



2021 Environmental Social Responsibility and Corporate Governance Report



Stock Code
002930.SZ

Chapter I About the Report

Introduction

This is the third environment, social and governance (ESG) report Great River Smarter has disclosed since its listing in 2018. The report aims to truly reflect the Company's ESG mindset and performance in fulfilling social responsibilities to shareholders, employees, government, clients, consumers and other stakeholders in an objective, conforming, transparent and all-inclusive manner.

Scope

The report covers the scope of businesses of Guangdong Great River Smarter Logistics Co., Ltd as well as its wholly-owned subsidiaries and holding subsidiaries. Some of the content involve the Company's joint ventures and investee companies.

Format

This report is released in the electronic version in Chinese and English on the Cninfo website (www.cninfo.com.cn). Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Definition

Company, Great River Smarter	refers to	Guangdong Great River Smarter Logistics Co., Ltd
Dongguan Evergrowing Terminal	refers to	Dongguan Evergrowing Terminal Co., Ltd., a wholly-owned subsidiary of the Company.
Dongguan GreatRiver Petrochemical Terminal	refers to	Dongguan GreatRiver Petrochemical Terminal Co., Ltd., a wholly-owned subsidiary of the Company.
Dongguan GreatRivers Petrochemical Terminal	refers to	Dongguan GreatRivers Petrochemical Terminal Co., Ltd., a wholly-owned subsidiary of the Company.
Karlson Chemical Warehousing & Logistics	refers to	Karlson Chemical Warehousing & Logistics Co., Ltd, a wholly-owned subsidiary of the Company.
Taicang Power Shell Petrochemical	refers to	Taicang Power Shell Petrochemical Co., Ltd., a wholly-owned subsidiary of the Company.
Jiangsu Changjiang Petrochemical	refers to	Jiangsu Changjiang Petrochemical Co., Ltd., a joint-stock company of Nantong Power Shell Petroleum Logistics Co.Ltd
Nantong Power Shell Petroleum Logistics	refers to	Nantong Power Shell Petroleum Logistics Co.Ltd., a wholly-owned sub-subsidiary of the Company.
Changzhou GreatRiver Petrochemical Terminal	refers to	Changzhou Great River Petrochemical Terminal Co., Ltd., a wholly-owned subsidiary of the Company.
Changshu Great River Petrochemical Terminal	refers to	Changshu Great Smart Petrochemical Terminal Co.,Ltd., a holding subsidiary of the Company
Fujian Gangfeng Energy	refers to	Fujian Gangfeng Energy Co., Ltd., a holding subsidiary of the Company
Fujian Gangfeng Energy	refers to	Fujian Gangfeng Energy Co., Ltd, a holding subsidiary of the Company.
Suzhou Great River Smarter Logistics	refers to	Suzhou Great River Smarter Logistics Co., Ltd , a subsidiary of Taicang Power Shell Petrochemical Co., Ltd.
Nanjing Dragon Crown	refers to	Nanjing Dragon Crown Liquid Chemical Terminal Co., Ltd.
Ningbo Xinxiang	refers to	Ningbo Xinxiang Liquid Chemical Store Co. Ltd, a joint venture of the Company and Nanjing Dragon Crown.
Ningbo Ningxiang	refers to	Ningbo Ningxiang Liquid Chemicals Terminal Co. Ltd., a joint venture of the Company and Nanjing Dragon Crown.
Weifang Sime Darby	refers to	Weifang Sime Darby Port Co., Ltd, a joint venture of the Company and Nanjing Dragon Crown.
Dragon Crown Group	refers to	Dragon Crown Share Holding Co., Ltd, a sharing holding subsidiary of Great River Smarter Logistics(Hong Kong) Co., Ltd that wholly-owned by Suzhou Great River Smarter Logistics Co., Ltd
Dongguan Jinlianchuan Innovation Industry Investment	refers to	Dongguan Jinlianchuan Innovation Industry Investment Partnership (LP), a Partnership invested by the Company as a limited partner.

Time Frame

The report covers the time frame from January 1, 2021, to December 31, 2021. To enhance the comparability and completeness of the report, some of the content are related to previous years and 2022.

Reference Guidelines

Self-regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operation, released by Shenzhen Stock Exchange (SZSE)

The GRI Sustainability Reporting Standards (GRI Standards)

Feedback


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The volatility of the pandemic and the uncertainties of the external environment are increasing... The past 2021 has been a year with many challenges for Great River Smarter. In this extraordinary year, we work together to overcome the difficulties and forge ahead with stronger passion. We adhere to the development path of continuous mergers and acquisitions and sound operational logic, steadily improve the quality of operation, and strive to accumulate small steps to achieve a thousand miles.

Chairman 林海川
2022年4月27日

Greetings from Chairman



Stable and Healthy Operation

In 2021, Great River Smarter's operating income and operating profit increased by about 30%, and the gross profit margin remained at a high level of more than 60%. Particularly, in East China, the gross profit margin reached 70%. Great River Smarter has always maintained a healthy operating cash flow. The net operating cash flow in 2021 reached 779 million yuan, an increase of 33%. Our operations have always maintained a stable and healthy level of upward growth.

On the other hand, Great River Smarter's net profit attributable to shareholders of listed companies in 2021 went up by 19.54%, which is narrower than the increase in 2020. This is mainly due to the large increment in operating costs and expenses, but this is also within our expected range.

In recent years, we have continued to use modern information technology to improve the level of HSE and operational management. In 2021, this effort was greatly enhanced, and we continued to step up investment in promoting the establishment of smart storage areas and safety production information management platforms. For this reason, our R&D investment has more than tripled compared to 2020. In the future, we will continue to pile up investment in research and development, and continuously improve the operational efficiency and growth ceiling of each subsidiary, while maintaining our leading edge and drive the development of the industry to a higher level.

The double-digit increase in the company's financial expenses was mainly due to the gradual augmentation in bank borrowings and the issuance of convertible corporate bonds starting in 2020. The increased bank borrowings were mainly used for our M&A project expenditures, including the equity mergers and acquisitions of Changshu China Resources, Changzhou China Resources, Karlson Chemical, Changjiang Petrochemical and other projects, and the

investment in Gangfeng Energy through the M&A fund "Jinlianchuan".

Among the latest projects invested in 2021, the first phase of Gangfeng Energy Changshu Great River Petrochemical Terminal project has been put into trial production at the end of June 2021, but due to the limitation of the logistic policy of one-tank-one-product in the trial production stage, it cannot meet the market demand efficiently. In addition, the large financial expenses incurred by Gangfeng Energy Changshu Great River Petrochemical Terminal borrowings from Dongguan Jinlianchuan caused Gangfeng Energy Changshu Great River Petrochemical Terminal to suffer losses in 2021. However, by April 2022, with the 160,000 m³ tank capacity of Gangfeng Energy Changshu Great River Petrochemical Terminal Phase II project being put into production, it is announced that the entire project of Gangfeng Energy Changshu Great River Petrochemical Terminal will achieve integrated operation, and all storage tanks have obtained the qualification of one-tank-five-products, which can better meet market demand. At present, the occupancy rate of Gangfeng Energy Changshu Great River Petrochemical Terminal is in a stage of benign and rapid growth. It is believed that after 2022, there will be a period of explosive growth, which will bring us considerable investment returns.

The funds raised by the company's issuance of convertible bonds are mainly used to invest in the petrochemical warehousing and terminal engineering projects of its subsidiary Fujian Gangfeng Energy. The first phase of Fujian Gangfeng Energy has a tank capacity of 110,000 m³. However, due to the discovery of unexpected reefs in the deep water below the terminal, additional tens of millions of dollars were incurred for reef cleaning and dredging. The first phase of the project was also delayed for more than half a year until it was put into production in November 2021. However, the supervision department implemented one-tank-one-product policy in the trial operation stage of the first phase of the project, and the berthing rights of foreign ships at the terminal are still in the stage of application and approval, which makes the first phase of the project unable to meet the needs of customers well, and temporarily unable to provide strong support for corporate performance. With the commissioning of Fujian Gangfeng Energy, the convertible bond interest will be directly reflected in the company's profit and loss statement, which will have a greater impact on the company's financial expenses in 2022. However, what is worth looking forward to is that the 333,000 m³ tank capacity of the second phase of Fujian Gangfeng Energy is expected to be put into operation in June 2022, and problems such as limited storage varieties and limited berthing of foreign ships will also be solved simultaneously. Performance will be greatly improved.

Although the performance of Great River Smarter fluctuates in the short term, it is important that we adhere to the long-term operational and managerial logic, so that the company can always maintain a healthy track and achieve steady growth.



The Growth Logic of M&A Expansion

At present, China's chemical warehousing industry has a low concentration rate, and Great River Smarter has a broad room of progress for mergers and acquisitions. In the growth logic of the industry, we believe that the expansion of warehouse scale through mergers and acquisitions is the most effective way to enhance performance. The mergers and acquisitions of Great River Smarter have always focused on the main business of chemical warehousing. Since the acquisition of Taicang Power Shell Petrochemical in 2010, the company has tread on the growth path of continuous mergers and acquisitions, forming a dual-track growth pathway, namely, the primary business strand of terminal tank storage and the secondary business strand of chemical warehouse storage.

Since Great River Smarter went public, it has continuously expanded the scale of our warehousing business through mergers and acquisitions, forming a cluster effect and a network effect. The performance has also maintained rapid growth for several straight years, which verifies our development path of continuous expansion through merger and acquisition.

Our M&A projects are all located in areas with relatively developed economy and relatively concentrated industry clusters in China, and our strategic presence covers the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, the Southeast Coast and the Bohai Economic Rim. Take our acquisition of the four storage areas of Hong Kong Dragon Crown Group as an example. Among them, Nanjing Jiangbei New Materials Science and Technology Park (formerly Nanjing Chemical Industrial Park), where Nanjing Dragon Crown is located, is the chemical park with the largest economic aggregate in China; Shandong Province, where Weifang Sime Darby is located, has the largest cluster of local refineries in the country. Weifang is located in the middle of Shandong coastline, with developed ocean and rail transportation. Ningbo,

where Ningbo Dragon Crown Ningxiang and Ningbo Xinxiang are located, has the world's largest port, Ningbo Zhoushan Port, and three large chemical industry parks. These storage areas are all located in important economic circles in China, and comprehensive warehousing services have good prospects. We are confident that they will be quickly integrated into Great River Smarter management system and become important drivers for future performance growth.

The most significant region of our projects is Jiangsu province, including Taicang Power Shell Petrochemical, Nantong Power Shell Petroleum Logistics, Changshu Great River Petrochemical Terminal, Changshu Great Smart Petrochemical Terminal, Nanjing Dragon Crown, Changzhou Great River Petrochemical Terminal, Changjiang Petrochemical, with a combined tank capacity of 2.69 million m³, accounting for 65% of the total tank capacity of Great River Smarter. Jiangsu Province, the largest economy in the Yangtze River Delta, not only has the largest fine chemical industry in China but also has about 40% of the country's chemical storage capacity, making it the most developed area for chemical storage and logistics. Data shows that the Yangtze River is the busiest channel in the world, and 90% of the 10,000-ton terminals on the Yangtze are concentrated in Jiangsu province. It can be said that if you capture the chemical market in Jiangsu, you will get half of the market in China. Therefore, Great River Smarter continues to merge and acquire in Jiangsu and to work on developing the industrial cluster.

The third key point in our M&A process is to make decisions based on the radiation range around the warehouse. Generally speaking, the optimal radiation radius for warehousing services is 100 km, restricted by the transport radius. The competition will exist between storage companies within this radius, while it will not be noticeable among warehousing companies beyond this radius. So, we will prioritise acquisitions in areas we have laid out before. For example, following the acquisition of Changshu China Resources and Changshu Huihai, the market circumstances around Changshu Port have been optimized. Another example is the equity participation in Changjiang Petrochemical Co., Ltd., which allows Taicang Power Shell Petrochemical and the neighbouring Jiangsu Changjiang Petrochemical to form a synergistic relationship rather than a competitive one.

Although Great River Smarter has become the industry leader, it accounts for less than 10% of the whole industry, and the potential for M&A in the future is still vast. We will uphold the company's culture of openness, inclusiveness and people-oriented and quickly consolidate the M&A companies through a flat and efficient integrated central management system. Incorporating the Dragon Crown Group's depots in 2022 will further strengthen Great River Smarter's leading position and leadership in chemical storage.



Unique Advantages of Great River Smarter

The Advantage of Professional Talents: The chemical storage industry, because of its unique nature, requires specialized senior management personnel. However, the limited number of positions means that companies with a few depots can only rely on a few generalists management staff to keep the depots running. In specialist areas such as safety, environmental protection, operations, and commerce, it is difficult to allocate professional personnel to each position, which prevents the development of specialised management. Great River Smart currently owns or has a stake in 15 depots, and the number is still growing. This large volume allows us to deploy the most professional personnel of the industry in the five management centers centers of operations, commerce, infrastructure and procurement, administration, and finance, as well as in the headquarters' functions such as HSE management and investment. And the company encourages our team through scientific performance appraisals and ongoing equity incentives. Although additional costs are incurred, the positive benefits generated in operational management far outweigh the costs. It has also ensured that our professional management maintains an absolute leading position in the industry.

The Advantage of Knowledge Sharing: Great River Smarter has a large number of depots, all of which are in the same industry and facing similar regulatory requirements, customer needs, equipment and facilities, so each depot can learn from others and share the experience with each other. Any improvements in business or management in one depot will be quickly replicated in other depots to improve together. We also promote mutual learning and promotion among the various depots through the assessment and comparison of generic indicators.

The Advantage of Clustering and Networking: The large number and wide distribution of Great River Smarter's depots have

created a cluster effect and network effect. Thus, we have the advantage of business synergies that our competitors do not have. Many of our customers have storage needs across China, and by simply working with Great River Smarter, their needs can be met from different locations. We can also offer our customers business synergies to reduce costs. For example, with our exclusive 'universal saving & withdrawal' model, customers can stock their products in storage A and then pick them up in storage B. This service can save customers much money in transportation costs for chemical products, which are expensive to transport.



Continuous innovation to enhance core competencies

Business Innovation: We always insist on continuous innovation in our business. In the past two years of operation, the intelligent customer service system has been put into trial operation from one depot and gradually expanded to more and more depots, achieving continuous and rapid growth in revenue. The two vessel-washing and sewage-treatment stations at Nantong Power Shell Petroleum Logistics and Taicang Power Shell Petrochemical have come into operation, increasing the depots' value-added service income and contributing significantly to the protection of the Yangtze River. Two integrated logistics terminals for hazardous vehicles, Taicang and Nantong, will also be operational in the near future. The Great River Smarter Innovation Service will continue to grow and develop.

