



C&S PAPER CO.,LTD.

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Environmental,
Social and Governance
(ESG) Report

Foreword

A journey of a thousand miles begins with a single step.
So it is with life and business.

With steely determination and clear goals,
people's living standards have improved.

We always provide high-quality products and
more considerate services in accordance with our philosophy
of "building product, enterprise and professional brands."

Concentration, technique and excellence are
the value we've endeavored to attain.

In the pursuit of quality, we make technology-driven innovations.

We win the market with quality and thus promote
the development of our brand,
which is unanimously praised by our partners.

The blueprint of our dream includes each of our partners.

The good is like water, both soft and hard.

C&S, in its ultimate pursuit of refinement,
consistently maintains quality
and innovation to build a century-old enterprise,
create a tasteful lifestyle and keep moving forward.

We welcome, respect and employ talented people.

We embrace the world and connect various fields
to create a sharing, win-win situation,
and we strive to maximize the collective value of talents and users.

We look forward to working with you as we create a cleaner,
more comfortable world.

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◎ C&S Paper Co., Ltd. (hereinafter "C&S" or "the Company") strives for the vision of "high-quality life, tasteful C&S" in order to provide more soothing, higher-quality products for consumers. It is committed to building a harmonious enterprise, developing a sustainable business model and creating a career-development platform with which employees can help ensure growth for themselves and the Company. It provides high-quality products and services to meet customer needs. C&S assumes its social responsibility while pursuing development to benefit the Company, employees, partners, consumers and society. In all, we strive to convey a positive corporate image.

◎ The Company hereby prepared the 2021 Environmental, Social and Governance Report ("ESG Report"), describing its concept and practice of sustainable development and the fulfillment of social responsibility in terms of community well-being, corporate governance, investor relations and the environment.

◎ This report was published electronically together with the 2021 Annual Report of C&S Paper Co., Ltd. The digital version can be found on www.cninfo.com.cn, an information-disclosure website specified by the Shenzhen Stock Exchange (SZSE).

Chapter I

C&S' Targeted, People-Centered Action Principle

Company profile

● C&S Paper Co., Ltd. (hereinafter "C&S" or "the Company") was established on May 28, 1999, and officially listed on SZSE's SME Board (stock code 002511) on November 25, 2010. As the first A-share listed tissue-paper enterprise in China, it has a total share capital of 1.312 billion shares, a net asset exceeding RMB 4.9 billion, over 7,000 employees and annual sales revenue of more than RMB 9 billion. Thus, it has been accorded the honorary titles "Outstanding Private Science and Technology Enterprise in China," "Top 100 Private Enterprises in Guangdong Province," etc.

● The Company, with an adherence to the business philosophy of "building product, enterprise and professional brands," practices the "All We Care Is You" value proposition and continues to provide consumers with healthy, safe, environmental-friendly, comfortable and convenient products and services. Currently the Company features three major brands, namely C&S, Sun and Dolemi. Main products include paper rolls, coreless rolls, facial tissues, pocket tissues, wipes, personal care products, baby diapers, cotton tissues, etc. Product categories cover household paper, care products, quality health products and commercial channel products.

● Currently, the Company has established six green production bases in Jiangmen of Guangdong Province, Yunfu of Guangdong Province, Chengdu of Sichuan Province, Jiaxing of Zhejiang Province, Xiaogan of Hubei Province, and Tangshan of Hebei Province. The products are sold throughout the ten major territories of China (South China, Shandong-Henan-Anhui region, Southwest China, Northwest China, East China, Central China, North China, Northeast China and the Hong Kong-Macao region) as well as to overseas markets such as Southeast Asia, Northeast Asia, Oceania and North America.



Honors and Awards



2021 Top 500 Chinese Corporate Philanthropists



2021 Top 500 Chinese Companies of Flood Relief Donations



2021 Zhongshan "Golden Chrysanthemum" Charity Donation Medal for Companies (Organizations)



China International Advertising Festival-Advertiser Awards · 2021 Digital Marketing Gold Case



"Socially Responsible Enterprise Award" of the 6th Zhongshan Media Award for Most Socially Responsible Enterprises



"Social Responsibility Excellent Case Award" of the 6th Zhongshan Media Award for Most Socially Responsible Enterprises



Top 20 Listed Companies of "Corporate Governance" in Greater Bay Area



Top 20 Listed Companies of "Green Governance" in Greater Bay Area

Corporate culture

In its 43 years of history, C&S always adheres to the business philosophy of "building product, enterprise and professional brands" and practices the "All We Care Is You" value proposition, in order to continuously provide consumers with healthy, safe, environmental-friendly, comfortable and convenient products and services.

Tao

Building product, enterprise and professional brands

Win

Play to win and keep a peaceful mind in life

Running your life like a business, and running your business like a life

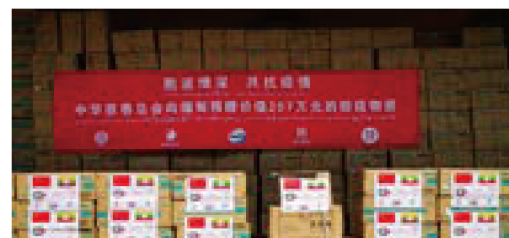
C&S' major events in 2021

1 Providing aid to the frontline of COVID-19 prevention and control

■ The situation of pandemic prevention and control was still challenging and complex during 2021. C&S actively fulfilled its social responsibilities as a corporate citizen and paid attention to the pandemic prevention and control all the time. During the course of the year, C&S had donated anti-pandemic materials up to a value of over RMB 10 million to support the frontline staff and those in pandemic-stricken areas.

■ In February, the Company donated anti-pandemic materials with a value over RMB 1 million to Shijiazhuang, Hebei, which were intended to help anti-pandemic personnel to guard every line of defense.

■ Facing the repeated outbreak of the pandemic in various regions, the Company immediately mobilized and dispatched anti-pandemic materials to the frontline of Guangzhou, Foshan, Nanjing, Zhangjiajie, Yangzhou, Xi'an, etc. successively, with total volume exceeding one million kits.



2 Donating to flood-stricken areas to tide over difficulties together

■ In July 2021, many regions in Henan suffered from extreme weather and thereby faced a severe flood control situation. As such, the Company quickly donated disaster relief materials with a total value of more than RMB 2.54 million to several disaster-stricken areas including Zhengzhou, Xinxiang, Jiaozuo, Anyang and Hebi, in order to ensure the living needs of people in these areas.



3 43rd Anniversary & Brand Sharing Gala being successfully convened

■ In the golden autumn of October, the 43rd Anniversary & Brand Sharing Gala was grandly convened in Zhongshan, Guangdong Province. Themed "Inheritance · Innovation · Winning the Future," the gala comprehensively interpreted future development trends of the Company. Meanwhile, a number of new products were unveiled. With innovative and upgraded performances, packages, etc., these products can better satisfy differentiated target groups, usage scenarios, consumption pain points, etc., thereby bringing a more comfortable and better product experience to C&S users.



4 Phase II unlocking/exercise of the 2018 Stock Incentive Plan

The Company, in 2021, successfully completed Phase II unlocking/exercise of the stock options awarded in the first grant and reserved shares under the 2018 Stock Option and Restricted Stock Incentive Plan. This could enable incentive recipients to share the fruits of corporate development.

Restricted Shares						
	Total number of employees	Number of unlocked shares	Award price (RMB/share)	Number of employees subject to unlocking	Number of actually unlocked shares	Number of repurchased and deregistered shares
First grant	569	5,902,650	4.33	499	4,809,045	2,021,305
Reserved	46	837,510	7.02	37	714,832	139,428

Stock Options						
	Total number of employees	Exercised number	Exercise price (RMB/option)	Number of entitled employees	Actual exercised number	Number deregistered
First grant	3118	4,120,350	8.472	2,274	2,948,559	1,294,091
Reserved	104	696,300	13.865	70	609,375	105,525



5 Initiating the #CHINA Face# topic to convey brand power in a comprehensive manner

In joint efforts with the authoritative media People's Daily Online, C&S launched the #CHINA Face# topic to post creative heartwarming videos with humanistic touch and social responsibility. The event not only expanded the coverage of the Company and boosted the profile of the brand as well as brand awareness in consumers but also promoted brand competitiveness and solidified confidence of partners.



