

Yunnan Energy New Material Co., Ltd.,  
2022 Environmental, Social and Governance Report

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## About this Report

This is the third Environmental, Social and Governance (“ESG”) Report (“the Report”) issued by Yunnan Energy New Material Co., Ltd. (for better presentation and readability, “Energy Technology” or “the Company”; “we”, “Group”, and “the Group” for the Company together with its subsidiaries), presenting the management practice and performance in the aspects of environment, social and governance in 2022.

### Reporting Period

The Report is an annual report for the period from 1 January to 31 December 2022 (the “reporting period”). To enhance the readability of the Report, some contents or data relate to previous or subsequent years.

### Organisational Structure

The disclosure scope of this report is the same as that of the 2022 Annual Report, while the scope of environmental data is the Group’s subsidiaries that have been put into operation. Mainly includes:

No.	Segment	Full Name	Abbreviations
1	New energy	Shanghai Energy New Material Technology Co., Ltd.	Shanghai Energy
2		Jiangxi Tonry New Energy Technology Development Co., Ltd	Jiangxi Tonry
3		Jiangxi Ruijie New Materials Technology Co., Ltd.	Jiangxi Ruijie
4		Jiangsu Ruijie New Materials Technology Co., Ltd.	Jiangsu Ruijie
5		Wuxi Energy New Materials Technology Co., Ltd.	Wuxi Energy
6		Suzhou Green Power New Energy Material Co., Ltd.	Suzhou Jieli
7		Chongqing Energy New Materials Technology Co., Ltd.	Chongqing Energy
8		Chongqing Energy Newmi Technological Co., Ltd	Newmi Tech
9		Zhuhai Energy New Materials Technology Co., Ltd.	Zhuhai Energy
10		Jiangxi Energy New Materials Technology Co., Ltd.,	Jiangxi Energy
11	Packaging	Yunnan Hongta Plastics Co., Ltd.	Hongta Plastics
12		Hongta Plastic (Chengdu) Co., Ltd.	Chengdu Hongsu
13		Yunnan Dexin Paper Industry Co., Ltd.	Dexin Paper
14		Yunnan Hongchuang Packaging Co., Ltd.	Hongchuang Packaging

### Data of the Report

Data and cases presented herein were extracted from the internal documents, reports and other documentation that keeps track of the progress in satisfying performance obligations of the Group and its subsidiaries.

## **Assurance for Reliability of the Report**

Group guarantees that the Report is free of false or misleading statements.

### **Key Reporting Metrics Used, Including:**

- The Global Reporting Initiative's ("GRI") Sustainability Reporting Standards ("GRI Standards")
- The Corporate Social Responsibility Reporting Guidelines released by the Chinese Academy of Social Sciences ("CASS-ESG 5.0")
- the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (Revised in 2022)
- the No. 1 Self-regulatory Guidelines of the Shenzhen Stock Exchange for Listed Companies – Standardized Operation of Listed Companies
- the No. 3 Self-regulatory Guidelines of the Shenzhen Stock Exchange for Listed Companies – Industry Information Disclosure
- The United Nations Sustainable Development Goals ("SDGs")
- "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" White Paper<sup>1</sup>-Stakeholder Capitalism Metrics from World Economic Forum International Business Council
- IFRS S1 General Sustainability-related Disclosures (draft S1)
- The contents in Response to Climate Change section refer to the recommendations of the TCFD (Climate Related Financial Disclosure) , the requirements of the Environmental, Social and Governance Reporting Guide of HKEx and IFRS S2 Climate-related Disclosures (draft S2)

## **Publication Cycle**

This Report is published on a yearly basis.

## **Access to and Feedback on the Report**

This Report is available on Yunnan Energy New Material Co., Ltd.'s website (<http://www.semcorp.com>), the Shenzhen Stock Exchange's website (<http://www.szse.cn>) and CNINFO's website ([www.cninfo.com.cn](http://www.cninfo.com.cn)). Where the English content conflicts with the Chinese content, the Chinese one shall prevail. Please share via email ([groupheadquarter@cxxcl.cn](mailto:groupheadquarter@cxxcl.cn)) your thoughts and suggestion on our ESG Report or our environment and social responsibility performance.

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<sup>1</sup> Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation , World Economic Forum , September 2020.

# Message from the General Manager

To stakeholders:

Yunnan Energy New Material Co., Ltd. (Energy Technology), a leading lithium battery separator company, adheres to the values of “integrity, persistence, dedication and excellence”, and is committed to becoming a world-class material research and development (R&D) and production enterprise. We strive to be strong and adhere to the sustainable development focusing on the environment, society and corporate governance. Going forward, we will sincerely work with our stakeholders and strive to achieve stable and long-term development of the Group and all stakeholders.

Over the last year, we worked to integrate sustainability with daily production and operation to construct a management system for sustainable development as we made progresses in energy conservation and emission reduction, technological innovation, safe development, quality services and employee empowerment.

