



中国建材

2023 Sinoma Science & Technology Co., Ltd. Environmental, Social and Governance Report



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● Stock Abbreviation: Sinoma Science & Technology ● Stock Code: 002080 ● Listed on Shenzhen Stock Exchange

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About the Report >>>

As the second Environmental, Social and Governance (ESG) Report issued by Sinoma Science & Technology Co, Ltd. ("Sinoma Science & Technology"), this report is prepared in an objective, standardized, transparent and comprehensive manner to fully disclose the specific measures, major practices, highlight cases and key performances in proactively assuming social responsibilities and executing effective management of ESG risks and opportunities by Sinoma Science & Technology in 2023, with a view to responding to the intended expectations of stakeholders and fulfilling its social responsibilities more efficiently.

Reporting Period

The period covered by this report starts from January 1, 2023 to December 31, 2023. Some content may extend beyond this scope.

Reporting Scope

This report is concerned with Sinoma Science & Technology Co, Ltd. and its subsidiaries.

References

This report is prepared in accordance with guidelines set forth in the Reference Indicator System for ESG Reports of Listed Companies Controlled by State-owned Enterprises (referred to as ESG Indicator System for State-owned Enterprises), Guiding Opinions on State-owned Enterprises Fulfilling Social Responsibilities Better, Work Plan for Improving the Quality of Listed Companies Controlled by State-owned Enterprises, and the Guidelines No. 1 of self-Regulation of Listed Companies on the Shenzhen Stock Exchange - Regulated Operation of Main Board Listed Companies (Revised in December 2023) issued by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), the GRI Standards by Global Reporting Initiative ("GRI"), and the Sustainable Development Goals (UN SDGs 2030).

Data Source & Assurance of Reliability

All information data referenced in this report is based on the in-house documentation, statistical report, financial report, etc., of Sinoma Science & Technology. This report is issued after full review by the Board of Sinoma Science & Technology and no presence of inaccurate records, misleading statements or major omissions will be found in this report.

Monetary Unit

Unless otherwise indicated, all monetary amounts are listed in RMB for this report.

Access to the Report

This report is available for reading and downloading at Shenzhen Stock Exchange website (www.szse.cn), and the official website of the Company (www.sinomatech.com).

Comments & Feedback

Any comments or suggestions regarding the content of this report or the Company's performance in ESG may be communicated to us by calling 010-88433966-200 or via our email at sinoma@sinomatech.com. Any valuable comment and suggestion will help us further improve this report.

Word Substitution

Sinoma Science & Technology/ The Company	Refers to	Sinoma Science & Technology/The Company
CNBMG	Refers to	China National Building Material Group Co., Ltd.
CNBM	Refers to	China National Building Material Company Limited
Sinoma Blade	Refers to	Sinoma Wind Power Blade Co., Ltd.
CTG	Refers to	Taishan Fiberglass Inc.
Sinoma Lithium Membrane	Refers to	Sinoma Lithium Membrane Co., Ltd.
NRDI	Refers to	Nanjing Fiberglass Research & Design Institute Co., Ltd.
Shandong Membrane Material	Refers to	Sinoma Membrane Material (Shandong) Co., Ltd.
Beijing Composite	Refers to	Beijing Composite Materials Co., Ltd.
Suzhou Non-metallic Minerals	Refers to	Suzhou Sinoma Design and Research Institute of Non-metallic Minerals Industrial Co., Ltd.
Suzhou Limited Chengdu/ Chengdu Limited	Refers to	Sinoma Science & Technology (Chengdu) Co., Ltd.
Suzhou Limited	Refers to	Sinoma Science & Technology (Suzhou) Co., Ltd.
NRDI's Special Fiber Company	Refers to	Jiangsu Hengzhou Special Glass Fiber Material Co., Ltd.
NRDI's Suqian Branch	Refers to	NGF (Suqian) New Material Co., Ltd.
Beijing Composite Tengzhou Company	Refers to	Beijing FRP Institute Tengzhou Composite Materials Co., Ltd.
Sinoma Blade (Yulin)	Refers to	Sinoma (Yulin) Wind Power Blade Co., Ltd.
Sinoma Blade (Yiwu)	Refers to	Sinoma (Yiwu) Wind Power Blade Co., Ltd.
Sinoma Blade (Yangjiang)	Refers to	Sinoma (Yangjiang) Wind Power Blade Co., Ltd.
Sinoma Blade (Brazil)	Refers to	Sinoma (Brazil) Wind Power Blade Co., Ltd.
Green Energy Company	Refers to	Green Energy Branch, Sinoma (Pingxiang) Wind Power Blade Co., Ltd.

Message from Chairman

Chairman of Sinoma Science & Technology

Huang Zaiman



The year 2023 is the opening year for the extensive implementation of the spirit of the 20th CPC National Congress, and a crucial year for continuing to implement the 14th Five-Year Plan. In the face of a volatile international environment and a slowing domestic industrial recovery, under the correct leadership of the Board of Directors, Sinoma Science & Technology and all its employees persevered to overcome the challenges, made new achievements in low-carbon development, technological innovation, and deepening reforms, and took solid steps towards high-quality development.

In 2023, the Company focused on innovation-driven strategies to promote low-carbon transition. Innovation has always been the primary driving force for its development. This year, the Company invested RMB 1,400 million in R&D, obtained 156 newly authorized invention patents, and achieved multiple landmark results in digital transformation. It actively practiced the dual carbon strategy, led the industry in compiling the Comprehensive Solutions for the Carbon Reduction Technical Guide for the Glass Fiber Industry, formulated the Implementation Plan for Peak Carbon Dioxide Emissions and Carbon Neutrality, established its own dual carbon work program and took corresponding measures. By the end of 2023, the Company owned 12 national-level green factories and 3 provincial-level green factories.

In 2023, the Company undertook the responsibilities of a central enterprise and contributed to building a harmonious society. It deeply implemented the concept of coordinated and shared development, paying equal attentions to business development and philanthropic responsibilities. Internally, the Company is committed to creating a safe, harmonious and secure working environment for all employees, continuously improving their sense of belonging and satisfaction. Externally, the Company actively undertook social responsibilities, increased charitable donations and supported rural revitalization in multiple aspects.

In 2023, the Company persisted in deepening governance reform, striving to establish a modern enterprise with distinct Chinese characteristics. The Company launched a new comprehensive round of state-owned enterprise (SOE) reform to profoundly advance three major institutional reforms and continuously improve market-oriented operational mechanisms. Meanwhile, it optimized the checklist for decisions made in "three meetings," further clarifying the boundaries of governance. Based on efforts made in last year, the Company's "Science and Technology Reform Demonstration" Initiative continued to draw and promote valuable experience, with multiple reform achievements recognized by the industry.

2023 was a critical juncture that bridged past and future when the Company, bearing the responsibilities and mission of a central enterprise, practiced the new development philosophy, sought high-quality development, and steadily progressed towards the goal of becoming a world-class leader in new materials.

About Sinoma Science & Technology

Sinoma Science & Technology Co., Ltd. was established as a joint-stock enterprise registered with the State Administration for Industry and Commerce on December 28, 2001. The Company's A-shares went listed on the Shenzhen Stock Exchange on November 20, 2006. After the restructuring in 2016, it became a subsidiary of China National Building Material Group Corporation (CNBMG). As of 2023, the Company has a total employee count of 24,135.

The Company inherited the original NRD, Beijing FRP Research & Design Institute Materials Co., Ltd. and Suzhou Nonmetallic Minerals, thus inheriting their more than 50 years of core technology resources and talent as advantages. The Company has completed industry chain of non-metallic mineral material, glass fiber, fiber composite material technology. The Company is a high-tech enterprise integrating R&D, design, product manufacturing and sales, and technology and equipment in the field of special fiber composites in China.

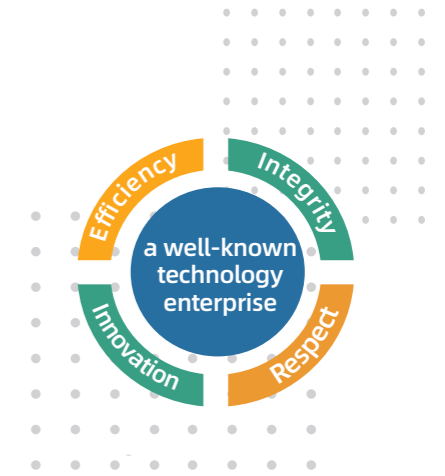
In 2023, the Company focused on certain strategic emerging industries such as new energy, new materials, energy conservation and emission reduction and concentrated our advantageous resources to vigorously develop three leading industries of wind power blades, fiberglass and products, and lithium battery separator. And the Company is, at the same time, engaged in the research and development, manufacturing and sales of high-pressure gas cylinders, membrane materials and other composite materials products. Our business products are closely related to applicable fields of new energy, aerospace, energy conservation and emission reduction.



Corporate Culture

Mission & Vision

The Company sticks to the core values of integrity, respect, innovation and efficiency, and business philosophy of harmonious development of employees, customers, shareholders and the society. With the mission of promoting the development of new materials industry and promoting social technological progress and the goal of meeting customer needs and improving customer value, the Company is committed to building itself into a well-known technology enterprise in China's materials industry that is most respected by customers, and believed by employees and shareholders.



Core Values

Integrity

To be loyal to shareholders, sincere to customers and responsible for the society. The Company advocates the code of conduct of authenticity, openness, transparency and mutual trust, and establishes a branding image of integrity within the industry.

Respect

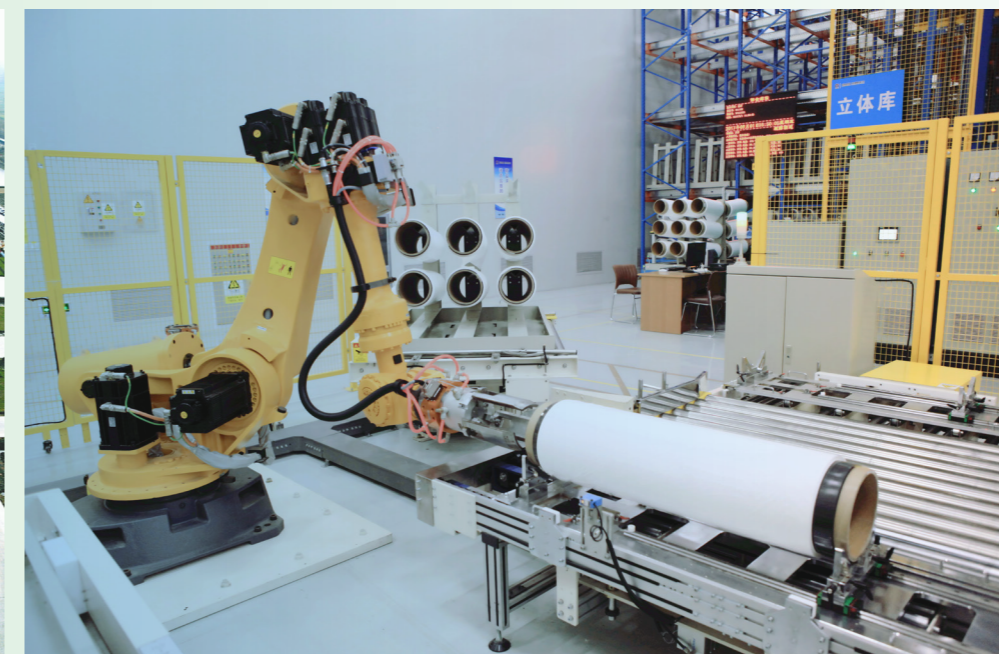
To respect customers, suppliers, intellectual property rights and competitors. Internally, the Company advocate team spirit of mutual respect, mutual care and mutual support to earn the respect of society and collaborators.

Innovation

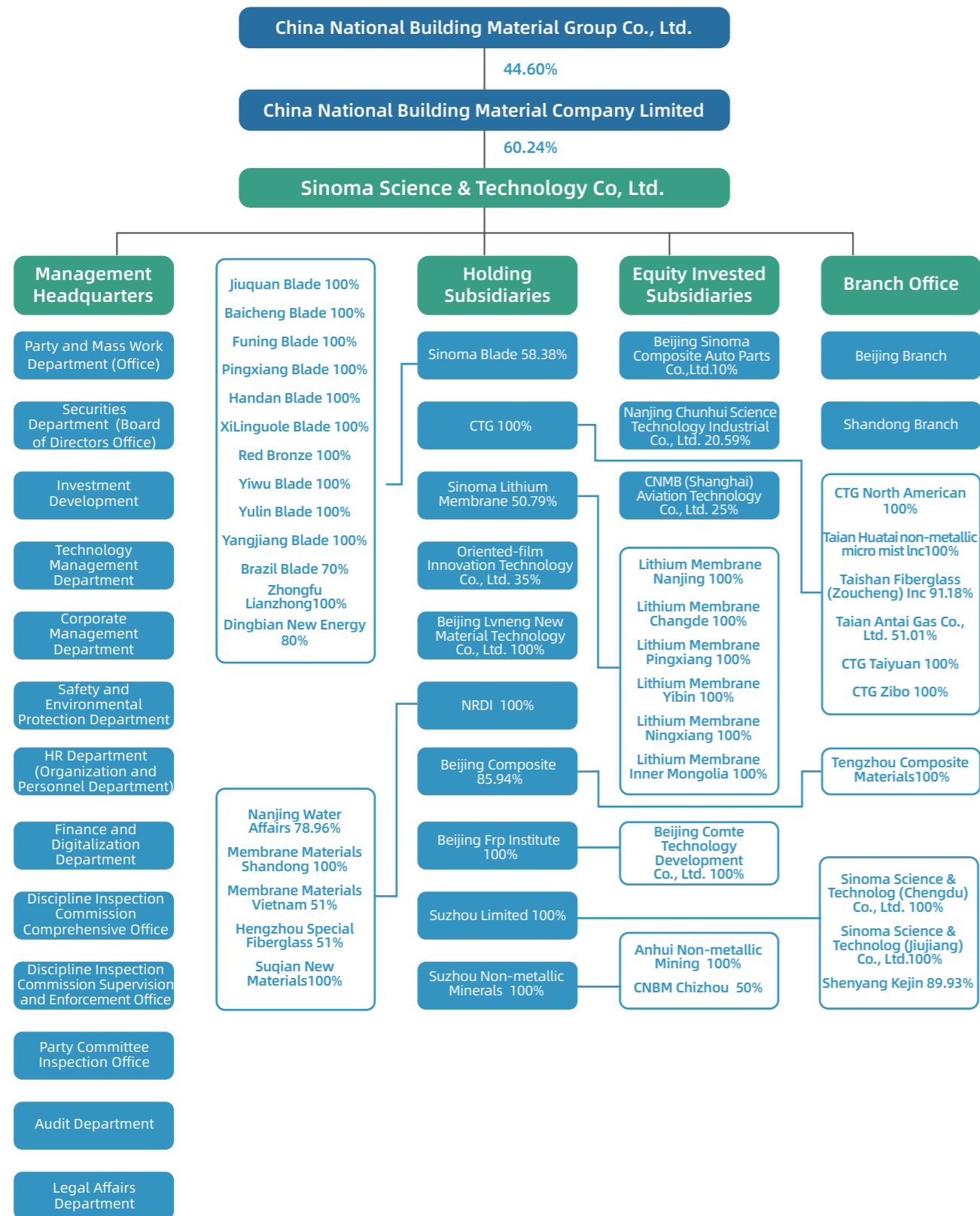
To enhance the awareness of innovation, create an innovative environment, maintain competitive advantages through technological innovation, improve operational capabilities through management innovation, and promote the development of the Company through strategic innovation.

Efficiency

The Company advocates the working principles of consistent objectives, rapid response, unified paces and determined implementation in pursuit of a highly efficient and highly effective operation.



Organizational Chart



Business Overview



Fiberglass

The leading products fall in eight major categories and over 2,000 specifications, including untwisted coarse yarns, thermoplastic fibers, chopped strand mats, grid fabrics, multi-axial warp knitted fabrics for wind power blades, electronic grade fine yarns and electronic fabrics, alkali-resistant fibers, and glass fiber non-woven fabrics. These products are widely used in various sectors of the national economy, including construction and infrastructure, automotive and transportation, chemical and environmental protection, electronics and electrical, and maritime and marine.

Wind Power Blades

Currently, the Company offers over 150 models for various operating environments, including high and low temperatures, high altitudes, low wind speeds, coastal areas and offshore scenarios. The whole series has been certified by authoritative organizations such as CGC, DNV-GL, and TUV.

Lithium-Ion Battery Separator

One of the core materials for lithium batteries, widely used in fields such as new energy vehicles, consumer electronics and energy storage.

Social Recognition



Awarded to: Sinoma Science & Technology
Honor: Top 100 Building Materials Companies in 2023
Awarded by: China Building Materials Enterprise Management Association



Awarded to: Sinoma Science & Technology
Honor: Top 100 Most Promising Building Materials Companies in 2023
Awarded by: China Building Materials Enterprise Management Association



Awarded to: Sinoma Science & Technology
Honor: Classic Case of Excellent Achievement in Building Material Enterprise Cultural Construction for 2022-2023 (First Prize)
Awarded by: China Building Materials Enterprise Management Association



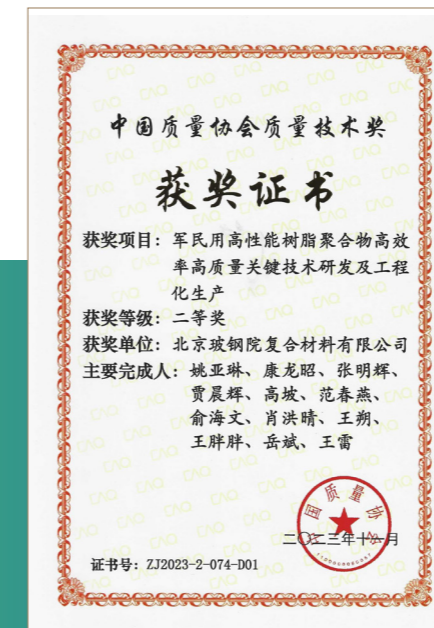
Awarded to: Sinoma Science & Technology
Honor: Key Supporter for Carbon Peak in the Building Material Industry
Awarded by: China Building Materials Federation (CBMF)



Awarded to: Sinoma Science & Technology
Honor: 2023 Top 500 Creditworthy Listed Companies in China
Awarded by: Chinese Enterprise Reform and Development Society



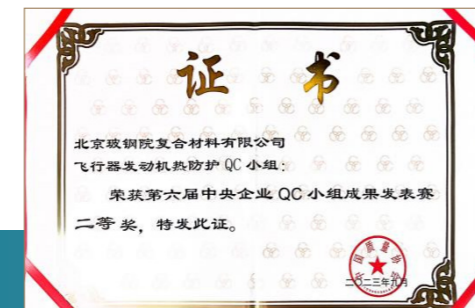
Awarded to: Sinoma Science & Technology
Honor: 2023 Excellent Enterprise Party Building Brand in China
Awarded by: China Enterprise News



Awarded to: Beijing Composite
Honor: Second Prize of 2023 Quality Technology Awards
Awarded by: China Association for Quality



Awarded to: CTG
Honor: 2023 National Advanced Organization of Excellent Performance
Awarded by: China Association for Quality



Awarded to: Beijing Composite
Honor: Second Prize at the Fifth Central Enterprise QC Group Achievement Presentation Competition
Awarded by: China Association for Quality

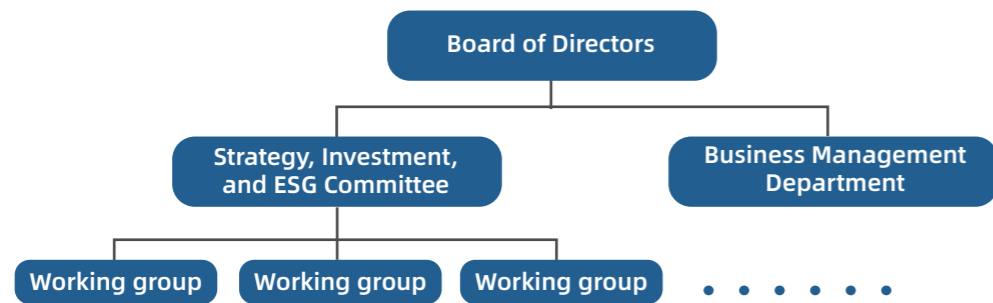


Awarded to: Sinoma Science & Technology
Honor: Top 100 Manufacturing Enterprises in Nanjing, 12th place
Awarded by: Nanjing city Enterprise Federation Nanjing Entrepreneur Association.