Chapter II

Standard Governance and Promotion of New RMB 10 Billion Industrial Platform

The Company strictly abides by the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Guidelines for Standardized Operation of Companies Listed on Shenzhen Stock Exchange as well as other laws, regulations and normative requirements.

Moreover, the Company has established a mechanism of corporate governance in combination with its actual conditions.

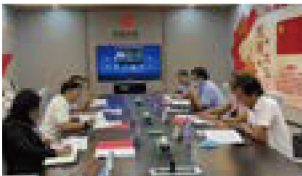
The Company, in 2021, strictly complied with and enforced various basic management systems and further improved corporate governance.

Despite the fact that it had already done a good job in terms of information disclosure, the Company also strengthened investor relationship management, elevated its acumen with respect to operation and management, and tapped innovative businesses so as to maximize returns for shareholders.

Three bodies' rational, standardized operations to promote development

The Company continued to optimize its corporate governance structure that consists of the general shareholders' meeting, the board of directors, the board of supervisors and the management. As such, the hierarchical decision-making mechanism of the "three bodies and one management" was specified. Each level performs its own duties within respective scope of responsibilities and authority, thereby forming a scientific and effective mechanism featuring division of labor and checks and balances.

The Board of Directors consists of nine members, including three independent directors. The Board of Supervisors is comprised of three members, including an employee representative supervisor. Meanwhile, chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee are all assumed by independent directors. The Company, in 2021, organized and convened the general shareholders' meetings as well as meetings of the Board of Directors, the Board of Supervisors and various committees in accordance with related rules in order to ensure that all the decisions are legal, compliant, authentic and effective. These meetings include seven general shareholders' meetings, 14 meetings of the Board of Directors, nine meetings of the Board of Supervisors, four meetings of the Audit Committee, 8 meetings of the Nomination Committee, four meetings of the Remuneration Committee and a meeting of the Strategy Committee.



Strict information-disclosure review for fair-and-accurate information transmission

The Company fulfills its information disclosure obligations in strict accordance with the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and other relevant requirements and strives to ensure the accuracy and completeness of disclosed contents and announcements without any material omissions. This has avoided information asymmetry and guaranteed that all stakeholders, including shareholders and investors, can learn about important company information in a fair, timely manner. The Company, in 2021, has made constant efforts to improve information disclosure quality. During the course of the year, a total of 244 announcements with a word count of 2.28 million have been disclosed. Meanwhile, no correction has been made to announcements for four consecutive years.



Fulfillment of the independent director's responsibilities and supervision of the Company's business standards

● The independent directors, in 2021, participated in corporate governance as well as the work of the Board of Directors and special committees. Thus, they deliberated the Company's major events and provided opinions on related party transactions, guarantees, investment in and implementation of major events, etc. Due to the pandemic, the Company didn't arrange for the independent directors to personally inspect each production base and sales territory at the end of the year. However, the independent directors did endeavor to learn about the Company's production and sales, listen to each production base's resumption plan, supply-chain allocation and other information and offer advice concerning the Company's business operations by means of video conferencing, WeChat, telephone, etc.

Strictly standardized system links from R&D to quality control for maximum product quality

● The Company, by adhering to the brand concept of "All We Care Is You," aims to provide consumers with products of higher quality and more comfortable experience. At every link--from R&D, procurement, production and quality control to sale and delivery--the Company follows strict standards as it pursues innovation, stays on the path from a good company to a great company, and meets its responsibilities as a provider of quality products.

1 Product research and development

■ Research and development, or R&D, has always been part of the corporate DNA at C&S. Since its establishment, the Company has maintained a strong impetus for that effort. According to the market developments and increasing consumer demands for its products, the Company has formulated different tissue papers to satisfy different consumers' different life scenarios, including the C&S Face water-wettable series, C&S Lotion moisture-retention series, mini package and Chuangxinyi open design, all of which have been well received by consumers.

■ In 2020, the Company launched the new "Sun" paper brand and started to implement the "dual-brand" business policy. Sun is positioned to be a highly cost-effective product that has good quality yet lower prices. Targeting at fourth and fifth tier sinking markets, the brand serves as a powerful supplement to the Company's primary brand "C&S."

■ The Company has developed new product categories by using the synergistic effect of channels. So far, the Company has launched the "Fresh Cotton Unbleached" soft cotton-tissue series, "Dolemi" feminine sanitary pad series, and "OKBEBE" diaper series, constantly enriching channel content and improving brand effects.

■ In response to the government's call, the Company has taken action to produce medical masks. Additionally, in the forthcoming post-pandemic period, consumers will have to change their consumption habits during the pandemic period. Therefore, the Company has quickly satisfied the market demand and seized every opportunity to launch antimicrobial paper, moist, alcohol-disinfectant tissue, disinfectant hand sanitizer, mouthwash and other products while enhancing the brand effects and implementing a diversification strategy.



2 Supply chain

Supplier management

■ C&S has cooperated closely with suppliers, based on mutual benefit and win-win harmony. In the Company's constant efforts made for customers, suppliers play a very important role in providing high-quality raw materials for us to produce products in line with customer expectations. After joint efforts, both sides have established trust relationships with each other so that customer needs are taken into account seriously.

■ The most important raw material for C&S is groundwood, so it selects sustainable, traceable raw material suppliers.



Supply-chain management

■ The Company has established an end-to-end supply chain system. A production, supply and marketing platform has been built to interconnect the sales estimation system, production scheduling plan, packaging material procurement plan, and associated purchase-sale-inventory documents in the EAS system, thus realizing quick, efficient collaboration. In order to improve order processing efficiency, the Company also established an automated and standardized order processing process and promoted the Order Sharing Platform intelligent project so as to assure smooth business growth through digitalization and standardization.

■ In 2021, in the face of continuous changes in the market, sales and channels, the Company has made the following optimizations with regard to the production, supply and sales of the supply chain:



3 Optimization of production management and enhancement of product quality

Being pragmatic and learning in practice | In 2021, the Production Department of the Company, with a firm foot in basic production management, standardized the Company's management process from site management, standard operating procedures, automation transformation and other aspects. These efforts reduced downtime, loss and waste and improved paper production efficiency from 96% to 97% and paper processing efficiency from 93% to 96%.

Equipment improvement and innovation | The Company always encourages innovation and transformation. The innovation system has continuously inspired employees. In 2021, there were more than 200 technical improvements and innovations in total. The following table shows representative innovations in various production bases:

No.	Project	Before improvement	After improvement
1	Semi-automatic feeding improvement of wastepaper pulper	In the post-process the high wet strengthen wastepaper is first crushed together with all wastepaper in the head pulper and then crushed in the pulper for a second time; meanwhile, the wastepaper pulper in the pulping area requires manual feeding during paper crushing, with high labor intensity.	In the post-process special wastepaper frame is used to pull the high wet strengthen wastepaper to the pulper area. Additionally, an automatic roll-over table was installed so that the frame can automatically feed materials, thereby avoiding manual movement of wastepaper and decreasing labor intensity. Thus, the paper is crushed only once and is then directly pumped into the unloading pulp tower, thereby avoiding the previous second pulping to save pulping time and the power loss arising from second-stage pulp transport.
2	Boiler water-saving project	Tap water is used for the cooling water of the boiler-induced draft fan and feed pump in the second phase with open efflux system. Additionally, tap water may corrode the cooling water pipeline.	Demineralized water is used for cooling which is finally recycled to the demineralized water tank boiler for utilization, thereby forming a closed loop. The improvement can effectively reduce the water-efflux phenomenon, while the use of demineralized water can effectively prevent the corrosion of equipment, thus increasing equipment service life.
3	Purchase of integrated river water purifier to replace the clean water pipe in the AB workshop of the pre-supply process	Too much tap water is used each month.	① After the improvement, river water is used for production mostly and the use of tap water is significantly reduced. ② The cost of water intake (river water + tap water) was significantly lower in 2021 compared with 2020. ③ The project significantly reduces tap water consumption and thus tap water cost. Moreover, the pressure of the tap water main is stabilized, thereby guaranteeing the water use stability of surrounding residents and decreasing complaints.
4	Improvement with dual-air gas hood	The cost per ton of paper is high.	The improvement has solved the dripping water problem, which significantly reduces costs.
5	Replacement of the paper cutter in Jiangmen Base	① Paper cutting can't be accelerated. ② The large sharking of the paper cutter causes skews in paper cutting and the repair has no effect. ③ Frequent failures affect efficiency.	① Paper cutting becomes stable and meets requirements. ② Cutting speed is optimized which is up to requirements. ③ The equipment is stable and the failure rate in routine inspection and maintenance is low, thus improving efficiency.