We relentlessly follow the road of sustainable development, implement the concept of green development, and follow low-carbon environmental protection, energy saving and consumption reduction practices in production and operation. We are committed to creating encouraging atmosphere for energy conservation and reduction within the Group, and prioritize resource conservation in our development strategy and operation approach. In response to the call for carbon peaking and carbon neutrality, we speed up the Company's reduction of carbon emission to contribute to the achievement of China's dual carbon goal and the global effort in tackling climate change.

We are socially responsible and vigorously fulfill our responsibilities towards the society. We firmly believe that talents are the fundamental driving force for the Group to move forward, and welcome outstanding talents to join us. To ensure our employees' well-being, we continue to improve our incentive and performance mechanism, and rely on in-house college to empower and train our employees. We continue to improve the working conditions, as well as the occupational health and safety management of our employees.

Against a changing global landscape, we insist on quality and technological innovation to make mutually beneficial progress together with upstream and downstream industries. We provide high-quality products, and on that basis, we provide green and innovative products and solutions, and create a sustainable supply chain as a key component of the operation process.

We are very grateful to all stakeholders for their long-term attention and support for Energy Technology. As a responsible corporate citizen, we truly believe that there is no end to the road of sustainable development. Going forward, we will make greater progress in ESG-related tasks and embrace challenges and innovation with courage. Together with our stakeholders, we will champion sustainable and high-quality development focusing on the economy, society and the environment.

Li Xiaohua

General Manager

March 2023

# Sustainable Development Outcomes in 2022

## KPI Overview

KPI	Unit	2022	2021
Economic Performance			
Total assets	RMB10,000	3,862,273.15	2,612,218.48
Total operating income	RMB10,000	1,259,092.55	798,242.68
Operating income growth rate	%	57.73%	86.37%
Total profit	RMB10,000	476,514.41	321,957.49
Total profit growth rate	%	48.01%	145.16%
Weighted-average return on net assets attributable to common shareholders	%	25.39%	21.85%
Taxation payment <sup>2</sup>	RMB10,000	90,067.59	62,522.18
Environmental Performance			
Electricity consumption	kWh	1,020,595,352.8	747,788,807.2
Natural gas consumption	m <sup>3</sup>	113,208,811.0	72,224,596.2
Comprehensive energy consumption intensity	kWh/10,000RMB (Total operating income)	2,142.2	2,551.2
Greenhouse gas emission intensity	tons of CO2 equivalent	0.8	1.0
Water consumption and intensity of consumption	kWh/ RMB10,000 (Total operating income)	3.3	3.6
Emission intensity of hazardous waste	kg/ RMB10,000 (Total operating income)	0.1	0.2
Social Performance			
Total employee	person	7,458	5,954
Percentage of women in management	%	28.6%	28.6%
Employee turnover rate	%	19.7%	14.2%
Total employee training hours	hour	77,416	75,403
Work hours lost due to work-related injuries	hour	14,704	16,128
Total Recordable Incident Rate (TRIR)		0.36	0.44
Number of product recalls	times	0	0
R&D expenditure	RMB100,000,000	7.24	4.09

<sup>2</sup> Various taxes: This equals the total of corporate income tax, value-added tax, and other taxes.

Cumulative IP	item	520	459
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### System certification

By the end of the reporting period, the Group's coverage of ISO9001, ISO14001 and ISO45001 is as follows. For more information, please refer to the relevant section in this report.

System	Name	The proportion covering the Group's subsidiaries in operation
ISO9001	Quality Management System	85.7%
ISO14001	Environmental Management System	85.7%
ISO45001	Occupational Health and Safety Management System	85.7%

### ESG Rating Performance

In 2022, the Company actively communicated with ESG rating agencies and continued to respond to key ESG ratings to continuously improve ESG governance. In September 2022, the Company received an MSCI ESG rating of BBB.



### Main Awards and Honours

Entity	Awards	Awarding Party
Energy Technology	2022 Lithium battery material industry Top 50	GGII
Energy Technology	China growing companies Top 100	Securities Times
Energy Technology	Forbes 2022 Top 50 Chinese Innovative Enterprises	Forbes China

For more awards and honours, please find them in the Appendix of this report.



# About the Group

## Group Overview

Yunnan Energy New Material Co., Ltd., the world's leading manufacturer of lithium battery separator films, was established on 5 April 2006, with its headquarters located at No.125 Fuxian Road, High-tech zone, Yuxi City, Yunnan Province. We also have a wide range of products in the tobacco label, BOPP film<sup>3</sup>, aseptic packaging and speciality paper industries. Energy Technology was listed on the Shenzhen Stock Exchange on September 14, 2016 (Stock Code: 002812, Stock Short Name: ENERGY TECHNOLOGY). As of the reporting period end, the Group had five second-tier subsidiaries. Among them, Yunnan Hongta Plastic Co., Ltd. (referred to as “Hongta Plastic”), Yunnan Dexin Paper Co., Ltd. (referred to as “Dexin Paper”) and Ningbo Energy New Material Co., Ltd. were wholly-owned. The other two, namely Shanghai Energy New Material Technology Co., Ltd. (referred to as “Shanghai Energy”) and Yunnan Hongchuang Packaging Co., Ltd. (referred to as “Hongchuang Packaging”) were holding subsidiaries. According to the “Guidelines on Industry Classification of Listed Companies (Revised in 2012)”, the Group’s industry classification is “C Manufacturing” - “C29: Rubber and Plastic Products”.