Management Innovation: We are also keeping pace with innovation in management. We have set up an Innovation Promotion Committee to co-ordinate innovation work across the Group, responsible for formulating plans, monitoring implementation, project evaluation, innovation promotion and assessment and reward. Over 1,000 innovation, improvement and enhancement projects are implemented across the Group each year. The HSE management department has pioneered paid safety inspections and initiated engaging a well-known domestic consultant to conduct regular professional safety inspections of the company's depots. Great River Smarter's depots have always maintained a leading position in the industry in safety management.

The Construction of Intelligent Depots. Smart depots are the future direction of the industry. We are continuously improving our depots' automation, information technology, and intelligence to enhance safety management, improve operational efficiency, optimise customer service, and increase profitability. In 2021, Dongguan Sanjiang Port Storage Tank Co., Ltd Rvergrowing Terminal was approved as a national high-tech enterprise, which is a significant achievement of our insistence on innovation. In the future, we will systematically promote the intelligent construction of other storage areas and transform them into high-tech enterprises.

The clustering of strengths and planning for the big picture brings a brighter prospect. And it is often the small steps that bring about the most lasting change. One of Great River Smarter's missions is to "Generate attractive returns for our shareholders." Looking ahead to 2022, with the successful production of the second phase of Changshu Great Smart Petrochemical Terminal and the second phase of Fujian Gangfeng Energy, the rapid integration of the Dragon Crown Group's depots and the adherence to a healthy industrial logic in the management of the company, Great River Smarter's clustering and synergistic effects will be more prominent. The Company will be ahead of the curve, and the achievements will be enhanced to a higher level, thus giving back to shareholders and society with excellent performance.

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A Glance at Great River Smarter Logistics

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2021 Statistics


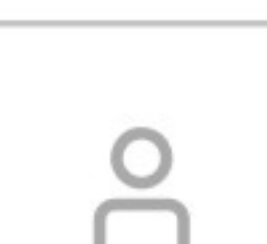


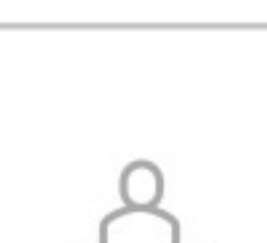



Financial Performance

 Total asset RMB688,688.34	 Owner's equity RMB287,958.08	 Revenue RMB 1,087,962,900
 Government subsidies RMB 14,360,600	 EBITDA RMB 811,620,700	 Total profits RMB 405,155,400
 Total tax contribution RMB 150,421,000	 Dividend payment rate 94.83%	 Cash dividends RMB 133,644,500
 Patented technologies 102	 Customer satisfaction score 92.81	

Safety and Environment Protection Performance

 Safety accidents 0	 Discharge of three wastes Meet the standard
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Social Performance

 Total number of employees 1,149	 Number of male employees 904	 Number of female employees 245
 Training coverage rate 100%	 Training attendance 86,743 times	 Training hours per capita 178.54 小时
 Employee wages and benefits RMB 158,359,400	 External donation RMB 244,700	

Business Presence

Following the development strategy of driving growth through mergers and acquisitions, the Company has saw significant business expansion, with warehouse bases/depots spread across China's major advanced economic regions, including the Bohai Economic Rim, the Yangtze River Delta, Southeast Coast, the Guangdong-Hong Kong-Macao Greater Bay Area, and the twin-city economic circle of Chengdu and Chongqing.

Guangdong-Hong Kong-Macao Greater Bay Area,: Lisha Island Base (Dongguan Evergrowing Terminal, Dongguan GreatRiver Petrochemical Terminal, Dongguan GreatRivers Petrochemical Terminal), Karlson Chemical Warehousing & Logistics




Yangtze River Delta: Taicang Power Shell Petrochemical, Jiangsu Changjiang Petrochemical, Changshu base (Changshu Great River Petrochemical Terminal, Changshu Great Smart Petrochemical Terminal), Nanjing Dragon Crown, Changzhou GreatRiver Petrochemical Terminal, Nantong Power Shell Petroleum Logistics, Ningbo base (Ningbo Ningxiang, Ningbo Xinxiang)


Economic Zone on the West Coast of the Taiwan Strait: Fujian Gangfeng Energy


Bohai Economic Rim: Weifang Sime Darby

twin-city economic circle of Chengdu and Chongqing: Chengdu project (preparatory stage/intended transferee)



GDP FY2021
Unit: trillion yuan
 0~0.5  0.5~1  1~1.5
 1.5~2  2~2.5

 Dock  Tank  Chemical warehouse
 Tank washing stations  Delivery depots
 Logistics port for for vehicles loaded with hazardous chemicals

 Key ports of "The Belt and Road Initiative"

All data presented in the graphics are collected til 27th April 2022.

Illustrations

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

provide customers with all-inclusive cargo services which involves the whole process of loading, unloading and storage via the Company's docks, pipelines, tanks and loading platforms.



All-encompassing chemical warehouse services

provide customers with all-encompassing cargo services which involves the whole process of loading, unloading and warehousing via the Company's chemical warehouses and dispensing equipment.



Transfer and Other services

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



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.



Value-added services refer to other types of services including smart customer service, tank washing and sewage treatment, as well as universal saving & withdrawal, road and port service for vehicles loaded with hazardous chemicals more.

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.

Cargo Universal Saving & Withdrawal

with the cluster effect of storage locations and huge volume of cargo, the Company provides universal saving & withdrawal services on petrochemical products of the same quality and quantity in different warehouse locations. By so doing, we can help customer to reduce logistics cost and to improve operational efficiency.

Tank Washing and Sewage Treatment Service

the company leverages self-owned dock to build the river-borne tank washing station to provide professional cargo tank washing service to liquefied chemical tankers. Sewage generated from the tank washing process will go through the reception and storage facilities. It will then be transported to the dedicated sewage treatment facilities and be discharged by complying with the treatment standard.

Road and port service for vehicles loaded with hazardous chemicals

provide vehicle safety inspection services for vehicles loaded with hazardous chemical driving into the chemical park for loading and unloading operations. The inspection items include personnel certificates check, whether the vehicle is within the valid annual inspection period, etc.; meanwhile, provide safety and environmental protection emergency services for the vehicles parked in the parking lots. During the parking duration, we provide drivers and escorts with hall for their rest, free air conditioning, hot and cold water, and bathroom services, as well as paid catering, accommodation, and daily necessities purchase services.

Company Culture

Company culture is a critical part of core competitiveness

During the development of the Company, six pillar cultures have been formed based on the core value of "Focus on Employees"

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.



Culture of Collaboration

Learn from each other and mutual support for co-progress within the Company
Collaborative business development with one-stop service within the external market



HSE Culture

People-centric
Guarantee health, safety and environmental protection



Culture of Family

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



Culture of Communication

More encouragement and praises from managers to employees
More suggestions and issue-specific discussion from employee to managers



The Culture of Leadership

Leading enterprise
Leading Team with advanced management
Pioneering talent with cutting-edge philosophy
Above-industry-average compensation plan



Culture of Satisfaction

Employee satisfaction, customer satisfaction
inter-department satisfaction

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.

Corporate Values

Integrity, Win-win, Efficiency, Innovation.

Awards& Recognitions

○ From government

Awards& Recognitions	Awardee	Awarding Body
Guangdong Province Vocational Skill Level Independent Evaluation Demonstration Unit	Great River Smarter	Guangdong Human Resources and Social Security Department
Demonstration unit in the Provincial non-public enterprise party building with industrial construction “three creation and two improvements” activity	Taichang Power Shell Petrochemical Co., Ltd.	Organization Department of Jiangsu Provincial Committee of the CPC Jiangsu Provincial Federation of Trade Unions
2021 Star Enterprise	Changzhou GreatRiver Petrochemical Terminal Co., Ltd	CPC Changzhou Municipal Committee Changzhou Municipal People's Government
Occupational Skill Grade Recognition Enterprise	Great River Smarter	Dongguan Human Resources and Social Security Bureau
2018-2020 Civilization Unit	Taichang Power Shell Petrochemical Co., Ltd.	Suzhou Municipal Spiritual Civilization Construction Steering Committee
2020 Youth Production Safety Demonstration Unit	Taichang Power Shell Petrochemical Co., Ltd.	Taichang Emergency Management Bureau Taichang Committee of the Communist Youth League
Model Home for Employee	Taichang Power Shell Petrochemical Co., Ltd.	Suzhou City Federation of Trade Unions
Employee Bookstore	Nantong Power Shell Petrochemical Co., Ltd.	Nantong City Federation of Trade Unions
2020 Advanced Enterprise of Service Industry Development	Taichang Power Shell Petrochemical Co., Ltd.	Taichang Port Economic and Technological Development Zone Administrative Committee
2020 Advanced Unit of Environmental Protection	Taichang Power Shell Petrochemical Co., Ltd.	Taichang Port Economic and Technological Development Zone Administrative Committee
2020 Advanced Enterprise in Tax Payment	Taichang Power Shell Petrochemical Co., Ltd.	Taichang Port Economic and Technological Development Zone Administrative Committee
2021 Top 10 Companies for Project Investment	Nantong Power Shell Petrochemical Co., Ltd.	CPC Committee of Changjiang Town, Rugao City People's Government of Changjiang Town, Rugao City
2021 Top 10 Enterprises in Tax Contribution	Nantong Power Shell Petrochemical Co., Ltd.	CPC Committee of Changjiang Town, Rugao City People's Government of Changjiang Town, Rugao City
Advanced Grassroots Party Organization	Nantong Power Shell Petrochemical Co., Ltd.	CPC Committee of Changjiang Town, Rugao City

○ From Social Organizations/ Industry Associations

Awards& Recognitions	Awardee	Awarding Body
2020 Excellent Practice of Listed Company for Annual Report Performance Presentation	Great River Smarter	China Association for Public Companies
Advanced Member Company of Taichang Chamber of Commerce in Systematically Combating the Coronavirus Pademic	Taichang Power Shell Petrochemical Co., Ltd.	Taichang City Federation of Industry and Commerce Taichang City Chamber of Commerce
2021 Advanced Unit	Changshu GreatRiver Petrochemical Terminal Co., Ltd	Changshu City Precursor Chemicals Industry Association

○ From Clients

Awards& Recognitions	Awardee	Awarding Body
Best Safety Award	Great River Smarter	Wanhua Chemical Group Co., Ltd
Strategic Partner	Great River Smarter	Hengli Petrochemical (Dalian) Refinery Co., Ltd

Active member of industrial associations

Association Name	Company	Position
The Listed Companies Association of Dongguan	Great River Smarter	President Unit
Dongguan Association of Work Safety	Great River Smarter	Vice President Unit
Dongguan Port and Shipping Association	Great River Smarter	Vice President Unit
China Petroleum Circulation Association	Great River Smarter	Member Unit
Hazardous Chemicals Logistics Branch at China Federation of Logistics & Purchasing	Great River Smarter	Standing Director Unit
Dongguan Association of Meteorological Disaster Prevention and Reduction	Dongguan Sanjiang Port Storage Tank Co., Ltd	Vice President Unit
Dongguan Port and Shipping Association	Dongguan Sanjiang Port Storage Tank Co., Ltd	Director Unit
Dongguan Precursor Chemicals Management Association	Dongguan Sanjiang Port Storage Tank Co., Ltd	Precursor Chemicals Class A Unit
Guangdong Oil and Gas Society	Dongguan Sanjiang Port Storage Tank Co., Ltd	Member Unit
Dongguan Energy Association	Dongguan Sanjiang Port Storage Tank Co., Ltd	Member Unit
Dongguan Shatian Chamber of Commerce	Dongguan Sanjiang Port Storage Tank Co., Ltd	Vice President Unit
Jiangsu Bonded Area Association	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Jiangsu Port Association	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Taichang Port Association	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Jiangsu Society for Environmental Sciences	Taichang Power Shell Petrochemical Co., Ltd.	Director Unit
Taichang Logistics and Supply Chain Management Association	Taichang Power Shell Petrochemical Co., Ltd.	Vice President Unit
European Association of Chemical Distributors	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Taichang Chemical and Pharmaceutical Association	Taichang Power Shell Petrochemical Co., Ltd.	Vice President Unit
Hazardous Chemicals Logistics Branch at China Federation of Logistics & Purchasing	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Taichang City Special Equipment Association	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Taichang Port Area Chamber of Commerce	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Suzhou Comprehensive Transportation Association	Taichang Power Shell Petrochemical Co., Ltd.	Member Unit
Rugao City Special Equipment Service Provider Association	Nantong Power Shell Petrochemical Co., Ltd.	Member Unit
Zhongshan Precursor Chemicals Management Association	Zhongshan Jiaxin Chemical Warehousing Logistics Co., Ltd	Vice President Unit
Traffic Transport Association of Zhongshan City	Zhongshan Jiaxin Chemical Warehousing Logistics Co., Ltd	Director Unit
Changshu Precursor Chemicals Management Association	Changshu GreatRiver Petrochemical Terminal Co., Ltd	Vice President Unit