ESG Strategies and Management



ESG Governance Architecture



The Company has established a comprehensive ESG governance framework to drive the progression of its ESG initiatives.

The Company formulated the Implementation Details for the Board of Directors' Strategy, Investment, and ESG Committee, positioning the Board of Directors as the supreme decision-making body for ESG, responsible for formulating the Company's strategic planning and policy systems in ESG and deliberating on ESG-related proposals. The Board of Directors has established a Strategy, Investment, and ESG Committee. Its main responsibilities include researching and suggesting long-term development strategies and investment, major investment decisions, and ESG initiatives. A working group was set up under the Strategy, Investment, and ESG Committee, responsible for preparing preliminary work for the Committee's decisions. The working group has to provide relevant information to the Company, ensure regular operation and compliance of the Committee, and offer professional support.

Business Management Department, the Company's dedicated ESG organization led by the Board of Directors, was set up to incorporate the ESG activities into the routine departmental business management and operations, carry out ESG information collection, reporting and review on a regular basis, increase the statistical control efficiency and ESG activity performances to provide extensive support in the efficient execution and implementation of ESG activities.

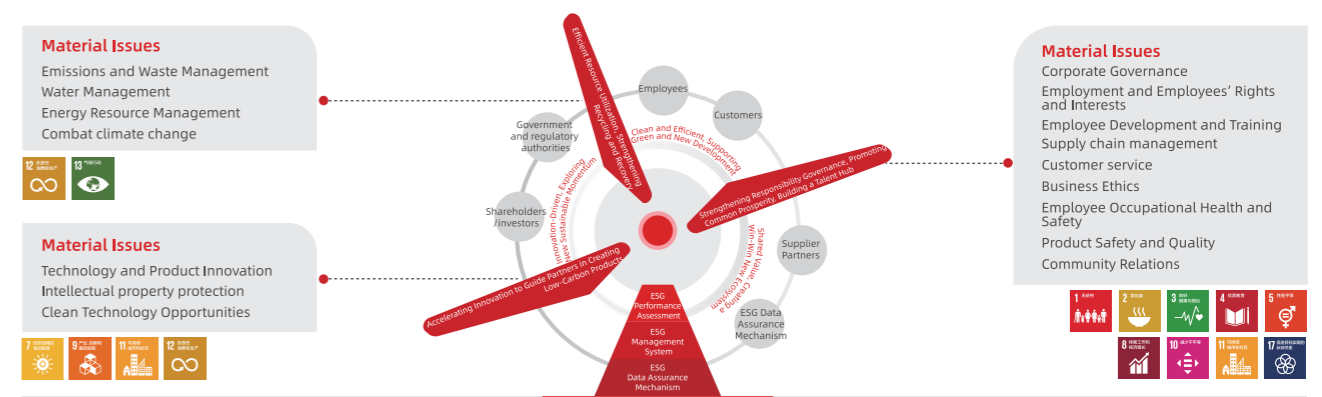
Sustainable Development Strategies

Sustainable development is an integral part of the construction of a world-class enterprise. The Company has never forgotten its mission to "drive the development of the new materials industry and promote technological progress in society." Adhering to the business positioning of being "value-oriented, innovative, and international," it accelerated the implementation of the "3461" development strategy, striving to make Sinoma Science & Technology a company of "high efficiency, high quality, and high growth". To explore engines for sustainable business development and enhance the Company's sustainable development management level, the Company continuously internalized the concept of sustainable development and effectively integrated it with the business development strategy in 2023. Leading industrial practices and stakeholders' demands were taken into consideration to help identify development opportunities in the green and low-carbon field, and formulate the "2367" sustainable development strategy.

The Company kept emphasizing its mission of "driving the development of the new materials industry and promoting technological progress in society" and vision of "striving to become a leading international enterprise in the new materials sector." Efforts were focused on three major directions, namely, innovation-driven, value-sharing, and clean and efficient development, in response to the demands of six major stakeholders, while concentrating on seven critical areas of sustainable development. Sustainable development practices were initiated and promoted from the strategic level to ignite new engines for value growth.

Leveraging its intrinsic advantages in the green and low-carbon industry sector, the Company focused on innovation in sustainable development management, seized opportunities for low-carbon green products, and explored new drivers for sustainable development. It strengthened emission management and waste recycling, fulfilled efficient resource utilization, and supported green new development. Corporate governance was optimized to build a diverse talent pool, refine products and services, empower supply chain partners comprehensively, and realize the collaborative development of all relevant parties. To ensure the smooth and effective implementation of the sustainable development strategy, the Company will continue improving its ESG governance framework and system, establish a digitalized ESG indicator system and key objectives, and encourage the improvement of the quality and efficiency of ESG work.

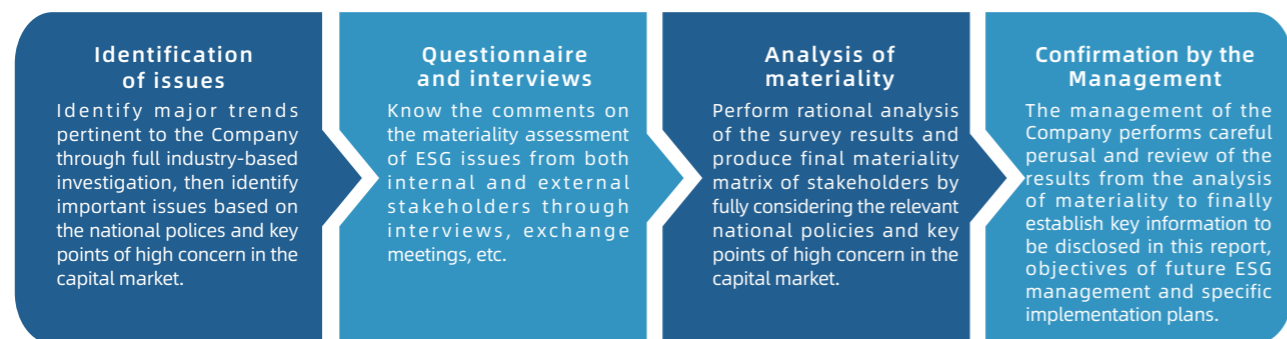
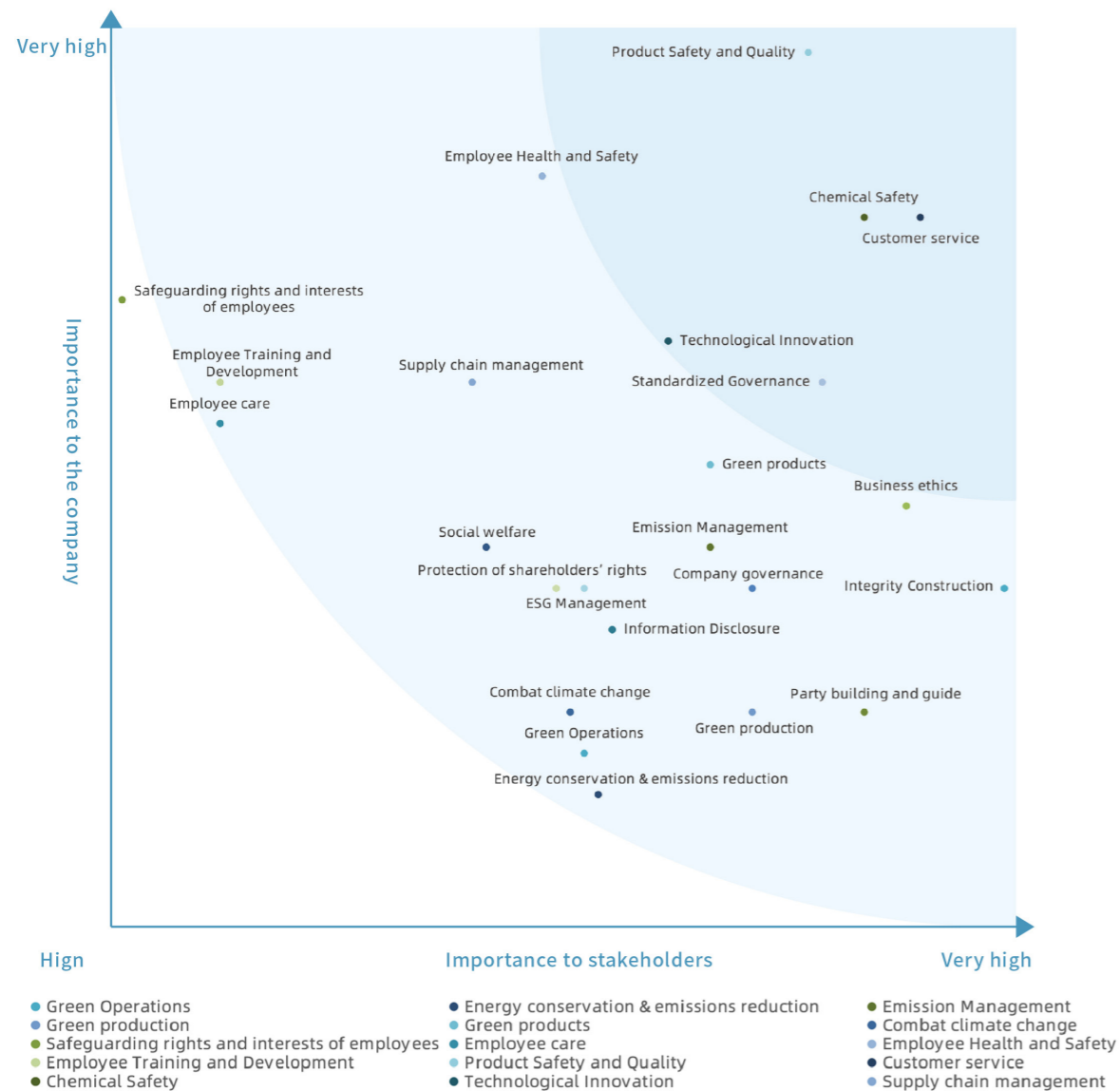
In the future, the Company will continue to deeply integrate the concept of sustainable development into business development and corporate management. It will define specific action projects and diligently pursue them, further enhancing the level of sustainable development management. The Company will effectively promote its own and the industry's green and low-carbon transformation and development, contributing to the United Nations' Sustainable Development Goals, thereby aiding the high-quality economic and social development and ecological civilization construction of China.



Analysis of Material Topics

In order to understand the concerns, expectations and demands of stakeholders regarding its sustainable development, the Company conducted an analysis on substantive ESG issues. It followed the established work processes, identified and selected a list of ESG issues relevant to the Company in 2023. These issues were assessed based on their importance to stakeholders and the Company, leading to the creation of a materiality matrix of issues.

Based on the questionnaire responses, the Company's current materiality matrix of issues is as follows:



Interactions with Stakeholders

Continuous and effective communication with stakeholders forms the solid foundation for the Company's long-term stable operation. The Company places high importance on communication with various stakeholders and actively engages with them on multiple platforms. With key stakeholders' needs regarding its products, services and operations taken into consideration, the Company will establish various forms of communication media and methods to promote bidirectional and transparent feedback between the whole organization and its stakeholders.

Stakeholders	Expectations and Demands	Communication Mechanisms
<p>Government and regulatory authorities</p>	<ul style="list-style-type: none"> ● Legality and compliance in business practices ● Implement national policies ● Paying taxes in accordance with the law ● Green production ● Technological Innovation 	<ul style="list-style-type: none"> ● Work report ● Environmental information disclosure ● Regular disclosure of corporate information
<p>Shareholders/ investors</p>	<ul style="list-style-type: none"> ● Creating stable returns ● Improving Corporate Governance ● Strengthening investor relation management ● Disclosing information promptly, accurately and comprehensively 	<ul style="list-style-type: none"> ● Publishing periodic reports ● Holding shareholders' general meetings, performance presentations, roadshows ● "Easy to Interact" platform (irm.ninfo.com.cn), investor hotline, enterprise communication
<p>Employees</p>	<ul style="list-style-type: none"> ● Safeguarding rights and interests of employees ● Guarantee of remuneration and benefits ● Occupational health and safety ● Career advancement and development 	<ul style="list-style-type: none"> ● Safety training and drills ● Career development training ● Helping employees in need ● Employee congresses, employee symposiums, etc.
<p>Suppliers</p>	<ul style="list-style-type: none"> ● Anti-unfair Competition ● Practicing responsible procurement ● Combating corruption and encouraging integrity 	<ul style="list-style-type: none"> ● Supplier management assessment and communication ● Contract negotiations and daily meetings ● Regular disclosure of corporate information
<p>Customers</p>	<ul style="list-style-type: none"> ● Providing safe, environmentally friendly and high-quality products ● Technological Innovation ● Excellent customer service ● Integrity management 	<ul style="list-style-type: none"> ● Customer satisfaction survey ● Customer complaint handling and return visit ● Regular disclosure of corporate information
<p>Partners</p>	<ul style="list-style-type: none"> ● Strictly observing business ethics ● Promoting industry growth 	<ul style="list-style-type: none"> ● Cooperation and communication ● Regular disclosure of corporate information
<p>Environment</p>	<ul style="list-style-type: none"> ● "Dual Carbon" strategy ● Sustainable development 	<ul style="list-style-type: none"> ● Periodic reports
<p>Public/community</p>	<ul style="list-style-type: none"> ● Green production ● Fulfilling social responsibility 	<ul style="list-style-type: none"> ● Participating in community co-construction, contribution ● Rural revitalization ● Regular disclosure of corporate information

01 Green Supporting Clean Energy



Deeply implementing Xi Jinping's thought on ecological civilization, the Company has actively enacted green development concepts by formulating the 14th Five-Year Plan for Environmental Protection and Energy Saving and Emission Reduction and making environmental protection and sustainable development one of its core strategies. The Company continuously improves its environmental protection system, strictly adheres to relevant laws and regulations, and has established its own environmental protection policies. To achieve the "dual carbon" goals, the Company adopts a multi-faceted approach, taking active actions to reduce carbon emissions and enhance carbon efficiency. Through research and development, and sales of green products, the Company supports the transformation towards clean energy while seizing green development opportunities, striving to achieve its green development strategic goal of "Enhancing Materials Quality and Improving Life Quality."



Investment on environmental protection efforts:

16,138.81 RMB



Number of factories with environment-related ISO certifications:

33



Number of violations of environmental laws and regulations:

0



Water recycling rate:

48.68%



Carbon emission reduction achieved by the Company's wind power blade products:

6,132,000 metric tons of CO2 equivalent

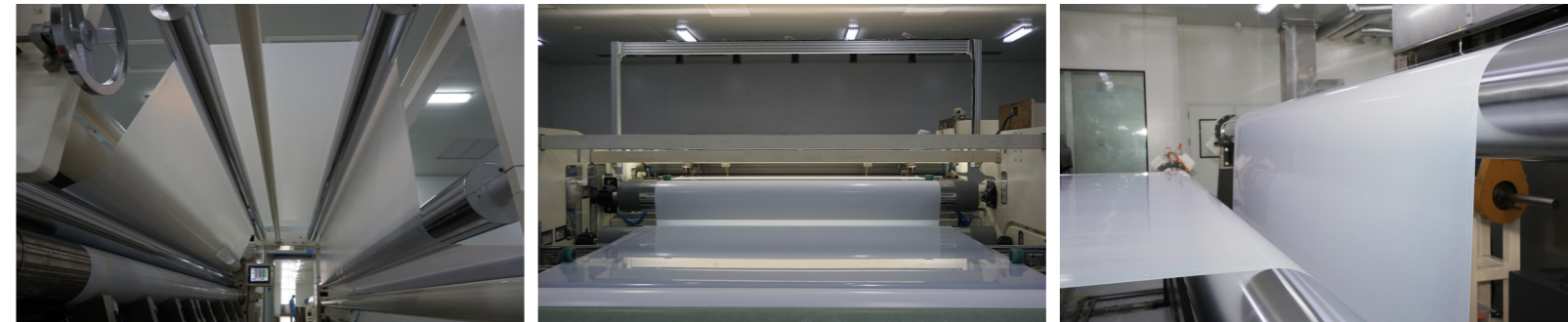
Improving Environmental Protection System

Indicator		
Investment on environmental protection efforts 16,138.81 RMB 10,000	Number of violations of environmental laws and regulations 0 time	Number of environment-related ISO certifications ISO14001 33
Cost savings in environmental protection efforts 4.16 RMB 10,000	Number of national-level green factories 12	ISO50001 20

The Company has always been upholding green management and development principles, strictly adhering to and enforcing critical environmental protection laws of the People's Republic of China. These include Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Soil Pollution, Law of the People's Republic of China on Water and Soil Conservation, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Law of the People's Republic of China on the Prevention and Control of Noise Pollution, Law of the People's Republic of China on the Promotion of Clean Production and Energy Conservation Law of the People's Republic of China, which may significantly impact the Company regarding waste gas emissions, greenhouse gas (GHG) emissions, sewage, and waste discharge. In reference to these laws, the Company has developed over 10 management systems, including Energy Saving and Ecological Environment Protection Management Methods, Ecological Environment Protection Responsibility System, Management Rules on Safety and Environmental Protection Due Diligence for Mergers and Acquisitions, and Emergency Management Methods for Environmental Incidents. In 2023, the Company's subsidiaries created and revised over 300 related systems.

