly joined stock locations, which drove the overall performance growth on the company and promoted service quality and efficiency.

In 2020, thanks to the proper strategic adjustments carried out by the Company, the tank capacity and chemical warehouse area in operations were greatly increased, which generated sound economic return. The Company saw an operating revenue of 848 million yuan, a year-on-year increase of 74.5%, and a net profit of 227 million yuan, a year-on-year increase of 56.19%, thus achieving success in both business development and pandemic prevention and control.

Dual Core Businesses And Using Capital Operations To Promote All-round Innovation

As we kept to our development strategy of "Dual core businesses and using capital operations to promote all-round innovation" and achieved fruitful results in the field of investments, mergers, and acquisitions in 2020. In the first half of the year, the Company acquired two major storage projects, namely Changzhou GreatRiver Petrochemical Terminal Co., Ltd. and Changshu GreatRiver Petrochemical Terminal Co., Ltd. previously owned by China Resources. The Company also acquired shares of Jiangsu Changjiang Petrochemical Co., Ltd. held by PetroChina, becoming its second-largest shareholder. By the end of 2020, Great River Smarter had established 10 storage locations across Guangdong, Jiangsu, and Fujian Provinces with a tank capacity of over 3 million cubic meters, proof of the expanded leading edge of the Company in the industry.

In 2020, the Company reached a major agreement with Dongguan Financial Holdings Equity Investment Fund Co., Ltd, a subsidiary of Dongguan Financial Holdings, and established Jinlianchuan, a joint venture and the first industrial investment and M&A Partnership that focuses on investment and acquisition of outstanding projects in the field of chemical storage. Within the same year, Jinlianchuan and Great River Group, the parent company of Great River Smarter, agreed upon a Letter of Intent for Investment on the Pengzhou project in Chengdu. This is an important move that would allow further increase of the chemical warehousing area of the Company and expand our business from East, South, and Southeast China to the Chengdu-Chongqing Economic Belt.

In 2021, more efforts would be actively invested in capital operations, with reinforcement in mergers, acquisitions, and building new chemical warehouses. By forming professional expertise and active market expansion, the Company aims to further increase the contribution of the chemical storage business in the overall revenue.

Rigorous Control Of Safety, Environment & Health To Create New Industry Standards

Safety, Environment & Health is essential for the business and development of any company. Great River Smarter aims to become a benchmark among its peers with safety, environment, and health being the prerequisite for all business decision-making and actions.

In 2020, the Culture of HSE tops all aspects of the Company's culture, with efforts invested in internal communication, employee education, and awareness-raising so that HSE may become a deeply embedded mindset and habit among our employees.

In 2020, the Company created a complete HSE monitoring and management structure. By enhancing the HSE system and mechanisms and organizing the activity of building a benchmarking enterprise in the HSE sector, the Company laid a more solid foundation and improved the management capabilities in HSE in a systematic fashion.

In 2020, we also promoted personnel training and skill development in the HSE sector. By introducing HSE expertise and professionally trained talents and strengthening knowledge and skill training, the Company enhances the talent capacity in HSE.

Continued Endeavor In Charity And Contribution To The Society

Giving back to society and creating values for our community is one of the missions of Great River Smarter. Over the years, we have been committed to our social responsibilities and endeavors in charity and philanthropy, organizing charitable and public welfare activities in donations for educational development, poverty alleviation, and financial stress lifting across Duanguan, Shaoguan, Maoming, Puning, Jiangsu Province, and Sichuan Province.

In 2020, I led the Company in mobilizing resources to make donations worth over 25 million yuan, of which over 20 million yuan was directed for educational development. I worked closely with government officials of the Dongguan Municipality to participate in the "10,000 Enterprises Help 10,000 Villages" project, as part of the Targeted Poverty Alleviation, in Shaoguan and Heyuan of Guangdong Province, and contributed to the national goal of "comprehensively building a "moderately prosperous society". In the response to the COVID-19 pandemic, I led the entire staff to donate money and supplies to medical workers and prevention and control personnel who were fighting on the front line, making our due contribution to winning the battle against the pandemic.

The 2021 Outlook: Striving For An Enduring Success As An Established Enterprise

We believe in a prosperous future earned through commitment and hard work. We are ready to set out again after overcoming the challenges in 2020. 2021 is the first year of China's 14th Five-Year Plan and the intersection of the Two Centenaries. Standing at a new starting point, Great River Smarter aims to seize opportunities and strive for continued progress with perseverance and dedication.

The Company will keep focusing on the strategy of "dual core businesses and using capital operations to promote all-around innovation" to foster new development momentums and drive high-quality growth. Our vision is to not only become an industry-leading company appreciated by its employees and recognized by the society with benchmarking HSE standards but grow into a leading centenary business in the global arena and a veteran player in the chemical storage sector with continued and greater contribution to our community, the overall society, and public welfare.

Chairman: 林海川

2021年4月22日

WHO WE ARE

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Corporate Profile

The Company is an integrated and innovative petrochemical logistics service provider with a focus on providing full-scale warehousing services and other related services to petrochemical producers, traders and end-users, both home and abroad.

Integrated Warehousing Service

providing customers with integrated cargo services, covering the entire process of loading, unloading and warehousing via docks, pipelines, tanks, loading platforms and chemical warehouses of the Company.

Transfer and Other services

including lighterage, transfer, direct discharge, and vessel supply and excluding warehousing processes.

Value-added service

Value-added services refer to other types of services including smart customer service, tank washing and sewage treatment, as well as universal saving & withdrawal.

Smart Customer Service

The Company's Smart Customer Service System allows customers to carry out electronic transactions with warehouse receipt generation and delivery for online transfer of ownership of commodities, providing them with secure, efficient and convenient transaction services.

Tank Washing and Sewage Treatment

River-borne tank washing stations are dedicated places for cleaning liquid cargo tanks. With docks, washing equipment, wastewater reception facility, and sewage treatment instruments, etc., the Company provides tank washing and sewage processing services for dangerous chemical tankers on the Yangtze River.

Universal Saving & Withdrawal

With the cluster effect of storage locations, the Company provides universal saving & withdrawal services on petrochemical products of the same quality and quantity in different warehouse locations.