The Group’s operations are mostly in China Mainland, with production facilities in Shanghai, Yunnan, Sichuan, Chongqing, Jiangsu, Jiangxi and Guangdong. In addition, to further go global and enhance our impact world-wide by expanding the overseas market for our wet-process lithium ion battery separator film product and functional coating film product, we launched our overseas factory project in Hungary, Europe. The total investment of the Hungary project in Europe is expected to be about EUR 340 million. We plan to build four fully automated imported film production lines and more than 10 coating production lines. The project is expected to launch production in 2023 at an annual base film production capacity of about 400 million square meters. At the same time, the Group’s Jiangsu Energy and Jiangsu Ruijie factories are also under construction in an orderly manner.



Hungarian Factory in Construction

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<sup>3</sup> BOPP film: bidirectional stretch polypropylene film.

## Mission, Vision and Core Values

**Our mission:** create excellent quality, build a national brand

**Our vision:** Become a world-class material R&D and production enterprise

**Core values:** Integrity, persistence, dedication, and excellence

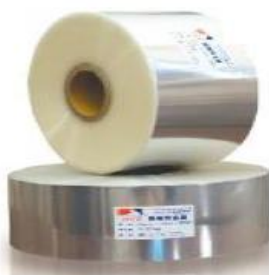
## Main Business

Energy Technology has divided its two major segments of business into “new energy” and “packaging”. By the end of the reporting period, there were three major categories of products:

- Membrane products, mainly include lithium ion battery separator film (base film and coating film) and BOPP film (cigarette film and flat film):
  - Lithium battery separator film: Energy Technology has a complete portfolio of separator film products in the industry. The wet-process lithium battery separator film products are mainly used in the fields of new energy automobile lithium battery manufacturing, 3C products and energy storage. Energy Technology has successfully entered the supply chain of global mainstream battery manufacturers by virtue of technology accumulation and expansion of industrial scale. We have established constructive working relationship with leading foreign lithium battery manufacturers such as LGES, Panasonic, Samsung, NORTHVOLT, French ACC, a large overseas vehicle manufacturer as well as with domestic mainstream lithium battery companies, including CATL Group (Contemporary Amperex Technology Co., Ltd.), CALB (China Aviation Lithium Battery Technology Co., Ltd.), BYD (Shenzhen BYD Lithium Battery Co., Ltd.), EVE Energy Co., Ltd. (EVE), SVOLT Energy Technology Co., Ltd. (SVOLT), Sunwoda Electronic Co., Ltd. (Sunwoda), Farasis Energy (Farasis Energy (Ganzhou) Co., Ltd.), and Lishen (Tianjin Lishen Battery Joint-Stock Co., Ltd.).
  - BOPP film: Energy Technology BOPP film is manufactured by Hongta Plastics and its subsidiary Chengdu Hongsu. It is one of a few companies in China that can produce BOPP cigarette film, and is also one of a few companies capable of producing anti-counterfeit printed cigarette film. BOPP film products have a leading position in the BOPP film market in Southwest China. Cigarette film is used in the cigarette industry, and mainly sold to customers include Yunnan Zhongyan, Sichuan Zhongyan, Chongqing Zhongyan, Anhui Zhongyan, Hubei Zhongyan, Guizhou Zhongyan, Heilongjiang Tobacco, Jiangxi Zhongyan, and Gansu Tobacco and other well-known subsidiaries of them. Flat film is mainly used in printing, food, cosmetics and other industries.



Lithium ion battery separator



Cigarette film



Flat film

- Packaging and printing products, mainly include cigarette labels and aseptic packaging, among which:
  - Cigarette label: used in cigarette packaging and mainly sold to large cigarette manufacturers in China, including Yunnan Zhongyan Materials Group Co. Ltd. and Chongqing Zhongyan Industrial Co., Ltd., and the products are widely used in well-known domestic cigarette brands such as n “Yuxi”, “Hongtashan”, Yunyan”, “Honghe”, “Snow World”, “Longfengchengxiang”;;



#### Cigarette labels

- Aseptic packaging products: Hongchuang Packaging, a subsidiary of the Group, has independently developed roll-form aseptic brick packages, pre-made aseptic brick packages, A-type gable top packages (mainly used for fresh milk), B-type gable top packages (mainly used for tea drinks, fruit juice and non-carbonated beverages), making it become one of the few enterprises able to produce roll-form aseptic brick package, pre-made aseptic brick package and gable top package. Domestic famous large dairy and beverage producers are the major customers of HongChuang Packaging, such as Yili, Mengniu, Bright Dairy, New Hope Dairy, Dali, Dongpeng, Beijing Sanyuan Food, Royal Group, Guizhou Haoyiduo Dairy, Wondersun and Ouya Dairy. The product quality and service of HongChuang Packaging have gained recognition of a large number of customers.