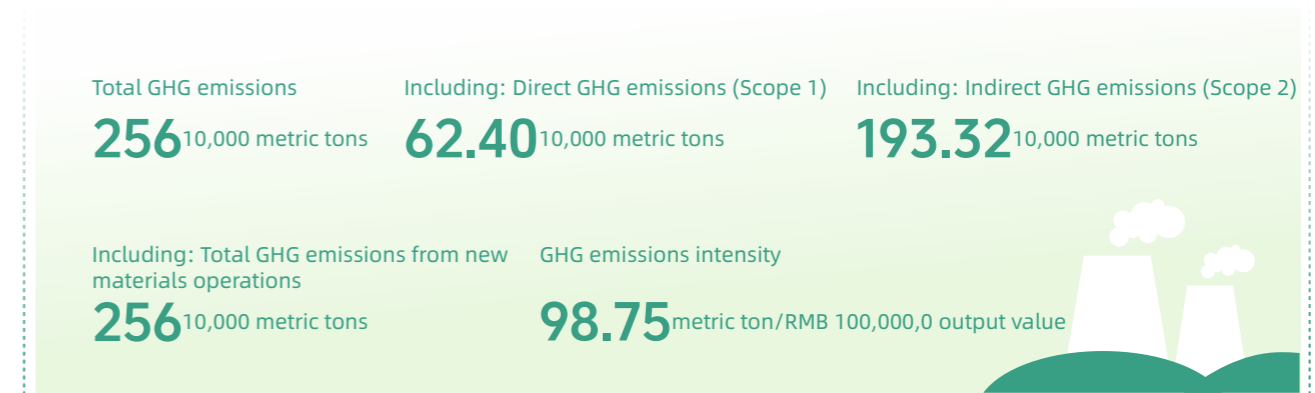
To ensure the implementation of these systems, the Company has continuously improved its environmental management responsibility structure. The Chairman and President jointly bear the leadership responsibility for environmental protection. The Vice President in charge of environmental protection work is responsible for the overall execution of these tasks. Other members at the governance level are responsible for environmental protection within their scope of work, and heads of each department, as the primary responsible persons for their department's environmental work, lead their teams to actively practice the Company's environmental management systems, thereby forming a comprehensive top-down management system.

In 2023:



Combating Climate Change

Indicator



Carbon Emission Management System

Governance

- The Company established a comprehensive carbon management system and management regulations at all levels, strictly auditing the carbon emission data reporting system, forming a complete assessment system.
- Studies were conducted on "dual carbon" policies to complete the formulation of Dual Carbon Work Action Pathway and Method Report and Dual Carbon Peak and Neutrality Implementation Plan.

Strategy

- Subsidiaries conducted carbon emission statistics, verification and trainings, and established various online platforms for energy consumption monitoring and analysis.
- By the end of 2023, the Company had 5 certified carbon emission managers and offered no less than 200 training sessions for personnel related to carbon emission management.
- Subsidiaries actively participated in carbon emission rights trading.

Performance Goals

- Active measures were taken to achieve carbon emission reduction targets.
- In 2023, the Company's comprehensive energy consumption and carbon emissions per unit of output value decreased by 3% and 2%, respectively, compared to the previous year.

Risk Management

- Potential risks and opportunities in the Company's business and operational activities were identified.
- Strategies were developed to eliminate, mitigate, transfer, or control these risks based on their types.

Additionally, the Company led the formulation of the Carbon Reduction Technical Guide for the Glass Fiber Industry and awarded the medal of the "Key Supporter for Carbon Peak in the Building Material Industry" medal by the Federation, while actively participating in national research projects on energy conservation and environmental protection.

Case: Subsidiaries Participating in the Establishment of Industry Standards

- NRD built, through the platform of the Standard Certification Technical Research Institute, a multi-dimensional service model of "standard-evaluation-application" that spans from green standard setting and evaluation to carbon asset management, and from energy-saving diagnostics to energy-saving renovation. Its lead-developed industry standards, The two industrial standards formulated with NRD playing the leading role, Carbon Allowances of Glass Fiber Unit Products and Unit Product Carbon Allowances of Rock Wool, Slag Wool and Their Products are now in the stage of exposure draft and opinion seeking. These two standards, as the first "dual carbon" industry standards for glass fiber, rock wool, slag wool and their products, further encourage enterprises within the industry to participate more extensively in carbon peak and carbon neutrality actions, contributing corporate strength to China's "dual carbon" goals.
- CTG took part in the formulation of five low-carbon, green industry and group standards, including standards of the Glass Fiber Association, contributing to the development of the industry.

Carbon Management Actions

To advance energy conservation, emission reduction and carbon emission reduction, the Company actively facilitates green energy transformation and energy-saving carbon reduction technological improvements.

In 2023, the Company actively advanced photovoltaic projects by constructing 3 "Photovoltaic +" energy factories and adding 5 new photovoltaic construction projects, with an installed photovoltaic capacity of 23 megawatts. The existing installed capacity is 44.5 megawatts, generating 35,000 megawatt-hours of electricity, equivalent to a reduction of 25,000 metric tons of carbon dioxide emissions.



CTG's Photovoltaic Project

Case: Subsidiaries Improving Technology for Energy Saving and Carbon Reduction

CTG profoundly deployed the technology of energy cascade utilization to carry out in-depth energy efficiency exploration of existing waste heat. Within the year, it achieved third-level utilization of flue gas waste heat and the promotion of product process waste heat utilization technology; and, enhanced energy power station room construction, achieving precise energy-saving control, with a 7.4% reduction in carbon dioxide emissions compared to the previous year. Sinoma Blade established a smart energy efficiency monitoring platform to ensure online monitoring and statistical analysis of energy consumption.

Case: Sinoma Lithium Membrane Implementing Special ECO Initiative to Effectively Reduce Carbon Emissions

Sinoma Lithium Membrane carried out an ECO (Energy Cost Optimization) Initiative that covered 62 energy-saving and consumption-reducing projects to achieve a 10% year-over-year carbon reduction, achieving efficient use of water, electricity, and steam - the three major categories of energy required for production. In the fourth quarter of 2023, the consumption of these three energy sources is expected to decrease by about 3% compared to the first three quarters, effectively reducing carbon emissions by 34,000 metric tons. In 2024, the same-caliber goal for water, electricity, and steam consumption across all bases is set to be a year-over-year reduction of at least 10%, totaling a cost-saving target of RMB 80 million and reducing carbon emissions by 112,000 metric tons.

Climate Change Risks and Actions

Indicator

Expenditures to address increasing extreme hot and cold weather		Expenditures to address extreme weather events such as floods and typhoons
Annual high-temperature subsidies for employees	Annual expenditures for high-temperature resistance and frost protection upgrades of factories and pipelines	1. Annual expenditures for factory reinforcement and reconstruction, and drainage system upgrades 2. Costs of flood and typhoon protection equipment and facilities
1,598.84 RMB 10,000	29.30 RMB 10,000	18.37 RMB 10,000

The Company is fully aware of the potential impacts of climate change on its business and operations, therefore is proactively identifying and addressing climate change risks. This is achieved by developing a comprehensive climate change strategy. Through this climate change strategy, the Company can better manage and respond to the challenges brought by climate change, while seizing related opportunities.

Risk Types	Description & Impact	Actions Taken	Impact Degree	Duration
Physical risks	Emerging risks Short-term extreme weather events like typhoons, heavy rains, and droughts could lead to risks of production stoppages, reduced output, and supply chain disruptions. These may result in equipment damage, safety incidents, increased costs, reduced capacity and other consequences.	Established an Emergency Response Plan for Sudden Environmental Incidents, organizing annual emergency drills to enhance the company's and employees' capacity to respond to extreme weather, thereby minimizing the impact of climate change on production operations.	High	Short-term
	Chronic risks Rising temperatures could lead to increased demand for electricity, driving up operational and equipment maintenance costs, and altering product performance; production conditions at the Company's mountainous or coastal bases may be influenced.	Adopted efficient energy-saving equipment and technologies, optimized production processes and workflows to reduce energy consumption.	Medium	Medium-and long-term
Transition risks	Policies and regulations Environmental regulations are becoming increasingly stringent. The Company's involvement in the production, operation, use, and sales of hazardous chemicals could lead to safety incidents, environmental pollution events, and occupational health hazards due to natural disasters or inadequate management.	Carefully studied relevant policy changes, established comprehensive environmental management systems and safe production management systems, especially strengthening occupational health and safety in hazardous chemical processes.	High	Medium-and long-term

Risk Types	Description & Impact	Actions Taken	Impact Degree	Duration	
Transition risks	Technologies	Increasing environmental, performance, and production process requirements and the acceleration of low-carbon transition necessitate costly technological innovations.	Actively participated in carbon emission trading, promoted green energy transformation and energy conservation and emission reduction technical improvements, such as advancing photovoltaic projects and optimizing energy utilization technologies.	Medium	Medium-and long-term
	Market	The growing customer and market demand for low-carbon products and services requires the Company to increase spending on low-carbon technology transformation projects, upgrade high-energy-consuming equipment and gradually increase the use of clean energy.	Accelerated the construction of a green, low-carbon industry layout. Adopted measures like source reduction of carbon emissions and the use of green electricity to reduce the carbon footprint of products.	Medium-high	Medium-and long-term
	Reputation	Customers, suppliers, and other stakeholders are increasingly concerned about the Company's performance in addressing climate change. Failure to respond to their demands or legal and regulatory violations could pose reputational risks and damage the Company's image.	Established a climate change management system, strengthened environmental management and carbon emission control, promptly disclosed ESG reports, and responded to stakeholder demands.	Medium-high	Medium-and long-term

Climate change also brings many business opportunities for the Company. It will actively identify and take measures to seize opportunities related to climate change, so as to achieve sustainable development.

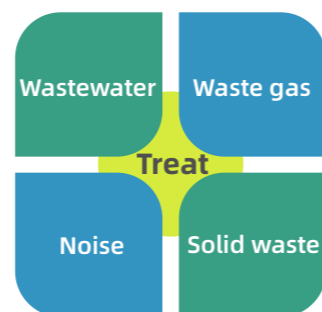
Opportunities	Actions Taken	Impact Degree	Duration
Improvement of resource efficiency	Enhancing resource use efficiency to achieve cost reduction and efficiency improvements at the resource level, save resource costs and improve production efficiency.	Medium	Short-term
Engagement in carbon trading	Actively participating in carbon emission market trading and promoting energy transformation on the procurement side, reducing the risk of energy and carbon emission price increases in future.	Medium	Medium-and long-term
Policy support	Actively developing green products and services to qualify for policy incentives and subsidies.	Medium	Medium-and long-term
Green products and services	Focus on new energy wind power blades, lithium battery diaphragms, hydrogen storage cylinders and other new materials, green low-carbon industries and other strategic emerging industries, seize the opportunity of energy transformation, and expand and strengthen green business.	High	Long-term
Green finance	Seeking green financial investments and loans to fund the Company's green transformation and support sustainable development.	Medium	Medium-and long-term
Corporate image	Strengthening corporate social responsibility practices, promoting sustainable development concepts, and enhancing public recognition.	Medium	Long-term

Strict Control of Pollution and Waste Emissions

Waste Gas Management

Indicator	Unit	Data
Total emissions of nitrogen oxides (NO _x)	metric ton	256.99
Total emissions of sulfur dioxide (SO ₂)	metric ton	0.94
Industrial particulate matter emissions	metric ton	91.00
Total emissions of volatile organic compounds (VOCs)	metric ton	12.29
Total emissions of chemical oxygen demand (COD)	metric ton	271.05

In order to deal with atmospheric pollutants generated from various production lines during production and operational processes, including sulfur dioxide, nitrogen oxides, particulate matter and volatile organic compounds, all production and operational units of the Company have been equipped with corresponding environmental protection facilities to treat wastewater, waste gas, noise and solid waste.



Major Achievements of the Year

- The three major production bases of Sinoma Lithium Membrane Division have completed the transformation of die head oil smoke and TDO exhaust gas collection and treatment, with all their VOCs emission concentration lower than 20 mg/m³. In the meantime, Sinoma Lithium Membrane has extended exhaust gas transformation technology to the design and construction stages of new production lines, creating conditions for emission reduction at the source, thus achieving coordinated reduction of VOCs and greenhouse gases.
- In April, NRD1 upgraded its obsolete activated carbon secondary adsorption equipment to improve the collection and adsorption efficiency of VOCs, reducing emissions by 10%.

- Energy-saving and emission-reduction measures were adopted by Sinoma Blade, resulting in a year-over-year reduction of 6.6% in sulfur dioxide emissions and 9.6% in nitrogen oxides emissions.



Wastewater Management

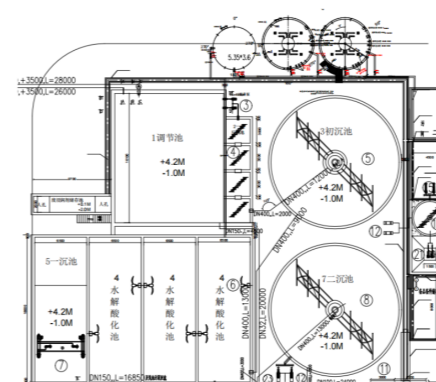
Indicator	Unit	Data	
Discharge of wastewater	Industrial wastewater	metric ton	4,191,088.20
	Domestic wastewater	metric ton	755,809.60
Discharge of wastewater pollutant	COD	metric ton	271.05
	Ammonia nitrogen	metric ton	11.10
Total discharge	ML	4,946.90	
Total water consumption	ML	8,666.80	

The wastewater generated by Sinoma Science & Technology primarily comes from production and domestic waste in the factory areas. All production and operational units of the Company have established corresponding facilities to treat solid waste. As required by the Company, all affiliated full-level production subsidiaries have obtained pollution discharge permits. They regularly conduct pollutant emission monitoring and have established comprehensive ecological and environmental emergency plans. They also strengthened the maintenance of energy-saving and environmental protection facilities to ensure efficient operation of equipment.

Case: CTG Conducting Research on Enhancing the Biodegradability of Glass Fiber Sizing Agent Wastewater, Improving Wastewater Treatment Capacity and Efficiency by 5% and 10%, Respectively

CTG made research efforts to enhance the biodegradability of glass fiber sizing agent wastewater, thereby improving wastewater treatment capacity. The implementation of this project reduced the COD in reclaimed water by 21%, significantly improving water quality. The amount of reused water increased to 500 cubic meters per day, reducing the consumption of tap water and saving more than RMB 1,500 per day. The reclaimed water with improved quality could be further processed to produce pure water for production use, further reducing tap water consumption and achieving energy saving and carbon reduction. The process design of future wastewater treatment

plants can focus on enhancing the biodegradability of wastewater, with anaerobic (hydrolysis and acidification) process designs considering factors such as hydraulic retention time, water distribution methods, and return and sludge removal designs.

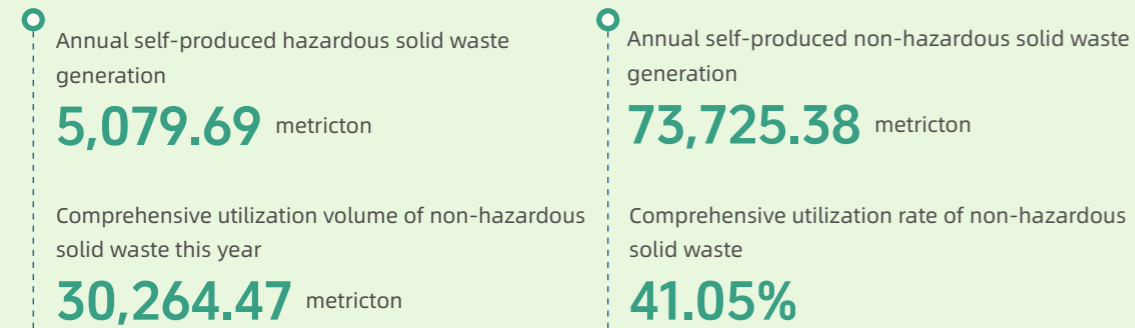


Case: NRDl Reducing Wastewater and Solid Waste Emissions

The spinning workshop of NRDl's Special Fiber Company adjusted the ratio of tap water to reclaimed water usage, saving 35,000 metric tons of water per year and reducing wastewater treatment by 27,000 metric tons per year. The borax recovery and wastewater salt recovery project at the fiberglass kiln of NRDl's Suqian Branch resulted in approximately 100 metric tons of borax recovery per year and more than a 50% reduction in waste salt production.

◎ Solid and Hazardous Waste Management

Indicator



The Company and its subsidiaries have standardized the management of solid waste at production sites and temporary storage locations. This involves setting up waste identification signs, establishing ledger-based categorized storage, and supervising and inspecting the implementation of measures to prevent scattering, loss, and leakage during storage and transfer processes.

The Company has established a management system for hazardous chemicals, systems for managing chemicals that can be easily used for drug production, control procedures for hazardous chemical management, and solid waste management. These systems guide and constrain the procurement, storage, transfer, usage and disposal of hazardous materials.

Major Achievements of the Year

- CTG leveraged its existing comprehensive utilization workshop to vigorously develop glass powder reuse technology, which has enabled the conversion of discarded glass filament into raw material for glass fiber production, achieving a 100% comprehensive utilization rate of glass waste silk and reducing solid waste disposal by 1,500 metric tons. After the completion of the project, CTG has reduced the cost of glass raw materials, lessened environmental pressures, and cut down on environmental protection expenses, yielding significant social and economic benefits.

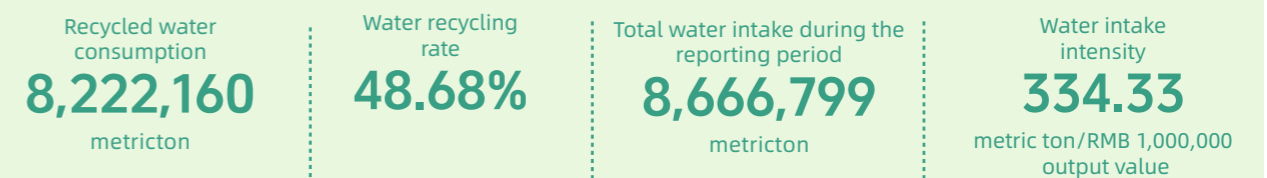


- Sinoma Blade continues to implement circular economy reuse projects. By signing a packaging material circular economy reuse and disposal cooperation agreement with suppliers, approximately 57,000 packaging barrels have been recycled to date, continuously reducing waste generation. In 2023, the solid waste generated per unit of blade production decreased by 17.26% compared to the previous year.
- NRDl's Special Fiber Company increased the recycling of waste glass, waste silk, and waste glue generated during production, saving more than 10 metric tons of raw materials annually.