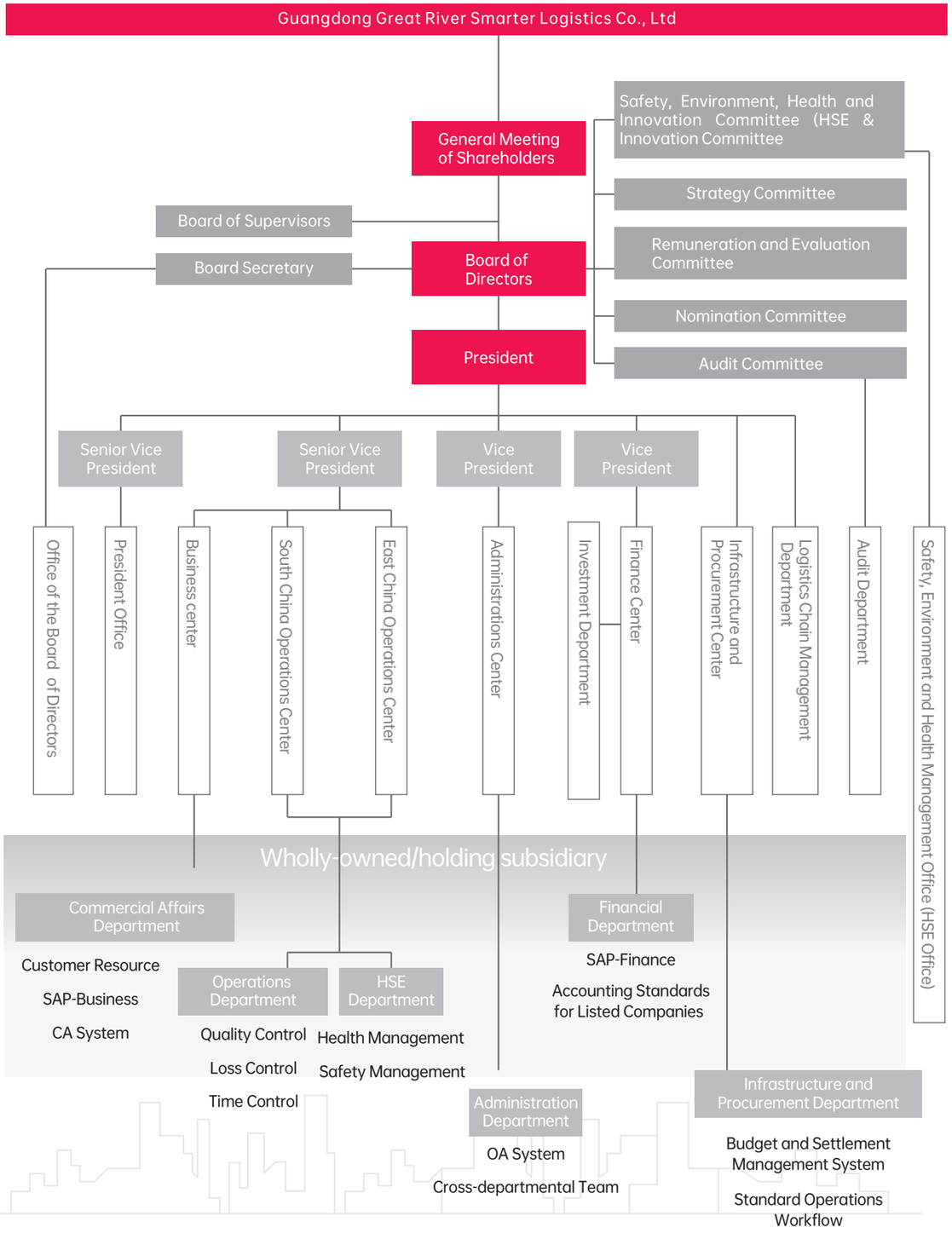
Logistic Chain Management

providing customers with integrated warehousing and logistics services including warehousing agency and process control based on the solutions empowered by the Company's management capacity

Warehousing Agency refers to services such as safety, quality inspection, cargo supervision, and agent warehousing ins and outs during a given storage period.

Process Control refers to time, loss, and quality control services during the entire logistic process.

Organizational Structure



Company Culture

Company culture is an important part of a company's core competitive advantages. During the development of the Company, six pillar cultures have been formed based on the core value of "Focus on Employees", namely HSE, Family, Collaboration, Satisfaction, Communication, and Leadership.

The Culture of HSE (Health Safety and Environment)

HSE Mission: Life first. Safety first.
HSE Vision: Great River, a safe and happy home for all.
HSE Philosophy: Safety, responsibility, prevention and management top everything else.
HSE Value: Reverence for life, excellence in implementation, and champion of technology
HSE Aim: All-round harmony, effective governance, and continued stability
HSE Objectives: Zero violation, zero loopholes, zero error, zero accident, and zero casualties.
HSE Policies: Attentive, Rigorous, Practical, Comprehensive, Focused, Preventive, Effective, and Adaptive.

The Culture of Family

The Company has in place "Grateful 100% Activity" for employees' parents, organizes family trips, and manages a "Thanksgiving Fund" where the staff voluntarily donates a small amount out of their salary to help one another.

The Culture of Collaboration

The Company advocates the spirit of mutual support, where well-performing employees support their underperforming peers, all business departments work collaboratively together and provide one-stop integrated service to upstream and downstream customers. The company culture encourages compliance management, innovation, and performance evaluation to be carried across different departments and teams to promote mutual learning and coordinated growth.

The Culture of Satisfaction

The satisfaction among staff should be first achieved should a company plans to realize customer satisfaction, as only satisfied employees can provide satisfactory service to their customers.

The Culture of Leadership

The Company advocates a leading position in mind, management, teamwork, talents and remuneration.

The Culture of Communication

Leaders should often recognize the progress of their team members and encourage them frequently enough. Members of a team should be engaged in offering advice and asking questions to their leaders.

Vision

To be an integrated service provider in the chemical industry with professional warehousing service.

Mission

To build a development platform for employees, to provide quality services to customers, to create comprehensive value for society, and to secure solid returns for shareholders.

Value

Integrity, Win-win, Efficiency, and Innovation.

Major Recognitions

From Governmental Bodies

Awards & Recognitions	Awardee	Awarding Body
2020 Jiangsu Province May 1st Labor Certificate	Taicang Power Shell Petrochemical Co., Ltd.	Federation of Trade Unions of Jiangsu Province
2019 Enterprise of Observing Contract and Valuing Credit	Great River Smarter	Dongguan City Bureau of Industry and Commerce
2019 Model Enterprise of Team-building of Non-state-owned Companies	Taicang Power Shell Petrochemical Co., Ltd.	Committee of the Communist Youth League, Taicang County
2020 Excellent Organization for Safe Production	Changshu GreatRiver P etrochemical Terminal Co., Ltd.	Changshu City Port Administration
Second Place in Staff Fire-fighting Competition of Minzhong County	Karlson Chemical Warehousing & Logistics Co., Ltd	Federation of Trade Unions of Minzhong County, Zhongshan
Third Place in the Online Quiz of Enterprise Disaster Prevention and Mitigation in Safe Production	Karlson Chemical Warehousing & Logistics Co., Ltd	Zhongshan Emergency Management Bureau, Zhongshan Meteorological Administration
Winner of 2019 "Ankang Cup" Competition in Taicang	Taicang Power Shell Petrochemical Co., Ltd.	Federation of Trade Unions of Taicang, Taicang Emergency Management Bureau
2019 Excellent Enterprise for Service Industry Development	Taicang Power Shell Petrochemical Co., Ltd.	Management Committee of Taicang Port Economic & Technological Development Zone
2019 Excellent Enterprise for Environmental Protection	Taicang Power Shell Petrochemical Co., Ltd.	Management Committee of Taicang Port Economic & Technological Development Zone
2019 Excellent Enterprise for Tax Payment	Taicang Power Shell Petrochemical Co., Ltd.	Management Committee of Taicang Port Economic & Technological Development Zone
2019 Excellent Enterprise for Safe Production of Taicang Port	Taicang Power Shell Petrochemical Co., Ltd.	Management Committee of Taicang Port, Jiangsu Province
2019 Excellent Enterprise of Taicang Port Economic & Technological Development Zone for the Communist Youth League Work	Taicang Power Shell Petrochemical Co., Ltd.	Communist Youth League's Working Group of Taicang Port Economic & Technological Development Zone