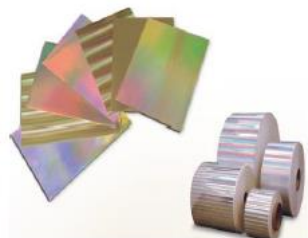


#### Aseptic packaging products

- Paper product packaging is mainly manufactured by Dexin Paper, which include special paper products holographic anti-counterfeiting electrochemical aluminum products and transfer films. They are widely used for the cigarette labels for domestic famous cigarette brands, such as “Yunyan”, “Hongtashan”, “Yuxi”, “Hongshuangxi”, “Jiaozi”, “Chunghwa”, etc. Thanks to the Company’s strong capability in product development, excellent product quality and good adaptability, the special paper products have developed rapidly and fill

the gap of no special paper deep processing enterprise in Southwest China where a large number of packaging printing enterprises operate. In detail ,

- Laser transfer anti-counterfeiting paper, a laser transfer paper product which uses special or customised laser patterns. Laser transfer anti-counterfeiting paper is a metallised paper product with a metal texture and laser anti-counterfeiting effect, and it is made by copying the rainbow laser and anti-counterfeiting effect on the coating layer and then plating, laminating and peeling. The product is widely used in cigarette labels, cosmetic boxes, toothpaste boxes, pill boxes, etc.;
- Aluminised paper, an aluminum plated paper product made by the direct plating method. It is a speciality paper product manufactured by aluminising directly on the coated surface of paper in vacuum, and is mainly used as inner liners for cigarette labels and as packaging papers for chocolates, chewing gums and other foods; and
- Coated paper, a speciality paper product with a special effect and function and suitable for printing. It is made by either applying a specific coating directly on the paper or adding a coating via PET film coating and paper-film composite peeling. Coated paper products are mainly used in tobacco, food, medicine, and cosmetics industries.



Laser Transfer Anti-Counterfeiting Paper



Aluminised Paper



Coated Paper

➤ Other technical accumulation:

- Dry-process lithium ion battery separator film: The Group's dry-process project phase I in Jiangxi is expected to have 1 billion square meters of production capacity. Main works such as construction, equipment installation and adjustment were completed in 2022. The next step is to continue the improvement and optimization, speed up the construction, and ensure sufficient supply to meet market demand for lithium ion battery separator films in the future after technology and process evaluation.
- Aluminum laminated film: Jiangxi Ruijie and Jiangsu Ruijie are two major aluminum laminated film manufacturers under Energy Technology. Jiangxi Ruijie was established in November 2019. Most of its production lines use imported equipment and are equipped with online defect detection devices. After the project fully launches production, it is expected to achieve an annual production capacity of 100 million square meters of aluminum laminated film. So far, Jiangxi Ruijie is progressing customer validation work and other remaining production lines and Jiangsu Ruijie's another site are all under construction in an orderly manner.
- Semi-solid battery diaphragm: The Group has been paying attention to various battery technology paths including solid-state and semi-solid batteries, and has

targeted diaphragm as the new battery technology to develop. We have established Jiangsu Sanhe, a joint venture with Beijing Weilan and Liyang Tianmu to develop and manufacture semi-solid battery separators, and the project is currently progressing smoothly.

# 1. Governance Principles

## 1.1 Corporate Governance

### 1.1.1 General Approach

Decent corporate governance mechanism, conducive to the enhancement of corporate value as well as maintenance of shareholders' interests, is an important basis for the Company to realize sustainable development. The Group has constantly optimized its governance system and constantly improved its management level during the long-term corporate governance practice. General meetings, the Board and its special committees, the Supervisory Committee and the management of which the general manager is responsible for have clear duties and responsibilities with high effectiveness. In 2022, the Group did not have any incidents of high fines and non-monetary sanctions for violations of laws and regulations in the social and economic sphere.

In order to enhance the core competitiveness, meet the needs of strategic development, improve the audit evaluation and supervision mechanism of the Board of Directors, ensure effective supervision of the Company by the Board of Directors, and also to standardize the selection and appointment of directors and general managers and other senior management of the Company, optimize the composition of the Board of Directors, and improve the remuneration and assessment management system of directors, general managers and other senior management, we have, in accordance with the *Company Law of the People's Republic of China*, *Guiding Opinions on Establishing Independent Director System for Listed Companies*, the *Articles of Association of Yunnan Energy New Materials Co., Ltd.* (hereinafter referred to as the *Articles of Association*), adopted the Nomination Committee of the Board of Directors and the Remuneration and Evaluation Committee of the Board of Directors to improve the corporate governance structure. With respect to the composition of personnel, we have taken into full consideration such elements as independence, set clear requirements on the number of independent directors in each committee, and taken into account the experience background of the directors. In the future, we will further enhance the diversity of board members in conjunction with our development plans to improve decision-making and reduce the level of corporate risk.