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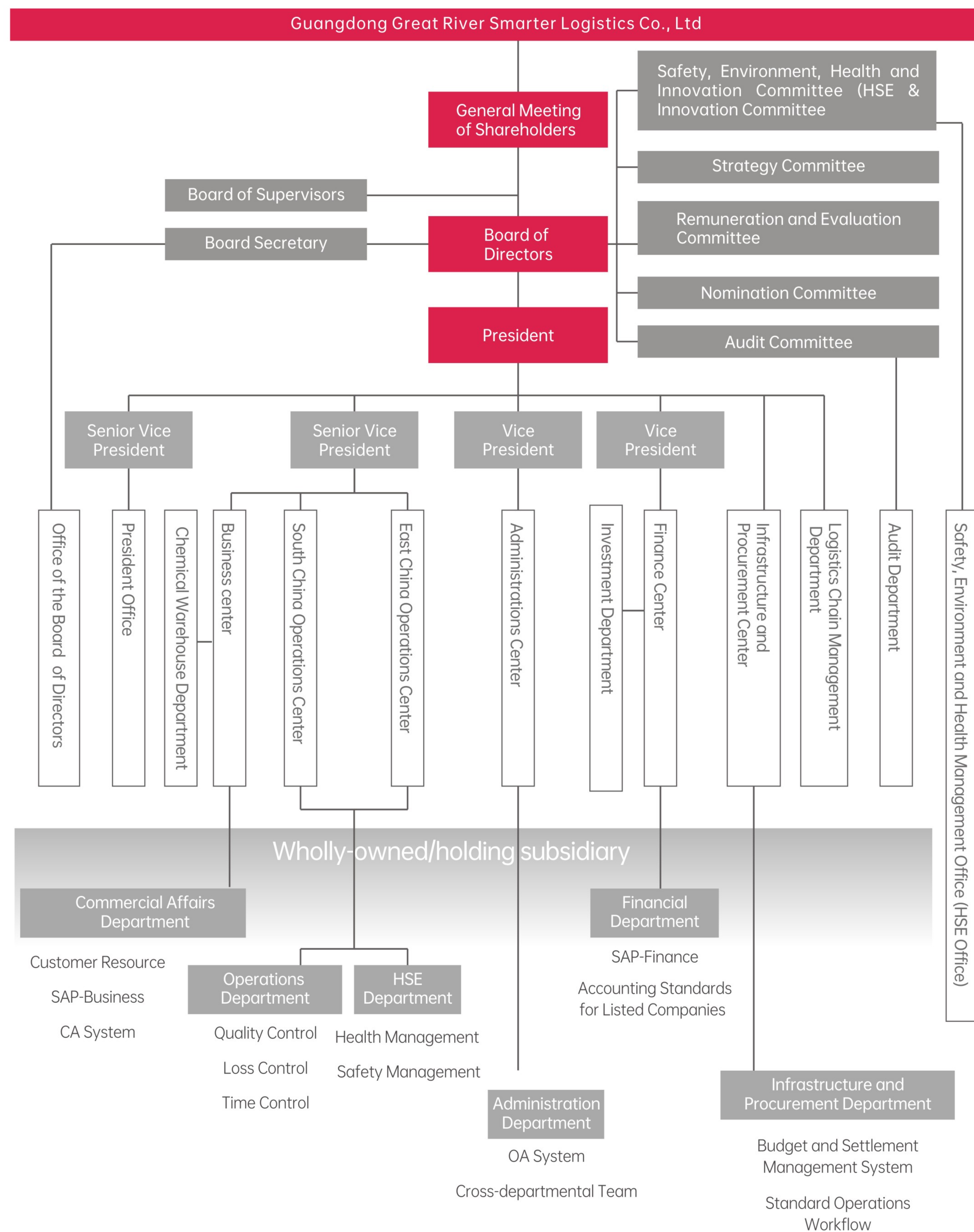
Optimizing Responsibility Governance

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Corporate Governance

In accordance with the Company Law, the Securities Law and other relevant laws, regulations, standards, and requirements, the Company has established a conforming governance structure and formed a corporate governance system with well-defined responsibilities, checks and balances and efficient operations.



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 and Self-regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operation of Listed Companies on the Main Board 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.

The Company has established fair and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors and senior management, and the appointment of senior management of the Company is open and transparent and conducted in strict accordance with the relevant laws and regulations. Non-independent directors, supervisors and senior management serving in the Company receive corresponding remuneration according to their positions and the positions they hold, and the specific basic remuneration standard and the amount of performance remuneration allocation is determined by comprehensive evaluation each year; for independent directors serving in the Company, the standard for granting allowances is formulated by the Board of Directors and considered and approved by the shareholders' meeting.

The general meeting involves all shareholders and is the highest authority of the Company. The Company strictly follows the requirements of relevant laws, regulations and regulatory documents, such as the Securities Law, the Company Law, the Articles of Association and the Rules of Proceedings for General Meetings, to regulate the notice, convention and resolution in general meetings. The Company treats all investors equally, and ensures that all stakeholders, especially minority shareholders, can fully exercise their rights. For this purpose, strong protection measures have been put in place for the interests of minority shareholders. (The chart shows that 7 general meetings have been convened and 24 proposals were deliberated and approved.)

Directors and Board of Directors: The Board of Directors consists of seven directors and is the decision-making body of the Company. There are three independent directors, who are professionals in accounting, law and investment. The structure of the Board of Directors is reasonable, and the capabilities, selection, appointment and composition of the directors are in compliance with the requirements of relevant laws and regulations. All directors are diligent and dedicated, and are able to carry out their work in accordance with the Rules of Proceedings of the Board of Directors and the Work Policy of Independent Directors. The Board of Directors has established the HSE & Innovation Committee, an audit committee, a remuneration and evaluation committee, a nomination committee and a strategy Committee, which further improved the corporate governance structure. (The chart shows that 12 board meetings were held and 60 proposals were considered and approved)

Supervisors and Supervisory Board: The Supervisory Board, composed of three supervisors, two representing shareholders and one representing employees. The structure of the Supervisory Board is reasonable, and the capabilities, selection, appointment and composition of the Supervisory Board are in compliance with the requirements of relevant laws and regulations. All the supervisors are diligent and conscientious, and are able to inspect and supervise the Company's operation activities and the fulfillment of duties by the executives in accordance with the Rules of Proceedings of the Supervisory Board and other relevant regulations, so as to ensure the compliance of the Company. (The chart shows that 11 supervisory board meetings were held and 38 proposals were considered and approved.)

Management: The daily operation activities of the Company are carried out by senior management, and the Company has appointed five personnel at this level. The senior executives, with their rich industry experience and management expertise, will diligently and dutifully puts the Company's M&A development strategy into practice, laying a good foundation for the Company's sustainable development.

Internal Control Management

On the path of continuous growth, the Company has built up a top-down internal audit system and a bottom-up management review, operation and service analysis mechanism based on the company structure.

Management structure

The Audit Committee is established under the Board of Directors of the Company, which is mainly responsible for the communication, audit and supervision of internal and external audits, and the Internal Audit Department is established under the Audit Committee, which is responsible for the organization and implementation of daily audits and supervision work.

Institutional construction

We have established relatively sound internal controls and necessary internal supervision mechanisms at the governance level and business level. On the one hand, we have formulated the Rules of Procedure of Shareholders' Meeting, Rules of Procedure of Board of Directors, Rules of Procedure of Supervisory Board, Working Mechanism of Independent Directors and other major rules and regulations to ensure the compliance, legality, authenticity and effectiveness of the convening of shareholders' meeting, board of directors, supervisory board and major decisions; on the other hand, we have formulated internal management and control systems covering human resources, production safety, capital management, contract management, procurement business, sales business. On the other hand, we have formulated internal management and control systems covering human resources, production safety, capital management, contract management, procurement business, sales business, foreign investment, guarantee business, and related transactions to ensure that all work is in accordance with the rules and regulations and form a standardized management system.

Internal audit and supervision

The Company has established an internal audit system, and each year the internal audit department formulates an annual audit plan, carries out audits of funds raised, external investments, external guarantees, connected transactions and special inspections in key areas, inspects and supervises the authenticity and integrity of the Company's financial information, the establishment and implementation of the internal control system and reports to the audit committee on a quarterly basis.

Regular self-inspection

Establish and implement the mechanism of regular management review, operation and service analysis and reporting, by each functional department and subsidiary quarterly or semi-annually through the summary and analysis of management work and business plan completion, self-evaluation of internal control in operation and management activities, and timely rectification of problems found to improve the company's internal control and risk management; establish and implement the mechanism of audit result rectification and self-inspection, each functional department and subsidiary shall implement problem rectification in accordance with the requirements of the internal audit report, and organize regular internal self-inspection and reporting for problem rectification.

Tax Management

Tax management methods

The Company has formulated Tax Management Regulations, which defines taxation principles, and clarifies the workflow which covers tax registration modifications, declaration management, tax assessment management, tax inspection management, etc. The Company has also strengthened communication with taxation agencies to timely consult about tax-related matters, better understand taxation policies, and evaluate potential taxation risks. We dutifully pay taxes according to law and actively respond to national taxation policies.



Clarify principles,
standardize management



Strengthen communication,
assess risks



Pay taxes according to law,
operate with integrity

Tax governance, control and risk management



Establish system, strengthen audit and conduct regular internal inspection

The Company has established an audit and evaluation system for the declaration of taxes, strengthened the audit of tax basis and taxation, and standardized tax declaration. By building a deep understanding of corporate taxes, we can analyze the Company's taxable activities and conduct regular internal inspection of businesses and taxable activities that are prone to significant tax risks to nip them in the bud.



Keep up with the tax policies to reduce the Company's tax burden

The Company has established a tax law information system to keep the employees updated on the tax regulations and preferential policies related to the Company. This help to reduce the tax burden in business transformation by leveraging the tax incentives.



Pay taxes in full and on time, prevent tax risks

Standardize tax management; ensure that tax declaration is conducted in a timely, accurate and complete manner; keep in contact with tax agencies; effectively prevent and avoid tax risks.

Party Development and Governance

The Party and enterprises are , playing the role of "party development +", integrating the party building work into the whole process of enterprise safe production and compliance operation, and promoting the joint development of party building and enterprise.







○ "One-three-five" work system

- 1 Stick to well-established governing concept with Party leadership**
Fully leverage the political leadership and capacity of non-public enterprise party organizations
- 3 Three services for robust performance**
Service to employees | Service to enterprise | Service to society
- 5 Five mechanisms to build a brand**
Party-enterprise interaction | Pioneer-driven | Innovation-driven | Talent-driven | Joint construction



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	<ul style="list-style-type: none">• Compliance with Law• Tax payment• Safe operation• Support to economic development	<ul style="list-style-type: none">• Information disclosure• Special reports• Statistical reports• Field Research	<ul style="list-style-type: none">• Operations in compliance with laws and regulations;• Prevention of major safety accidents;• Increase of local employment rates;• Promotion of local economic development
 Investors	<ul style="list-style-type: none">• Development strategy• Company performance• Company governance• Profit distribution• Communications	<ul style="list-style-type: none">• Shareholder meeting• Information disclosure• Visit and exchange• Roadshow• Reverse roadshow• Interaction platform• IR hotline• IR email box	<ul style="list-style-type: none">• Standard operation• Internal management• Information disclosure• Payout allocation• Organize performance release• Organize institutional investor meet-up
 Employees	<ul style="list-style-type: none">• Human rights protection and care• Salary and benefits• Training and career development• Health care and safety management	<ul style="list-style-type: none">• Workers Conference• Employee Satisfaction Survey• Rationalization Proposal	<ul style="list-style-type: none">• Protection of employees' rights;• Organization of various training;• Improvement on talent promotion and compensation;• Strengthening of occupational health and safety management;• Implementation of various employee benefits;• Smooth communication
 Customer	<ul style="list-style-type: none">• Goods damage rate• Time management• Safe operation• Good-faith management	<ul style="list-style-type: none">• Customer satisfaction survey• Periodic visit• Complaint and feedback channel	<ul style="list-style-type: none">• Quality management to improve service level• Provide value added service to cater customer need• Smart innovation to improve service level
 Industry Associations/ partners	<ul style="list-style-type: none">• Strengthened Exchanges and Cooperation• Mutual benefits and development	<ul style="list-style-type: none">• Signed agreements• Collaborative Research and Exchanges on expertise	<ul style="list-style-type: none">• Participation in industry activities;• Establishment of industry-university-research cooperation
 Community or Charities	<ul style="list-style-type: none">• Charity and Volunteer Service• Contribution to Community Development• Public Safety and Environmental Protection	<ul style="list-style-type: none">• Establishing communication mechanisms• Field investigations• Volunteer communications	<ul style="list-style-type: none">• Public welfare communications and events;• Encouragement for employees to participate in voluntary service;• Prioritizing employment for community residents

3

Focusing on Customer Service

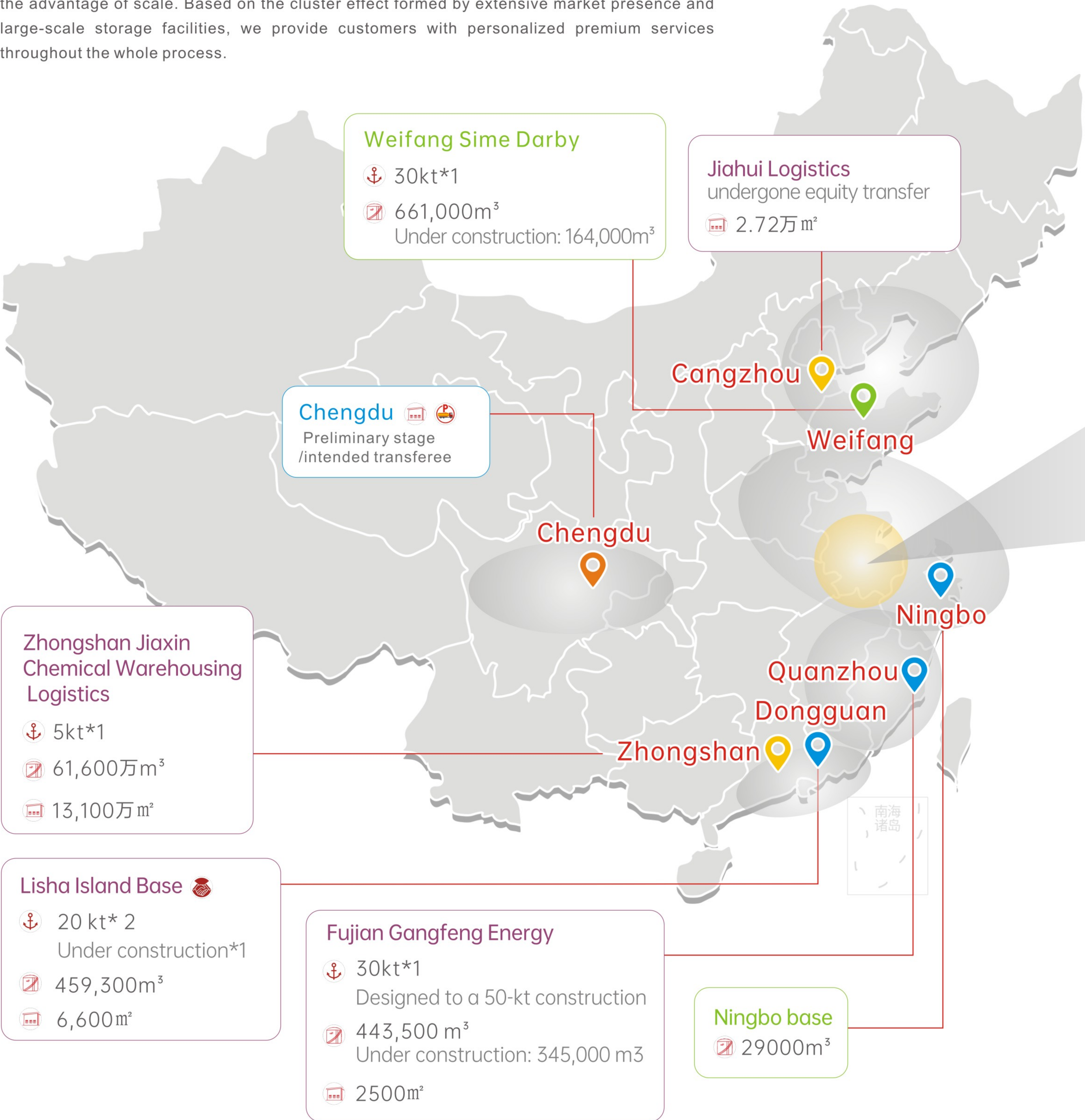
- 19 | Focus on Main Business
- 21 | Committed to Providing Customers with Satisfactory Services
- 23 | Improve Customers service through Technologies
- 29 | Reinforce Service Foundation through Infrastructure and Procurement Management

Being customer-oriented, Great River Smarter is committed to providing high-quality and satisfactory services for industrial customers and forming strategic alliances with them.