Reducing Resource Consumption

◎ Water Resources

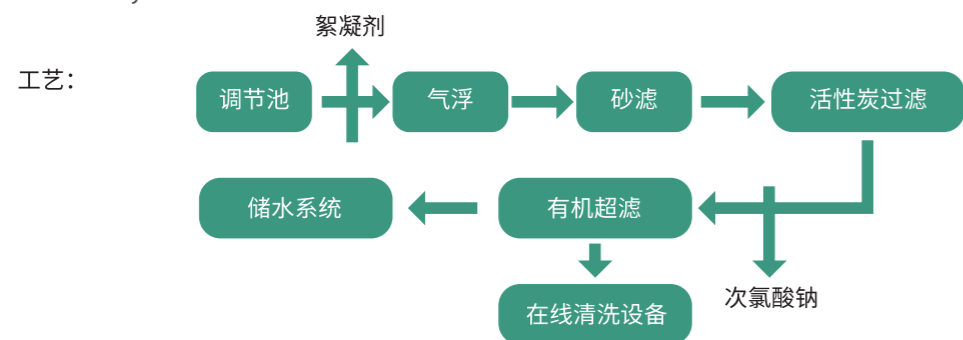
Indicator



Water used by the Company and its subsidiaries came from surface water, tap water and reclaimed water, with all entities holding legal water permits. The Company consistently implements measures for the separation of clean and dirty water, and the division of rainwater and sewage. Production wastewater and domestic sewage are collected and pretreated separately, with no issues of water scarcity or unavailability.

Major Achievements of the Year

- CTG has advanced the recycling and reuse of process water and reclaimed water, saving over 1.6 million metric tons of water. The raw water usage has been reduced by increasing water temperature, adding more filtration pools, and other measures to improve water production rate. New water-saving measures like dry columnar devices and dry material leak boards were further explored to achieve a reclaimed water reuse rate of over 60% and enable the recycling of spray water and other water resources. These water-saving efforts have been highly effective, with consumption per unit reaching historically optimal levels, significantly below the water drawing quota.
- Sinoma Lithium Membrane used its Inner Mongolia Branch as a pilot for constructing a "zero discharge" industrial wastewater plant. This project, approved by the general manager's office, is currently being implemented. Once completed, it is expected to save 115,000 metric tons of tap water annually.



- All units of Suzhou Limited have adopted a water cycle filtration system for laboratory wastewater, saving more than 200,000 metric tons of water annually. Its Chengdu factory reused treated sewage to realize a reduction of fresh water usage in the pickling and phosphatization process by 80%.
- NRDl's Special Fiber Company completed a water-saving and emission-reduction project and reduced the daily average sewage discharge by 28%. In May, the technological renovation of the high-strength fine yarn tank furnace was completed, reducing the unit product energy consumption of raw coarse yarn by 8% and fine yarn by 5%.
- NRDl's Microfiber Division adopted a water circulation filtration system that reduced the total water consumption by 25% compared to the previous year.

Energy Consumption

Indicator	Unit	Data
Total direct energy consumption	MWh	2,370,270.00
Total indirect energy consumption	MWh	3,134,283.24
Total comprehensive energy consumption	MWh	5,504,553.24
Comprehensive energy consumption intensity	MWh/RMB 1,000,000 output value	212.34

The Company and its subsidiaries have always placed high importance on energy saving and consumption reduction, actively implemented a series of measures to reduce energy consumption, and made positive contributions to the construction of a resource-conserving and environmentally friendly society.

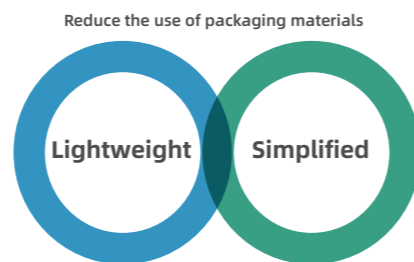
Case: NRDl Reducing Energy Consumption Through Technological Improvements

NRDI achieved a 100% green energy replacement in rock wool production and substituted 70% of the natural mineral raw materials based on its large-capacity, wide-width rock wool production line technology and equipment, using the electric melting method. Compared to traditional processes, this brought a comprehensive energy consumption reduction more than 40%, 100% on-site recycling of solid waste and a 90% reduction in waste gas generation, realizing a totally low-carbon green production process. The comprehensive technical level of this project has reached international advanced standards, able to substitute all the imported counterparts.



⊙ Packaging Materials

The Company and its subsidiaries are committed to promoting lightweight simplified packaging materials, actively taking measures to reduce the use of packaging materials, thereby reducing the generation of packaging waste and lessening the environmental impact, contributing positively to sustainable development.



Major Achievements of the Year

- Sinoma Blade continuously implements circular economy-toward reuse projects. It signed Circular Economy Reuse Cooperation Agreements with 17 suppliers of resin, structural adhesive, coatings, etc., recycled approximately 57,000 packaging barrels in 2023.



- Sinoma Lithium Membrane proactively advocates green packaging, recycled and reused coating film rolls, and used PPC pipe cores for cutting and rolling, significantly reducing the input of cores and thus reducing waste packaging materials from the source.
- Suzhou Limited promotes hazardous waste barrel recycling and reuse to achieve an annual reduction of about 10 metric tons of hazardous waste disposal.

Adhering to Green Operations

⊙ Clean Energy Opportunities

Indicator	Unit	Data
Revenue generated by green products	RMB 100,000,000	204.08
Percentage of revenue generated by green products	%	78.83
Carbon reduction achieved by wind power blade products produced by the Company	tCO ₂ e	6,132,000

Note: The definition of green products includes those that inherently possess green attributes and those that promote social green development. The Company's main green products are wind power blades, lithium battery separators, hydrogen storage cylinders, and fiberglass and its products.

The Company is accelerating the construction of a green low-carbon industrial layout in new materials and new energy that covers wind power blades, lithium battery separators, hydrogen storage cylinders.

- 1 By the end of 2023, the Company's wind power blades have achieved over 147 GW cumulative installations, helping to reduce nearly 41 million metric tons of CO₂ emissions each year, equivalent to reforesting 107,000 mu (a unit of area, one mu is equal to 0.0667 hectares).
- 2 The Company established a new green energy company to explore green electricity business and apply in its own production, driving green development with green energies.
- 3 Based on the emission reduction efficiency of new energy vehicles and capacity of the lithium membrane industry in 2023, the lithium battery separators produced by the Company could help reduce about 150,000 metric tons of carbon.
- 4 The Company developed hydrogen storage cylinders to inject "green power" into sectors such as road transportation. In 2023, 9,000 hydrogen cylinders were produced to reduce 45,000 metric tons of carbon.

Subsidiaries of the Company, CTG, Sinoma Lithium Membrane, and Suzhou Limited, carried out product carbon footprint third-party verifications and benchmarked against the industry's best levels to identify gaps and weaknesses. The carbon emissions of their products were reduced thank to measures like source carbon reduction and the use of green electricity.

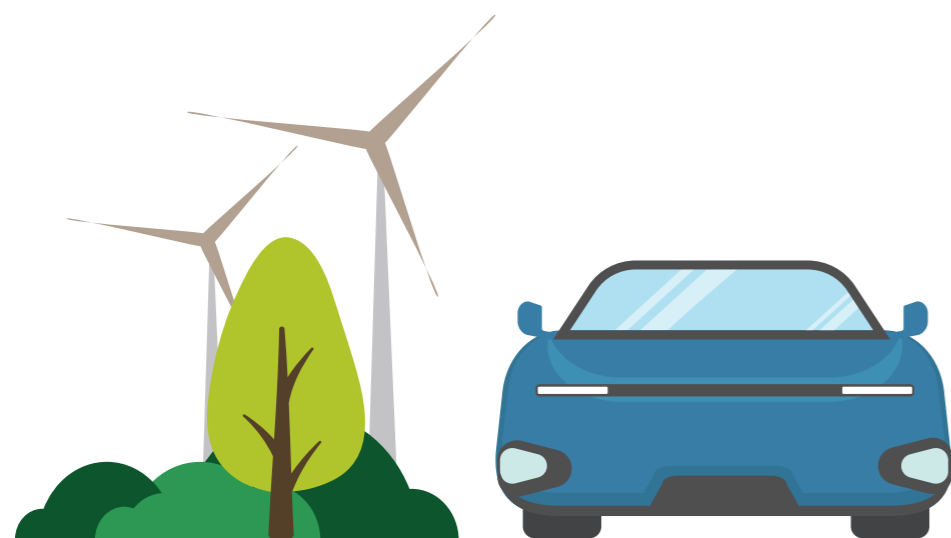
Case: Sinoma Blade Promoting Renewable Energy Development and Winning the Honor of Goldwind Five-Star Green Supplier

As a global provider of comprehensive wind power blade solutions and services, Sinoma Blade is dedicated to offering high-quality wind power blade products and services. The wind power blades produced by Sinoma Blade are used for wind power generation, promoting the generation and utilization of green, clean energy, and contributing to the development of the renewable energy industry. During the reporting period, Sinoma Blade added an installed capacity of 21.6GW in wind power blades, capable of generating 87.6 million megawatt-hours of green electricity annually. This equates to a reduction of 6.13 million metric tons of carbon dioxide emissions.



Sinoma Blade's Green Design Product - S193.2A Model Blade

Sinoma Blade was honored with the title of Goldwind Five-Star Green Supplier and was named one of the fourth batch of national "Industrial Product Green Design Demonstrations." The company's green design has been applied to over 20 blade models. Additionally, Sinoma Blade established a Green Energy Division to explore green electricity business and apply it in production, so as to support green development with green energy.



Promoting Green Culture

The Company is thoroughly implementing the green management system, earnestly organized its subsidiaries to participate in the 2023 National Ecological Day, National Energy Conservation Publicity Week, and National Low-Carbon Day activities, disseminated and explained policies related to peaking carbon emissions and achieving carbon neutrality, and advanced green energy-saving work in a coordinated and orderly manner.

Case: Sinoma Science & Technology Advocating Energy Saving in Various Activities

During activities of the National Energy Conservation Publicity Week and the National Low-Carbon Day, units of the Company used offline promotional banners and online training sessions to promote energy-saving knowledge and useful tips in daily work. This reinforced the concept of energy conservation and emission reduction, heightened employees' awareness of conservation, eradicated resource waste and advocated green development. The Company organized more than 14,100 employees to watch energy-saving and carbon reduction-themed exhibitions hosted by official website and new media platform of the State-owned Assets Supervision and Administration Commission so as to deeply study and implement the spirit of the Notice on Organizing the 2023 National Energy Conservation Publicity Week and National Low-Carbon Day Activities, and promote the construction of a conservation-oriented enterprise.



Case: CTG's Energy Saving Publicity Activities

On June 2, 2023, CTG participated in the 2023 China "June 5th" Environment Day Publicity Activity organized by local authorities, themed "Building Modernization in Harmony with Nature." The company organized activities in three locations under the theme of "Actively Responding to Climate Change and Promoting Green and Low-Carbon Development," including creating thematic billboards and hand-copy newspaper. More than 300 billboards and hand-copy newspapers were produced, and a competition was organized on July 12 to award the excellent works.



Biodiversity Protection

The Company places a high priority on protecting biodiversity in the process of its operations. Recognizing the importance of biodiversity for the planet, the Company has implemented a series of measures to minimize the impact of its production and operations on ecosystems. In the future, the Company will make continuing efforts to make more positive contributions to the protection of biodiversity.

Case: Beijing Composite Tengzhou Company Protecting Biodiversity in Corporate Campus

The Company actively practices the concept that "lucid waters and lush mountains are invaluable assets," by strengthening green innovation, green manufacturing, green production and green services. It promotes comprehensive green management throughout the entire lifecycle to help the industry and the nation achieve the "dual carbon" goals as soon as possible, thereby contributing to the construction of a green and beautiful homeland.

Since settling in Tengzhou, Shandong in 2017, Beijing Composite Tengzhou Company, a subsidiary of the Company, has always placed a high emphasis on environmental protection and biodiversity in the corporate campus. Therefore, one can see small bridges, flowing water, and households, and experience birdsong, the scent of flowers and wild ducks in the campus. As the Xiaofeng River in Tengzhou flows through the corporate campus, Beijing Composite Tengzhou Company took active measures to protect the river water, ensuring that not a drop of oil would contaminate the ground and integrating the protection of clean water sources into its daily environmental management work.

Thanks to strict management, in the summer of 2022, Beijing Composite Tengzhou Company's wild duck garden attracted egrets to stay in the river for many days. In autumn, over 30 national second-class protected green-headed ducks stayed in the river for a long period, turning the place into a "birdwatching check-in spot." In 2023, Beijing Composite Tengzhou Company took multiple measures to continue its efforts. For example, they trimmed the green hedges on both sides of the river to improve the riverbank environment; used the waste steel of reject boxes to pave the riverbank walkway, attracting many employees to tour during their lunch breaks; placed slogans for bird protection and environmental protection as well as information boards about wildlife along the walkway; and launched a riverbank protection initiative to engage all employees in the protection efforts of the beautiful factory environment and wildlife.



02 Unity

Building a Talented Workforce

The Company places great importance on building and developing its talent pool, committed to creating a high-quality efficient workforce and providing solid talent support for the long-term development of the Company. To this end, the Company actively recruits excellent talents, provides every employee with a safe, harmonious and secure working environment, places great emphasis on production safety, particularly chemical safety, builds a broad development platform and continuously enhances employees' sense of belonging and satisfaction through employee care and democratic management.



Total number of employees:

24,135



Employee satisfaction rate:

93%



Number of employees participating in occupational health and safety training:

142,992



Number of occupational health and safety inspections conducted annually:

3,193 times



Average training hours per employee:

30.3 hours

Strengthening Talent Acquisition

Indicator		Unit	Data
Total number of employees	Total number of employees	person	24,135
Total number of employees by gender	Male	person	18,261
	Female	person	5,874
Total number of employees by nationality	Han	person	23,367
	Ethnic minority	person	768
Total number of employees by age group	Under 30	person	5,060
	30-50	person	17,613
	Over 50	person	1,462
Number of employees transferred internally or recruited internally		person	380
Total number of newly recruited employees		person	3,997

The Company efficiently tap required talents through targeted recruitment strategies. In recent years, the Company has continuously optimized its talent recruitment strategy, innovated recruitment models, expanded recruitment channels, enhanced company branding presentations and increased the influence of its employer brand. The Company has implemented salary negotiation systems for outstanding talents, intensified cooperation with universities for industry-university partnerships, and accelerated the introduction of high-quality talents.

In each year, the Company would compile recruitment demand plans for the following year in accordance with relevant regulations. In 2023, the Company recruited a total of 4,871 talents, meeting the talent needs of the Company's strategic development and contributing to employment stability.

During the recruitment process, the Company rigorously adhered to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, ensuring that there has never been any form of child labor employment.



Case: Sinoma Lithium Membrane Holding a "Campus Recruitment Open Day"



On November 9, 2023, Sinoma Lithium Membrane organized its first offline recruitment fair for the 2024 graduates. Over 20 students from universities like Beijing University of Chemical Technology, Southeast University, Nanjing University etc. were invited to showcase the Company's corporate culture, products, and development history to excellent graduates from various regions, providing them with a comprehensive understanding of Sinoma Lithium Membrane Co., Ltd. Events of the Campus

Recruitment Open Day consisted of exhibition hall tours, workshop visits, leaderless group interviews, professional interviews, etc., allowed graduates to experience up-close Sinoma Lithium Membrane's corporate culture and value of talents, and ultimately helped selecting a batch of technically proficient talents.

The Company upholds the concept of equality, diversity and inclusiveness. Our employees are diverse in terms of gender, ethnicity, and cultural background, with no discrimination. In both recruitment and training stages, as well as during work processes, the Company adheres to gender equality and ethnic equality, setting no conditions based on gender or ethnicity.

Safeguarding Employees' Rights and Interests

Remuneration and Benefits

The Company offers salaries closely linked to job responsibilities and contributions, reasonably controlling income disparities among employees while increasing income levels for front-line staff, with a focus on key positions. Additionally, comprehensive social insurance and housing provident funds are also provided, along with additional commercial medical insurance and corporate annuities. By building a comprehensive welfare system, the Company not only provides basic life security for its employees, but also reduces their financial pressure in the face of emergencies and housing issues.

Total number of employees for whom the Company pays enterprise annuity

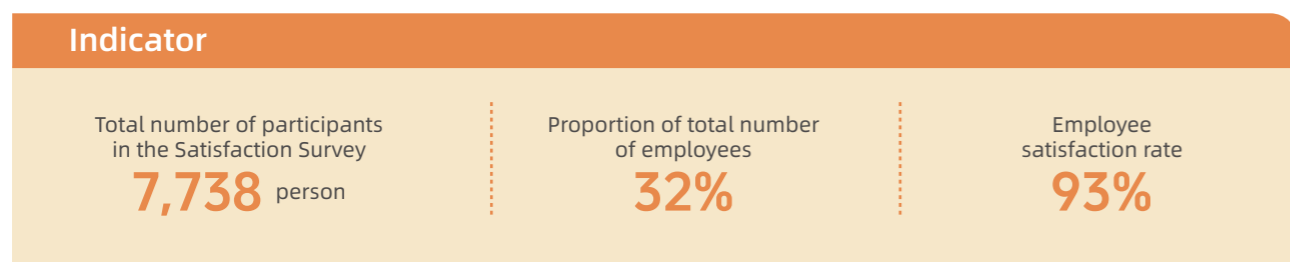
6,136 person

Total number of employees for whom the Company pays supplementary health insurance and other types of insurance beyond the mandatory "Five Insurances"

1,831 person

The Company adopts a standard working hour system, with 8-hour workdays and a 5-day workweek. For hours worked beyond the standard, the Company strictly adheres to national laws and regulations in paying overtime wages or arranging compensatory leave, safeguarding employees' rights. Meanwhile, the Company rigorously complies with national laws and regulations, ensuring employees' entitlement to paid annual leave, sick leave and other holidays and leaves through reasonable work schedules and holiday systems.

Employee satisfaction rate



In 2023, the Company conducted an internal satisfaction survey, the result of which indicated employees' affirmation of the working environment, benefits, and management performance. Employees also suggestions for improvement, such as enhancing internal communication and providing more training and development opportunities. In response to their feedback, the Company plans to improve by strengthening inter-departmental communication and organizing regular staff training.