No.	Project	Before improvement	After improvement
6	Online weighing	① Finished products are checked manually, a low-efficiency method that wastes manpower and resources. ② Sampling inspection can't detect all ultra-gram and short-gram products, so there is a risk that short-weight products may flow into finished products that may further lead to consumer complaints.	① The online weighing equipment has the function of rejecting short-weight products, so short-weight and short-ball products will not flow into finished products, thereby avoiding consumer complaints arising therefrom. ② The equipment can monitor and count the excess gram weight of the finished products, which is helpful for the analysis and improvement of the yield.
7	Replacement with magnetic levitation vacuum pump in Yunfu Base	The running power of the water-circulating vacuum pump is high with high annual electricity consumption.	The running power of the magnetic levitation vacuum pump is low, so the annual electricity consumption has been decreased.
8	Transformation of the semi-finished product distributor in Yunfu Base	The conveyor belt at the front end of the distributor is short, so it can't store sufficient materials. This results in uneven material distribution and idle equipment running.	Four conveyor belts and a control system are added after the distributor. There is no longer idle running while the operating efficiency is also improved.
9	Renovation of PV street lamps in Yunfu Base	Normal lamps are used on the streets of the factory.	PV lamps are used for some warehouses to save electricity.
10	Renovation of the vacuum pump in Zhejiang Base	Roots vacuum pump generates loud noises.	For a multi-stage centrifugal vacuum pump, the noise within 1 m is 95 decibels, less than 85 decibels within 3 m, and less than 75 decibels with wall partition. The use of the centrifugal vacuum pump has greatly reduced the noise which achieved the desired effect.
11	Speed increase of Kaixin paper machine in Zhejiang Base	The speed of the machine is slow and the gas hood has serious water dripping problem.	The speed of the machine is increased and the gas hood dripping problem is resolved.
12	Transformation of the BF wind feeding and paper injection apparatus in Sichuan Base	The apparatus is inconvenient to operate and prone to work-related injuries.	The safety hazard with paper injection after blade change is eliminated, thus preventing the occurrence of safety accidents. Meanwhile, there is no need to interconnect the threading rope during the production process, thereby reducing intermediate coating time.
13	Technical renovation of gas hood in Sichuan Base	① The heat transfer effect of the gas hood is poor, leading to many quality problems of the base paper (dripping, broken ends, opening or being dirty); ② The motor speed and temperature of the dry and wet parts are set too high, leading to high costs. ③ The heat exchange filter is easy to be blocked and the machine needs to be shut down for cleanup, which affects thermal efficiency. 4. The motor power of the dry and wet parts is high with great power consumption.	① After the replacement of the new gas hood system, the thermal efficiency is good while hidden quality hazards are reduced. ② Filters are automatically cleaned and used alternately to ensure the normal heat transfer. ③ The motor speed and temperature of the dry and wet parts are reduced. ④ The motor power of the dry and wet parts is reduced, so is power consumption. ⑤ The steam consumption per ton is somewhat decreased after improvement.
14	Technical renovation of vacuum pump in Sichuan Base	Motor power of the Roots vacuum pump is high with high power consumption. Power consumption of the paper machine per ton of paper is relatively high.	After changing to magnetic levitation vacuum pump, power consumption per ton of paper is reduced (depending on the item). Power consumption of the paper machine per ton of paper is significantly reduced.
15	Technical renovation of the gas hood in Sichuan Base	Natural gas is used for gas hood, with high steam consumption.	A heat exchanger is installed to automatically clean the dust in the heat exchange tube, which has decreased steam consumption.

4 Building channels in a deep and meticulous manner to promote steady sales growth

The year 2021 was one in which the Company worked to strengthen its channels. The five channels, namely GT (General Trade), EC (E-Commerce), KA (Key Account), AFH (Away from Home) and RC (Retail Consumer), guide consumers with more accurate and targeted services, with tangible results. Its current marketing network covers most of the prefectural and county-level cities. Products are directly sold to counties and then distributed to towns. This helps achieve segmented, flat market operation and effectively expands the dealer network.

Additionally, while ensuring the smooth operation of other channels, the Company has established a professional e-commerce operation team, devoted more resources to e-commerce platforms, built and improved the corresponding supply chain system, and intensified its routine operation management. Currently, the Company has reached cooperation with renowned platforms such as Tmall, JD, Pinduoduo, Taobao, Vipshop, Suning, Kuaishou, TikTok, Yunji and NetEase. Efforts have been stepped up in the layout of emerging business models such as new retail, O2O, livestream shopping and community group buying. Moreover, it has developed an AFH service team for AFH channels and customer bases to match the growing AFH market. Thanks to a robust sales network plus quality and diversified products, the Company is able to constantly consolidate its market basis, improve consumer experience, and enhance brand reputation, which can help achieve sustainable and stable growth in the future.

Ten marketing activities were conducted in 2021, including one live stream with featured stars, two live streams with TikTok top influencers, one IP new product launch, four platform product marketing activities, one live stream from the President of the Company and one joint brand promotion activity. In addition to regular large-scale promotion and Category Day, the Company also joined the Super Brand Day on TikTok.



5 Quality management and customer service

C&S carefully selects high-quality wood pulp from a global network of sources. Accordingly, raw materials come from North America, South America, Europe, Southeast Asia and elsewhere. The Company chooses companies recognized by international environmental protection organizations as partners and has passed the FSC® COC (FSC® Chain of Custody) certification (FSC® C118041). It is also a member unit of the Nonwoven Industry Green Development and Innovation Alliance of China Nonwovens and Industrial Textiles Association. All these demonstrate its efforts of pursuing healthy and sustainable development.

C&S has passed the ISO 9001 quality-management system certification. The Company boasts sound, complete and strict management systems and operation rules for all links from procurement of raw materials, quality control over the production process, checking of finished goods and delivery of products to the rendering of after-sales services. Additionally, the Company strictly controls and supervises all-level work to ensure that consumers are provided with high-quality products and services.