From Industry Associations

Awards & Recognitions	Awardee	Awarding Body
2020 Gold Tank Safety Management Award of China Chemical Logistics Industry	Great River Smarter	China Federation of Logistics & Purchasing
2019-2020 Top 100 Chemical Logistics Companies in China	Great River Smarter	China Federation of Logistics & Purchasing
2020 Most Influential Business of the Chemical Logistics and Storage Industry in China	Taicang Power Shell Petrochemical Co., Ltd.	Organizing Committee of the 2020 Annual Conference of China Petroleum and Chemical Industry
2020 Three-star Green Port in Jiangsu Province	Nantong Power Shell Petroleum Logistics Co.Ltd.	Jiangsu Provincial Comprehensive Transportation Society
Excellent Enterprise for Safe Production in Port and Shipping of Dongguan	Great River Smarter	Port and Shipping Association of Dongguan

From Clients

Awards & Recognitions	Awardee	Awarding Body
Best Safety Award	Great River Smarter	Wanhua Chemical Group Co., Ltd.
2020 Logistics Service Provider Award for Outstanding Contributions in the Fight against the COVID-19 Pandemic	Changzhou GreatRiver Petrochemical Terminal Co., Ltd.	East China Branch of Sinopec Chemical Sales Co., Ltd.

2020 Chronicle of Events

January

Application on public issuance of convertible corporate bonds was approved by China Securities Regulatory Commission

Smart Customer Service System was put into trial operation

February

2020 Incentive Stock Options implemented with 10 million options issued

March

2019 Stock Options and Restricted Stock Incentive allowed Phase One option exercise and lifted restrictions as conditions matured

Great River Management College, an e-learning platform, went alive, which started to offer a combination mode of online and offline training

April

Major asset reorganization initiated, where the Company acquired 56.91% shares in Changzhou GreatRiver Petrochemical Terminal Co., Ltd. and 100% shares in Changshu GreatRiver Petrochemical Terminal Co., Ltd. via equity bidding

The Company acquired 30.40% shares of Jiangsu Changjiang Petrochemical Co., Ltd. via equity bidding

A total of 218,000 square-meter area of newly-built projects, namely Dongguan Great River (IPO fundraising) and Dongguan GreatRivers Petrochemical Terminal Co., Ltd., went into operations.

The dividend of the Year 2019 was distributed with 3.00 yuan for every 10 shares with capital reserve converted into 3 shares

June

The Staff Recreation and Sports Center was officially launched

July

The Company launched tank washing and sewage treatment services

The Company held the 2020 Conference of Institutional Investors

July-August

Great River Convertible Bond (Bond Code: 128121) went public offering and listing with 6.70 million bonds issued and 670-million-yuan funds raised.

August

The Company participated in the merger and acquisition of Jinlianchuan Partnership, an investment scale of 1 billion yuan, as it was engaged in merger and acquisition activities in the petrochemical warehousing business.

December

The Safety Management and Technology Innovation Committee of the Board of Directors was renamed the Safety, Environment, Health and Innovation Committee, and the Safety, Environment & Health Management Office was set up.

The company agreed to participate in the bidding to acquire assets of Huihai Storage and Huihai Real Estate.

RESPONSIBLE GOVERNANCE

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Corporate Governance

The Company strictly complies with the requirements of laws, regulations, and specifications and documents of supervising bodies, including the "Company Law", the "Securities Law", the "Code of Corporate Governance for Listed Companies", the "Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies" and the "Rules Governing the Listing of Shares on Shenzhen Stock Exchange", continuously improves its corporate governance structure, establishes and optimizes internal management and control systems, promotes compliance operations, and seeks to enhance the level of corporate governance. Since the establishment of the corporate governance structure and relevant policies, the shareholders' general meeting, board of directors, board of supervisors, independent directors, and the board secretary of the Company regulate their operations following relevant laws and perform due duties, with the function of the corporate governance structure being improved on a continued basis.

About Shareholders and the General Meeting

The Company has formulated the "Articles of Association" and "Rules of Procedure for the General Meeting of Shareholders", which it strictly follows to regulate procedures of the summoning, convening, and voting of the general meeting of shareholders. The Company treats all shareholders equally, and provides online voting, in compliance with relevant regulations, to improve the convenience for small and medium shareholders to participate in the general meeting. The Company ensures shareholders' right to know and participate in major company matters and that shareholders, especially small and medium shareholders, fully exercise their rights.

About Controlling Shareholders and the Company

The Company is independent of its controlling shareholders in terms of business operations, personnel, assets, organizations, and finance, and enjoys independent business and management capabilities. The Company's board of directors, board of supervisors and other internal institutions operate independently. Major decisions are made by the shareholders' general meeting in compliance with the law.

About Directors and Board of Directors

The directors of the Company are elected in strict accordance with the director selection procedures stipulated in the "Company Law" and the "Articles of Association". The Company currently has seven directors. Among the board members, there are three independent directors, including an accounting professional, a legal professional, and an investment professional, who, together, take up more than one-third of all directors. The number and makeup of the b Board of Directors meet the requirements stipulated in the laws and regulations as well as those in the "Articles of Association". The Board of Directors manages the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Strategy Committee, and the Safety, Environment and Health and Innovation Committee, which further improves the corporate governance structure.

About Supervisors and Board of Supervisors

The supervisors of the Company are selected in strict accordance with the selection procedures for supervisors described in the "Company Law" and "Articles of Association". The Board of Supervisors currently consists of 3 members, including one employee representative. The number and makeup of the Board of Supervisors meet the requirements stipulated in the laws and regulations as well as those in the "Articles of Association".

About Performance Evaluation and Incentive and Restraint Mechanisms

Fair and transparent performance evaluation standards and incentive and restraint mechanisms have been established in the Company for directors, supervisors, and senior management. The appointment of senior management of the company is open, transparent, and compliant with the law. Non-independent directors, supervisors, and senior executives receive remuneration packages according to their positions and responsibilities. Specific basic salary and performance-based compensation for each year are reviewed and determined by the Remuneration and Evaluation Committee of the Board of Directors. The allowances for independent directors serving in the Company are proposed by the Board of Directors and approved by the general meeting of shareholders.

宏川智慧 GR
股票代码:002930

Responsible Communication

The Company fully respects and protects the rights and interests of all stakeholders, fulfills corporate social responsibilities, strengthens communication and exchanges with various parties to achieve a balance of interests, and jointly promotes the sustainable and healthy development of the Company.