Moving forward, the Company will continue to focus on employee needs, striving to create a positive working environment, improve employee satisfaction and promote sustainable development.

Labor Disputes and Employee Turnover



The Company always values employee relations. In order to safeguard employees' rights and maintain a harmonious working environment, it has established Labor Contract Management System, Recruitment and Staffing Management System and other systems that clarify regulatory and institutional requirements and employees' rights and obligations. Regular training, assessments and a robust communication mechanism are in place to prevent potential labor disputes.

The Company has also developed Legal Dispute Case Management Procedures to address labor disputes in a fair, just and reasonable manner. The labor unions and HR departments actively communicate and negotiate with employees to ensure their rights and seek appropriate solutions.

In 2023, the total employee turnover rate at the Company was 16%.

Safeguarding Health and Safety

Indicator	Unit	Data
Work-related fatalities	person	0
Deaths per 1,000 people	‰	0
Number of participants in occupational health and safety training	attendance	269,011
Number of annual occupational health and safety inspections	time	3,193
Number of emergency drills, fire drills, etc., conducted annually	attendance	40,186
Annual expenditure on safety and health	RMB 10,000	8,950.81
Number of ISO 45001 certified enterprises	—	34
Total number of factories (or self-defined units applicable to the Occupational Health and Safety Management System)	—	36

Safety Production Management

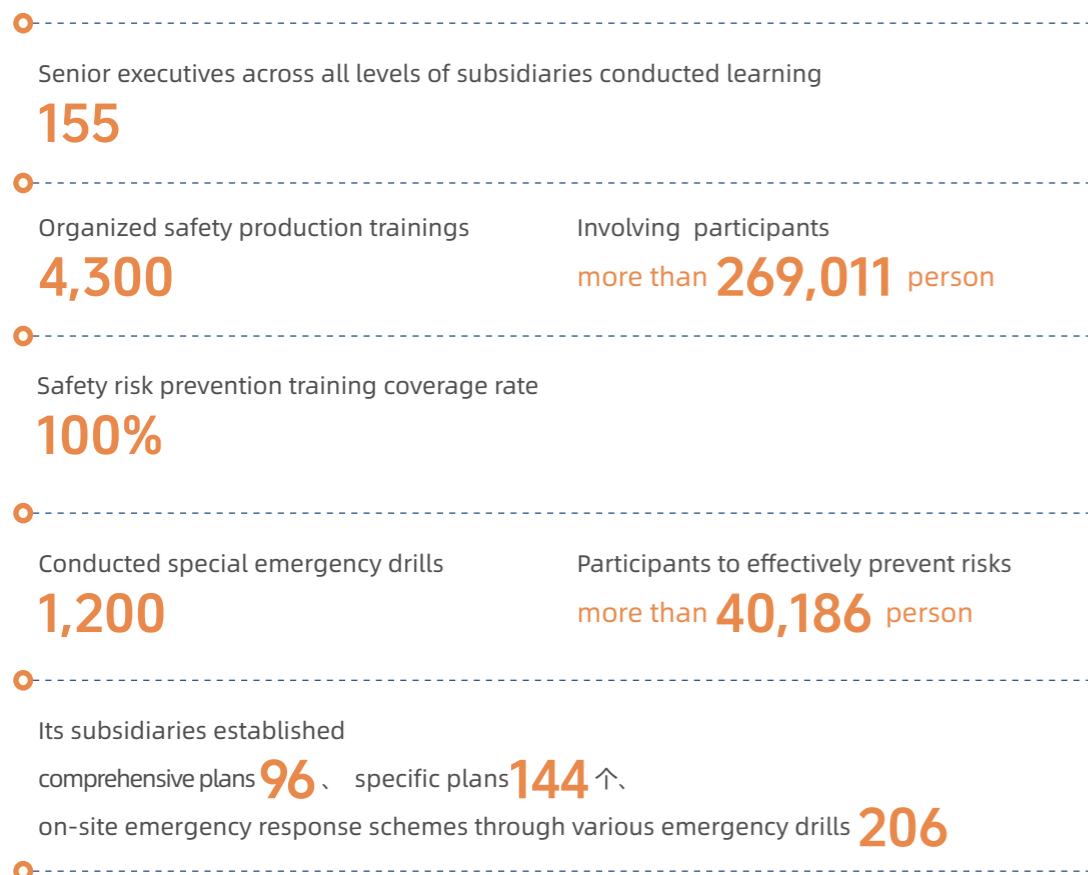
The Company regards safety production as its baseline, therefore established management systems such as Safety Production Management System, Safety Production Responsibility System, Management Rules of Hierarchical Risk Control for Safety Production, Major Hazard Source Monitoring and Management Measures of Hazardous Chemicals, Monitoring, Inspection and Management Rules for Safety and Environmental Protection, Management Rules for Safety and Environmental Protection Meetings, Management Rules of Safety Production Education and Training, Management Rules for Safety and Environmental Protection Archives, "Three Simultaneous" Management Methods for Safety Facilities of Construction Projects and Comprehensive Emergency Response Plan. Under the Company's great attention, a total of 20 subsidiaries achieved Level 2 Safety Standardization, 5 achieved Level 3, and 35 received Occupational Health and Safety Management System certifications.

The Company employs 212 full-time safety management personnel and conducted 38 internal audits, 39 external audits and 28 management reviews as approaches for organizational guarantee. 25 domestic production enterprises have passed the Safety Production Standardization acceptance.

In 2023, the Company and its subsidiaries underwent 4 safety inspections, identified 67 potential hazards, and achieved a 100% rectification rate. A total investment of RMB 89.5081 million was made in safety production, a 40% increase year-on-year. There were no significant accidents or above within the subsidiaries, indicating a generally stable safety production situation. Subsidiaries including Sinoma Blade Jiuquan, Sinoma Lithium Membrane Tengzhou, and Shandong Membrane Material passed internal assessments as Safety Standardization Demonstration Factories, further enhancing the Company's systematic operational capabilities in safety production.

The Company steadfastly implements a safety production responsibility system. Senior executives across all levels of subsidiaries conducted 155 learning, research, and deployment sessions on safety and environmental protection. The Company promoted immersive experience education and experience hall construction, developed a "Safety Knowledge QR Code," and organized over 4,300 safety production trainings involving more than 269,000 participants to achieve a 100% safety risk prevention training coverage rate.

In 2023, the Company conducted 1,200 special emergency drills with over 40,000 participants to effectively prevent risks. Its subsidiaries established 96 comprehensive plans, 144 specific plans, and 206 on-site emergency response schemes through various emergency drills.



Case: CTG Strengthening Safety Risk Identification by Organizing Emergency Training and Drills

To further implement the "dual prevention mechanism" and prioritize prevention-oriented safety management, CTG strove to standardize its large-scale emergency management system. Strictly following the Hierarchical Risk Control Checklist, CTG implemented drills for various emergency measures to enhance the capability of on-site prevention and response to various emergencies. It established emergency teams for major risk categories such as furnace leaks, confined spaces, hazardous chemical leaks and external injuries, with a total of 841 emergency training sessions and drills conducted.

Safety Culture Construction

Subsidiaries at all levels actively organized events such as "Safety Production Month" and "Occupational Disease Prevention and Control Law" Publicity Weeks, holding 76 promotional events with 4,518 participants. In addition, 23 "Safety Commitment and Practice" events with 2,218 participants and 42 "Safety Publicity and Consultation Day" on-site events with 4,037 participants were organized.

A total of 864 "Let's Talk About Safety Production" events were held, involving 13,597 participants. Production units displayed 113 safety production banners, 107 posters, 96 blackboard reports and 12 LED scrolling screens in prominent areas like main gates, factories, and canteens to exhibit various safety slogans.

"Safety Production Month" and "Occupational Disease Prevention and Control Law" Publicity Weeks

holding promotional events with participants
76 **4,518** persons

"Safety Commitment and Practice" events

holding events with participants
23 **2,218** persons

"Safety Publicity and Consultation Day" on-site events

holding promotional events with participants
42 **4,037** persons

"Let's Talk About Safety Production" events

holding events with participants
864 **13,597** persons

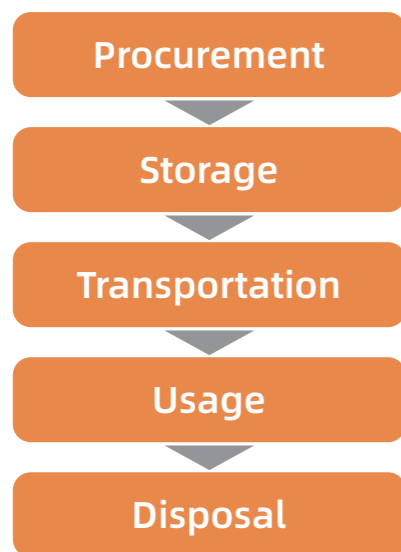


Major Achievements of the Year

- Sinoma Lithium Membrane carried out "One Theme a Month" events on safety production to assort safety themes by module. Activities were held on themes like stakeholder management improvement, hazardous operation management improvement and education and training management improvement, with assessments conducted to ensure implementation.
- NRDl organized events like "Safety Production Month" and the 5th "Ankang Cup" Safety Knowledge Competition. During the "Safety Production Month," NRDl displayed 24 banners, 52 promotional posters and 143 promotional books and materials, with unit leaders giving "safety lessons" and leading teams for self-inspections and self-corrections of safety hazards.
- In 2023, Beijing Composite mainly conducted activities like the Safety Production Strengthening Year, Safety Production Month, and Workplace Safety Compliance Event, along with 522 safety, environmental, and health inspections that identified 1,091 issues, with a 100% hazard rectification rate.

Chemical Production Safety

A part of the Company's operations involves chemicals that present certain safety hazards. Keenly aware of the significant safety risks inherent in the production of chemicals, the Company is committed to minimizing the potential dangers associated with chemical substances in the production process. To this end, it has established the Major Hazard Source Monitoring and Management Measures for Hazardous Chemicals, created a comprehensive system of documents encompassing the management of hazardous chemicals, precursor chemicals, hazardous chemical management and control procedures, and solid waste management and control procedures. This system governs the procurement, storage, transportation, usage, and disposal of hazardous chemicals.



The system governs of hazardous chemicals

In accordance with relevant laws, regulations, and standards for chemical management, the Company enhances occupational health and safety practices in the loading, storage, usage, and disposal of chemicals. A comprehensive inventory of personnel working in chemical-related positions is maintained, classifying them based on their exposure to different chemicals for targeted management. On-site storage of chemicals is strictly

controlled to not exceed a temporary capacity of 24 hours. Dangerous chemicals are stored in explosion-proof cabinets with appropriate explosion-proof measures in place. Chemical storage and usage areas are equipped with chemical detection and alarm devices in accordance with the Design Standard for Detection and Alarm of Flammable Gases and Toxic Gases in Petrochemical Industry (GB/T50493-2019). Relevant enterprises have established specialized groups for chemical safety management, strengthening the special safety inspection of chemicals to eliminate safety hazards promptly.

Occupational Health Management

The Company strictly abides by national laws and regulations such as Occupational Disease Prevention and Treatment Law of the People's Republic of China, Regulations on the Prevention and Treatment of Pneumoconiosis of the People's Republic of China, and Regulations on Labor Protection in Workplaces Using Toxic Substances. Subsidiaries have established multiple systems including Employee Occupational Health Surveillance and Archive Management Measures, Safety, Environmental Protection and Occupational Health Education and Training Systems, to ensure the physical health of employees through various measures.

- 1 Establishing comprehensive ventilation facilities in workshop environments;
- 2 Equipping workers with appropriate personal protective equipment for their respective positions;
- 3 Continuously improving dust, poison, noise reduction and emergency management facilities and first-aid equipment in production areas;
- 4 Posting occupational disease hazard warning cards in key work areas, and regularly conducting occupational disease hazard publicity;
- 5 Conducting annual physical examinations for personnel in key occupational disease positions;
- 6 Conducting annual assessments of occupational disease hazard in each workshop.





In 2023, the Company's subsidiaries introduced 103 new occupational health and safety systems, updated 263 systems, and conducted occupational health examinations for over 14,000 employees exposed to occupational hazards, achieving a 100% coverage rate. Across the entire organization, 518 occupational health training sessions were provided to train 24,093 participants. There were no new cases of occupational diseases reported in the subsidiaries.

Introduced new occupational health systems	Updated safety systems
103	263
Conducted occupational health examinations	Coverage rate
14000 persons	100%
Occupational health training	With participants
518	24,093 persons

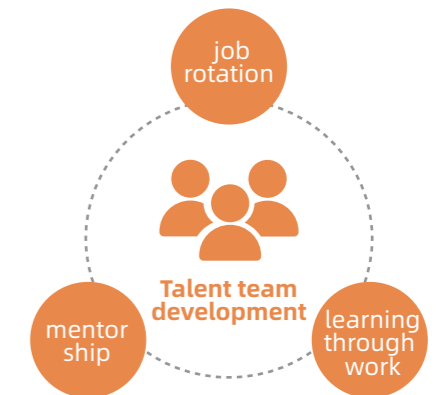
Case: CTG's Practice in Occupational Health Management

CTG organized 21 occupational health improvement initiatives across its production units, effectively enhanced onsite work environment and took measures at the source to protect the health of employees. In collaboration with the Human Resources Department of Sinoma Science & Technology, it rigorously managed pre-employment health checks and internal job transfers to prevent employees with occupational contraindications from working in restricted positions. In March 2023, the Company passed the "Healthy Enterprise" assessment of Shandong Province for it created a "Big Health" management atmosphere led by multiple departments with all units involved.

Building Development Platforms

Indicator		
All employees Total training hours	All employees Average training hours per employee	Total cost of training the Company's employees
709,286 hour	30.3 hour	8,866,258.20 RMB

Centered around its vision to build a world-class new materials enterprise, the Company places talent team development at the core to drive deep integration of human resources with business operations, thereby providing a human resource guarantee for the Company's strategic objectives. At the same time, the Company focuses on building and nurturing multiple talent teams, studying policies and guidelines at the national and SASAC levels for operational management talent, scientific and technological talent and international talent cultivation to find a talent team development path that suits the Company's growth.



Based on thorough research of national policies and guidelines, the Company has issued the Guidelines for Scientific and Technological Talent Team Construction (Trial) and the Guidelines for Cadre Team Construction (Trial). Through a series of measures including job rotation, mentorship, and encouraging learning through work, the Company aims to accelerate the growth of our employees and strive to build a talent pool that is ample in number, well-structured, and of high quality.

On career development of employees, the Company respects the norm of talent growth, which underpins our policies that combine advanced practices in the market to scientifically plan for the career development and pathways for our employees and steer their growth. The Company provides its employees with multiple career development pathways encompassing the management ladder, professionals ladder and operation ladder. And also provides employees with systematic training framework and skills contests to support employee career development and skills improvement.

Case: CTG Constructing a Pathway for New Managerial and Technical Personnel Training

In 2023, CTG gradually clarified its training pathway for newly recruited talents as the "Four-Faceted" training model - featuring clear goals, mentors, tasks and assessments - has been firmly established. Through the combined efforts of the Human Resources Department of Sinoma Science & Technology and each training unit, new graduates recruited by CTG benefited from a mix of theoretical and practical learning, found their tasks interesting, with their academic knowledge matching application scenarios, and successfully completed the training in probation and comprehensive assessments. Going forward, CTG will continue improving its talent training system and cultivating more versatile talents.

Case: NRDl Emphasizing Industrial Skills Training to Foster Employee Development

In 2023, NRDl took the initiative in hosting the Fiberglass and Products Inspection Workers Vocational Skills Competition of Jiangsu Province. It has stuck to the integrated talent cultivation model of "work, study, and competition" in recent years, regularly conducting "Five Comparisons" competitions in management, innovation, efficiency, skills, and knowledge. Over 30 labor skills competitions covering more than 40 positions have been successfully held, with nearly 5,000 participants, cultivating a large number of high-quality skilled professionals who are dedicated to their jobs. This has effectively promoted employee development and the overall sustainable development of the Company.

Building a Shared Community for Employees

🕒 **Employee Care Activities**

The Company is committed to providing a harmonious and warm working environment for its employees. To this end, it actively cares for its employees and organizes a variety of employee care activities.

In 2023, the Company organized subsidiaries to apply for the Group's "Shanjian Funds for Employees in Need", securing RMB 260,000 in assistance for 10 employees (including their family members) in need.

Case: On CNBMG's "Open Day for Wise Resource Use", Sinoma Lithium Membrane Inviting Employees' Families to Visit the Green Factory

On August 25, 2023, CNBMG's 4th "Open Day for Wise Resource Use" - "Visiting the Green Factory" at Sinoma Lithium Membrane was successfully held. Under the theme of "Walking Together, Winning Together", the event welcomed over 60 family members and children of employees to visit the Company. The Open Day began with Sinoma Lithium Membrane leaders' warm greetings and high respect extended to the employees' families. Leaders from the headquarters and subsidiaries guided visitors through the Company's exhibition hall and production workshops. The families of employees viewed the production sites through visible windows in workshops, gaining a tangible understanding of their loved ones' working environment. At every stop, they asked questions actively and listened attentively to the explanations, comprehensively understanding the production process of lithium membrane products and the working scenes of their family members.



🕒 **Democratic Management of Employees**

The Company has established and improved a multi-level labor union system, comprising 8 grassroots labor unions and a total of 56 divisional unions and groups. The Company adheres to the principle of equipping both labor unions and administrative organizations in parallel, to ensure that "wherever the industrial project reaches, the grassroots labor union organization extends" .

The Company has established mechanisms for employee participation in management and supervision. Labor unions of all units further improve their working system and continually innovate work methods to ensure that the Company's labor union activities are well-regulated. The headquarters and all subsidiaries have established and perfected the Workers' Representative Congress (WRC) reporting system. Proposals and suggestions raised in the WRC and by employee representatives were taken seriously. Systems like WRC Management Methods and Detailed Rules for Factory Affairs Disclosure were formulated to fully leverage factory affairs disclosure columns, improve the Company's governance structure, and solidify grassroots democratic management.

03 Responsibility

Committed to Win-Win Cooperation



The Company has always upheld the philosophy of joint development with stakeholders such as suppliers, customers and communities. The Company vigorously develops its leading industries, strives for exceptional product quality and stays dedicated to protecting customer rights. To this end, it continually increases investment in R&D and encourages innovation to meet market demands and drive industry development. It has also constructed a responsible supply chain to ensure the sustainable supply and quality safety of raw materials. With its social and national responsibilities deeply in mind, the Company keeps contributing to the harmonious development of society and exemplifies the responsibility and commitment of a state-owned enterprise through practical actions.