Company certifications: C&S Paper Co., Ltd. and six of its subordinate production companies have passed certifications of the ISO 9001 quality management system, the ISO 14001 environmental management system, and the ISO 45001 occupational health and safety management system. Moreover, C&S Paper Co., Ltd. as well as six of its subordinate production companies and nine of its trading companies have passed the FSC®COC (FSC® Chain of Custody) certification. The details are shown in the following table:

Statistics on Certifications of C&S Paper Co., Ltd.					
No.	Member enterprise	Certification system			
		ISO9001	ISO14001	ISO45001	FSC®COC
1	C&S Paper Co., Ltd.	✓	✓	✓	✓
2	Jiangmen Zhongshun Paper Co., Ltd.	✓	✓	✓	✓
3	C&S (Yunfu) Paper Co., Ltd.	✓	✓	✓	✓
4	C&S (Sichuan) Paper Co., Ltd.	✓	✓	✓	✓
5	Zhejiang Zhongshun Paper Co., Ltd.	✓	✓	✓	✓
6	C&S (Hubei) Paper Co., Ltd.	✓	✓	✓	✓
7	C&S Paper Co., Ltd. Tangshan Branch	✓	✓	✓	✓
8	Shanghai Huicong Paper Co., Ltd.				✓
9	Beijing C&S Paper Co., Ltd.				✓
10	C&S Hong Kong Co., Ltd.				✓
11	C&S (Macao) Co., Ltd.				✓
12	Zhong Shun International Co., Ltd.				✓
13	Zhongshan Zhongshun Trading Co., Ltd.				✓
14	Hangzhou Jie Rou Trading Co., Ltd.				✓
15	Xiaogan C&S Trading Co., Ltd.				✓
16	C&S (Yunfu) Trading Co., Ltd.				✓

Product certifications: The OKBEBE diaper of Dolemi has won the medical-grade product certification. The Face and Cotton Tissue series have obtained biodegradable product certification.

The Company always puts consumer first and values user experience. The Quality Management Department of the Company was organized in order to hold the Quality Evaluation Conference at regular intervals, evaluate products from six major production bases in aspects from physical and chemical indicators to actual touch feeling, and identify areas requiring improvement. Additionally, the Company has been improving and perfecting customer complaint channels. In addition to the traditional customer complaint hotline, it has gradually increased the marketing, e-commerce, e-consumer, Microblog, WeChat, employee, and shopping guide channels. In order to further expand channels for the acceptance of complaints from the marketplace and receive a broader range of opinions and suggestions from the market, the Company has officially opened its product quality complaint platform (only for C&S employees) through WeChat. Upon entry-into-service, this complaint platform will become an effective product-quality supervision platform as well as a platform for direct contact with Production and Quality Management departments. Therefore, the Company receives complaints and suggestions from customers through multiple channels, strives to understand customers' advice on product defects and improvements, and gives timely feedback to the R&D and Production departments to continuously improve product properties and meet consumers' usage requirements.

Chapter III

People-Oriented Principle to Facilitate Employee Value Achievement

The Company attaches great importance to the cultivation of employees and always puts talent at the focal point of corporate development. As such, it constantly establishes and improves the talent management and development system and offers fair development channels and diverse education and training opportunities for employees. Moreover, the Company strives to understand employee demands through various ways and pays attention to their lives to make them feel the warmth and care of the Company.

Staffing structure

C&S gives equal opportunity, fair treatment and complete welfare to all employees. Additionally, it hires the disabled and provides job opportunities for more disabled people.

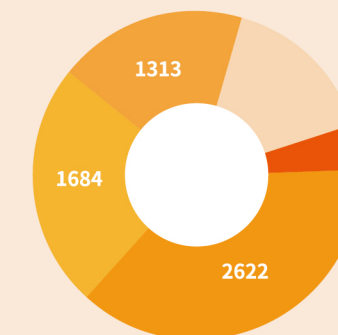
By gender

Male	3397, 48.3%
Female	3643, 51.7%

Whether there are disabled employees

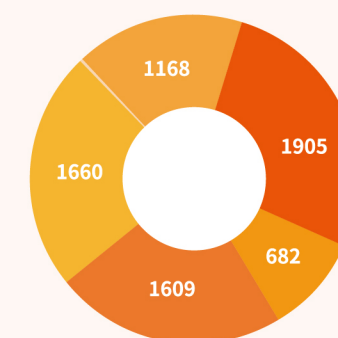
C&S hires 35 disabled employees.

By ag



18-25	Proportion	4.7%
25-35	Proportion	37.2%
35-40	Proportion	23.9%
40-45	Proportion	18.7%
45 and above	Proportion	15.5%

By educational background



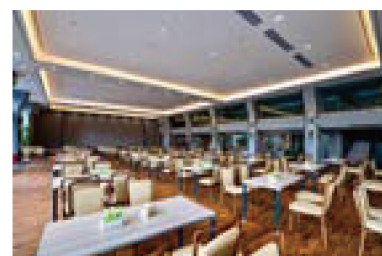
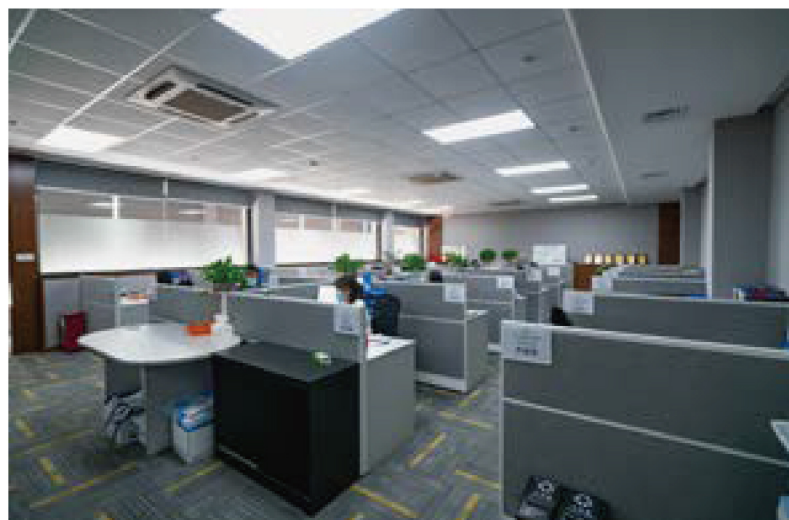
Middle school and below	Proportion	27.1%
Bachelor degree	Proportion	9.7%
College degree	Proportion	22.9%
High school	Proportion	23.6%
Postgraduate	Proportion	0.2%
Technical secondary school	Proportion	16.6%

Remuneration and benefits

● The Company hires employees in accordance with the requirements of national labor laws and regulations, signs a written labor contract with each employee on the basis of equality, voluntariness and consultation, and provides competitive total compensation and statutory benefits for each employee in line with laws. To advocate a humanized working atmosphere, the Company prepares different gifts for employees in every important festival or holiday. Additionally, the Company also follows important anniversaries of employees, such as holding birth parties for employees or sending our best regards and gifts when they get married or have babies. The various events help the employees and their family members feel the warmth of our big family, and a relaxed work environment encourages them to improve their life balance while promoting the stability of employee teams so as to ensure the healthy development for the Company and its people.

1 Creating a warm working environment

■ On the basis of understanding the needs of employees, the Company strives to improve the lives of employees, create a sound working environment and stimulate their enthusiasm in work, thereby achieving healthy and stable development.



2 Organizing rich cultural and sports activities

■ The Company organizes a variety of events, competitions and team building activities to enhance the team spirit and send of belonging of employees and create a workplace atmosphere of happy work and happy life.



Employee training

● The Company continued to improve its training system in 2021. The Learning and Talent Development Center has established a comprehensive internal talent pool for all levels, formulated an efficient talent-echelon training mechanism and dramatically transformed learning outcomes. All these have helped to build a future- and learning-oriented team and activate the new engine of corporate development.