Stakeholder	Main Focuses	Means of Communication	Measures of Response
Government or Regulatory Agency	Compliance with Law Tax payment Safe operation Support to economic development	Information disclosure Special reports Statistical reports Field Research	Operations in compliance with laws and regulations; Prevention of major safety accidents; Increase of local employment rates; Promotion of local economic development
Investors	Development strategy Company performance Company governance Profit distribution Communications	Shareholder meeting Information disclosure Visit and exchange Roadshow Reverse roadshow Interaction platform IR hotline IR email box	Standard operation Internal management Information disclosure Payout allocation Organize performance release Organize institutional investor meet-up
Employees	Human rights protection and care Salary and benefits Training and career development Health care and safety management	Workers Conference Employee Satisfaction Survey Rationalization Proposal	Protection of employees' rights; Organization of various training; Improvement on talent promotion and compensation; Strengthening of occupational health and safety management; Implementation of various staff benefits; Smooth communication
Customer	Goods damage rate Time management Safe operation Good-faith management	Customer satisfaction survey Periodic visit Complaint and feedback channel	Quality management to improve service level Provide value added service to cater customer need Smart innovation to improve service level
Industry Associations/ partners	Strengthened Exchanges and Cooperation Mutual benefits and development	Signed agreements Collaborative Research and Exchanges on expertise	Participation in industry activities; Establishment of industry-university -research cooperation
Community or Charities	Charity and Volunteer Service Contribution to Community Development Public Safety and Environmental Protection	Establishing communication mechanisms Field investigations Volunteer communications	Public welfare communications and events; Encouragement for employees to participate in voluntary service; Prioritizing employment for community residents

Risk Management

The Audit Department of the Company, supervised by the Audit Committee of the Board of Directors, is responsible for internal control and risk management.

Each year, the Audit Department conducts regular audits of assets, projects, procurement, etc., and special audits necessary for operations and management. The department gives full play to its function as a supervising body, timely analyzes potential risks existing in every aspect of the Company's operation, establishes effective risk response measures, ensures compliance, and improves the efficiency in business operation and management.

Party Development and Governance

The Communist Party gives full play to the initiative of "Party Development Plus" by party members working in various positions and working closely across departments. The efforts of party development are well incorporated in the entire process of safe production and operation compliance, which promotes mutual development of the Communist Party and the Company.

The System of "One Belief, Three Services, and Five Driving Forces"

· One Belief in Political Leadership: The Company gives full play to the political guidance and core leadership of the party committee of a non-state-owned enterprise.

· Three Services to for a Joint Force: The Company champions the spirit of service for employees, the Company and society.

· Five Driving Forces to Build a Strong Brand: 1) Collaboration between the Party and the Company, 2) Leadership of excellent individuals and teams, 3) Innovation as a key factor for growth, 4) Talent management, and 5) Co-creation and co-development.

HEALTH, SAFETY AND ENVIRONMENT

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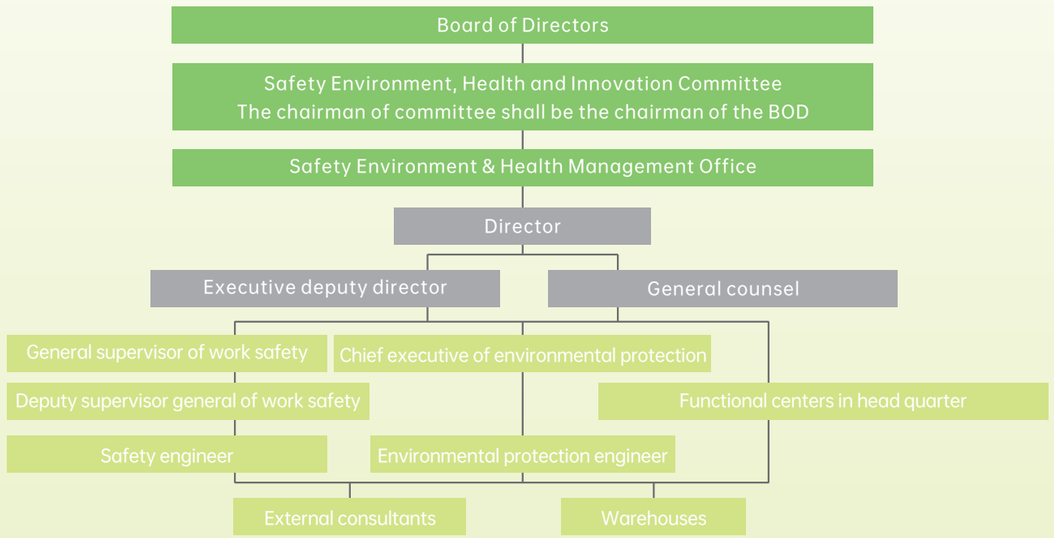
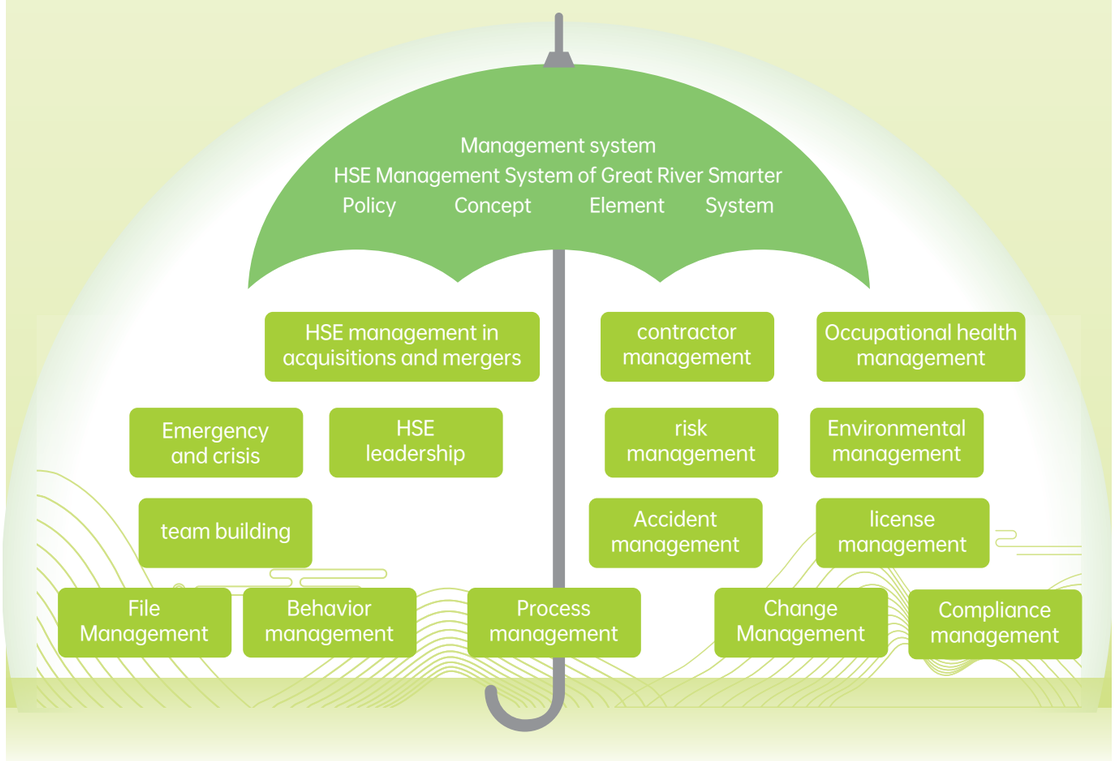
Systematic Management

Management System





Hse System Certification

The Company has established the HSE management system at a high standard which has been several system certified.