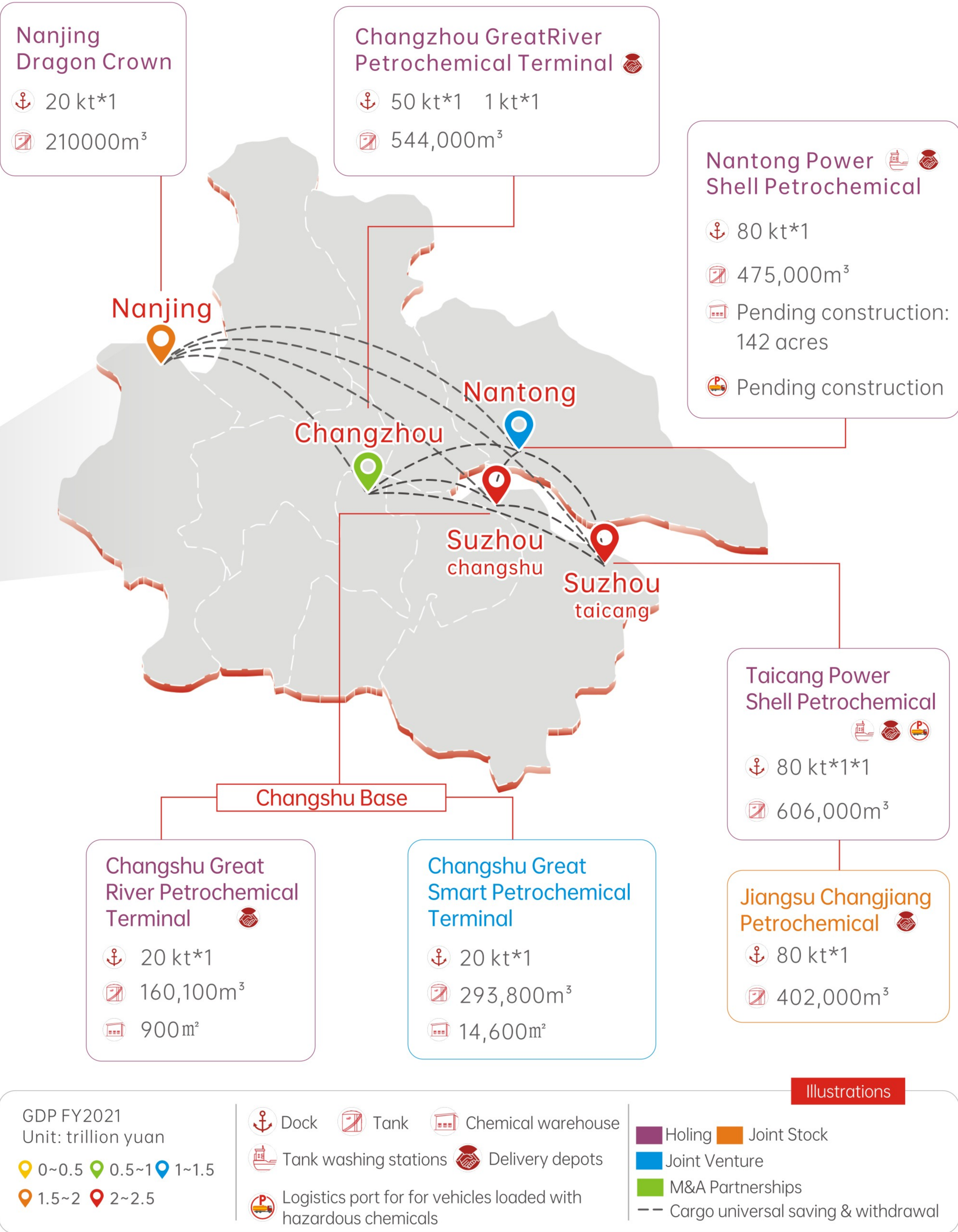


Focus on the main business

Focusing on the double track of terminal tank storage business and chemical warehouse storage business, Great River Smarter follows the M&A-driven growth path to better leverage the advantage of scale. Based on the cluster effect formed by extensive market presence and large-scale storage facilities, we provide customers with personalized premium services throughout the whole process.



As of this report release date



Committed to providing customers with satisfactory services

High quality and efficient service

High quality quantity and quality management



Recognition from broad customer base Better-than-peer quantity and quality management

Quantity Management

Full process management: in the full process of logistics, Great River Smarter has extended the loss management from "only storage loss in storage area" as other peers do to "loading and unloading loss + storage loss".

Combing hardware and software: the use of high-efficiency sealed internal floating tray, high-precision nitrogen sealing system and breathing valve and other equipment to effectively curb the volatile loss of goods in the whole process; through leakage detection and intelligent inspection and other management means to maximize the risk of cargo loss during the operation.

Multi-dimensional monitoring of loading and unloading loss: During the loading and unloading process, relying on imported high-precision radar level meter and tank quantity monitoring system, and supervised by metrological personnel throughout the process, multi-mode metrological results comparison, to effectively reduce losses by "human inference + technical prevention".

Blacklist system: vessels and vehicles with high losses will be blacklisted to provide reference for customers when they are choosing vessels and vehicles, which will reduce the risk of high shipping losses in the transportation process.

Quality Management

Quality monitoring and management covering the whole process: the Company attaches great importance to the loading and unloading aspects and the quality monitoring of the storage process, in the loading and unloading process to assist customers to carry out incoming quality laboratory analysis, the establishment of the whole process of loading and unloading sample evidence chain, laboratory monitoring of key links; in the storage process, the establishment of quality monitoring plan for goods with high quality requirements, regular sampling sent to commercial inspection agencies or internal laboratories for laboratory analysis and monitoring.

Routine cargo testing and inspection management: the Company has a laboratory equipped with testing instruments including gas chromatograph, moisture analyzer, electronic densitometer, colorimetric testing, etc., and a full-time laboratory technician to lay a good foundation for daily quality control of goods. The company has established cooperative relationship with international famous commodity inspection agencies, and has a commodity inspection laboratory inside the storage base/warehouse to provide timely and rapid laboratory inspection services.

whole process of pollution avoidance and risk management: the storage tanks, pipelines, hoses, pumps, measuring instruments and other loading and unloading equipment and facilities to establish a three-stage review check before use, effectively ensure that all equipment and appliances clean and clean, no pollution risk. In the storage process, relying on daily tank spot checks to eliminate the risk of pollution in the whole process of storage in a timely manner.

Good performance in operation time management

Time management system: the time of vessels and vehicles in each operation area is accurately recorded through the system and automatically analyzed to form time statistical reports to provide scientific basis for reasonable deployment of personnel, vehicles and ships; the 24-hour customer service hotline provides real-time services for customers and vehicles in a timely manner.

Well-installed equipment: the operation areas such as car platform, wharf and storage area are equipped with well-equipped operation and metering equipment to improve the efficiency of cargo loading and unloading; the efficiency of car and ship turnover is improved through intelligent car and ship rowing system.

Advanced technical equipment: Through intelligent systems such as intelligent customer service system, self-service order placing, self-service order opening, self-service order taking, and unattended weighing system, we optimize the operation process from reservation, order opening, order taking, weighing, and operation to improve the operation efficiency.

Customer Service System



"First-contact responsibility system": encourage employees to be the first responsible person to effectively improve customer experience



"Butler and expert service": With a master of knowledge related to each service link, customer service personnel are able to predict the external factors that may lead to service delays or poor customer experience. Based on this, they can give timely reminders or professional suggestions to customers, which will enhance customer stickiness.



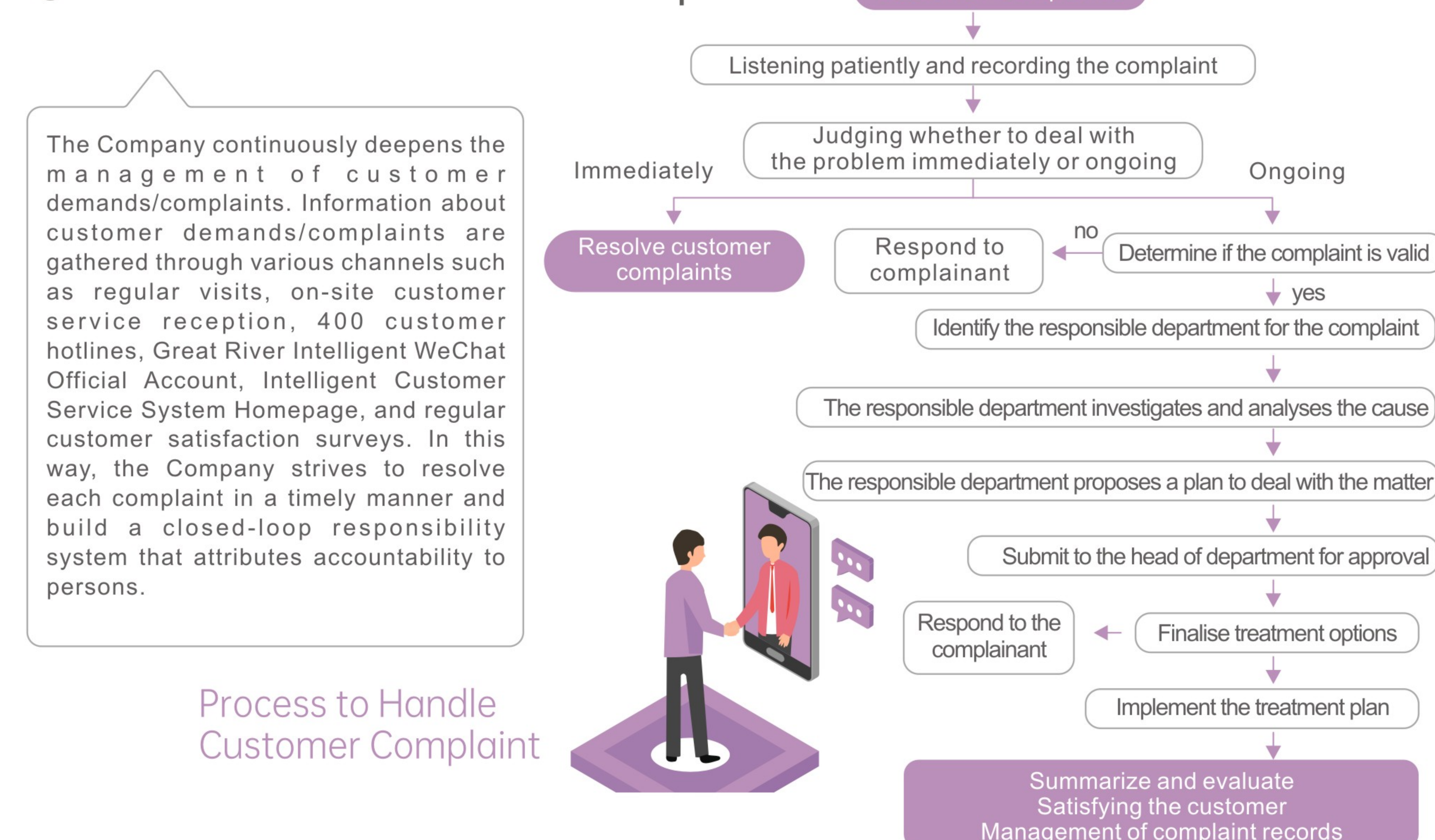
"Extensive service": sharing information about domestic and international petrochemical industry with customers and their upstream suppliers and downstream buyers, creating communication opportunities for all parties, and providing services for customers' other service providers.

Key accounts

Listed by key account's Chinese initials



Handle Customer Complaint



Process to Handle Customer Complaint

Customer satisfaction

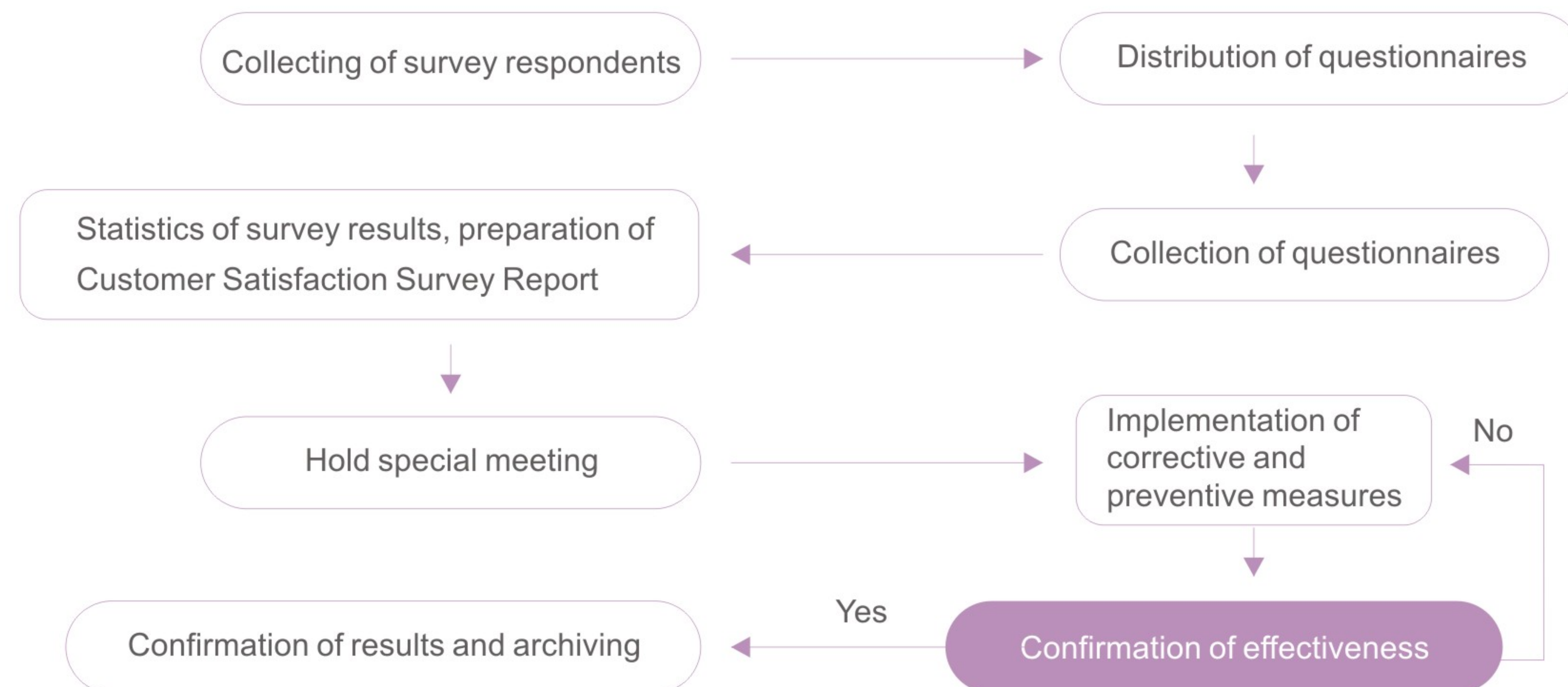
With customer service at the core, the Company has established a customer service management system which aims to build a deep and timely understanding of the customer needs. This will help the Company to continuously provide better, personalized and differentiated services, while continuously driving innovation in order to improve customer satisfaction and loyalty.