Program	Training Contents	Participants	Training Outcomes
2021 Mentorship Program	Amoeba operation to achieve optimal performance Advanced coaching, downward management (guidance and empowerment, motivation and training of subordinates) + upward management	7 managers from the manufacturing system	All seven trainees graduated, 2 of whom were successfully recruited as Assistant to Manufacturing President.
2021 Voyage Program	Plan formulation in 2021 to achieve optimal performance Leadership, downward management (guidance and empowerment, motivation and training of subordinates) + upward management	14 supervisors from the manufacturing system	4 trainees graduated, 2 of whom stepped up to the manager position
2021 Starter Program	Becoming effective managers, five obstacles to team collaboration, workplace communication, seven major QC techniques, organizational planning and execution	30 squad leaders from the manufacturing system	8 trainees graduated, three of whom stepped up to the supervisor position
2021 Meet Program	Corporate culture, selling points + display principles of major products, five obstacles to team collaboration, manager role cognition and growth, establishment of efficient workplace interpersonal relations, factory internship and factory management knowledge	14 management trainees in 2021	4 outstanding management trainees moved to the next phase: Starter Program
2021 Commander Program	Five obstacles to team collaboration, Lead to Excellence workshop, communication essentials (management direction)	32 business directors from the marketing system	Started in mid-2021, in progress
2021 Lighthouse Program	13 days online + 2 days offline courses on teaching skills and course development	74 internal lecturers from the manufacturing system	32 trainees became bronze lecturers

● Moreover, the Company offers training programs of various varieties and forms that cover all sequences and positions so as to facilitate the growth and development of employees. The Company also improves the comprehensive competence and quality of employees from the aspects of macroeconomics, national policy, corporate strategy, standardized governance, financial management and HR management. Additionally, systematic and professional training is offered to new employees to facilitate their smooth integration into the Company.

● The Company has established production-safety and management systems, through which it has conducted investigation and treatment in regard to hazards. It has improved the occupational health and safety education and training of employees, and obtained certification under the QHSAS 18001 occupational health and safety management system. The Company has regularly organized the safety production meetings, conducted emergency drills, fire-safety training and other activities, and purchased various labor protection articles for employees in a timely manner, thus ensuring their safety during production and related work.



Chapter IV

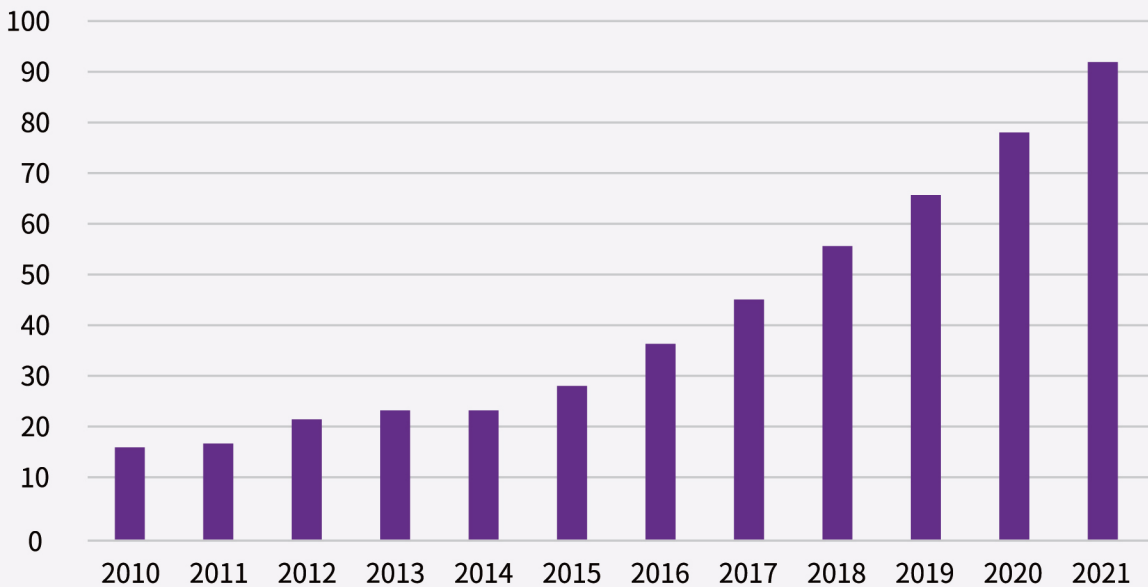
Ensuring Openness and Transparency to Protect Investors' Rights and Interests

Better communication with investors and assurance of investor rights and interests are more conducive to the openness, transparency and long-term development of enterprises. Better listening to investor suggestions is beneficial to investor supervision of enterprises.

The Company featuring favorable development

The Company has introduced outstanding talents from R&D, production, sales, quality management, among other systems since 2014, thereby establishing a first-rate management team. The introduction of the new management team has led to the comprehensive reform of various aspects of the Company including the management structure, marketing channel and incentive mechanism, and further improved operation of the Company. After several years of effort, the Company has seen significant improvement in its channel, product and brand strengths. Operating income increased from RMB 2.522 billion in 2014 to RMB 9.15 billion, demonstrating steady growth for many years.

Operating Income Year on Year (RMB 100 billion)



Prioritizing dividends to repay investors

● To ensure investors can share the fruits of corporate development, C&S, while ensuring its growth and development, attaches great importance to shareholder returns and repay shareholders with practical actions. The Company has maintained a consistent profit distribution policy since it was listed on the stock exchange, and consequently it prioritized a reasonable return on investment while giving consideration to the Company's sustainable development. To ensure the continuity and stability of the profit distribution policy and protect the investors' interests, the Company re-examines the shareholder return program every three years.

● **Its profit distribution proposal in 2021:** Distribute a cash dividend of RMB1.00 (tax inclusive) for every 10 shares to all shareholders. No bonus shares will be issued, and no capital reserve will be converted into share capital. Moreover, the Company repurchased shares with a total value of RMB 661,249,972.28 (excluding transaction costs) in 2021, treating it as a cash dividend.

The Company's profit distribution plans over the years since listing (including share repurchase amount)

Year	Cash dividend amount (tax inclusive)	Ratio of cash dividend to net profit attributable to shareholders of the listed company in the consolidated statement (%)
2020	156,832,469.56	17.31
2019	98,024,652.98	16.23
2018	124,358,696.48	30.56
2017	75,746,454	21.70
2016	50,525,800	19.40
2015	25,183,850	28.55
2014	4,056,000	6.01
2012	31,200,000	19.63
2011	32,000,000	39.73

Diversified communication mechanism to strengthen investor relations

● The Company attaches great importance to the communication with the capital market and has gradually established a diversified mechanism for investor communication. The Company maintains close contact with investors through onsite, phone and online meetings as well as strategy meetings organized by major institutions so that investors can learn more about the Company. Additionally, it communicates with investors regularly via phone, e-mail, SZSE's interaction platform, performance briefings, investor reception days, and other formats so as to facilitate their understanding of the Company, solidify mutual trust and convey its values to investors.

● The Company, in 2021, answered 336 questions raised by investors on the interaction platform and received four surveys from domestic and foreign securities firms, funds and other institutional or individual investors, with the total number of received investors exceeding 400. Moreover, it convened the annual report briefing meeting to answer questions from investors.



● To help investors more fully understand the Company's production, sales, products and brands, the Company started to build the Life Hall in 2020. The place provides detailed information on the Company's history, production technologies, application scenarios, products and operations, thus allowing investors to get a glimpse of the Company with the best sensory experience.

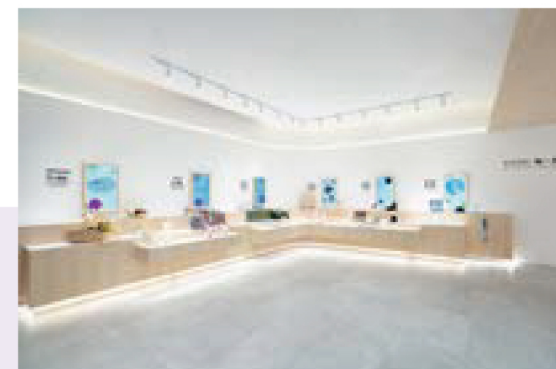


Reception area

Here you can embark on the journey of exploration to understand the life philosophy of C&S and facilitate the harmonious coexistence of human and nature.

We care

Since the Company's establishment in 1978, our efforts have been devoted to meeting every demand for tissue paper. Beginning with an understanding of C&S, we care about the value of commitment. Products rely on brands, and enterprises rely on brands. This is even truer for people.