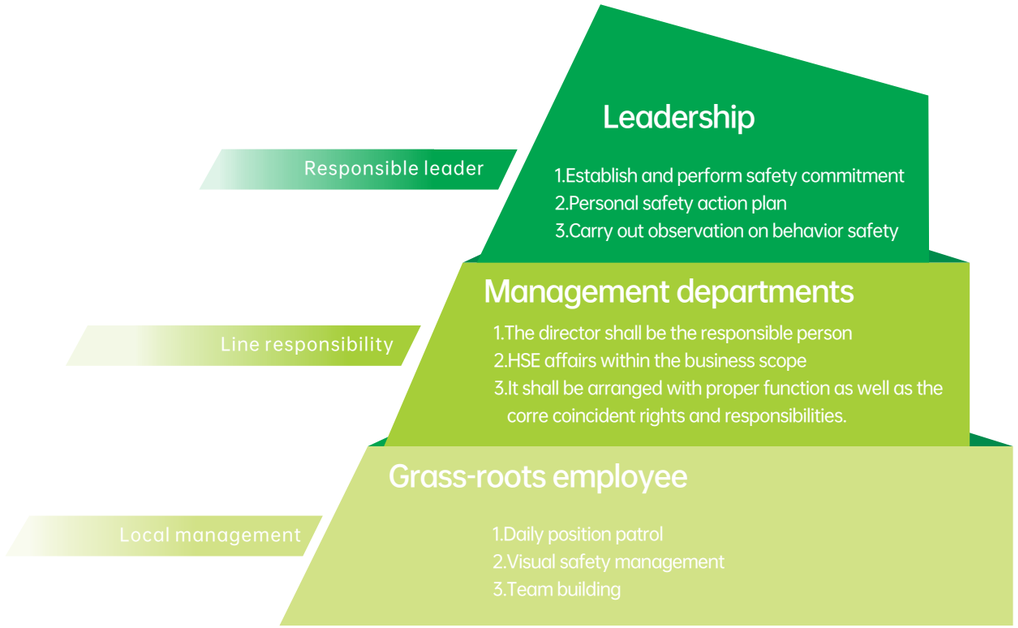
Hse Management Examination

The Company has established a strict system for HSE management examination, for comprehensively examining the HSE management efforts.

HSE goals	Person in charge and his/her duties	Safety investment	Legal requirements and system management
Team building	Education and training	Operation safety	Equipment and facility integrity
Chemical Safety Management	Occupational health management	Environmental protection management	Fire and Security Management
Risk level-to-level control, and hazard identification and treatment,		Emergency rescue	Accident report, investigation and handling

Safety Culture

Implementation of Responsibility System



Safety Culture Construction

The Company has created a good atmosphere for the internal and external safety publicity, and promoted the in-depth introduction of safety culture to the employees through multi-dimensional means.

Key Points of Works in 2020

Essential safety

It has conducted the Hazard and Operability (HAZOP) Analysis on the major hazardous storage tanks to determine the Safety Instrument Function and Safety Integrity Level for each tank group.

Risk identification and control

It conducts the level-to-level control and establish the system of "one drawing, two forms and three cards", and develop the "Information Form for Risk Identification and Control in Port Work safety" to reflect the relevant requirements.

Major hazard monitoring

In accordance with the relevant requirements, It must have the systems for uninterruptedly collecting and monitoring the temperature, pressure, liquid level, flow rate, component and other information, as well as the alarm device for detecting the leakage of combustible gases and toxic and harmful gases. It also must be provided with the functions including information transmission, continuous recording, accident warning, information storage and so on.

Special rectification

It has established the leading team for "Special Rectification for Work Safety", prepared the "Three-year Action Plan for Special Rectification for Work Safety", and implemented the relevant action plans in accordance with the requirements in the "Three-year Action Plan for the National Special Rectification for Work Safety" and other documents.

Stage of mobilizing and planning

stage of investigation and rectification

stage of centralized troubleshooting

stage of consolidation and improvement.

Safety emergency management

It has increased the investment, built the "emergency fire station" to a high standard.

It would improve the Company's emergency capacity by building the "micro fire station", and update the emergency response ability by applying the Internet of Things technology.

It has prepared the complete set of emergency supplies in accordance with relevant requirements.

It makes regular inspection and maintenance, constantly increase the emergency supplies reserve, improve the ability of unified allocation and supply guarantee of materials, and provide important support for preventing and handling all kinds of sudden safety accidents.

It has actively carried out emergency drills.

The emergency commander is capable of skillfully commanding and controlling the emergency response actions for the practical personnel, and quickly divides the responsibilities of each emergency position;

Emergency personnel would have a clear division of labor and rush to the scene and carry out emergency rescue operations in accordance with instructions.

It has identified new laws and regulations, as well as revised, reviewed, and filed the emergency plans, and provided relevant training.

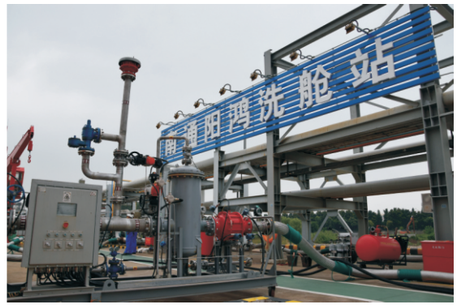
Regulations on Emergency Preparation for Production Safety Accidents, the Management Measures for Emergency Preparation for Production Safety Accidents, and the Guidelines for Emergency Preparation for Production Safety Accidents in Hazardous Chemical Enterprises, etc.

The emergency teams would fully respond to the call of government departments, fulfill corporate social responsibilities with due diligence, and actively participate in the emergency rescue and rescue operations.

Environmental Protection

Overwater Tank-washing Station

Nantong Power Shell has responded to the call of the Ministry of Transport, and actively build the overwater tank-washing stations and provides the dangerous chemical ships shipping on Yangtze River with the tank washing service and sewage receipt and treatment service, according to the "Notice on Printing the Layout of Overwater Tank-Washing Stations on Main Line of Yangtze River, the Notice on Printing Six Action Plans for Integrated Development of Ports and Ships on Yangtze River Delta and relevant documents. It has become the pilot project of Jiangsu "Green Island" Construction Plan.



Sewage Treatment Station

Exhaust Gas Recovery and Treatment System

it has the oil and gas recovery system, waste methanol gas facility system, waste gas recovery device, etc.

Forced Rainwater Drainage System

The rainwater would be discharged if it passes the online test, or discharged to the sewage treatment station if it fails the test.

Forced rainwater drainage pool

Emergency Equipment and Materials for Environmental Protection

emergency equipment and material for environmental protection in strict accordance with the national laws, regulations and standards, such as waste collection tank, containment boom, oil dispersant, etc. , containment boom, oil dispersant, etc.