The Company organizes the annual customer satisfaction survey to objectively and truly identify the needs and expectations of customers by collecting their opinions and suggestions, which will serve as an important basis for the company to improve business processes and key service contents in order to further enhance the service level, improve service quality and enhance customer satisfaction.

2021 Comprehensive score of customer satisfaction survey for each storage base/ depot is

92.81

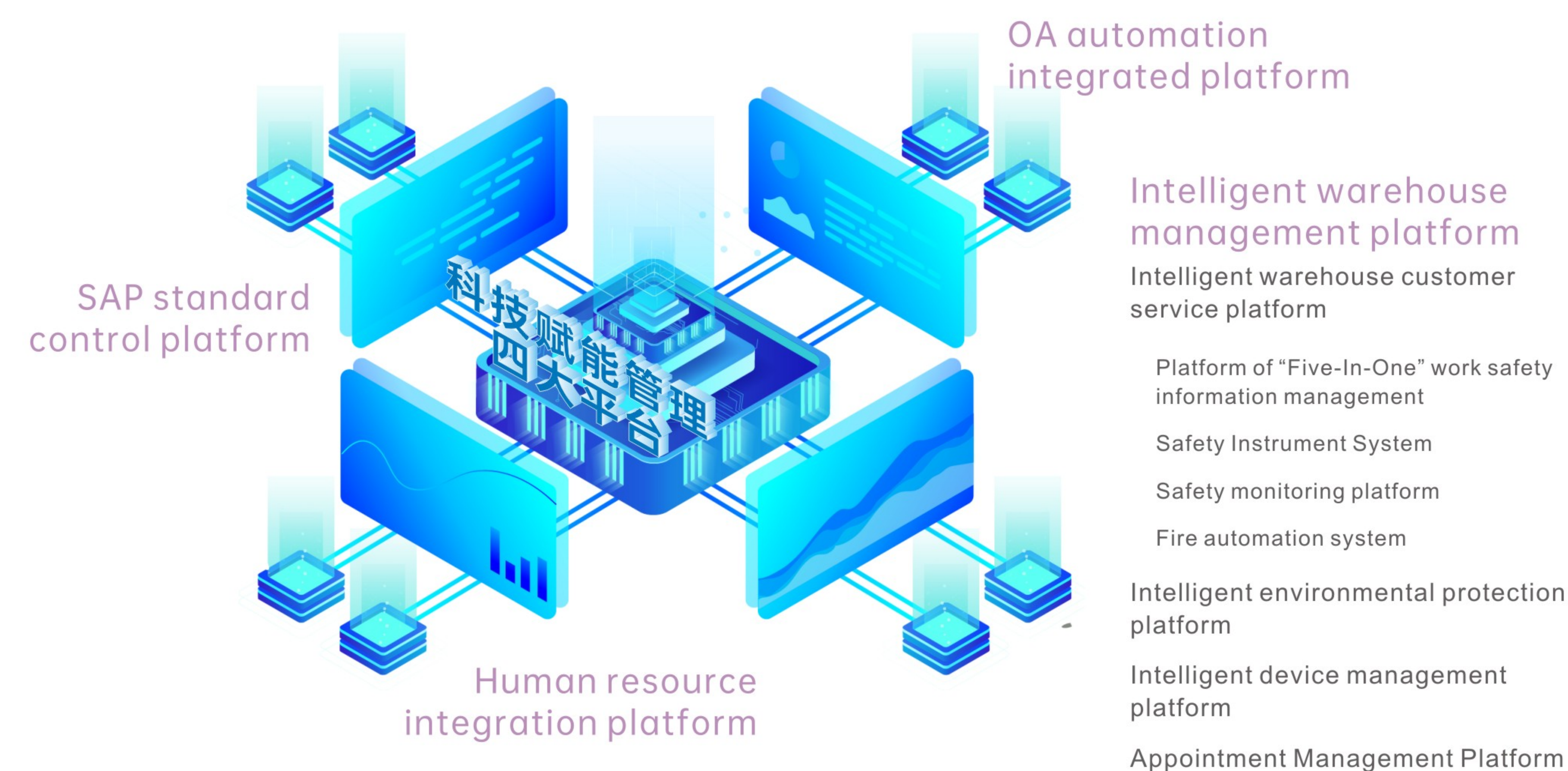
Process of Customer Satisfaction Survey



Technology improves service levels

Technology for Management

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.



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.

► 智慧仓储安全平台

● 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.

● Safety Instrument System

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

● 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 system, 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.

● 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 conducts 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.

► Appointment Management Platform

Drivers can manage their licenses and appoint documents through the WeChat mini program.

License management: drivers upload their driving license, qualification certificate, ID card, contact information, vehicle license, road transportation permit card, tank test report, etc. through mobile phone, and the relevant employee at the storage locations will check their validity and approve them.

Document appointment: once the driver has booked a document, the system will check the validity of licenses and the quantity of loads. Operation documents can only be generated if the vehicle and driver's license are valid, and the quantity loaded is within the safe load and volume limits.



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.

Technology to Ensure Safety

Real-time Monitoring of the Server Room Environment

The power and environment real-time monitoring and supervision system will alert both to dangerous events such as water leaks, fires and power cuts in the operation and maintenance of the server room, as well as to specific data information such as temperature and humidity, current and voltage that exceeds the normal range. The system has a built-in range of normal values that can be directly selected when in use. This makes it easy to warn of all risks in the server room.

Making risks visible: large screen display - allows you to get a clear overview of the status of the server room.



Simple operation and maintenance: remote management by APP, mastering the status of the server room at any time. Through the "Zhang Wu Lian (IoT in hand)" APP, you can control the status of the server room in real-time and send alerts and remote inspections. It is easy and convenient to operate and maintain the server room! WeChat will send fault information in real-time to facilitate your quick detection of problems.



Comprehensive Security with Control

We use NSFOCUS security solutions to provide comprehensive protection for the LAN and WAN in real time. The WAN is installed with NSFOCUS perimeter firewall as the first line of security for the network. For the LAN, servers and office equipment are isolated in different zones. The server area is equipped with a dedicated data switchboard, and NSFOCUS firewall and WAF are installed in front of the switchboard to ensure services can run securely.

Technology-driven innovation

Intelligent Parking System

The company car park is divided into a hazardous chemical vehicle car park and an administrative vehicle car park. We have procured perfect parking intelligent management equipment and procedures. This system allows for the interfacing of hazardous chemical vehicle parking with data from the company's business management system to circumvent uncontrollable factors and reduce pressure on safety management. It is also designed to control the entry times of business vehicles, thus avoiding congestion in the car park and increasing the utilisation of the car park.



Unattended Weighing System

Through the integration of equipment management server, highly integrated intelligent self-service terminal, Speech recognition system, license plate recognition system, camera system for detecting the environment, active infrared intrusion detectors and road gate system, unattended management of weighing can be realised to improve the efficiency of weighing. At the same time, the supervision of on-site operations is improved through the system's all-round monitoring. The intelligence and automation of the weighing service enhances the convenience and efficiency of the weighing service, saves the company's manpower cost and improves the company's automation and intelligent management level.



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.

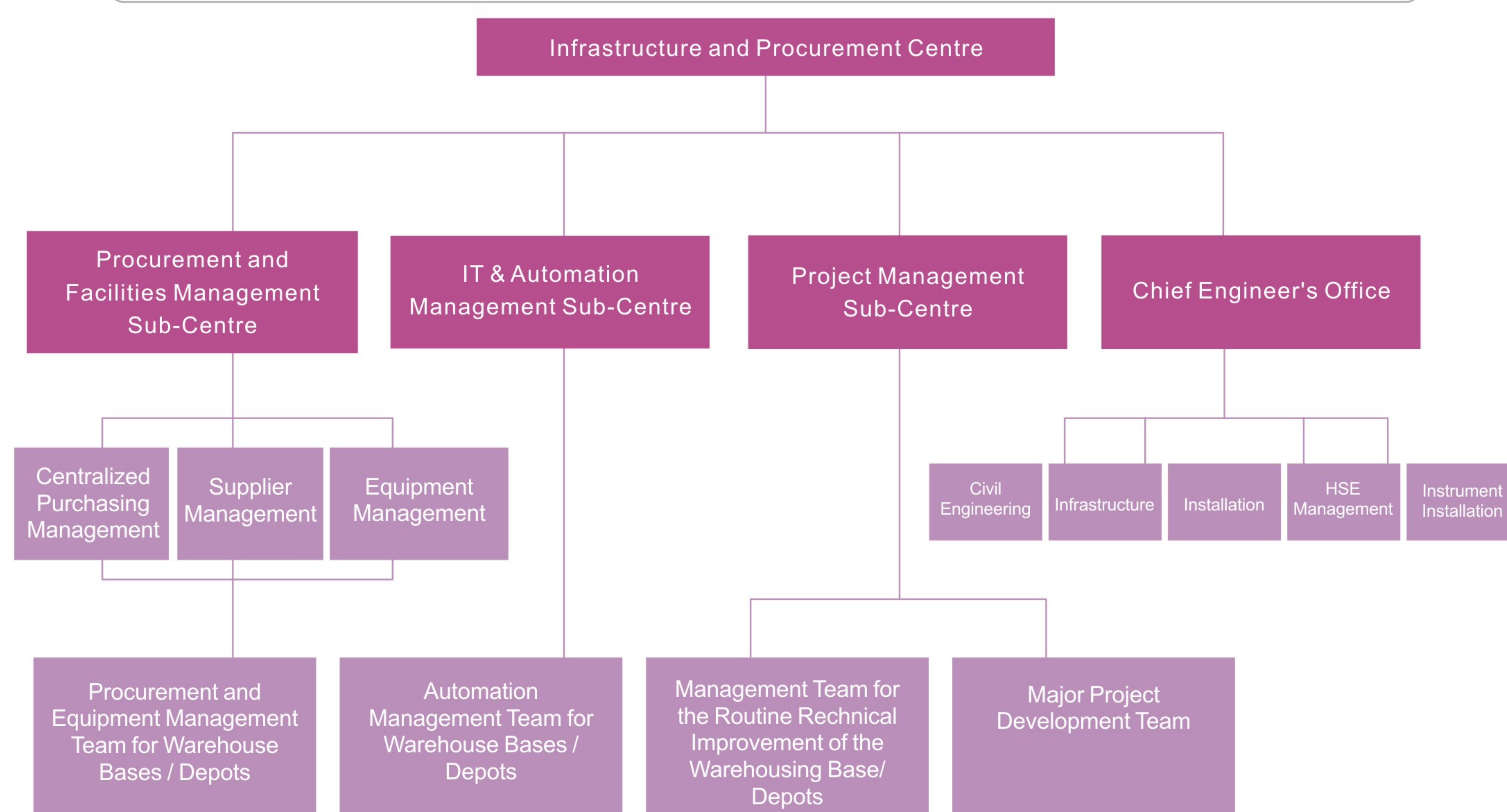
Robot data acquisition and detection support the central control and mobile applications.



Infrastructure and Procurement Consolidating the Foundation of Services

Construction Projects Management

To promote technical advancement, scientific and feasibility, the company has established a scientific and efficient project management system for construction projects. This system implements a standardized engineering management model to create an efficient management team with specialized and functional division of labor in engineering and construction-related disciplines. It also provides a fair evaluation of the effectiveness of the performance of the project management team.



In 2021, a key construction project of the company, namely the convertible corporate bond investment project "Kongfeng Petrochemical Storage Project" was partially put into operation and Project "7# Berth" was put into operation.



Selection and Management of Suppliers

The company has established strict regulations and procedures. Following the rules of fair competition, the whole process of supplier development, access, maintenance, assessment and elimination is managed to continuously strengthen the awareness of social responsibility and service awareness of suppliers.

Development and Inspection of Suppliers

Collect information on potential suppliers and add high-quality supplier resources to the company's alternative supplier list.

The company regularly conducts investigation and access assessment on potential high-quality suppliers. At the same time, the Company organizes on-site audits and conclude professional inspection reports on products, quality control, production capacity and management system of key equipment suppliers.

Registration of qualified suppliers

Alternative suppliers that meet the requirements will be registered in the qualified suppliers list after the company's audit.

Procurement

According to the company's procurement needs, suppliers are identified from the list of qualified suppliers through enquiry, price comparison, bidding and centralised procurement. Execute procurement: supplier preparation, delivery, payment and online safety stock monitoring.

Sunshine Purchasing

The company has incorporated the "corruption-free clauses" into the contracts with suppliers. The Audit Department, Infrastructure and Procurement Centre work together to monitor and protect a sound business environment and the legitimate rights and interests of both parties.

Management of Supplier Performance

Following the Supplier Management System, the company conducts regular performance appraisals of suppliers, communicates with suppliers on their performance status, analyses the causes of problems discovered in safety, quality or service, formulates improvement plans, implements improvements, and deepens cooperation with high-quality suppliers and eliminating unqualified suppliers.

Management of Supplier Relationships

The company has established a comprehensive supplier relationship management process and built a long-term, harmonious, mutually beneficial strategic partnership with suppliers. The Company holds annual supplier conferences, conducts technical training and sharing activities jointly with suppliers and establishes multi-channel communication mechanisms with suppliers to enhance the quality and cooperation of suppliers.