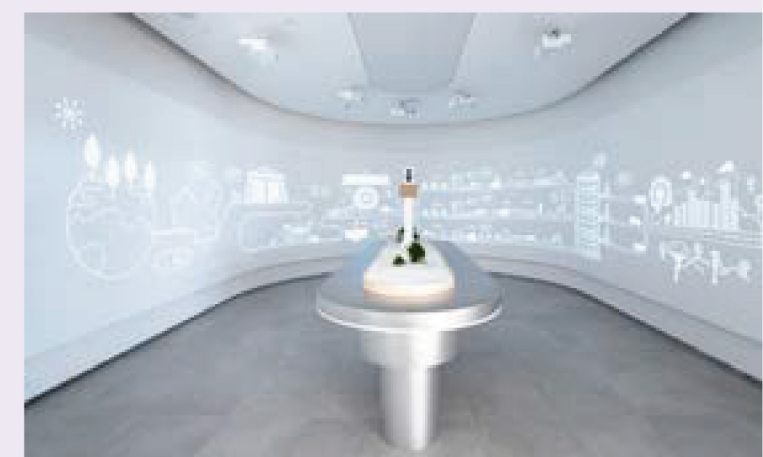


We care about your life.

With easy access, we strive to satisfy every demand when you're at home. In every scenario, we strive to meet every demand in your daily life.

We care about your environment

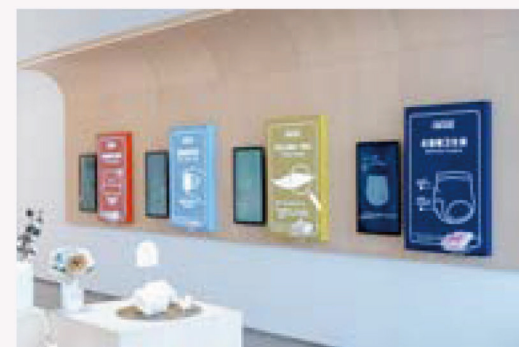
Our attitude toward every product originates from the good intention for the harmonious coexistence of human and environment. Here you will find that we take the utmost care in every process from selection of raw materials to product use by consumers.





We care about your experience

From product quality to other aspects beyond that, we always take the utmost care to provide more diversified products, more human-based services and more considerate experience, with a view to making your life even better by virtue of continuous efforts and practices.



● Since opening in 2021, C&S Life Hall has received 333 tours of more than 6,300 visitors, covering governmental agencies, investors, enterprises, schools and employees. It was certified as the onsite teaching base of the Sun Yat-Sen University Higher Center for Continuing Education.

Chapter V

Pursuit of Green Development and Fulfillment of Corporate Social Responsibilities

Adhering to a philosophy of green, low-carbon development, C&S strives to integrate environmental protection into corporate development. Enterprise development is rooted in society, so giving back to society is a responsibility of the Company. The Company attaches great importance to the demonstration of social values and regards the creation of prosperity for the society as a commitment of corporate social responsibility, with a view to influencing and driving the revitalization of local economy through its development.

Strict supervision, minimum allowable emission, transparency and fairness

Under increasingly higher pressure related to environmental protection, the Company continues to improve pollution management facilities in production process and improve environmental quality. All production bases of the Company continue to increase capital and technological inputs and prevent environmental pollution, reduced emission and green production.

1 Information on major emissions

Name of company or subsidiary	Main pollutants and particular pollutants		Ways of discharge Ways of discharge	Number of discharge outlets	Distribution of discharge outlets	Concentration of discharge	Implemented pollutant discharge standards	Total discharge	Total approved discharge	Excessive discharge	
Jiangmen Zhongshun Paper Co., Ltd.	Waste water	COD	Discharge directly to the centralized sewage treatment plant (Xinhui Renke Environmental Protection Co., Ltd.)	1	Centralized processing facilities in the factory	31.873 mg/L	200mg/L	13.751 t	335.600 t/a	None	
		Ammonium nitrate				2.576 mg/L	8mg/L	1.111 t	13.4 t/a	None	
		Total nitrogen				7.949 mg/L	12mg/L	3.43t	/	None	
		Total phosphorus				0.045 mg/L	0.8mg/L	0.019t	/	None	
C&S (Sichuan) Paper Co., Ltd.	Waste water	COD	Discharge to the water purification station through urban sewage pipeline post-treatment	1	Production waste water discharge (DW001) flows through the channel into the main outlet DW002 (confluent with domestic waste water)	48 mg/L	80mg/L	50.188 t	96 t/a	None	
		Ammonium nitrate				0.203 mg/L	8mg/L	0.2121 t	9.6 t/a	None	
	Waste gas	PM (particulate matter)	Discharge directly through the flue	3	Three chimneys (2# boiler is the standby boiler, monitoring when being used)	No. 1 boiler 2.5 mg/m³		20mg/Nm³	0.2738t	/	None
						No. 2 boiler 0 mg/m³					
						No. 3 boiler 2.7 mg/m³					
		Nitrogen oxide				No. 1 boiler 27 mg/m³		150mg/Nm³	5.0359t	31.35t/a	None
						No. 2 boiler 0 mg/m³					
						No. 3 boiler 29 mg/m					
	Sulfur dioxide	0		50mg/Nm³	0	/	None				

Name of company or subsidiary	Main pollutants and particular pollutants	Ways of discharge Ways of discharge	Number of discharge outlets	Distribution of discharge outlets	Concentration of discharge	Implemented pollutant discharge standards	Total discharge	Total approved discharge	Excessive discharge
Zhejiang Zhongshun Paper Co., Ltd.	Waste water	COD	1	Centralized processing facilities in the factory	49.02mg/L	500mg/L	9.7551 mg/L	13.97t/a	None
		Ammonium nitrate			2.069mg/L	35mg/L	0.43 mg/L	9.78t/a	None
C&S Paper Co., Ltd. Tangshan Subsidiary	Waste water	COD	1	Main outlet of the zone (Lvyuan sewage-treatment plant)	28.3mg/L	≤ 50mg/L	7.4t	16.5 t/a	None
		Ammonium nitrate			0.466mg/L	≤ 5mg/L	0.124t	1.65t/a	None
	Waste gas	PM (particulate matter)	1	1 chimney	2.2mg/m ³	≤ 5mg/m ³	0.17t	2.46 t/a	None
		Nitrogen oxide			20.54mg/m ³	≤ 30mg/m ³	1.6t	18.46t/a	None
		Sulfur dioxide			0 mg/m ³	≤ 10mg/m ³	0	6.15 t/a	None
	Waste water	COD	1	In-factory sewage-treatment station	COD ≤ 80mg/l	80mg/L	70.66t/a	197.71t/a	None
C&S (Yunfu) Paper Co., Ltd.		Ammonium nitrate			Ammonium nitrate ≤ 8mg/l	8mg/L	7.01t/a	19.76t/a	None
C&S (Hubei) Paper Co., Ltd.	Waste water	COD	1	Discharge to the Biquan sewage-treatment plant after pre-processing with centralized processing facilities in the factory	133mg/L	≤ 400mg/L	51.33t/a	152.25t/a	None
		Ammonium nitrate			7.13mg/L	≤ 30 mg/L	3.55t/a	15.25t/a	None
	Waste gas	PM (particulate matter)	1	1 chimney	9.69mg/m ³	≤ 30mg/m ³	10.09 t/a	28.63t/a	None
		Sulfur dioxide			56mg/m ³	≤ 200mg/m ³	63.87 t/a	203.87t/a	None
		Nitrogen oxide			86mg/m ³	≤ 200mg/m ³	86.49 t/a	239.85t/a	None
	Waste gas	Organized discharge (dedusting by bag filter, desulfurization by limestone-gypsum and denitration by SNCR)	1	1 chimney					

2 Construction and operation of facilities for pollution control and prevention

Duty toward compliance | The Company and its subsidiaries strictly abide by national and local environmental laws and regulations. All new projects strictly implement the environmental impact assessment system and "three simultaneous" system. All production activities strictly comply with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Action Plan for Prevention and Control of Water Pollution, and ensure that all pollutant treatment and discharge are in line with the requirements of laws and regulations.