In 2022, in addition to the convening of the Board of Directors' Committee, we held 4 shareholders' meetings, 13 Board of Directors' meetings and 12 Board of Supervisors' meetings.

As of the end of the reporting period, there were 9 board members (including 3 independent directors), including 2 female directors and 7 male directors, accounting for 22.2% of female directors; there were 3 supervisors (including 1 employee supervisor), including 1 female supervisor and 2 male supervisors, accounting for 33.3% of female supervisors.

### 1.1.2 Disclosures

The Group followed their duties pursuant to *the Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Guiding Opinions on Establishing Independent Director System for Listed Companies*, *Shenzhen Stock Exchange Listing Rules* and other relevant provisions as well as regulations of the Company including *the Articles of Association*. The department of business affairs in debentures are response for works on disclosures the information, obedience to the idea of insisting reality, accurate, complete, duly, compliance, disclosures the business's announcements and journals. In 2022, according to the

requirements of the Law of A stocks disclosures, the Group finished the periodic reports and temporary reports, especially the big and urgent events that shareholders and investors care about, make sure that the investors could duly, fairly, equally, accurately, fully understand the conditions that the Company faced. In the reporting period, the Company issued 229 temporary announcements and prepared and disclosed 4 periodic reports.

In order to satisfy the promptness of information disclosures, the Group set staff who specialize in the communication and reports to the Group's Bond Department on material information within all subsidiary corporations, making an internal platform for communicating the information disclosures. In addition, the Group irregularly carry out relevant training for the staff in Bond Department and responsible for information disclosure in subsidiaries, to improve the information management and disclosure capabilities and ensure the accuracy, timeliness and compliance of information disclosure, protect the legitimate rights of investors.

### 1.1.3 Investor Relations

The Group continues to concentrate and commit to improving investor relations management. We strictly follow by *the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Guiding Opinions on Establishing Independent Director System for Listed Companies* and other related laws and regulations as well as internal document such as *the Articles of Association*. In the management of investor relations, we also follow the "full disclosure information, compliance to disclose information, investors equal opportunity, honest and trustworthy, efficient, low consumption and interactive communication" and such basic principles. Starting from the interests of small and medium-sized investors, in daily work and the implementation of major projects, we take effective and convenient measurements, strengthen the comprehensive communication between shareholders and investors, avoid selective disclosure, ensure the equality between middle and small-scale stakeholders and the rights to equality received the information.

The Group keeps communication with institution and individual investors via email, telephone, CNINFO, onsite visiting and online reception in 2022 and continues to publish the latest corporate information through the official WeChat timely, enriching the channels to obtain information for investors. In 2022, we responded to a total of more than 80 investor inquiries via corporate email, held one live webcast of our earnings presentation, completed 123 interactive Q&A sessions, and conducted research and online group receptions for investors a total of four times.

## 1.2 ESG Governance

### 1.2.1 ESG Governance Structure

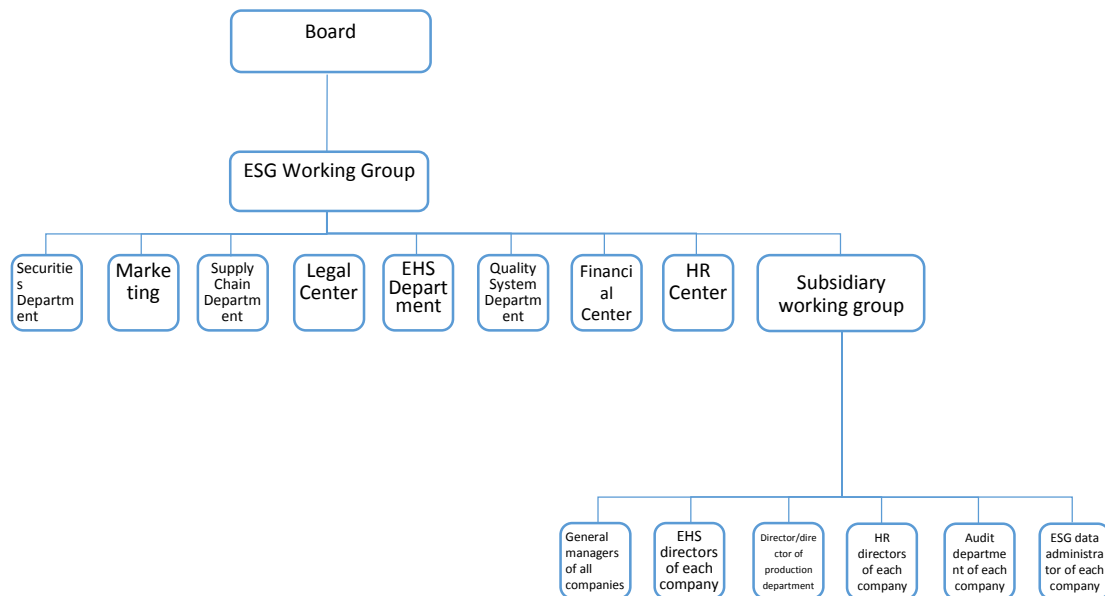
In order to promote the development of ESG work and improve the quality of ESG information disclosure, we have formulated the *ESG Management Implementation Measures* and a top-down ESG governance structure.