Number of R&D personnel:

2,528



Number of suppliers:

5,490



Number of suppliers certified in quality, occupational health and safety, environmental or energy management systems:

924



Annual cumulative tax payment:

171,992.90 million RMB

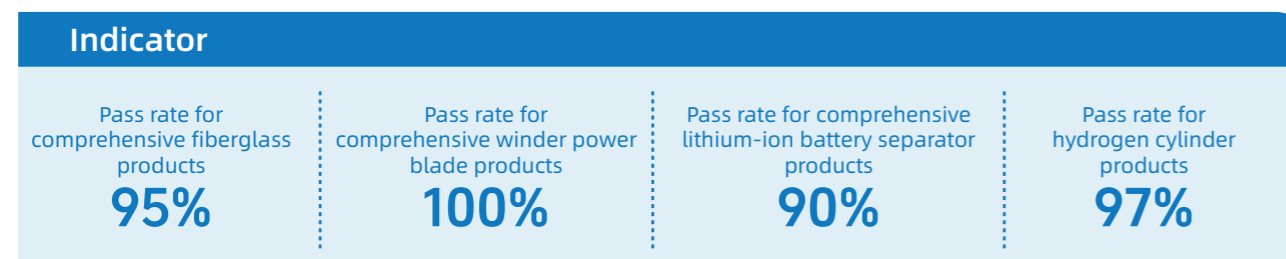


Cumulative amount of social welfare donations in 2023:

3.84 million RMB

Adhering to the Principle of Customer First

Product Quality Control



Sinoma Science & Technology strictly abides by laws and regulations such as the Product Quality Law of the People's Republic of China, and has established the Quality Management System and Quality Manual, clarifying the responsibilities and authority of personnel related to quality, ensuring individual accountability for quality control and guiding continuous improvement in quality management for all affiliated companies, continually driving product quality enhancement.

The Company has established a full-process product quality control mechanism, formulated various procedures such as Quality Cost Management Methods and Product Quality Advanced Planning Control Procedures, so as to strictly control the quality of raw materials and semi-finished products required for production, enforce raw material incoming and product outgoing inspection requirements. The Company has also formulated the Product Quality Incident Investigation Management Method. It is committed to identifying the causes of quality incidents, holding relevant departments and individuals accountable.

The Company exercises strict control over product quality to minimize the sale of non-conforming products, and also standardizes the handling and recycling procedures for non-conforming products. Procedures such as the Non-conforming Product Control Procedure and the After-sales Service Management System have been established, specifying product inspection processes, customer feedback handling processes, the treatment of non-conforming products, and requirements for product recalls.

As of the end of 2023, 27 manufacturing subsidiaries of the Company have passed quality system certification.

Protection of Customers' Rights and Interests

To standardize after-sales service, the Company has formulated the Customer Satisfaction Management Methods. This involves collecting customer feedback and regularly surveying and analyzing customer satisfaction and related information. This process precisely identifies and understands customer needs and expectations, enabling the Company to adopt appropriate preventative and corrective measures to improve products and services and enhance customer satisfaction.

The Company has established systems such as the Customer Complaint Management Methods, After-sales Service Management System, and Customer Complaint Handling and Quality Improvement Control Process. These systems specifically outline the procedures for handling customer complaints, including emergency handling procedures, departments responsible for different types of complaints and their duties, and complaint handling time limits. Regarding product complaints, upon receipt, the Company immediately organizes an investigation to determine the cause and conducts sample inspections. The results are swiftly sent back to the customer, and a report is submitted upon the completion of corrective actions, thus forming a closed loop.

To protect consumer privacy, the Company strictly implements its Confidentiality Management System. Customer information and product details are classified as commercial secrets. Personnel involved in confidential matters are required to sign a confidentiality agreement with the Company, and further steps are taken to protect customer information.

Case: Beijing Composite Strictly Implements the Confidentiality Management System

Beijing Composite Materials Co., Ltd. is committed to protecting both its own and its customers' privacy. It has developed the Confidentiality Management Manual and the Confidentiality Procedure Document Compilation, which regulate the confidentiality requirements for employees at all stages, from entering a confidential position, during their tenure, and upon departure. Employees are required to sign a confidentiality commitment with Beijing Composite, and a stringent confidentiality system is implemented for customer data.

Innovation-Driven Development

Indicator	Unit	Data
Proportion of R&D personnel	person	2,528
Number of academicians and other cutting-edge talents	person	1
Patent applications	item	528
Including: Invention patents	item	411
Authorized patents	item	301
Including: Invention patents	item	156
Accumulated valid patents	item	2,032
Including: Invention patents	item	846
Number of standards promulgated	item	30

Sinoma Science & Technology adheres to an innovation-driven development strategy, taking it as its mission to promote the development of the new materials industry and the technological advancement of society. It strengthens overall design and planning, continually increases investment in research and development, undertakes numerous significant science and technology projects, and focuses its research and development efforts on key application areas such as aviation, aerospace, shipbuilding, electronics, and new energy.

The Company will continuously play a demonstrative and leading role, constantly improve system development, increase investment in technological innovation, strengthen the focus on critical core technologies, and enhance its capability for independent innovation. With a vision for the greater good of the nation, the Company aims to leverage national resources to empower national heavy equipment, creating a hub for technological innovation and supporting the construction of a powerful materials industry in the country.

◎ Optimizing Management System

As a national-level innovative enterprise, Sinoma Science & Technology continuously perfects its innovation mechanism, enhances its capability for independent innovation, actively overcomes critical material technology bottlenecks, and plays a leading role in corporate technological innovation. With increasing intensity in R&D investment and efficiency in technological output, the Company constantly generates innovative achievements. This nurtures future industries for the Company, accelerates the formation of new productive forces, and provides strong momentum for high-quality development of the enterprise.

The Company places great importance on the construction of a technological innovation mechanism, performing top-level design of the R&D system, clearly defining the research and development functions of different departments and subsidiaries, and establishing a comprehensive "four-in-one" scientific and technological innovation system encompassing basic application research, engineering technology research, industrial technology research, and testing and evaluation technology research.

The Company has established a two-way R&D process driven by both technological R&D and market application, and by market demands and technological research, resolving the disconnection between R&D and the market, and enhancing the contribution of R&D to economic growth.

◎ Building a Science and Innovation Platform

Sinoma Science & Technology, recognized as one of the first batch of national innovative enterprises, one of the first batch of national technology innovation demonstration enterprises, and national high and new technology enterprises, possesses one national key laboratory, three national enterprise technology centers/sub-centers, three national engineering technology research centers, and four postdoctoral research stations/sub-stations. It has formed a stable and efficient high-level R&D platform and has an outstanding team of new materials R&D talent.

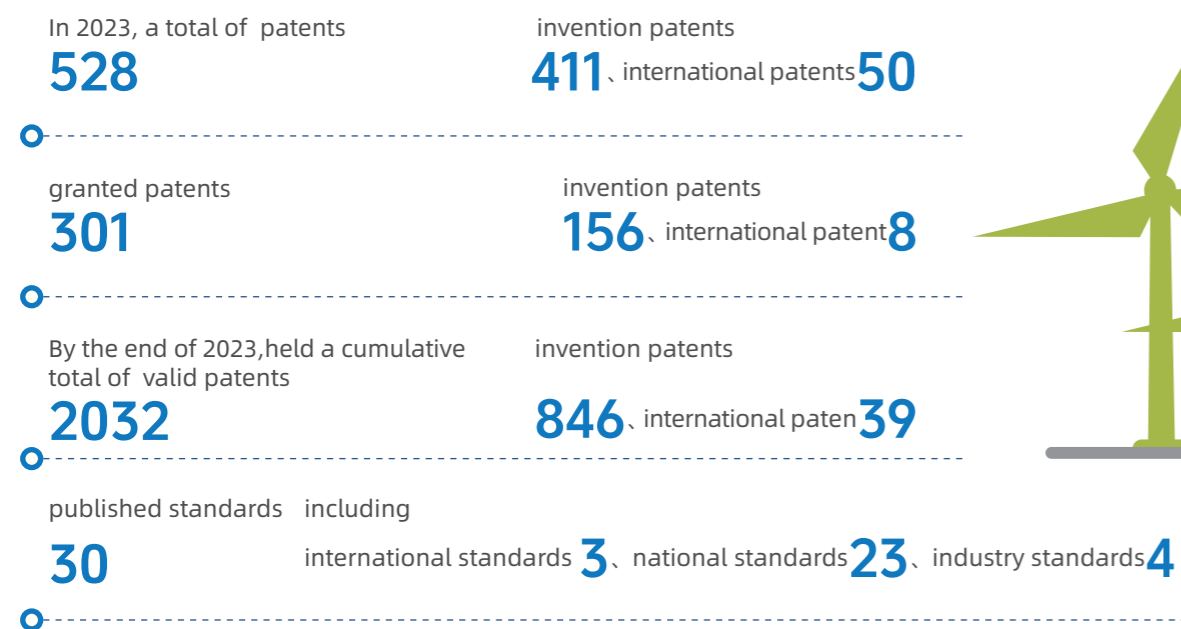
In collaboration with CNMB (Shanghai) Aviation Technology Co., Ltd., and Harbin Institute of Technology, which are with professional advantages, the Company is fully committed to the reorganization of the national key laboratory, striving to create a number of innovation hubs with full integration of enterprises, universities, and research institutes. In 2023, the Company was rated as "Excellent," ranking 4th nationwide, as evaluated by National Enterprise Technology Center. The Composites Industry Center of National New Materials Testing and Evaluation Platform has passed the acceptance organized by the Industry Development and Promotion Center, Ministry of Industry and Information Technology of the People's Republic of China, ensuring the reliable application of new materials and the continuous development of the industry. Additionally, the Company successfully passed the 2023 national technology innovation demonstration enterprise reevaluation.

Several subsidiaries of Sinoma Science & Technology have been recognized as national high and new technology enterprises, showcasing their R&D innovation capability and technical level, which is conducive to further accelerating the transformation of scientific and technological achievements.



Accumulating Significant Achievements

In 2023, the Company applied for a total of 528 patents, of which 411 were invention patents (including 50 international patents); it was granted 301 patents, with 156 being invention patents (including 8 international patents). By the end of 2023, the Company held a cumulative total of 2,032 valid patents, including 846 invention patents (of which 39 are international patents). In the same year, the Company published 30 standards, including 3 international standards, 23 national standards and 4 industry standards.



Intellectual Property Protection

Sinoma Science & Technology has strengthened its awareness of intellectual property rights protection, integrating intellectual property strategy into its overall business development strategy. It actively utilizes the intellectual property rights system to participate in market competition, enhancing its core competitiveness. Through years of experience in intellectual property rights work, the Company has established a closed-loop intellectual property management mechanism based on "creation, protection, operation, and management." Through the continuous development of the intellectual property protection system, the Company has identified a series of achievements and was honored as a National Intellectual Property Demonstration Enterprise in 2022. The Company has passed the provincial performance evaluation and has been recognized as one of the national first batch patent pilot enterprises, a national intellectual property advantage enterprise, an advanced enterprise in intellectual property management standardization in Jiangsu, and a model enterprise for intellectual property application in Jiangsu. It has also passed the third-party certification — Enterprise Intellectual Property Management Regulations (GB/T29490-2013).

Creating a Responsible Supply Chain

Indicator	Unit	Data	
Number of suppliers that have established long-term cooperation with the Company	Total:	—	1,943
	China (the Chinese mainland):	—	1,916
	China (Hong Kong, Macao and Taiwan):	—	2
	Abroad:	—	25
Expenditures on long-term suppliers that have been screened and controlled by the Company for environmental and social risks	RMB 10,000		1,176,636
Among the long-term suppliers that have been screened and controlled by the Company for environmental and social risks, the number of suppliers that are assessed to have significant negative impacts	—		0
Among suppliers who have established long-term cooperation with the Company, the number of suppliers who have participated in supplier training and capability improvement	—		326

Suppliers Management

Sinoma Science & Technology has established a comprehensive supply chain management system, formulating regulations such as Procurement Management Methods, and Headquarter Tendering Management Methods, strengthening material procurement management, standardizing purchasing behavior, and ensuring effective supply of materials required for production and construction. The Company has set corresponding rules for supplier admission, classification, and assessment stages, categorizing suppliers into key suppliers of main product materials and general suppliers. Annually, the Company conducts on-site audits of suppliers as stipulated in the Supplier Audit Management Methods, ceasing cooperation with those who fail the audits and blacklisting those with violations.

The Company strictly implements the requirements of the Tendering Management Methods, establishing a tendering management leadership group and a working group to comprehensively manage all stages of the bidding process, including tendering, bid opening, bid evaluation, and finalizing the bid. It also requires its subsidiaries to develop their own tendering management systems according to their business needs, continuously consolidating and improving the tendering system.



◎ Responsible Supply Chain

Sinoma Science & Technology integrates the ESG concept into the building process of its supply chain management system, including environmental and social evaluations of suppliers in the selection criteria to build a responsible supply chain.

The Procurement Management Methods developed by the Company require its departments to prioritize suppliers who use low-carbon and environmentally friendly production processes, save energy, and cause minimal environmental damage in their choice of raw material suppliers. The Company advocates for suppliers to adopt green logistics and implement green packaging, reducing packaging waste while ensuring product quality and transportation safety.

Each affiliated enterprise strictly adheres to institutional requirements. During the supplier admission phase, suppliers are required to possess corresponding qualifications in quality, safety, environmental protection, and other production and operational credentials. There is a preference for purchasing green and environmentally friendly products and prioritizing suppliers who have obtained certifications in environmental, quality, occupational health and safety, and energy management systems. The Company advocates for suppliers to fully consider factors such as energy saving, water saving, environmental protection, recycling, low carbon, and the use of renewable resources in product design and manufacturing, and to prioritize the use of clean energy transportation methods to reduce carbon emissions.

Additionally, the Company places high importance on environmental and social risks when conducting graded management of suppliers. The Company develops annual supplier audit plans to identify environmental and social risks, urging suppliers to make timely improvements upon discovering non-compliances. In the future, the Company will intensify the auditing of potential ESG risks among suppliers, guiding them to further enhance their awareness of environmental, social, and governance risk assessment.

Subsidiaries' Key Initiatives

- Sinoma Blade signed Energy Saving and Consumption Reduction Supplement Agreements, Circular Economy Reuse Cooperation Agreements, and Supplier Integrity Commitment Agreements with suppliers. During the material development process, it referenced the Chemical Blacklist Directory and prohibited the use of materials listed on the blacklist.
- Sinoma Blade and CTG signed Supplier Social Responsibility Code of Conduct with suppliers, setting requirements for suppliers and commissioned manufacturers regarding child labor, freedom of association, discrimination, forced labor, working hours, wages and benefits, occupational health and safety, and ethics.
- Sinoma Lithium Membrane signed Letters on Influencing Stakeholder Safety and Environmental Behavior and Supplier Integrity Commitment Letters with suppliers. In tender documents, the scoring proportion for ISO 14001 Environmental Management System certification is between 5% to 1%, and the proportion of social responsibility in supplier audit evaluations is 5%.

◎ Supply Chain Security

Sinoma Science & Technology places high importance on supply chain risk management. Its subsidiaries have established supply chain emergency response plans to address potential or existing risks in the supply chain and develop corresponding countermeasures.

Subsidiaries' Key Initiatives

- Sinoma Blade developed the 2023 Risk and Opportunity Analysis and Response Measures plan, and formulated emergency plans and preventive measures for risks associated with raw material procurement.
- CTG developed an emergency plan for raw material shortages and created a risk and opportunity identification and response planning sheet.
- Sinoma Lithium Membrane developed a Supply Chain Risk Management Method, regularly conducting risk assessments of raw material and finished product suppliers. This includes, but is not limited to, delivery, production, financial, quality, after-sales service, and market conditions, making risk control tables and closed-loop risk management.

Contributing to Social Welfare

Timely Payment of Taxes

Sinoma Science & Technology strictly adheres to national laws, regulations, and policies to standardize its tax management. The Company timely and fully pays all taxes and fees. In 2023, the total taxes and fees paid amounted to RMB 1719.929 million.

Giving Back to Society

To fulfill its social responsibility as a central government enterprise, in 2023, Sinoma Science & Technology donated a total of RMB 3.84 million for public welfare. Of this, RMB 3.2 million was donated to China National Building Material Group's "Shanjian Commonweal" fund, aimed at supporting targeted assistance programs.

Subsidiaries of the Company actively participated in targeted donation assistance. NRDl's Jiangsu Province Lianyungang City Guanyun County Rural Revitalization Promotion Team donated RMB 200,000. Sinoma (Pingxiang) Wind Power Blade Co., Ltd. donated RMB 200,000 for public welfare relief and public welfare projects to the People's Government of Luxi Town, Pingxiang City, Jiangxi Province. Sinoma Science & Technology (Jiujiang) Co., Ltd. donated RMB 80,000 to Huayuan Village, Huayuan Township, Ruichang City, Jiujiang, Jiangxi Province. CTG donated a total of RMB 160,000, with RMB 120,000 to Tai'an City Education Foundation and RMB 40,000 to Zoucheng City Charity Federation, to support local educational endeavors.

Sinoma Science & Technology donated for public welfare in 2023
RMB 3.84 million
 including donated to China National Building Material Group's "Shanjian Commonweal" fund
RMB 3.20 million

Promoting Rural Revival

The Company actively implemented the rural revitalization strategies outlined by SASAC and CNBMG. Efforts were focused on the "Six Major Assistance Measures" encompassing livelihood, industry, employment, medical, education, and e-commerce assistance, coordinating arrangements to support the national rural revitalization strategy and improve living conditions in rural areas. The total investment in rural revitalization in 2023 amounted to RMB 3.68 million.

Sinoma Science & Technology organized various youth league organizations and members to participate in the Rural Revitalization Youth Achievement Initiative. The Company's Youth League Committee dispatched 6 young members to participate in CNBMG's "Shanjian Commonweal" Colorful Classroom event. They went to Suijiang County, Zhaotong City, Yunnan Province, for a 5-day teaching assistance activity, helping left-behind children broaden their horizons and gain knowledge. The initiative had a positive impact and received warm welcome and strong support from local stakeholders.

Case: "Shanjian Commonweal" Colorful Classroom Event



Sports and Craft Classes

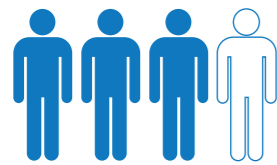


Certificates of Love & Group Photo with Children

Building Harmonious Communities

Sinoma Science & Technology actively responded to the national Belt and Road Initiative by carrying out overseas responsibility practices, vigorously conducting international business through its overseas operational entities, and showcasing the Company's technological strength worldwide. The Company diligently fulfilled its social responsibilities, respecting local cultures and continuously enhancing the sense of happiness and belonging among communities where its overseas businesses operate.