4

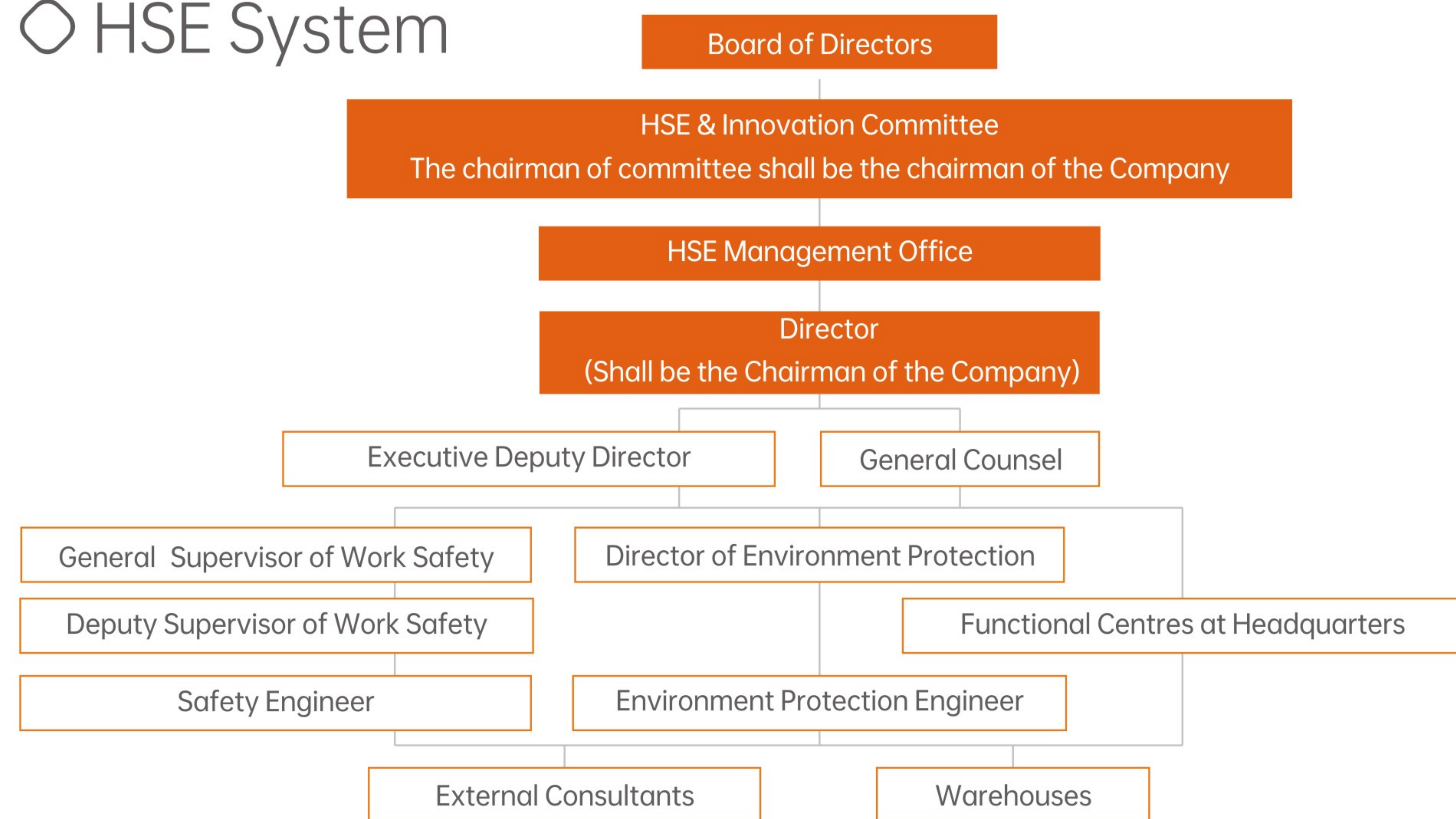
Deepen HSE Management

- 33 | HSE System
- 35 | Safety Management
- 37 | Environment Protection Management
- 38 | Occupational Health Management



HSE System

○ HSE System



○ HSE System Certification

The Company has established a high standard HSE management system and has undergone a number of system certification and reviews



○ Achievement of the "four-ZERO target"



○ HSE system fully covers management processes and operational activities

Year of 2021



The Company complied and released a total of **48** new safety, environmental and health management system documents and published **16** guidance documents.



Warehouse bases and depots: a total of **275** HSE rules were added and revised among grassroots, with a **30%** increase in the number of additions and revisions; **626** operating procedures and **850** process sheets were also added.

Safety Management

Dual risks prevention mechanism



Inspection and Remediation of Potential Risks

The Company regularly organizes comprehensive safety inspections, special inspections, seasonal inspections, holiday inspections and inspections of major sources of hazards, and all potential problems need to be remedied in a closed loop by a deadline.

Potential risks analysis

The Company regularly summarise and statistically analyse potential hazards every month, resulting in analysis reports to drive key improvements.

Reward for inspection

all employees are encouraged to actively participate in rationalisation proposals. The vigorous implementation of hazard inspection has improved all aspects of work such as cost reduction and efficiency, safety management and process management.

Three-year Action Plan for Work Safety

The Company and its associates have 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.

Consolidation and enhancement phase

The company continuously carry out the standard construction for safety production to achieve safety production site management, operational behavior equipment and facilities and operating environment of the PDAC dynamic cycle mechanism management.

Combating stage (2021)

The company strictly implemented the requirements from government departments at all levels, improved risk prevention and control and hidden risks investigation mechanism. Attention be given to the State Council Steering Group, the Provincial Steering Group Supervision Office feedback list of problems and hidden dangers and take rectification measures when necessary.

Investigation and rectification phase (September to December 2020)

Self-examination and self-correction according to the list of 20 key matters for the implementation of the main responsibility of enterprises on production safety and list of 80 main responsibility.

Mobilization and deployment phase (August 2020)

Government Three-year Action Plan documents were posted on the bulletin board and the company organized department's weekly meeting to study the policies. The company organized the team to watch TV specials of Life is more important than Mount Tai: Learning General Secretary Xi Jinping's important Remarks on Production Safety

Great River Smarter has achieved:

Concretization of the key responsibilities: establishment of a comprehensive and safe operation responsibility system, further clarification of the list of responsibilities for production safety at all levels and positions, and strengthen the assessment and public announcement on a regular basis

Accurate risk identification and control: A comprehensive re-evaluation of the "list of hazardous and harmful factors and the list of safety risk classification and control".

Normalization of hazard inspection: Internal hazard inspection is carried out regularly and all potential problems have been rectified in closed-loop management.

Safety training and education for all employee: safety training is conducted to enhance employee's safety awareness, safety knowledge and operation skills in terms of laws and regulations, management system and operation procedures.



First batch of exemplary enterprises for special improvement of production safety.

In 2021, Nantong Power Shell Petroleum Logistics was included

Management of Environment Protection

Reduction of major pollution emissions

Optimization of environmental management and implementation of emission reduction measures :



Total sewage discharge decreased by 22.77% YoY



COD emissions of wastewater decreased by 10.03% YoY



The total amount of exhaust gas decreased by 15.02% YoY



The total amount of hazardous waste generated decreased by 24.44% YoY

Environmental Protection Facilities and Materials

Sewage station treating 5.45 thousand cubic meters of wastewater.



Tail gas recovery and treatment system upgrade.

Oil and gas recovery system.
Methanol exhaust gas treatment system.
Exhaust gas recovery unit.



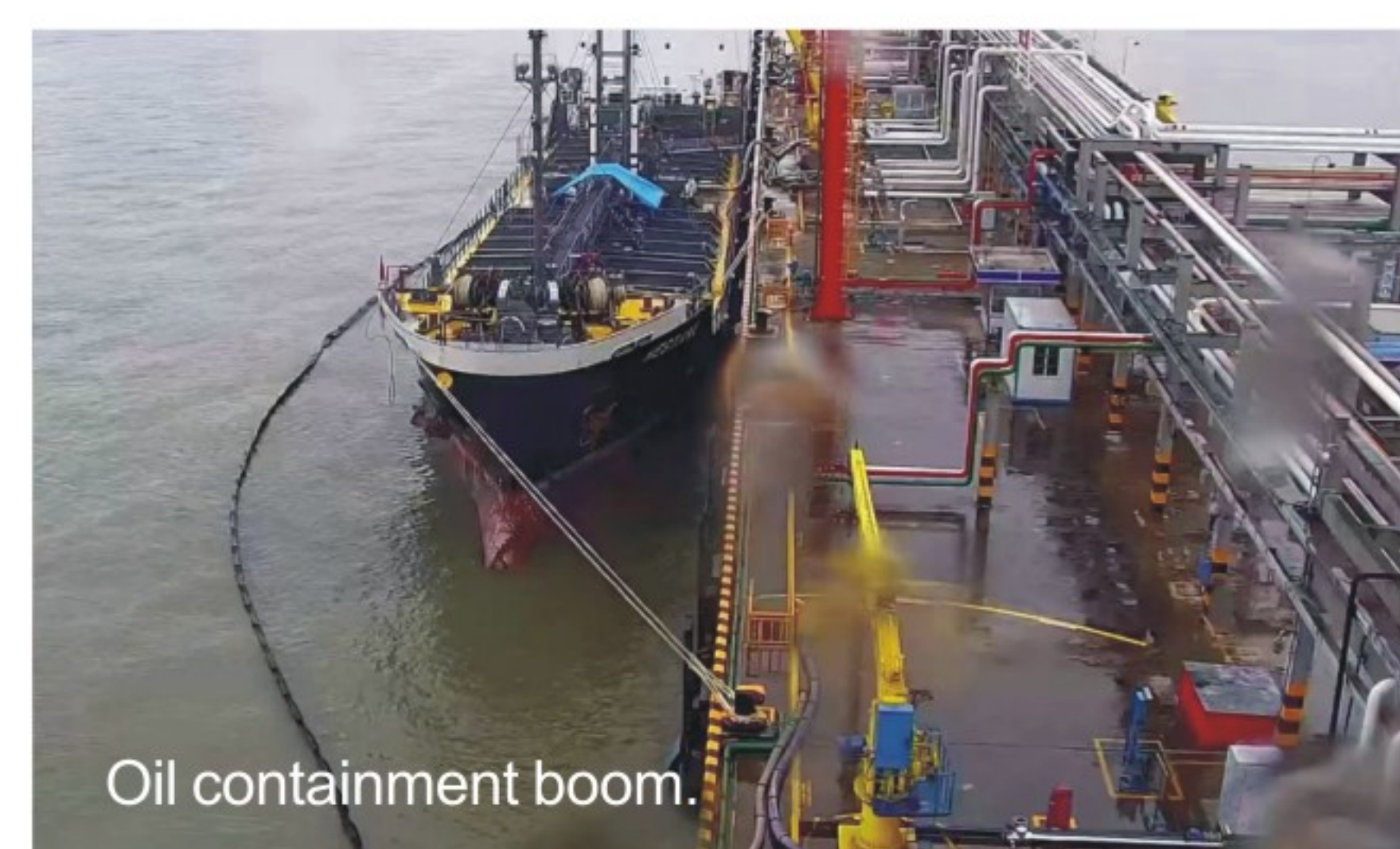
Stormwater forced discharge system.

Stormwater is discharged after passing the online test and discharged to the sewage treatment station if the test does not meet the standard.



Equipped with environmental protection emergency materials

Waste material collection tank.Oil containment boom.
Oil disinfectant



Environment monitoring

Throughout the year, the Company conducted environmental testing: 196 times for organised exhaust gas, 168 times for unorganised exhaust gas, 114 times for rainwater and sewage, 110 times for noise and 30 times for comparison of online monitoring of rainwater and sewage.

The online monitoring data of VOCs at the plant boundary is networked with the government and uploaded in real time.

Occupational Health Management



Conducting regular evaluation of the current situation of occupational hazards.



To engage a third-party testing company to test the occupational disease hazards in the workplace.



Establishing and improving employees' "Occupational Health Surveillance Archives".



The company organized occupational health check-ups for all employees, and transfer employees with a tendency to occupational hazards to positions that are not exposed to occupational hazards in time, to ensure the occupational health of employees.



5

Striving for Win-win Development

41 | Caring Employees

49 | Giving Back to Society



Concern for Employees

Employee Profile

Every year, the company formulates employee recruitment plans according to the development needs and changes in the talent market to strengthen the employee team and ensure the vitality and advancement of the team. Through various forms of recruitment such as campus recruitment, referral program and online recruitment, the Company strives to ensure that high quality and qualified candidates are recruited through a strict, fair, open and standardized recruitment process, so as to meet the Company's demand for talents timely.