<p><b>Board of Directors (the "Board")</b></p>	<p>Responsible for ESG management, discussing, evaluating, and approving information disclosure of major ESG issues, ESG targets, and external ESG reports. Management tasks include but are not limited to the supervision of the Group's environmental and social matters, including risk assessment, prioritization and risk management, supervision and review of the Group's performance in environmental and social matters, etc., so as to guide the Group's sustainable development.</p>
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<b>ESG Working Group</b>	The Group is headed by the Group Securities Department, and include members from the Group Quality System Department, Group Legal Center, Group Supply Chain Department, Group HR Center, Group Financial Center, Group Marketing and EHS Departments of each site, covering all relevant aspects of the Group's daily management. The ESG working group plays an indispensable role at the Group's executive level by listening to opinions and suggestions on one hand, and conveys, communicates, and implements measures and feedback on environmental governance and social governance to each site on the other hand.
<b>Subsidiaries' Working Groups</b>	Responsible for implementing the Group's ESG-related policies, and compiling, reporting, and archiving of all ESG-related quantitative and qualitative information within the Company.

Within the Group's ESG working group, Group Securities Department, Group Marketing, Group Supply Chain Department, and Group Legal Center are responsible for collecting and reviewing quantitative and qualitative information in the Group's social aspects (development and training, supply chain management, product responsibility, anti-corruption). The Group HR Center is responsible for collecting and reviewing quantitative and qualitative data in the Group's social aspects (employment, health, and labor standards); while the EHS Department, Group Quality System Department, and Group Financial Center are responsible for collecting and reviewing quantitative and qualitative data in the Group's environmental aspects (energy, environmental protection, emissions, natural resources, production safety).



ESG organization chart

In 2022, we will continue to promote the development of ESG tasks and make use of ESG reporting as an important tool to review and improve management level.



Responsible unit ESG projects	Securities Department	Legal Center	Financial Center	Marketing	HR Center	Supply Chain Department	Safety and Environmental Protection Department	Intellectual Property Department	Quality System Department	Production Department	Administrative Department	Information Technology Center	Member Enterprises
<b>Governance principles</b>													
Corporate governance	○	○									○		
ESG governance	▲	●	●	●	●	●	●	●	●	●	●	●	●
Compliance operation	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Caring for the earth</b>													
Resource and energy use	○						●			▲			●
Emissions management	○						●			▲			●
Responding to climate change	○						●			▲			●
<b>People oriented</b>													
Employment and employee benefits	○				▲						●		●
Training and development	○				▲			○			●		●
Occupational health and safety	○				▲		▲			▲			●
<b>Achieving prosperity</b>													
Product responsibility	○			●		▲		▲	▲				●
Sustainable supply chain	○					▲							●
Public welfare and community involvement	○										▲		●

“▲” means "Responsible for it" or "Heavily involved", “●” means “Responsible for a particular part of it”, “○” means “Participate in or support”.

### 1.2.2 Communication with Stakeholders

The Group's ESG stakeholders mainly include the employees, suppliers, customers, shareholders, investors, government, and the communities where the Group operates. The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the long-term development of the Group. In this regard, the Group actively explores various channels to maintain good communication with stakeholders, to enhance the stakeholders' understanding of the development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Group can provide them with timely and effective feedback regarding their concerns. In this way, the Group ensures that it is cooperating and working alongside stakeholders to achieve mutual benefits.

Stakeholders	Expectations and needs	Communication and feedback
Government	<ul style="list-style-type: none"> <li>▪ Compliance with disciplines and laws</li> <li>▪ Employment provision</li> <li>▪ Payment of taxes pursuant to laws</li> <li>▪ Driving the development of local economy</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening operation management in compliance with regulations</li> <li>• Hiring local staff and promoting local employment</li> <li>• Accepting supervision and assessment</li> <li>• Carrying out strategic cooperation</li> </ul>