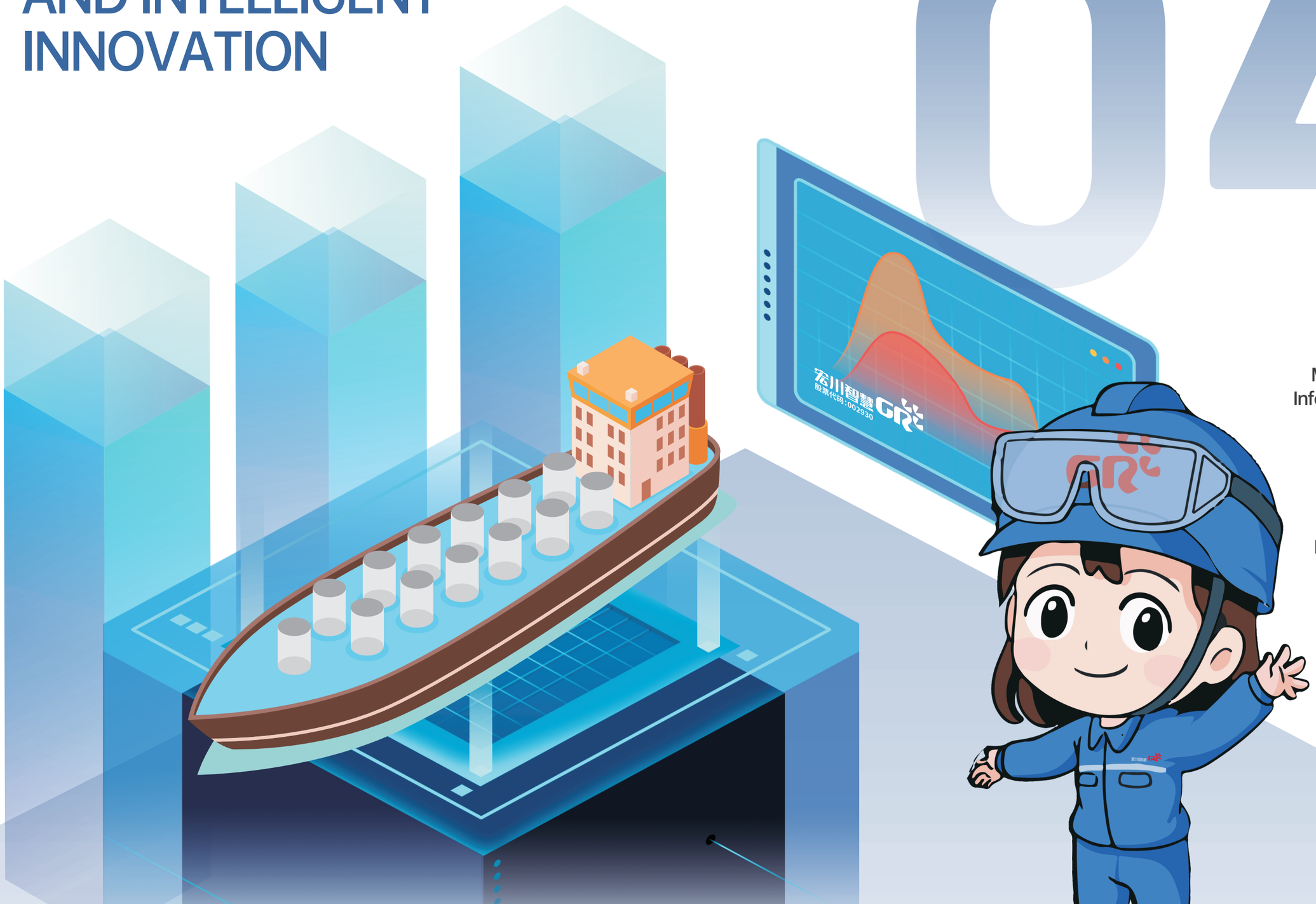
Waste collection tank

Inspection by Government

In 2020, its warehouses had received totally 391 inspections for safety or environmental protection.

SCIENTIFIC MANAGEMENT AND INTELLIGENT INNOVATION

04



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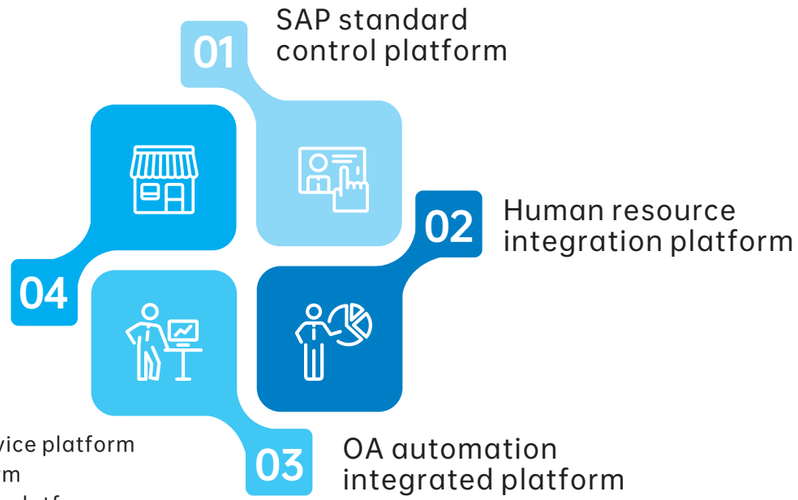
Industrial innovation

The company adopts a kind of group standardized management, by which it implements integrated management on SAP finance, business, purchasing and sales, and warehousing, and realizes the unified, centralized and standardized management in all warehouses of the Company.

Management of Four Informatization Platforms



·Intelligent warehouse customer service platform
·Intelligent warehouse safety platform
·Intelligent environmental protection platform
·Intelligent device management platform

SAP standard control platform

It adopts the unified and standard financial management system, financial system and purchasing, service order integration, and traceability from front-end business and back-end finance.

Human resource integration platform

it realizes the complete data visualization in all aspects including personnel recruitment, entry, career counseling, promotion, training, evaluation, growth trace, salary, etc.

OA automation integrated platform

it realizes the full data interaction of finance, infrastructure projects, purchasing and HR systems, and achieves the efficient examination and approval management.

Intelligent warehouse management platform

Intelligent warehouse customer service platform

The SPA-based WMS covers two business types: liquid warehouse and solid warehouse. By abstracting the key factors of customer business contract (such as the contract period, loss calculation, the charge rules, operating charge rules and so forth)，combining with the time management and operation management of berthing and unberthing and lift trucks, and relying on the real-time integration of inventory batches, it forms a improved management and tracking system for charge system, and makes the business charge clear and transparent.

External services

shippers can timely and accurately inquire the commodity inventory and storage tank level, and knows the real-time inventory dynamics, and shippers also can monitor the real-time circulation of property in goods if being mixed storage by several shippers.

Internal service

it enables the intelligent and real-time analysis on the current physical usage rate of storage tank and the commercial analysis on the occupancy rate, and also make the dynamic trend analysis according the shipping schedule .

Intelligent warehouse safety platform

01 | Platform of “Five-In-One” work safety information management

It utilizes the Five-In-One management idea to realize the overall onsite safety control. Specifically, it aims on realizing the digital total-factor management of safety work, follows the system of risk level-to-level control and hazard identification and treatment, chemical process safety management, production safety standardization and so forth, and has built a safety work information management platform which integrates the major hazard monitoring and early warning system, the zoning management system for enterprise safety risks, the on-duty management system for production personnel and the whole process management for enterprise production, effectively performs the primary responsibility for safety work, and comprehensively improves the level of safety work management.

02 | Safety Instrument System

It consists of emergency cut-off control system, interlocking protection control system, fire and combustible gas alarm system.

03 | Safety monitoring platform

It unifies the existing access control system, post patrol automation system, perimeter alarm automation system and video surveillance system. The safety monitoring platform focuses on the positioning and trace tracking analysis systeme, realizes the automatic positioning and tracking of internal personnel, external personnel and vehicles in the warehouse area, applies the electronic fence for zone management, and achieves the dynamic display and management of personnel in the warehouse.

04 | Fire automation system

It consists of fire water pressure control system, fire detection and alarm system, one key automatic foam and water spray system, etc.