Configuration and operation of water treatment equipment and facilities: | Each subsidiary has a complete array of environmental protection treatment equipment and facilities. The main sewage treatment processes are anaerobic, aerobic and subsequent deep treatment processes, which can achieve the discharge standards of various sewage indicators. Moreover, each subsidiary is equipped with a recycling water system in which the reclaimed water that meets the usage standard is used for re-production to reduce the discharge of sewage as far as possible. The sewage of Jiangmen, Zhejiang, Hubei and Tangshan companies is discharged after centralized treatment in the Company and treated by the local sewage treatment plants. After centralized treatment in the Company, the sewage of Sichuan Company enters water purification station through urban sewage pipeline. The sewage of Yunfu Company, after treated by the Company's sewage-treatment station and reaching the standard, is discharged in an organized manner.

Online monitoring and operation of water treatment facilities: | Five subsidiaries or branches in Sichuan, Zhejiang, Tangshan, Yunfu and Hubei have all installed on-line sewage monitoring facilities, which are directly supervised by local environmental protection bureau. The sewage of the Tangshan subsidiary, after centralized treatment in the subsidiary, is discharged to the sewage plant of the local paper industry base without any other sewage outlet. The Company has its own monitoring facilities for internal control reference. After the centralized treatment within the Company, the sewage of the Jiangmen Company is discharged to the sewage plant of the local paper industry base. There is no other sewage outlet and no online monitoring facilities. The environmental protection bureau goes to the Company regularly every quarter to compare the on-line monitoring data, which all meet the requirements.

Boiler waste gas emission: | The Sichuan and Tangshan subsidiaries are equipped with natural-gas boilers. Hubei Company is equipped with a coal-fired boiler, and waste gas is emitted uniformly after desulfurization and denitrification. Boiler waste gas emission conforms to GB13271-2014 Emission Standard of Air Pollutants for Boiler.

3 Environmental impact assessment of construction projects and other administrative permits for environmental protection

Administrative permits: | According to the Measures for the Administration of Pollutant Discharge Permit of the Ministry of Environmental Protection of the People's Republic of China, the applications were submitted to the Environmental Protection Bureau. All the subsidiaries and branches completed the renewal and change of the pollutant discharge permit in June 2021.

Construction projects: | The Company always implements control of construction projects strictly in line with environmental protection-related laws and regulations. All construction projects are subject to environmental impact assessment. During the construction process, the Company organizes the construction of environmentally friendly projects in line with construction schedule, ensuring the synchronous design, construction and operation of environmental protection facilities and subject projects. Currently, all construction projects put into production have completed environmental impact assessment, and reception and approval.

4 Environmental-event emergency response plan

Preparation and reporting of emergency plan for sudden environmental events: | The Company strictly implements emergency response rules for sudden environmental events, and, in accordance with the technical requirements in the Technical Guidelines for Preparation of Emergency Plans for Environmental Pollution Accidents, employs a professional advisory and guidance organization to formulate the Emergency Plan for Sudden Environmental Events, which has been reviewed by and filed with the Environmental Protection Bureau.

Emergency response supplies, training and drill: | The Company has matched the corresponding emergency response supplies according to the requirements of the Emergency Plan for Sudden Environmental Events. Emergency response measures for hazardous chemicals have been prepared according to environmental protection requirements, and necessary labor protection supplies and emergency response supplies have been provided in accordance with safety technical instructions, and checked and updated regularly. The Company regularly carries out emergency training and drill and suitability assessment of the emergency plan to ensure the effectiveness and enforceability of the emergency plan.

5 Environmental self-monitoring plan

● The Company strictly abides by laws and regulations, carries out self-monitoring work in accordance with environmental protection requirements, establishes environmental management ledger and data, and constantly improves it.

Sewage monitoring | Currently, self-monitoring is a combination of manual monitoring and automatic monitoring, and qualified units are entrusted to carry out monitoring regularly. Automatic monitoring items: main discharge outlet of wastewater (COD, ammonia nitrogen, flow rate, PH, total nitrogen); Manual monitoring items: BOD, SS and chroma indicators are monitored daily or weekly; for other sewage monitoring items, uncontrolled emissions, solid waste and factory boundary noise, each subsidiary entrusts qualified units to carry out monitoring work monthly or quarterly according to the local environmental protection requirements.

Waste gas monitoring | The main testing items are nitrogen oxide, ringelman emittance, sulfur dioxide, soot, mercury and their compounds. The frequency of testing is in compliance with the requirements of regulations.

● The self-monitoring data of pollutant discharge and environmental monitoring plans are disclosed on provincial disclosure websites for key pollution-source information while paper reports are submitted to the Environmental Protection Bureau for archival.

6 Other environmental information worthy of disclosure

■ Emission permit information and environmental protection information related to emission permit requirements are available on national emission-permit management information platform. Whenever competent government departments in the localities of subsidiaries and branches have additional requirements, such information is published on the platform for environmental information reporting prescribed by the local government authority.

■ Other environmental protection-related information is available in the "News" section of the Company's website.

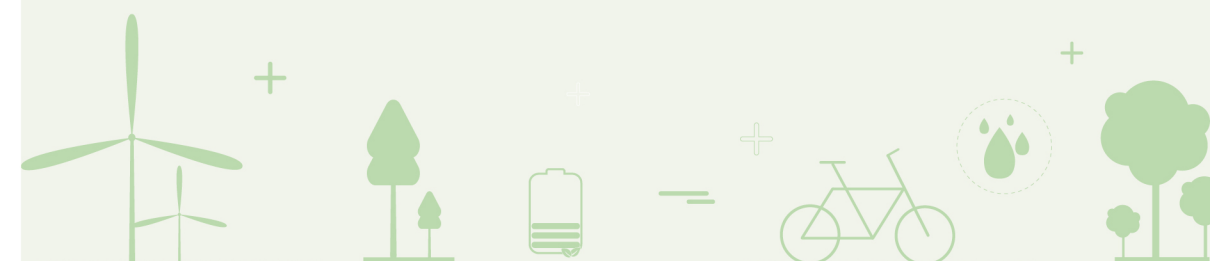
Reducing production costs and achieving energy conservation and emission reduction

● The Company has always adhered to the concept of green and low-carbon development and integrates environmental protection into corporate development. In the process of production, the Company continuously modifies equipment and innovates in technologies, with power and steam consumption per ton of paper decreasing year by year. This could maximize energy savings and emission reduction on the basis of reducing costs, thus achieving the win-win of socioeconomic benefits.

YoY reductions in standard coal converted from power/steam consumption per ton of paper 2017 - 2021					
Item	2017	2018	2019	2020	2021
Standard coal reduction converted from power consumption per ton of paper (kgce/t)	6	4	7	9	3
Standard coal reduction converted from steam consumption per ton of paper (kgce/t)	20	11	20	16	7

Trading of carbon-emissions rights

● China's first emissions trading scheme (ETS) was launched in Shenzhen on June 18, 2013, and subsequently Beijing, Tianjin, Shanghai, Guangdong, Hubei, Chongqing, and other provinces and cities rolled out pilot projects for carbon-emission trading. Among the seven pilot regions, most of the provinces and cities issue quota to emission-control enterprises free of charge. As a result, the primary market for quota trading employs the method of administrative allocation. Wherein, Guangdong, Shenzhen and Hubei issue certain quotas to emission-control enterprises through bidding.



● As of December 31, 2021, Jiangmen Production Base and Yunfu Production Base of Guangdong Province and Hubei Production Base had carbon-emission quotas. The provinces in which other subsidiaries are located haven't yet begun to issue carbon-emission quota and conduct accounting.