Stakeholders	Expectations and needs	Communication and feedback
Shareholders	<ul style="list-style-type: none"> <li>▪ Stable operation</li> <li>▪ Sustainable development</li> <li>▪ Earnings and returns</li> <li>▪ Unimpeded information flow</li> </ul>	<ul style="list-style-type: none"> <li>• Improving competitiveness and profitability</li> <li>• Protecting the ecological environment, fulfilling social responsibilities</li> <li>• Establish a variety of communication channels such as telephone, CNINFO and email</li> <li>• Information disclosure in a timely manner, strengthening investor relationship and treating small and medium shareholders equally</li> </ul>
Customers	<ul style="list-style-type: none"> <li>▪ Performance of contracts in good faith</li> <li>▪ Quality assurance</li> <li>▪ Premium services</li> </ul>	<ul style="list-style-type: none"> <li>• Guaranteeing stability of product</li> <li>• Guaranteeing stability and quality of product supply</li> <li>• Strengthening the management of product quality, and optimizing product structure</li> <li>• Carrying out satisfaction survey</li> </ul>
Staff	<ul style="list-style-type: none"> <li>▪ Wages and welfare</li> <li>▪ Employee rights protection</li> <li>▪ Career development</li> <li>▪ Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• OA system, email, bulletin board</li> <li>• Irregular meetings and annual meetings of enterprises</li> <li>• Protection of rights and interests, medical insurance</li> </ul>

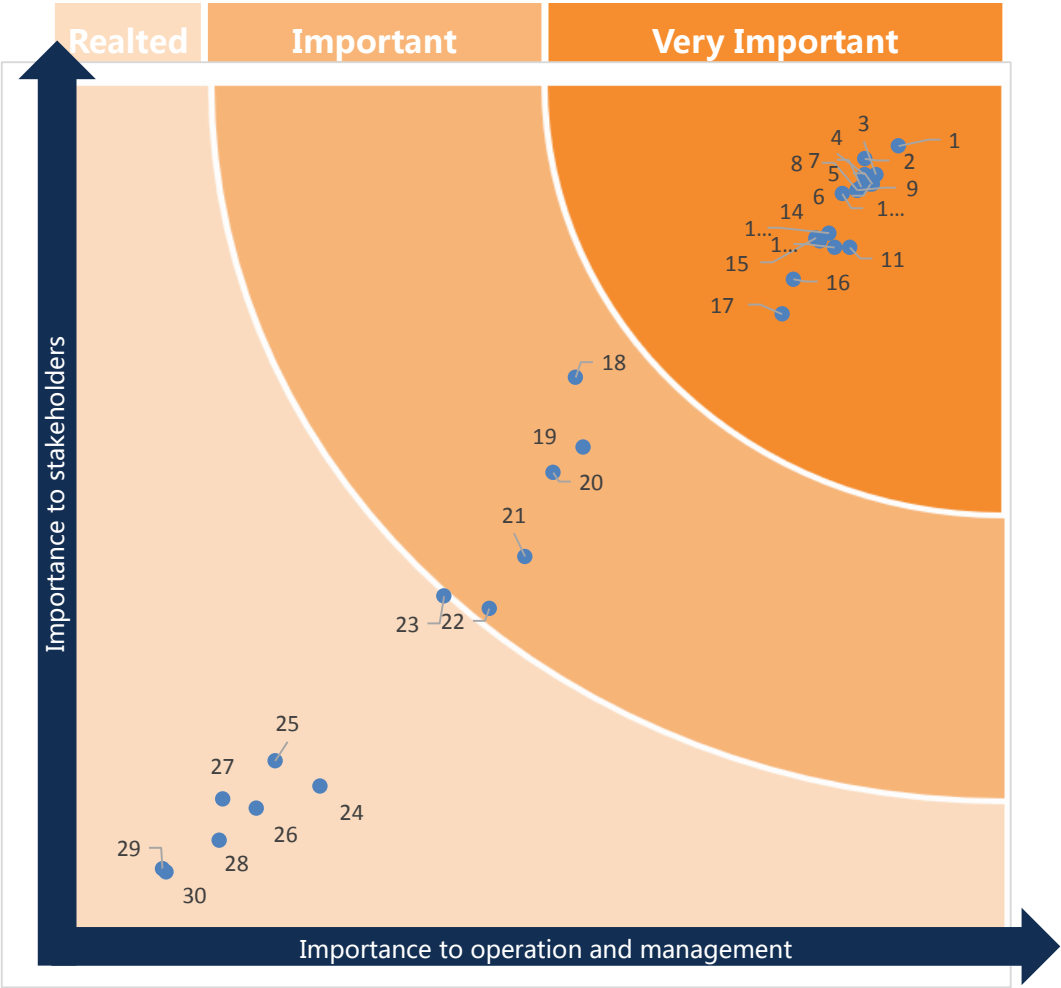
	<ul style="list-style-type: none"> <li>▪ Humanitarian care</li> </ul>	<ul style="list-style-type: none"> <li>• Trade union organization, election of staff directors and staff supervisors</li> <li>• Education and training, career development platform</li> <li>• Fight with the epidemic and elimination of occupational diseases</li> <li>• Caring for staff, and the set up of complaint feedback mailbox</li> </ul>
Environment	<ul style="list-style-type: none"> <li>▪ Coping with climate change</li> <li>▪ Water resources</li> <li>▪ Pollution prevention and treatment</li> <li>▪ Energy saving and emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Correlation analysis of climate change and corporate business</li> <li>• Water resources protection, comprehensive utilization of sewage and wastewater</li> <li>• Carrying out pollution control</li> <li>• Technological innovation, energy saving and consumption reduction</li> </ul>
Partners	<ul style="list-style-type: none"> <li>▪ Business ethics</li> <li>▪ Transparent procurement</li> <li>▪ Mutual benefit and win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Good faith execution of contracts</li> <li>• Open procurement, e-procurement</li> <li>• Business exchange and cooperation, symposium</li> </ul>
Community	<ul style="list-style-type: none"> <li>▪ Community development</li> <li>▪ Public welfare activities</li> <li>▪ Jobs creation</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities, visits and exchanges, respect for cultural traditions</li> <li>• Donations and voluntary services</li> <li>• Skills training, local employment and procurement</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>▪ High solvency</li> <li>▪ Due repayment of debts and interest</li> <li>▪ Mutual trust and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Due repayments</li> <li>• Better communication and liaison</li> <li>• Win-win cooperation</li> </ul>
Industry	<ul style="list-style-type: none"> <li>▪ Fair competition</li> <li>▪ Facilitating industry progress</li> <li>▪ Promoting the development of industrial chain</li> </ul>	<ul style="list-style-type: none"> <li>• Refraining from vicious competition</li> <li>• Exchange of experience</li> <li>• Technological innovation</li> </ul>