Case: C TG North America Trade Co., Ltd. Fulfilling Overseas Responsibilities



属地化员工占比

88%

■ 当地员工

CTG North America Trade Co., Ltd. continuously deepened its local presence, promoting localization and complying with local labor laws to provide employees with comprehensive labor protection and welfare benefits. The company organized internal annual work meetings, commendation ceremonies, Thanksgiving, Christmas, and birthday parties, and other large-scale internal events. These events helped employees and their families understand the corporate culture and promoted cultural integration. The company also organized visits for outstanding North American employees to the Tai'an headquarters to enhance their sense of belonging and further improve team synergy.

The company adhered to the principle of local employment, complying with U.S. labor laws and providing employees with reasonable compensation, benefits, and career security. In 2022, the Company had 17 employees, 15 of whom were local, making the proportion of localized staff 88%.



Case: Sinoma Blade (Brazil) Fulfilling Responsibility for Local Communities

Sinoma Blade, adhering to the principle of "stable and progressive internationalization," focuses on deepening its roots in Brazil. Sinoma Blade, together with Sinoma Overseas, jointly invested in Sinoma (Brazil) Wind Power Blade Co., Ltd. Located in Bahia State, Brazil, the Company utilized an existing factory for technological upgrades, achieving an annual production capacity of 260 sets of wind power blades. The facility was completed and commenced production in October 2023, with the first blade coming off the production line on November 29.



First Blade Production

Sinoma Blade (Brazil) actively provided local employment opportunities, with 66% of the workforce in 2023 being local Brazilians, and some of the senior executives and department managers being recruited to bring in top management and relevant talents from local factories. The Company continuously conducted five months of online and offline Portuguese training for its internal functional teams and trainers, actively communicating and planning recruitment and training programs with local HR companies and training schools. Additionally, the Brazilian subsidiary respected local dietary cultures and traditional holiday activities, arranging holidays for employees.



Brazilian Management Team



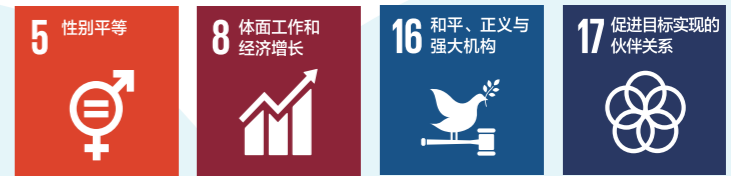
Local Employee Training



Respecting Local Dietary Habits

04 Rule of Law Consolidating Governance Foundations

Sinoma Science & Technology is committed to building a modern corporate governance system. By establishing a systematic, scientifically regulated, and effectively operating governance framework, it ensures the Company's decision-making is scientific and efficient. The Company continually strengthens standardized governance, enhancing management levels and operational efficiency. It places high importance on the transparency of information disclosure, timely and accurately disclosing financial information, business performance, and important issues. Additionally, the Company upholds the business ethics of honesty, integrity, and incorruptible management, firmly adheres to commercial moral standards, and continuously improves corporate governance and responsibility awareness, laying a solid foundation for the sustainable development of the Company.



Strengthening Governance Structure

Indicator	Unit	Data
Number of meetings of the Board of Directors	time	6
Number of meetings of the Board of Supervisors	time	6
Number of proposals deliberated and approved by the General Meeting	piece	12
Number of proposals deliberated and approved by the Board of Directors	piece	31
Number of proposals deliberated and approved by the Supervisory Committee	piece	14
Average annual tenure of the Board of Directors	year	4.5
Average annual tenure of the Supervisory Committee	year	2.5
Number of Directors	person	9
Number of Independent Directors	person	3
Number of Supervisors	person	5

“Three Meetings and One Layer” Structure

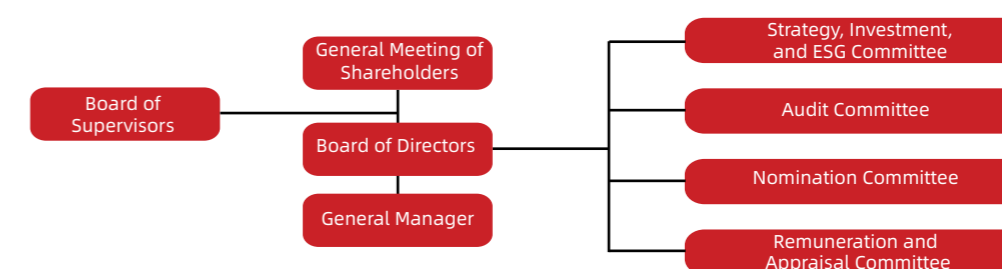
Since its A-share listing in 2006, the Company has established and refined a "Three Meetings and One Layer" corporate governance structure, comprising the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Management, characterized by standardized operation, coordinated functioning, and effective checks and balances. It adheres strictly to the requirements of 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, and other relevant laws, regulations, and normative documents, continually improving its governance and internal management to ensure standard operations.

The General Meeting of Shareholders, the Company's authoritative body, convenes in strict accordance with the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, Articles of Association, and Rules of Procedure for Shareholders' Meetings. This ensures that shareholders exercise their rights lawfully. During the reporting period, the Company held one annual and three extraordinary general meetings of shareholders, where 12 resolutions were deliberated and passed.

Directors are elected following procedures outlined in the Articles of Association, and the composition of the Board of Directors and the qualifications of directors meet legal and regulatory requirements. The Board of Directors convenes meetings in strict accordance the Company Law and the Rules of Procedure for Meetings of the Board of Directors, executes resolutions of the General Meeting of Shareholders and lawfully exercises its powers, without overstepping into the role of the General Meeting of Shareholders, or ultra vires interfering with the Board of Supervisors and Management.

The Board of Directors is composed of 9 directors, including 1 female director and 3 independent directors. The Independent Director System of the Company mandates that independent directors comprise at least one-third of the Board of Directors, including at least one accounting professional. The Company held 6 meetings of the Board of Directors in 2023, where 31 resolutions were deliberated and passed.

The Board of Directors has established Strategy, Investment, and ESG Committee, Audit and Legal Construction, Nomination, and Remuneration and Assessment, focusing on the Company's development strategy, major investment and financing, personnel appointments, and compensation distribution. In 2023, the Company held two Strategy Committee meetings, four Audit Committee meetings, two Nomination Committee meetings, and one Remuneration and Assessment Committee meeting.



The Board of Supervisors, in accordance with the Company's Articles of Association and the Rules of Procedure for the Board of Supervisors, played a supervisory and managerial role. In 2023, the members of the Board of Supervisors diligently fulfilled their responsibilities and actively carried out their duties. They attended all sessions of the Board of Directors and conducted a series of supervision and auditing activities on various company decisions. The Board of Supervisors consists of five members including two external supervisors and three employee representatives. Six meetings of the Board of Supervisors were convened during the reporting period, reviewing and passing 14 proposals.

Compensation of Directors, Supervisors and Management

Compensation for directors, supervisors, and management is determined through performance evaluations according to the Company's Measures for Administration of Top Management Compensation. The decision process involves the Remuneration and Assessment Committee of the Board of Directors proposing the compensation scheme. The management's compensation is approved by the Board of Directors, while the directors' and supervisors' compensation schemes are submitted to the General Meeting of Shareholders for deliberation and approval.

In 2023, the directors, supervisors, and senior management taking compensation from the Company will have their monthly base salaries determined and disbursed monthly in accordance with the aforementioned compensation system. The performance-based annual salary will be paid out in a lump sum after the year-end performance assessment. Compensation details of the Company's directors, supervisors and senior management are disclosed annually in the Company's annual report.

The Company's senior management compensation aligns with operational performance and comprehensive assessments, linking pay directly with assessment outcomes by rigid realization, and creating a market-based income distribution mechanism for corporate executives, which encompasses both incentives and constraints within a closed-loop management system.



Adherence to Business Ethics

Standardizing Commercial Behavior

The Company strictly complies with the Anti-Unfair Competition Law of the People's Republic of China and other legal and regulatory requirements. It has established and regularly revised a series of rules and regulations, including the Regulations on Implementing a Clean Practice Commitment System for Leadership by the Discipline Inspection Committee and Measures for Constructing a "Comprehensive Supervision" Framework. This strengthens the supervision of the Company's governance mechanisms, system construction, investment financing, and capital operations. It ensures that all governance entities act legally and responsibly, guaranteeing that business activities are conducted in an open and transparent manner.

Strengthening Supervision and Management

In 2023, Sinoma Science & Technology coordinated various supervisory forces, guiding and urging relevant departments to diligently fulfill their supervisory duties and strengthen integrity risk prevention and control and put more efforts on compliance. Through ways such as the "Comprehensive Supervision" work coordination mechanism, and the anti-corruption coordination group meetings, the Company promotes a more precise focus on supervision among all supervisory entities, and enhances timely communication and issue transfer between departments, effectively integrating supervisory strengths, and sharing outcomes.

The Company intensified anti-corruption propaganda and education. Through various means, such as warning education conferences and anti-corruption training for new employees, it aims to achieve full coverage of anti-corruption education, enhance the atmosphere of integrity and cleanliness, and provide a solid disciplinary guarantee for the Company's high-quality development.

Anti-Corruption in the Supply Chain

Sinoma Science & Technology mandates its subsidiaries to send a Supplier Integrity Commitment Letter or a Sunshine Procurement Agreement to relevant parties when signing contracts with suppliers. These include clauses prohibiting partners from offering any benefits or conveniences to the Company's employees, their relatives, or specific related persons. Additionally, integrity in employment acts as a veto system; and suppliers who violate these terms will not be allowed to participate in bidding and will be added to the Company's Supplier Blacklist. In 2023, two suppliers were blacklisted for violating the integrity commitment or for being untrustworthy.

Unobstructed Reporting Mechanism

Sinoma Science & Technology has established regulations such as the Measures for Unobstructed Petition and Complaint Channels of the Discipline Inspection Committee and the Petition Work Management Methods, standardizing the accountability and reporting procedures. The Company has set up the whistle-blowing hotline, mailbox, and email address, as well as designated facilities for reception. For whistle-blowers, regardless of whether or not they use their real names, the Company will make every effort to protect their identities and the information they provide to prevent retaliation and infringement of their legitimate rights and interests.

Strengthening Standardized Governance

Internal Control

In accordance with the Company Law, Basic Norms for Enterprise Internal Controls, Enterprise Internal Control Application Guidelines, and other legal and regulatory requirements, the Company enhances the construction of its internal control management system, achieving coverage of the internal control system across all business areas and management links. Focusing on the goal of "strengthening internal control, preventing risks, and promoting compliance," the Company intensifies the supervision and evaluation of the internal control system and advances the continuous improvement of the management system, while constructing the internal control system.

Compliance Management

Based on the Company Law of the People's Republic of China, Law of the People's Republic of China on State-Owned Assets of Enterprises, Central Enterprises Compliance Management Measures, and other relevant regulations, combined with the actual situation of the Company, the Compliance Management System has been formulated. The Company strengthens the compliance review mechanism. The Compliance Management System and other documents clearly define compliance audit requirements. Utilizing the Company's OA office system, the three legal review processes are carried out online. In 2023, Sinoma Science & Technology achieved a 100% compliance review rate at all levels.

The Company has established and improved a compliance management structure. In 2023, the Sinoma Science & Technology appointed a Chief Compliance Officer, concurrently held by the Chief Legal Officer. As of the end of 2023, headquarters of Sinoma Science & Technology is staffed with 3 full-time compliance managers and 20 part-time compliance managers, responsible for compliance review in their respective business areas.

headquarters of Sinoma Science & Technology is staffed:
 full-time compliance managers **3**
 part-time compliance managers **20**

The Company actively conducts compliance education to enhance compliance awareness among all employees. In 2023, Sinoma Science & Technology and its subsidiaries conducted over 70 legal compliance-focused learning sessions and held 30 compliance committee meetings at all levels, deliberating on 38 topics.

In 2023, Sinoma Science & Technology and its subsidiaries:
 conducted over legal compliance-focused learning sessions **70**
 held compliance committee meetings at all levels **30**
 deliberating topics **38**

According to the 2023 annual review by the Company's compliance evaluation working group, the Company has established a compliance management system and mechanism and effectively implemented them. The subsidiaries have well implemented their tasks, with no major issues in compliance management, proving its effectiveness.

Risk Control

Sinoma Science & Technology, in line with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, the SASAC's Comprehensive Risk Management Guidelines for Central Enterprises, and China National Building Material Group's Risk Control Management System, combined with its actual situation, has developed its own Risk Control Management Measures.

The Company has established a comprehensive risk control organizational structure. The Party Committee, the Office Meeting, and the Board of Directors are responsible for deliberating and approving the annual major risk assessment report. The General Manager's Office Meeting tracks risk prevention work and deliberates on the quarterly risk management report. The work reports go to the Internal Control and Risk Management Committee. The Chief Legal Officer is in charge of comprehensive legal compliance, and other functional departments cooperate with the Legal Affairs Department as the primary responsible party. The Company's secondary units have also established risk prevention mechanisms in line with their actual situations.

Sinoma Science & Technology continually tracks and resolves risks, strengthens mechanisms for accountability in risk management, and promptly investigates any compliance issues identified through various channels. In 2023, the Company did not encounter any cases of legal or compliance issues requiring accountability. In 2023, the Company faced no major issues in risk management, proving its effectiveness.

Internal Audit

To strengthen audit management, Sinoma Science & Technology has established and perfected internal audit management processes, systems and mechanisms. In accordance with the Audit Law, Basic Rules for Internal Auditing, Regulations for the Implementation of the Audit Law, and other laws and regulations, the Company has established an Internal Audit System, and Implementation Rules of the Audit and Legal Construction Committee of the Board of Directors, thereby establishing an internal audit mechanism and facilitating the supervision of external directors in their duties.

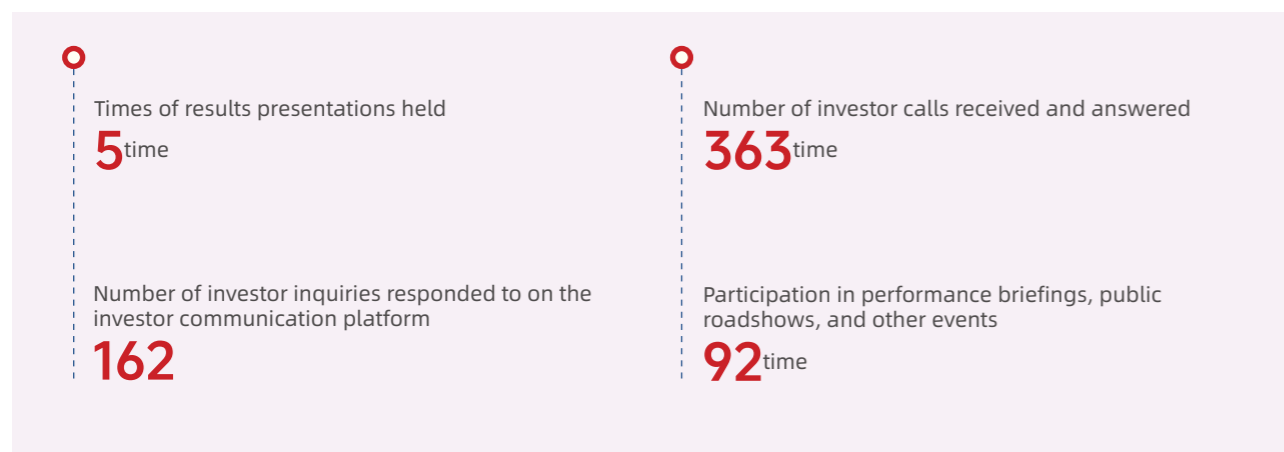
Organizationally, the Company's headquarters independently sets up an Audit Department, specifically overseen by the Party Committee Secretary and Chairman. Each subsidiary ensures the top leader oversees audit work. The Company has set up an Audit Center, establishing an 'up-audit-down' talent dispatch mechanism for auditors. It holds system work meetings to coordinate key tasks for the year, arranging for subsidiary personnel to participate in major audits to enhance audit efficiency and quality.

The Company's internal audit work closely revolves around the Company's strategic planning and operational management needs. It scientifically formulates an annual audit plan, ensuring the follow-up implementation, summary review, and application of results throughout the year, continuously promoting the perfection and effective operation of the internal control system.

Protecting Investors' Rights and Interests

The Company operates prudently and actively implements a dividend policy to safeguard the legal rights and interests of investors. It strictly adheres to the information disclosure management system and the confidentiality system for insider information, ensuring investors have open, fair, just, and timely access to information on the Company. The Company establishes various channels for communication with investors, enhancing interaction and exchange between the Company and investors, and transforming valuable investor feedback into measures for the Company's management and development.

Investor Relation Management



The Company has established a comprehensive investor relations management framework. The Secretary of the Board of Directors is responsible for investor relations communication, overseeing all related tasks; the Board of Directors' Office is the functional department for investor communication, specifically handling day-to-day activities; subsidiaries and other functional departments assist the Board of Directors' Office in these tasks.

The Company places importance on regular communication and interaction with investors, hosting on-site investor visits, responding to inquiries via phone, email, and the "Easy to Interact" platform of Shenzhen Stock Exchange, ensuring prompt and comprehensive responses to all inquiries. In 2023, the Company responded to 162 queries from small and medium investors through the "Easy to Interact" platform of Shenzhen Stock Exchange. To ensure the fairness of information disclosure, the Company focuses on enhancing training and learning for relevant personnel. The Company actively participates in activities organized by regulatory authorities, exchanges, and listed company associations, such as "Shareholders Visiting Listed Companies", facilitating site visits and discussions for small and medium shareholders, and enhancing their understanding of the Company.

Following the disclosure of quarterly reports, semi-annual reports, annual reports, and significant matters, the Company holds performance briefings and investor meetings to fully communicate with shareholders and potential investors about the overall operational status and important issues. Considering the different types of

shareholders, the format of these meetings is flexibly adapted, using either webinars or teleconferences as appropriate. Web-based performance briefings are conducted via the Shenzhen Stock Exchange Panorama Network, facilitating online interactions with investors. The Chairman, President, CFO, and Independent Directors of the Company participate in these events, addressing public investors' queries. From the perspective of interaction effectiveness, each webinar addresses over 50 investor inquiries within a 2-hour duration, effectively covering concerns of all types of shareholders, with notable success. The Company held 6 performance briefings and meetings on important issues, and participated in a great number of unscheduled surveys and strategy meetings in 2023.