Full-time employee: 100%, mainland China employee: 100%

Total number of employees in service

1149

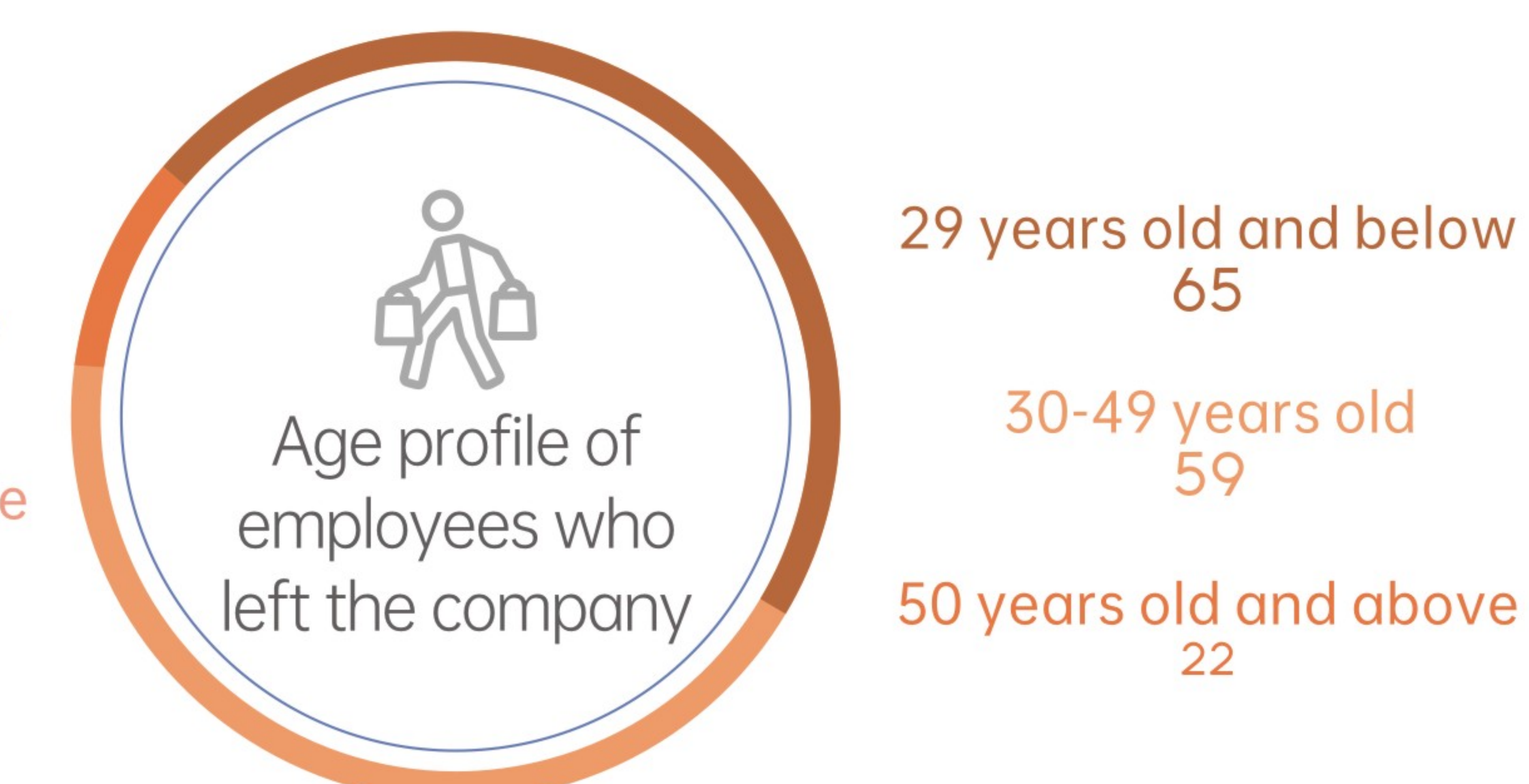
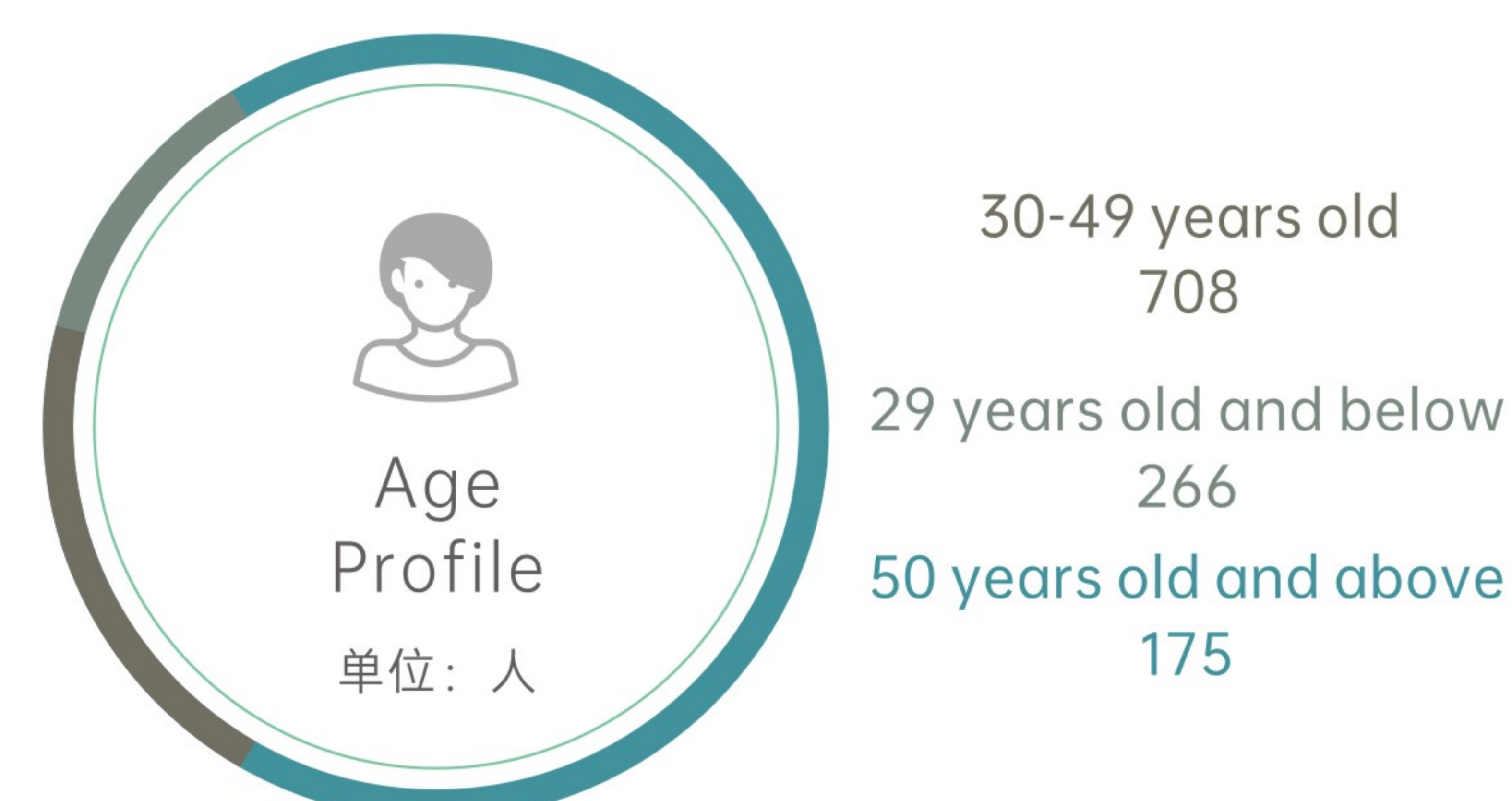
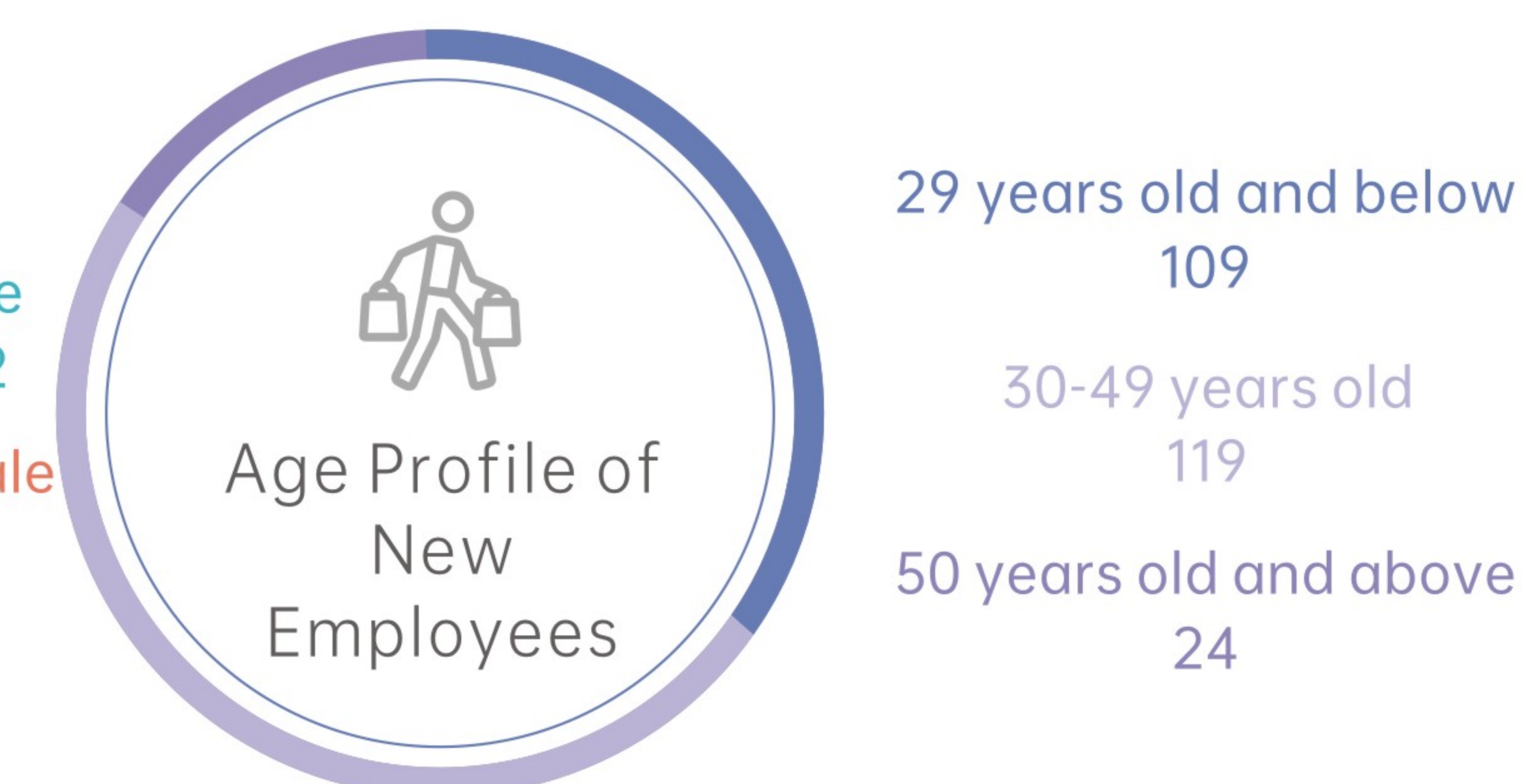
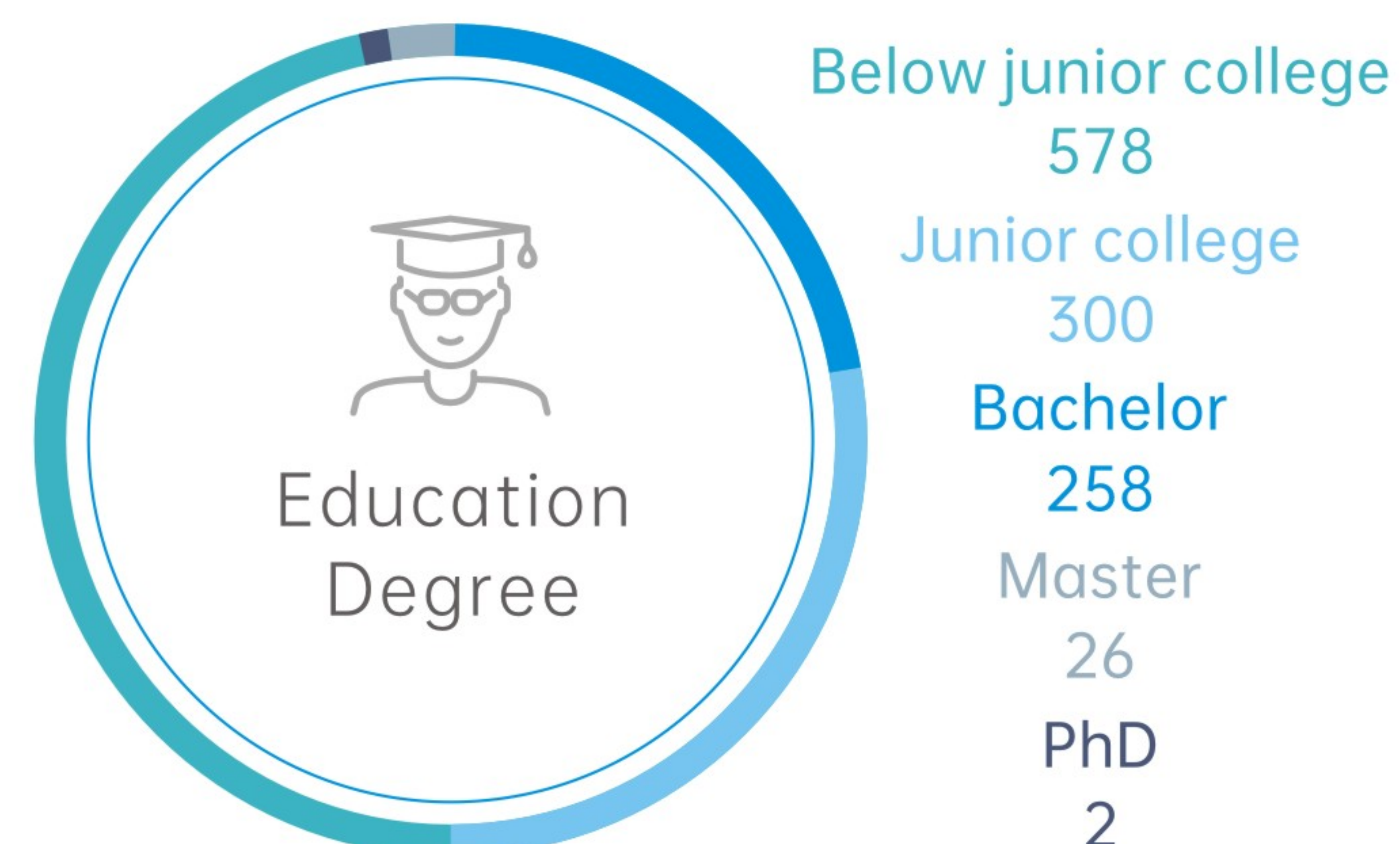
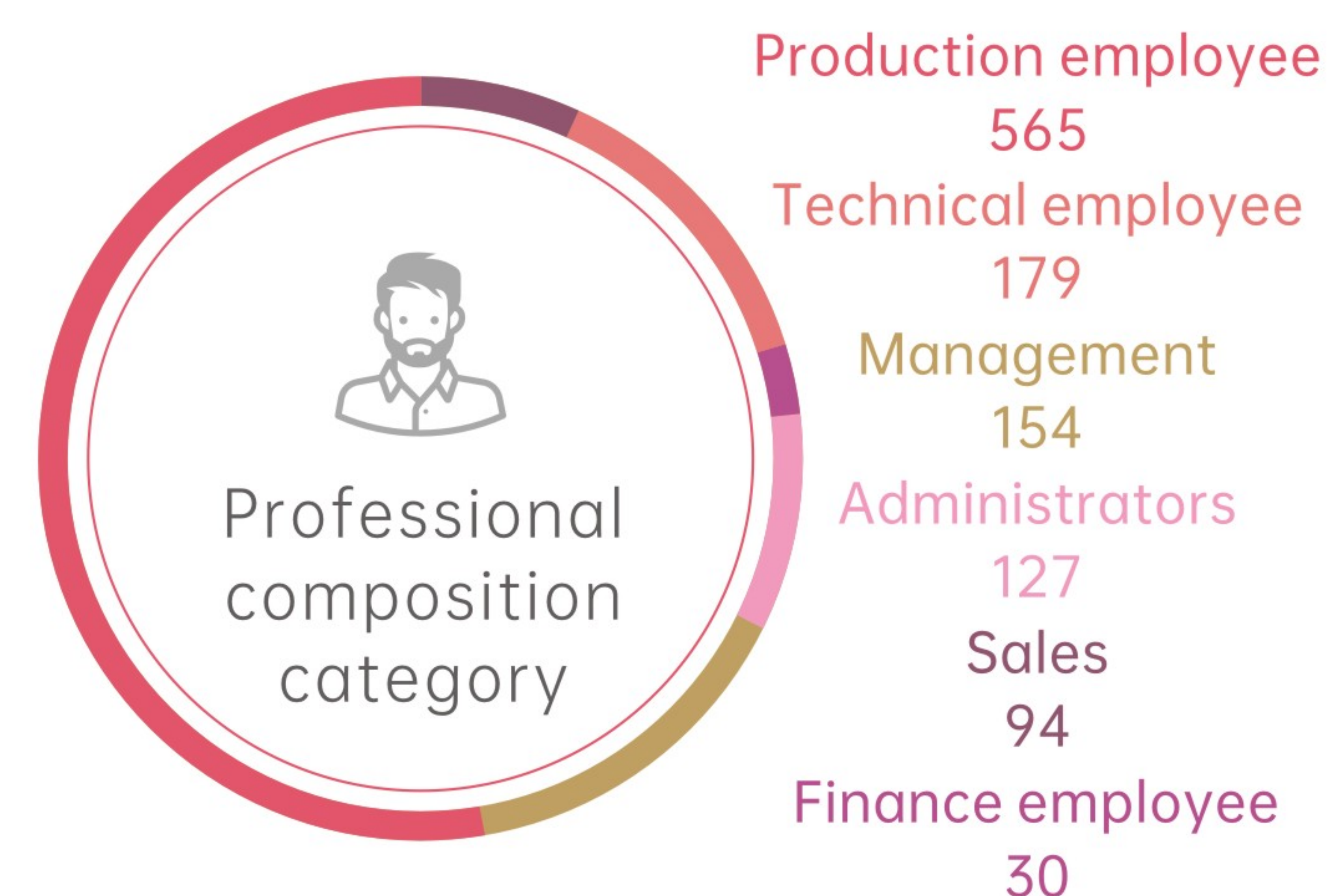
Number of employees employed by the parent company8