Intelligent environmental protection platform

It adds the necessary sensing device, transducer and execution device to the existing oil and gas recovery and sewage treatment facilities for realizing the remote transmission of process data, intelligent analysis and display, remote control and other functions

Relying on the Internet of Things and the industrial Internet, it collects the relevant environmental data in real time, set the active pushes to the managers according to the threshold, so as to effectively control the risks.

Intelligent device management platform

The device management system activates the intelligent management of devices in warehouse areas, and builds the database for maintaining and repairing devices, keeping spare parts, and updating the devices, and includes moving or rotating devices, static devices and assets management.

On this basis, by the accumulating the big data, it conduct the big data analysis on the records of device maintenance, repair and test, creates the device health card, develop the reasonable the device failure and repair prediction plan upon system modeling, so as to extend the service life of the devices and effectively reduce the probability of production accidents.

Industrial innovation

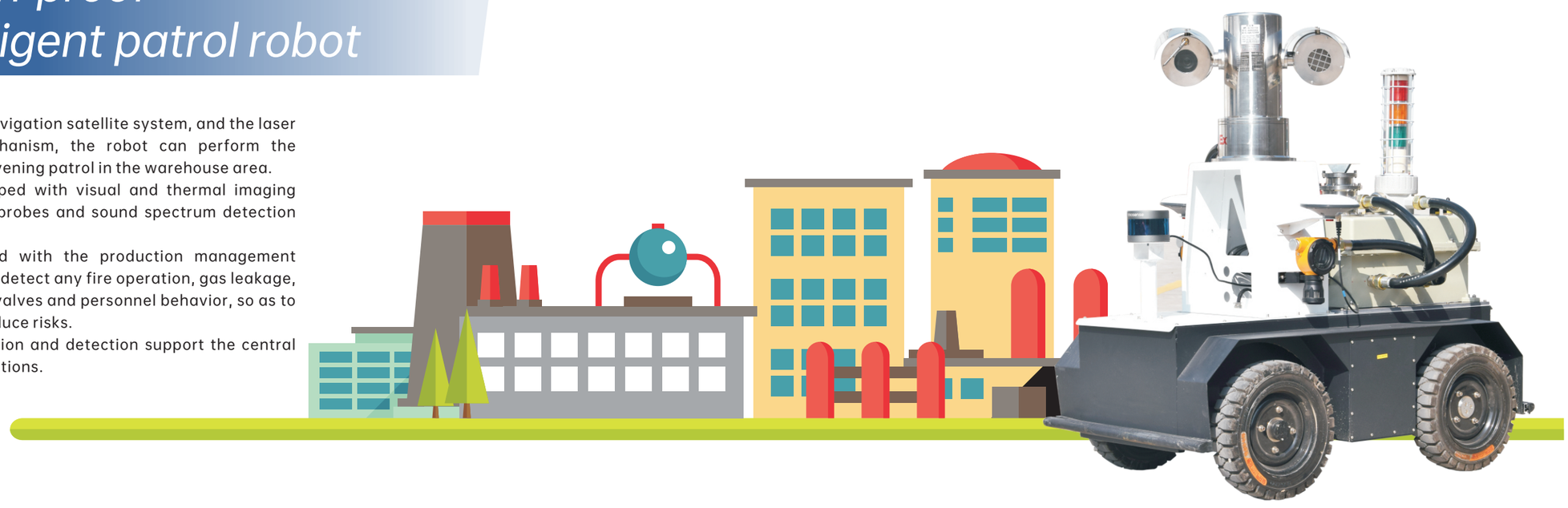
Explosion-proof intelligent patrol robot

·relying on Beidou navigation satellite system, and the laser obstacle avoidance mechanism, the robot can perform the independent and no-intervening patrol in the warehouse area.

· The robot is equipped with visual and thermal imaging probes, combustible gas probes and sound spectrum detection probes

· If being integrated with the production management during the patrol, it would detect any fire operation, gas leakage, or any abnormal pipeline valves and personnel behavior, so as to improve efficiency and reduce risks.

· Robot data acquisition and detection support the central control and mobile applications.



05

EMPLOYEE DEVELOPMENT

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Guarantee of Basic Rights and Benefits

The Company has fully implemented the corporate culture of "focusing on employees", strictly abides by the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China" and related laws and regulations, and effectively protects the legitimate rights and interests of employees. In addition to statutory benefits, the company also provides employees with other diversified welfares.

Employee Training and Development

Employee Training

Great River Management School

It was established in 2009
Relying on the professional training resources, it provides employees with a scientific, complete, and updating training system.

It has cornerstone course, mainstay course, as well as MBA program.
It provides the employees with the accurate learning resources at each stage f their development.

Certification of "Internal Trainer"
It provides the key staffs on different positions in the different centers/departments with the professional training, and certify them as the internal trainer after training, so as to increase the Company's internal training resources.

This platform was launched in April 2020, which starts the mode combining online and offline trainings, provides diversified training content and multi-way learning experience, creates a comprehensive and appropriate training system for employees, and continues to build the online platform.
"Great River e Learning" has strongly supported the training and independent learning of employees during the epidemic period.

School of Marketing Operations
School of Financial Management
School of Personal Development
School of Leadership
School of Human Resources
School of Production Management
School of Sales Management
School of Research and Development Management
School of Professionalism
Micro Class of Internet of Everything
and School of Comprehensive Management

Trainings in 2020

01 | Online training

There are 904 trainees with 53675 total learning hours and 60 learning hours per person.

02 | Offline training

There are 256 trainings with 8553 trainees 1056 total training hours.

Among them

Internal trainer: There were 95 trainings, accounting for 37% of the total training number

Projects: Internal safety trainer training project, micro-class enabling project, and special training camp project for young

Safety training

Internal trainer training: Based on the professional training assessment and the company's certification, it has built a team of internal safety trainers with good professional skills and outstanding teaching level.

Company-level training: HSE department will organize company-level trainings of safety theory and practical operation every quarter, all trainings would be arranged with exams for checking the training achievements.

Department-level training: the departments will organize at least one training every month.

Three-level education and training for new employee: new employee will take up the position only after he/she accepts the company-level, department-level, and team-level educations and trainings, and passes the exams.

Promotion Mechanism

The Company insists on its corporate mission of building a development platform for employees, broadens the career development of employees, actively supports and assists their development, and realize both the employee value and the company development, so as to achieve a win-win situation.

The Company has taken several measures to guarantee the employees' career development within the company:

01.Clear and definite levels: from low to high, the Company has set up four management levels: grass-roots level, basic management level, middle management level, and senior management level. Each management level also contains se position levels which correspond to the employee's development demand at that stage.

02.Dual-path (management and technology) development: for fulfilling the company's demand on operation and management as well as the employees' diversified demands on development, the Company set up two different paths for the promotion and development of employees, respectively, the management path and the technology path.

03.Regular adjustment of position level and salary: the Company will regularly examine and assess employees on the semi-annual and annual basis, and adjust their positions or salary according to the assessment results, which not only encourages a positive atmosphere for enterprise development, but also meets employees' demands for career development and increasing salary.