Shareholders' General Meetings held

The Company strictly follows the stipulations and requirements of the Articles of Association and Rules of Procedure for Shareholders' Meetings, regulating the convening, holding, and procedural aspects of general meetings of shareholders, and treating all shareholders equally. During the General Meeting of Shareholders, the Company actively provides an online voting platform to ensure that small and medium shareholders have equal status and fully exercise their rights.



Prior to the General Meeting of Shareholders, the Company discloses notices, agenda items, the method and location of the meeting in advance, as required by regulations. All shareholders are treated equally, ensuring small and medium shareholders have equal status and fully exercise their rights. During votes on connected transactions, related shareholders abstain from voting. On-site meetings are witnessed by lawyers to ensure complete and accurate meeting records. Following the conclusion of the meeting, the resolutions of the General Meeting of Shareholders are promptly disclosed.

Information Disclosure



The Company strictly follows the principle of fair, just and open information disclosure and discloses all information that may materially affect the decisions of shareholders and other interested parties in a proactive and timely manner. The website of Shenzhen Stock Exchange is the designated information disclosure media that ensure equal access to information for all shareholders.

The Company released 39 periodic and interim announcements and a number of public online disclosure documents throughout the year of 2023, covering various types of announcements such as annual report, semiannual report, connected transactions, investment projects, etc., effectively fulfilling the information disclosure obligations of listed companies

In 2023, the Company was rated as Grade A in information disclosure by the Shenzhen Stock Exchange and has been widely recognized by regulatory authorities, investors, and the media. The Company will continue to comply with the latest regulatory requirements from regulatory authorities including the China Securities Regulatory Commission and the Shenzhen Stock Exchange, diligently preparing and disclosing regular and interim reports to enhance the quality of information disclosure. This ensures that shareholders and potential investors can timely, accurately, and completely understand important information about the Company's daily operations, internal controls, development strategies, and financial status, enabling them to make informed investment decisions. The Company will efficiently manage and track information disclosure for matters requiring continuous disclosure.

Prospects

As the saying goes, "Great passes are like iron, yet today we stride forward from the start." Standing at the beginning of 2024, Sinoma Science & Technology will continue to earnestly implement the development strategy of the Group and the Company. Adhering to the corporate mission of "promoting the development of the new materials industry and advancing social and technological progress", and the vision of "striving to become a leading international enterprise in the new materials field", the Company will deeply integrate the concept of sustainable development into all aspects of its operations.

In the coming year, Sinoma Science & Technology will advance green and low-carbon development. Seizing the opportunity of the EHSQ system certification institution transition, the Company will promote systematic and structured management improvements. This involves implementing the "dual carbon" work plan and the construction of an environmental compliance system at all levels, further advancing the transition in energy use structures, deploying the construction of "zero-electricity" factories, and supporting the development of a mutually beneficial green electricity business model.

In the new year, Sinoma Science & Technology will continue to fulfill its mission as a central enterprise. Building a world-class leader in the new materials industry is a significant mission entrusted to us by the group. Centering on the overall requirements of product excellence, outstanding branding, innovation leadership, and modern governance. We will closely align with national strategies, consciously take on social responsibilities, continually support public welfare and rural revitalization initiatives, respond to the Belt and Road Initiative, and make greater contributions to China's economic development and technological advancement.

In the upcoming year, Sinoma Science & Technology will strengthen corporate governance mechanism. We will continue to solidify the Company's "Three Meetings and One Layer" governance structure, regulating external business activities with robust internal governance standards, adhering to business ethics, continuously enhancing anti-corruption efforts, and paying high attention to supply chain anti-corruption management, cultivating a transparent and integrity-driven business atmosphere.

In 2024, Sinoma Science & Technology will remain true to its original aspirations, forging ahead with tenacity, continuing to uphold a spirit of professionalism and a high sense of responsibility, and make unremitting efforts to build "a well-known technology enterprise in China's materials industry that is most respected by customers, and believed by employees and shareholders," and to become a world-class leader in the new materials industry.



Appendix 1: Key Performance Indicators (KPIs)

Environmental

Indicator	Unit	2023
Total emissions of nitrogen oxides (NO _x)	metric ton	256.99
Emission concentration of nitrogen oxides (NO _x)	mg/m ³	84
Total emissions of sulfur dioxide (SO ₂)	metric ton	90.94
Emission concentration of sulfur dioxide (SO ₂)	mg/m ³	38
Industrial particulate matter emissions	metric ton	91.00
Industrial particulate matter emission concentration	mg/m ³	8.36
Total emissions of volatile organic compounds (VOCs)	metric ton	12.29
Total emissions of chemical oxygen demand (COD)	metric ton	271.05
Proportion of enterprises meeting noise standards	%	100
Total GHG emissions	10,000 metric tons	256
-Direct GHG emissions (Scope 1)	10,000 metric tons	62.40
-Indirect GHG emissions (Scope 2)	10,000 metric tons	193.32
GHG emissions intensity	metric ton/RMB 100,000,0 output value	98.75
Annual self-produced hazardous solid waste generation	metric ton	5,079.69
Annual self-produced hazardous solid waste generation intensity	metric ton/RMB 100,000,0 output value	0.20
Annual self-produced non-hazardous solid waste generation	metric ton	73,725.38
Annual self-produced non-hazardous solid waste generation intensity	metric ton/RMB 100,000,0 output value	2.84
Comprehensive utilization volume of non-hazardous solid waste this year	metric ton	30,264.47
Comprehensive utilization rate of non-hazardous solid waste	%	41.05
Discharge of wastewater		
-Industrial wastewater	metric ton	4,191,088.2
-Domestic wastewater	metric ton	755,809.6
Discharge of wastewater pollutant		
-COD	metric ton	271.05

Indicator	Unit	2023
-Ammonia nitrogen	metric ton	11.10
Actual COD emission concentration	mg/L	63.89
Actual ammonia nitrogen emission concentration	mg/L	2.62
Consumption of electric power during the reporting period	MWh	2,248,906.80
Including: Consumption of outsourced electric power during the reporting period	MWh	2,213,977.30
Including: Consumption of self-generated electricity during the reporting period	MWh	34,929.50
Consumption of outsourced heat during the reporting period	MWh	51,813.13
Consumption of gas during the reporting period	MWh	2,350,338.60
Consumption of other energy during the reporting period	MWh	19,928.40
Total direct energy consumption	MWh	2,370,270
Total indirect energy consumption	MWh	3,134,283.24
Total comprehensive energy consumption	MWh	5,504,553.24
Comprehensive energy consumption intensity	MWh/RMB 1,000,000 output value	212.34
Recycled water consumption	metric ton	8,222,160
Water recycling rate	%	48.68
Total water intake during the reporting period	metric ton	8,666,799
Including: Tap water	ML	8,662.57
Groundwater	ML	1.85
Surface water	ML	2.38
Including: Total water intake in areas of high water stress (Zhengzhou/Xinxiang, Henan, Xinjiang, Gansu)	ML	151.21
Total water intake outside the above areas	ML	8515.59
Water intake intensity	metric ton/RMB 100,000,0 output value	334.33
Consumption of non-renewable materials	metric ton	447,204.90
Consumption of toxic and hazardous materials	metric ton	449.40
Total discharge	ML	4,946.90
Including: Discharge of industrial wastewater	ML	4,191.09
Discharge of domestic wastewater	ML	755.81

Indicator	Unit	2023
Total water consumption	ML	8,666.80
Floor space of all the Company's production and operation units	m2	5,991,503.5
Investment on environmental protection efforts	RMB 10,000	16,138.81
Cost savings in environmental protection efforts	RMB 10,000	4.16
Number of environment-related ISO certifications		
-ISO 14001	—	33
-ISO 50001	—	20
Number of violations of environmental laws and regulations	time	0
Penalty amount	RMB 10,000	0
Revenue generated by green products	RMB 100,000,000	204.08
Percentage of revenue generated by green products	%	78.83
Carbon reduction achieved by wind power blade products produced by the Company	tCO2e	6,132,000
Number of national-level green factories	—	12
Number of national-level green factories	—	3
Water related capital expenditure (CAPEX)	RMB 10,000	146.70
Expenditures to address increasing extreme hot and cold weather		
-Annual high-temperature subsidies for employees	RMB 10,000	1,598.84
-Annual expenditures for high-temperature resistance and frost protection upgrades of factories and pipelines	RMB 10,000	29.30
Expenditures to address extreme weather events such as floods and typhoons	RMB 10,000	183,681.90

Social

Indicator	Unit	2023
Total number of employees	person	24,135
Total number of employees by gender		
Male	person	18,261
Female	person	5,874

Indicator	Unit	2023
Including: Number of female employees in STEM	person	1,195
Total number of employees by nationality		
Han	person	23,367
Ethnic minority	person	768
Total number of employees by job level		
Senior	person	100
Including: Number of female employees	person	16
Including: Number of female employees working in the business sector	person	8
Including: Number of ethnic minority employees	person	2
Middle level	person	509
Including: Number of female employees	person	119
Including: Number of female employees working in the business sector	person	76
Including: Number of ethnic minority employees	person	9
General	person	23,526
Total number of employees by employment type		
Long-term	person	24,135
Short-term	person	0
Total number of employees by age group		
Under 30	person	5,060
30-50	person	17,613
Over 50	person	1,462
Total number of employees by geographic region		
China (the Chinese mainland)	person	23,952
China (Hong Kong, Macao and Taiwan)	person	0
International	person	183
Employee turnover rate by gender		
Male	%	16

Indicator	Unit	2023
Female	%	5
Employee turnover rate age group		
Under 30	%	7
30-50	%	10
Over 50	%	15
Number of employees transferred internally or recruited internally	person	380
Total number of newly recruited employees	person	3,997
Total number of participants in the Satisfaction Survey	person	7,738
Proportion of total number of employees	%	32
Gender		
Satisfaction rate of male employees participating in the Satisfaction Survey	%	93
Satisfaction rate of female employees participating in the Satisfaction Survey	%	93
Employee category		
Satisfaction rate of senior employees participating in the Satisfaction Survey	%	96
Satisfaction rate of middle level employees participating in the Satisfaction Survey	%	95
Satisfaction rate of general employees participating in the Satisfaction Survey	%	93
Age group		
Satisfaction rate of employees under 30 participating in the Satisfaction Survey	%	94
Satisfaction rate of employees aged 30-50 participating in the Satisfaction Survey	%	94
Satisfaction rate of employees over 50 participating in the Satisfaction Survey	%	95
Total number of employees for whom the Company pays enterprise annuity	person	6,136
Total number of employees for whom the Company pays supplementary health insurance and other types of insurance beyond the mandatory "Five Insurances"	person	1,831
Work-related fatalities	person	0
Deaths per 1,000 people	‰	0
Number of working days lost due to occupational injuries	day	28
Number of participants in occupational health and safety training	attendance	269,011
Number of safety inspections conducted annually	time	3,193

Indicator	Unit	2023
Number of hidden dangers investigated annually	—	43,585
Annual hidden danger inspection and rectification rate	%	100
Number of emergency drills, fire drills, etc., conducted annually	attendance	40,186
Annual expenditure on safety and health	RMB 10,000	8,950.81
Number of employees trained		
Male	person	17,828
Female	person	5,556
Under 30	person	4,917
30-50	person	17,078
Over 50	person	1,389
Han	person	22,632
Ethnic minority	person	752
Senior	person	96
Middle level	person	494
General	person	22,786
Employee training ratio		
Male	%	97.6
Female	%	94.8
Under 30	%	97.4
30-50	%	97.0
Over 50	%	95.0
Han	%	96.9
Ethnic minority	%	99.7
Senior	%	96.0
Middle level	%	97.1
General	%	96.9
Average training hours per employee		

Indicator	Unit	2023
Male	hour	31.3
Female	hour	27.4
Under 30	hour	32
30-50	hour	30
Over 50	hour	23
Han	hour	30
Ethnic minority	hour	27
Senior	hour	84
Middle level	hour	57
General	hour	29
All employees	hour	30.3
Total cost of training the Company's employees	RMB	8,866,258.22
Number of suspected cases of child labor and forced labor	—	0
Number of suppliers that have established long-term cooperation with the Company		
Total:	—	1,943
China (the Chinese mainland):	—	1,916
China (Hong Kong, Macao and Taiwan):	—	2
Abroad:	—	25
Expenditures on suppliers with whom the Company has established long-term relationships	RMB 10,000	1,195,340
Among the number of suppliers that have established long-term cooperation with the Company, the number of suppliers that have been screened and controlled by the Company for environmental and social risks		
Total:	—	1,787
China (the Chinese mainland):	—	1,760
China (Hong Kong, Macao and Taiwan):	—	2
Abroad:	—	25
Expenditures on long-term suppliers that have been screened and controlled by the Company for environmental and social risks	RMB 10,000	1,176,636
Among the long-term suppliers that have been screened and controlled by the Company for environmental and social risks, the number of suppliers that are assessed to have significant negative impacts	—	0

Indicator	Unit	2023
Among suppliers who have established long-term cooperation with the Company, the number of suppliers who have participated in supplier training and capability improvement	—	326
Including: Among the suppliers participating in supplier training and capability improvement, the number of suppliers that have been screened and controlled by the Company for environmental and social risks.	—	326
Number of all non-long-term suppliers	—	3,547
Including: Number of suppliers screened and controlled by the Company for environmental and social risks	—	1,314
Number of suppliers certified for quality, occupational health and safety, environment or energy management systems	—	924
Pass rate for comprehensive products		
Pass rate for comprehensive fiberglass products	%	95
Pass rate for comprehensive winder power blade products	%	100
Pass rate for comprehensive lithium-ion battery separator products	%	90
Pass rate for comprehensive hydrogen cylinder products	%	97
Proportion of R&D personnel	person	2,528
Number of academicians and other cutting-edge talents	person	1

Governance

Indicator	Unit	2023
Number of meetings of the Board of Directors	time	6
Meetings of the Strategy Committee held	time	2
Meetings of the Audit Committee held	time	4
Meetings of the Nomination Committee held	time	2
Meetings of Remuneration and Evaluation Committee held	time	1
Number of meetings of the Board of Supervisors	time	6
Number of proposals deliberated and approved by the General Meeting	piece	12
Number of proposals deliberated and approved by the Board of Directors	piece	31

Indicator	Unit	2023
Number of proposals deliberated and approved by the Supervisory Committee	piece	14
Average annual tenure of the Board of Directors	year	4.5
Average annual tenure of the Supervisory Committee	year	2.5
Board of Directors		
Directors	person	9
Number of Independent Directors	person	3
Executive Directors	person	1
Gender		
Male	person	8
Female	person	1
Age group		
Under 30	person	0
30-50	person	1
Over 50	person	8
Board of Supervisors		
Supervisors	person	5
External Supervisors	person	2
Employee Supervisors	person	3
Gender		
Male	person	4
Female	person	1
The Management		
Gender		
Male	person	7
Female	person	1
Age group		
Under 30	person	0

Indicator	Unit	2023
30-50	person	3
Over 50	person	5
Shareholders' general meetings held	time	4
Attendance rate of directors at the shareholders' general meetings	%	100
Number of proposals deliberated and approved by the General Meeting	piece	12
Times of results presentations held	time	5
Number of investor inquiries responded to on the investor communication platform	—	155
Number of investor calls received and answered	time	363
Participation in performance briefings, public roadshows, and other events	time	92
Periodic reports compiled and published	—	4
Temporary announcements released	—	39
Anti-corruption trainings	time	203
Number of participants receiving anti-corruption training	attendance	25162
Times of compliance training	time	78
Length of compliance training	hour	156
Attendances for compliance training	attendance	5490
Compliance and risk control related systems developed	item	1771
Compliance and risk control related systems revised and improved	item	2246

Appendix 2: Indicators Index List

Chapter Titles	Central Enterprise ESG Indicators	GRI	
Green · Supporting Clean Energy	Improving Environmental Protection System	E5.6	2-27 302-4
	Combating Climate Change	E3.1 E3.2 E3.4	305-5
	Strict Control of Pollution and Waste Emissions	E2.1 E2.2 E2.3	2-27 303-1 303-2 303-4 306-1 306-3
	Reducing Resource Consumption	E1.1 E1.2 E1.3 E1.4	2-27 301-2 302-1 302-3 302-4 303-1 303-5
	Adhering to Green Operation	E5.4	302-4
	Biodiversity Protection	E4.1	304-1 304-2
Unity · Building a Talented Workforce	Strengthening Talent Acquisition	S1.1	2-27 401-1 405 406 408 409
	Safeguarding Employees' Rights and Interests	S1.2 S1.5	2-27 401-2 401-3
	Safeguarding Health and Safety	S1.3	2-27 403
	Building Development Platforms	S1.4	404
	Building a Shared Community for Employees	S1.2 S1.3	402
Responsibility · Committed to Win-Win Cooperation	Adhering to the Principle of Customer First	S1.3 S2.1 S2.2	203-1 417-1 418-1
	Innovation-Driven Development	S2.3	-
	Creating a Responsible Supply Chain	S3.1 S3.2	414-1
	Contributing to Social Welfare	S4.1 S4.2 S4.3 S4.4	2-23 2-24 415-1
Rule of Law · Consolidating Governance Foundations	Strengthening Governance Structure	G1.1 G1.2 G3.2	2-9 2-26
	Observing Business Ethics	G2.2 G2.3	205-2 206-1
	Strengthening Standardized Governance	G2.1 G5.1 G5.2	2-25
	Protecting Investors' Rights	G3.1 G3.2 G4.1 G4.2	2-26 2-29

Appendix 3: Questionnaire

Dear reader,

Thank you very much for taking your precious time reading the Sinoma Science & Technology 2023 Environmental, Social and Governance (ESG) Report. We look forward to your comments and suggestions on the report and our work. You can send your completed questionnaire back to us by mail or by scanning and emailing your valuable comments. Thank you!

Address:

Phone:

Postal Code:

Email:

1. What type of stakeholders does your employer belong to:

- Internal management Stockholders/Investors Internal employees Suppliers/Partners
- Customers and potential customers Government and regulatory authorities Communities
- Experts and scholars Non-governmental organizations
- The public Others (please specify)

2. Is the information you are concerned with fully presented in the report?

- Yes Partially No

3. Your overall comment on the 2023 ESG Report:

- Readability (expressions of clarity, attractive design, engaging and easy to find the required information)
 - 3 points (Good) 2 points (Average) 1 point (Not good)
- Credibility (reported information is true and credible)
 - 3 points (Good) 2 points (Average) 1 point (Not good)
- Integrity of information (balanced positive and negative information and meets your needs on the information)
 - 3 points (Good) 2 points (Average) 1 point (Not good)

4. Are you able to find the information you are interested in from the report with ease?

- Yes Partially No

5. What would you like to see in addition to what has been disclosed in the report?