Carbon Trading at the Jiangmen, Yunfu and Hubei Production Bases						
Item	Company	2020	2019	2018	2017	2016
Actual emission of Jiangmen Base	Jiangmen	13.97	13.60	15.30	16.28	15.10
Emission quota of Jiangmen Base	Jiangmen	18.94	16.46	16.24	16.69	13.81
Actual emission of Yunfu Base	Yunfu	19.23	20.43	14.86	12.13	/
Emission quota of Yunfu Base	Yunfu	24.31	23.11	14.68	12.02	/
Actual emission of Hubei Base	Hubei	8.21	/	/	/	/
Emission quota of Hubei Base	Hubei	11.13	/	/	/	/

Note: Actual carbon emission in 2021 will be released after accounting by review institutions. According to actual energy management and control in production, it's expected that the actual carbon emissions of Jiangmen and Yunfu Production Bases of Guangdong Province and Xiaogan Production Base of Hubei Province in 2021 will be lower than carbon-emission quota in 2021.

● Jiangmen Production Base recorded actual carbon emission higher than carbon-emission quota in 2016. Through continuous energy conservation, emission reduction and consumption reduction measures, it managed to continuously reduce power, steam and pulp consumption in production, and actual carbon emissions from 2017 to 2020 are lower than carbon-emission quotas.

● Yunfu Production Base recorded actual carbon emission higher than carbon-emission quota in 2017 and 2018. Through constant energy conservation, emission reduction and consumption reduction measures, it managed to continuously reduce power, steam and pulp consumption in production, and actual carbon emissions in 2019 and 2020 are lower than the carbon-emission quota.

● Hubei Production Base recorded actual carbon emission lower than carbon-emission quota in 2020.

● The Company will continue to devote itself to energy-saving, emission-reduction and consumption-reduction actions and implement them simultaneously throughout the group in order to fulfill its corporate social responsibilities for environmental protection.

● The Company will continue to devote itself to energy-saving, emission-reduction and consumption-reduction actions and implement them simultaneously throughout the group in order to fulfill its corporate social responsibilities for environmental protection.

Contributing to social welfare causes

1 Providing aid to the frontline of COVID-19 prevention and control

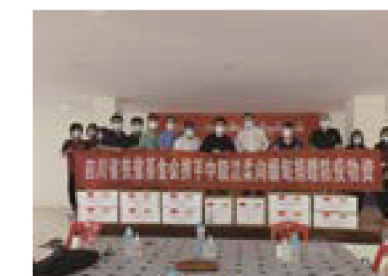
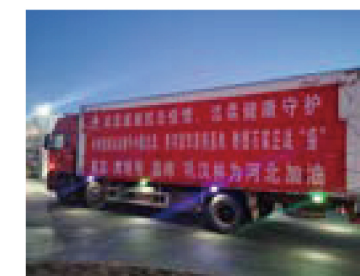
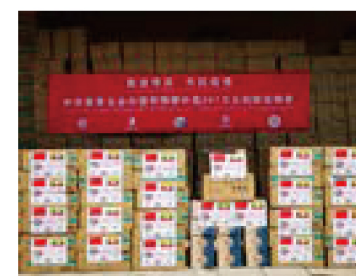
■ The situation of pandemic prevention and control was still challenging and complex during 2021. As a national enterprise with important social influence, C&S actively fulfills its responsibilities as a corporate citizen and pays close attention to the pandemic prevention and control at all times. During the course of the year, the Company donated materials worth over RMB 10 million to help the frontline personnel and affected areas in the fight against the pandemic.

■ In February, C&S, in joint efforts with the China Charity Federation, donated 2,245 boxes of anti-pandemic materials including masks, sanitary wipes, feminine sanitary shorts and hand sanitizers to Shijiazhuang, Hebei Province. The materials were distributed to those fighting in the frontline of the pandemic in the first time, thereby helping them to guard every line of defense.

■ In March, C&S extended its charitable cause overseas and helped international fight against the pandemic by donating approximately four million masks to Russia, Pakistan, Myanmar and other "Belt and Road" countries through the China Charity Federation, which greatly eased the demand for anti-pandemic materials of countries along the route.

■ In August, in the spirit of "charity without borders," C&S actively participated in China's efforts to help the international fight against the pandemic. In joint efforts with Sichuan Province Foundation for Poverty Alleviation, the Company contributed over 100,000 masks to the Myanmar Ministry of Health and Sports to help local pandemic prevention and control.

■ From June to December, facing the repeated outbreak of the pandemic in various regions, C&S immediately mobilized and dispatched anti-pandemic materials to the frontline of Guangzhou, Foshan, Nanjing, Zhangjiagie, Yangzhou, Xi'an, etc. successively. The materials included medical surgical masks, children's masks, sanitary wipes, antibacterial hand sanitizers and rinse-free hand sanitizers, with total volume exceeding one million kits.



2 Donating to flood-stricken areas to tide over difficulties together

In July 2021, many regions in Henan suffered from extreme heavy rainfall, which led to serious water accumulation in Zhengzhou and other cities. The lives and properties of the people were seriously challenged and the flood control situation was severe. C&S responded rapidly and, in cooperation with several charity organizations including the Red Cross Society of China Zhengzhou Branch, the Company quickly donated disaster relief materials with a total value of more than RMB 2.54 million to Zhengzhou and other disaster-stricken areas, in order to ensure the living needs of people in these areas.



3 Engaging in public welfare undertakings to help those in need

C&S, in 2021, joined hands with Shenzhen Media Foundation · Learning Fund and held two charity sales covering a hundred communities in Henggang Street, Longgang District and Daqian, Bao'an District, respectively.

The Company, in 2021, continued the "buy-one give-money" campaign with a total donation of RMB 1.879 million throughout the year. In the two years since the campaign's launch in 2020, C&S has contributed over RMB 3.1 million to Zhongshan Charity Association to support the development of social welfare undertakings.

In order to carry forward the traditional Chinese virtue of respecting the elderly, the Company pays regular visits to nursing institutions for the aged during holidays and festivals to express compassion and care for the elderly.



4 Care for the young and veterans

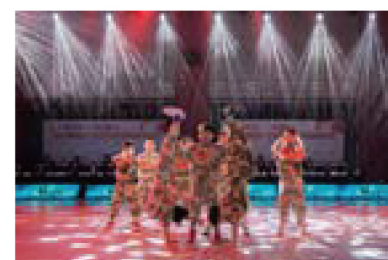
To promote the mental health of primary and secondary school students in Zhongshan City in 2021 and help them grow up in a comprehensive way, C&S, in the name of its brand Dolemi, teamed up with Zhongshan Daily and Zhongshan Mental Health Association and launched the charity event themed "Caring for Adolescence and Growing Up with You" in ten primary and secondary schools. Through the campaign, the Company discussed topics like adolescent emotions, stresses and communication with different student groups and presented the Dolemi gift package to them.

C&S, in 2021, contributed a total of RMB 60,000 to the Red Cross Society of China Pengzhou Branch and the Caring Veterans Association to care for the veterans.



5 "C&S Cup" International Standard Dancing Open Championship

■ The Company, in 2021, continued to sponsor the "C&S Cup" International Standard Dancing Open Championship. The competition was held in 34 cities of 18 provinces, comprising 42 events. China international standard dance is a fashionably elegant dance that's very popular among the public that integrates the features of mass appeal, entertainment, artistry and competition. Therefore, by sponsoring the event, the Company not only facilitated the promotion of international standard dance across China but also played a role in building a harmonious society, promoting cultural enrichment, including sports, in daily life.



Chapter VI

Outlook

Challenges and opportunities will coexist in 2022.

The Company strives to embark on a new journey in three years and attain a new peak in five years. Let's all look forward to a brighter future in 2022.

Under the guidance of "Inheritance · Innovation · Winning the Future," all C&S people will continue to carry forward the spirit of bravely climbing the peak.

We will continue to conduct business in a compliant and honest manner, promote the in-depth integration of product quality and consumer experience, refine product functions and expand product categories so as to create returns for shareholders, build a solid development platform for employees and contribute to society.

Together, we'll make big strides in 2022!

If there are any ambiguities, the Chinese version shall prevail.



中顺洁柔

股票代码002511