Incentives for Employees

Equity incentives

Since its listing in 2018, the Company has implemented three equity incentive plan:

2019 stock option and restricted stock incentive plan | 2020 stock option incentive plan | 2021 stock option incentive plan

Year	Form of equity incentive	Number of equity granted/to be granted	Number of incentive objects
2019	Stock option	98.50	65
	Restricted stock	50.00	8
2020	Stock option	1000.00	87
2021	Stock option (draft to be approved)	1000.00	119

Performance Assessment

With consideration of the value of talents, the Company has established a performance management system for giving full play to the potential of employees realizing the personal value of employees, and made the personal performance of employees coincident with the overall performance of the department and the Company, so as to implement the the strategic implementation plan.

The company has closely related the employee performance to the salary and remuneration, and fully examined and assessed the employee performance under the principle of "openness, fairness and justice". The company has established the "Compensation and Assessment Committee" for formulating the performance assessment policies, as well as give assessment guidance, and communicates and feeds back the assessment results, so as to improve the employee performance and form a good competition mechanism.

The specific performance-related measures include:

1.Monthly star assessment: Depending on different performance levels, it sets five star assessment levels. The direct superior gives star assessment on the monthly performance of each employee, and relates such assessment result directly to the monthly star bonus. The higher the star level, the higher the bonus.

2.KPI assessment: the Company gives the targeted KPI assessment on important items of key positions, and directs employees to focus on the input and output of key performance projects.

3."Quantity Quality" internal control assessment: for providing better customer service, and improving the level of business services, while considering its trade characteristic, the Company gives assess on the managers and operators of production and operation on the aspects of service efficiency, product quality assurance, product loss quantity control and so on, and relates the assessment result directly to the special bonus income.

4.Cross-departmental team performance assessment: For achieving the cross-departmental and cross-regional overall management and work communication, the Company has set up the cross-departmental management team for special works, with the members from different entities. For ensuring the effective overall management and encouraging the cross-departmental team members, the Company provides the cross-departmental team performance bonus which is used specially for motivating the cross-departmental team members for doing the special works.

Caring Employees

Mutual Aid Among Employees

Employees' Mutual Aid Fund adheres to the principle of voluntary entrance and withdrawal. Any regular employee after probation can become the member, enjoy the rights of membership and fulfill the obligations of membership. The member is entitled to the emergency assistance subsidy according to the systems if he/she provisions RMB 10 to 200 from his/her salary as the mutual aid fund.

In 2020, the Employee Mutual Aid Fund provided 4 employees with the mutual aid fund totaled RMB 24,000.

Condolence

Bing filial and feeling grateful to parents

The company provides the grassroots and base management personnel. employees with a "feeling grateful" benefit. Every month, the employee who participates in this event will provisions RMB 100 from their salaries, and the company will subsidize additional RMB 100, and that RMB 200 will be remitted to the bank card of the employee' immediate family members.

Family travel

The middle and senior executives can take a paid vacation of 2~5 days according to their current service years, and enjoy the family travel.

Condolence

The Company prepares holiday gifts and activities for employees on major festivals such as women's day, Dragon Boat Festival, Mid-Autumn festival and Spring Festival, and sends congratulatory gifts for employees' marriage and childbirth.

Birthday celebration

The Company organizes monthly birthday activities, including the dinner party, lottery, interactive games or one-day trip for the employees during their birthday month.

Events and Welfare

Speech contest

Birthday party

Fun sports meeting

Health hiking

Recreation and Sports Center for Employee

Sports

GIVING BACK TO SOCIETY

06

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Charitable donations

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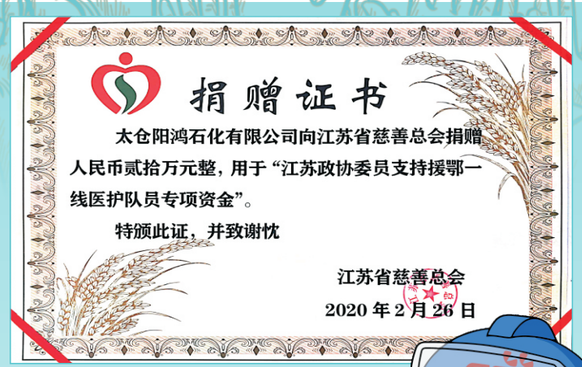
Public welfare activities

Charitable Donations

The company is enthusiastic about public welfare undertakings, and focuses on activities related to epidemic prevention and control, education development, poverty alleviation and other public welfares.

During the period of epidemic prevention and control, the company made contributions by donating money and materials, and organizing employees to donate. Among them, Taicang Yanghong donated RMB 200,000 to "Special Fund Donated by Jiangsu CPPCC Members for Medical Staffs who assist Hubei".



捐 赠 证 书

太仓阳鸿石化有限公司向江苏省慈善总会捐赠人民币贰拾万元整，用于“江苏政协委员支持援鄂一线医护队员专项资金”。

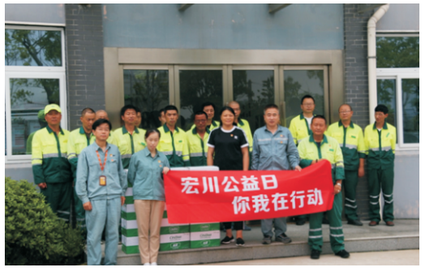
特颁此证，并致谢忱

江苏省慈善总会

2020 年 2 月 26 日

Public Welfare Activities

The Company actively organizes employees to participate in public welfare activities, such as blood donation, caring for children, condolence to nursing homes, sanitation workers, and poor families, 99 Public Welfare Day (Internet Public Welfare Day) event, public afforest event, "Mother River Protection" volunteer event, "Warm Spring Festival condolence" and so on.



2020 Responsibility Performance

Economic Performance

Operating income	84,831.99 (RMB Ten Thousand)
Owner's equity	22,773.23 (RMB Ten Thousand)
Profit before income tax	29,042.22 (RMB Ten Thousand)
Payment of taxes	10,035.05 (RMB Ten Thousand)
Cash in dividends	10,239.53 (RMB Ten Thousand)
Dividend Payout Ratio	70.23%
Customer satisfaction	93.01%

Safety and Environmental Protection Performance

Safety accidents	Zero
Emergency drills	119 drills
Discharge of three wastes	Conforming

Governance Performance

BOD (board of directors) meetings	19
BOS (board of supervisors) meetings	17
General meeting of shareholders	8
Number of publications and documents disclosed	288
Number of answers to questions from investors on irm.cninfo.cm.cn	150
Investor visits	201

Social Performance

Number of employees	1,043
Number of male employees	824
Number of female employees	219
Training coverage	100%

Suggestions & Feedback

To the benevolent reader-greetings:

Thank you for reading Great River Smarter's 2020 Social Responsibility (CRS) Report. For providing you and other stakeholders with more professional and valuable information of corporate social responsibility, please answer the relevant questions in the feedback form, so as to help us further improve our management on social responsibility and sustainable development in the future.

If you have any comments or suggestions on our 2020 CSR Report, please fill in the Feedback Form and send it to grsl@grgroup.cc.

2020 Social Responsibility Report Feedback Form of Guangdong Great River Smarter Logistics Co., Ltd

Name: Employer: Position:

Tel: E-mail:

Please provide your feedback on each question and your comment on the report

1、Does this report reflect the important information of the Company on social responsibility?

2、Does it have the easy reading content and layout?

3、Which part of this Report are you most interested in?

4、What additional information must be added in your opinion?

5、Do you have any other comments and suggestions on this Report?