Number of employees in service in the holding subsidiaries141人



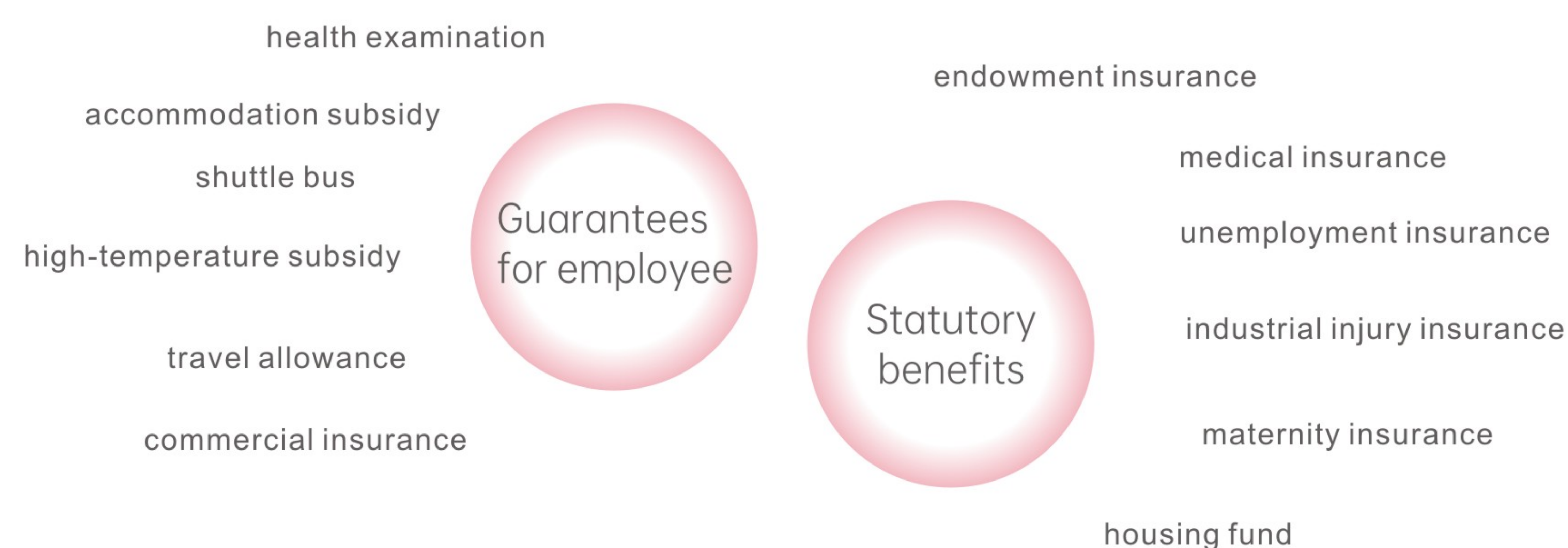
new employees 252人

employees left the company 146人



Employee Benefits

The Company and its subsidiaries have 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 to protect the rights and interests of our employee. The Company provide a number of benefits based on the overall needs of our employee on the basis of statutory benefits, forming a diversified welfare system:



Mutual aid among employees

The Company established the Employees' Mutual Aid Fund and 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 2021, the Fund has allocated 102,000 mutual-aids financial assistance to 7 employees.

Care for Employees



Being 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.



Care for Employees

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.

Employee activities

in order to enrich the spiritual life of our employee, the Company has carried out various employee activities, including the annual ceremony, Women's Day activities, reading month, celebration of employee birthday, orienteering, fun sports, fire safety drills, business knowledge competition, employee speech contest, photography contest, reunion activities, etc.



Employee Training and Development

Employee Training

Focusing on the development needs of the company, Great River Management School constantly innovates training modes and methods. In March 2019, the e-learning platform was launched, making training programs transcend time and space. Based on the e-learning platform and supported by GRMBA, Tower and Cornerstone training programs, the company provides professional, systematic and targeted training for employees at all levels. Through the combination of flexible online learning, intensive face-to-face training and after-school group discussion, all trainees can truly "put what they learn into practise". At present, Great River Management School has given full play to its role as the talent training platform, promoter of management reform and anchor of corporate culture, and has become a vital and strategic organization of Great River, effectively ensuring the sustainable, steady and healthy development of the company.

In 2021, the company have 1498 trainees, including 1179 men and 319 women, 166 managers and 1332 non-managers.

72,399 person-times of online training have been conducted on the e-learning platform, with a total of 56,455 hours of learning time, with an average learning time of 49.7 hours and 4,449 courses in total.

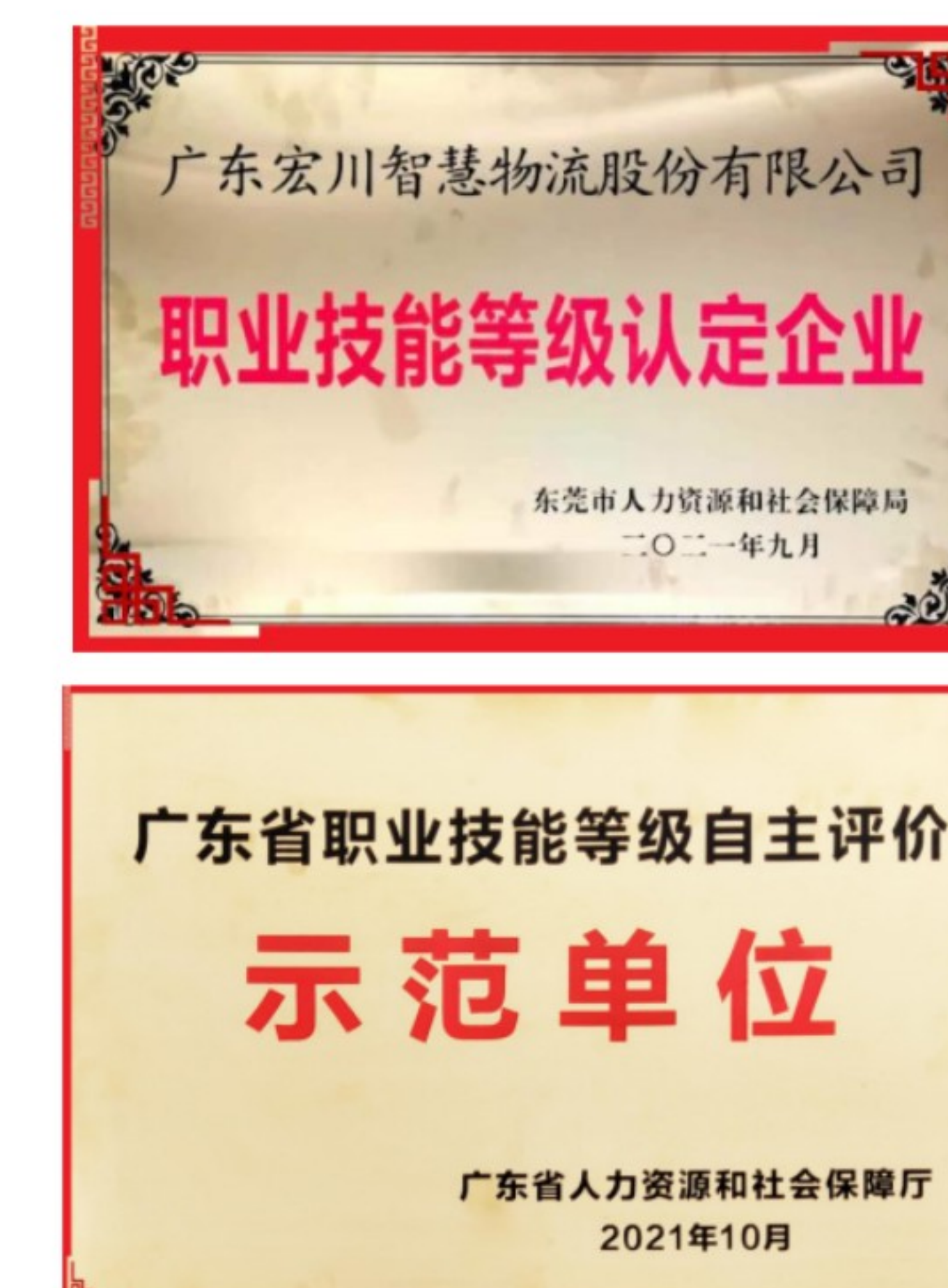
There were 539 offline training sessions, with 14,344 person-times of training and 2594.5 hours of teaching.



Key Training Projects in 2021

Vocational Skill Level Identification project

The company's application has been approved and recorded by Guangdong Province Vocational Skill Level Identification Management system, and the first batch of 114 oil storage and transportation workers have acquired relevant professional titles, and the company has won the title of "Guangdong Province Enterprise Vocational Skill Level Independent Identification Demonstration Unit".



HSE Professional Talent Training

The company organized a counseling and learning program for certified safety engineer as eligible from the middle and senior management team, and signed up the trainees for qualification examinations to acquire middle-level certification of safety engineers.

Post coach program



A total of 65 people participated in the post coach program, 52 post coaches passed the certification, and 52 courses were developed.

HSE professional skills upgrading projects

In order to implement laws and regulations on health, safety and environment, promote the implementation of HSE system and tools, Great River Management School, jointly with Great River Smarter Logistics Security Committee Office, developed specialized courses with online access, and became available to the employees according to specific circumstances.



Young Eagle Training Program

In 2021, 34 graduates participated in the training camp. During the two weeks, leaders from various departments of the company came to the classroom to share and communicate with the trainees in a simple way on company overview, management system, business operation, risk norms, career planning, and adapting to the new workplace environment, and answered questions for everyone. A total of 17 lecturers, 25 courses, and 53 hours, help the young eagle quickly merge into the Great River Smarter Logistics team.



Career Development

Adhering to the corporate mission of building a development platform for employees, the company strives to expand career development channels for employees, actively provides support and assistance, and promotes the development of the company while fulfill the value of employees, so as to achieve a win-win for both sides.

Promotion mechanism

a dual-channel promotion mechanism was adopted, that of managerial and technical. The promotion mechanism of the managerial channel is: grass-root employee - grass-root management personnel - middle management personnel - senior management personnel, and the promotion mechanism of the technical channel is: technician, technician specialist - technical director, chief technician - engineer, technical manager - chief engineer

Promotion cycle

In order to ensure that employees get promotion opportunities, the company provides two promotion and salary adjustment opportunities every year, respectively in July and January, depending on their monthly performance and comprehensive ability and contribution.



Employee capacity building program

In order to improve the skill-set of employees and ensure the healthy career development of employees under the two-channel promotion mechanism, the company has established a sound training system and diversified incentive programs.

Great River Management School was established to provide employees with learning and promotion opportunities through online and offline training.

For example, three major learning programs, Cornerstone, Mainstay and GRMBA, have been established to match and support the management knowledge required by different management levels.

By incubating internal instructors and summarizing job experience, the Company strengthens the transmission and accumulation of professional skills and provide support and guarantee for the technical development channel of employees. Through multiple incentive mechanisms, the enthusiasm of employees to learn can be fully mobilized with a platform to fulfill their stratified sets of values.

For example, a rewarding mechanism has been established for educational and skill upgrade, encouraging employees to enhance their comprehensive capacity and professional skills.

By participating in cross-departmental team work, employees can not only improve their overall ability but also expand their career field

Incentives and Appraisals



Equity Incentives

The company has implemented 4 equity incentive plans since its listing in 2018

Year	Forms of Equity Incentive Plans	Number of shares to be incentivised (in 10,000 shares per unit)	Number of employees to be incentivised
Fy2019	Stock options restricted stock	98.50	65
		50.00	8
Fy2020	Stock options	1000.00	87
Fy2021	Stock options	1000.00	119
Fy2022	Stock options	1000.00	153

Performance Appraisal

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 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.

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 is.

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.

"Quantity Quality" internal control assessment

"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.

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.

Giving Back to Society

Great River Smarter Logistics upholds the responsibility of creating comprehensive value for the society and gives back to the society through "Great River Charity Day" series of activities and daily public welfare activities.

Public Warfare Day

Great River Smarter Logistics set June 20 as "Great River Public Welfare Day" every year.

The company and its subordinate entities organize all employees to carry out public welfare activities such as community safety education, blood donation without compensation, helping the preservation of Yangtze River , caring for veterans and so on, practicing the public welfare concept of doing good to the world and giving back to the society.



Public Warfare Fund

In order to set up the named fund "Taicang Great River Haoshan Public Welfare Fund" under the Taicang Charity Foundation, Taicang Power Shell Petrochemical first injected 100,000 YUAN to carry out charity and public welfare projects such as poverty alleviation, social assistance, educational assistance to impoverished students and elderly care.



Public Service Activities

The Company actively responds to the call of relevant state departments and public welfare organizations to help public welfare undertakings such as environmental protection, educational assistance to impoverished students, poverty alleviation, and elderly care.



GRI

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