### 1.2.3 Materiality Assessment for ESG Topics

We attach importance to the identification and management of ESG issues. By comprehensively sorting out the key points of the Group's sustainable development work and feedback from various stakeholders, benchmarking with industry hotspots and leading practices, referring to relevant assessment elements such as ESG ratings in the capital market, and combining with relevant guidelines and targets for sustainable development disclosure at home and abroad, the scope of topics is delineated in order to identify important ESG issues

so as to effectively improve the company's sustainable development management and disclose them in a focused manner in the report.

We invited internal stakeholders to rate the ESG issues in the issue database through a questionnaire survey, and evaluated the materiality of each ESG issue in terms of "Importance to Management" and "Importance to Stakeholders". The materiality of each ESG issue was ranked according to its rating, and the materiality matrix of this report was derived. The matrix presents the materiality of issues into three tiers: very important, important, and relevant.



Energy Technology's ESG Materiality Assessment Matrix

The order of material topics

No.	Topic	No.	Topic
1	Corporate Governance	16	Business Ethics
2	ESG Governance	17	Greenhouse Gas Emissions
3	Risk and Crisis Management	18	Exhaust Emissions
4	Policy Influence	19	Indirect Energy
5	Environmental Policy and Management System	20	Direct Energy
6	Raw Material Procurement	21	Water Resource
7	Operational ecological efficiency	22	Use of packaging materials
8	Impact on environment and natural resources	23	Chemical safety
9	Response to Climate Change	24	Clean technology opportunity
10	Employee benefits and rights	25	Diversity and Equality
11	Occupational Health and Safety	26	Hazardous Waste Discharge
12	Supply Chain Management	27	Waste Discharge
13	Responsible Product	28	Wastewater Discharge
14	Customer relationship management	29	Development and Training
15	Intellectual property protection and innovation	30	Corporate citizenship and philanthropy

Note: In the table, No. 1 to 17 are very important issues, No. 18-23 are important issues, and No. 24-30 are relative issues.

Based on the above assessment of material ESG issues, the Group is more concerned about issues including corporate governance, ESG governance, environmental policy and management system, employee benefits and rights, supply chain management, responsible products, customer relationship management, intellectual property protection and technological innovation, etc.

In the future, we will continue to pay attention to various stakeholders, continue to review and update important issues, while engaging external stakeholders, when necessary, and guide the development of business, environment and social governance towards the right direction.








#### 1.2.4 Response to the United Nations Sustainable Development Goals

We are actively responding to the United Nations Sustainable Development Goals (SDGs) by comprehensively reviewing and examining the linkages between the various segments of our operations and the 17 goals. We focus on the six core areas of governance, environment, employees, products and customers, supply chain management, and community benefit, and carry out actions in 14 goals, including industry, innovation and infrastructure, inequality

reduction, responsible consumption and production, and climate action, to help achieve the global goals together with various stakeholders.

SDGs	Our Actions in 2022
     	<p><b>Governance Aspects</b></p> <ul style="list-style-type: none"> <li>➤ We prohibit child labor and forced labor, respect differences, encourage diversity, and do not discriminate against employees based on gender, age, region, religion, etc., or make it a barrier to their development in the Group. As of the end of the reporting period, we employed a total of 534 employees from ethnic minority groups, and 71 disabled employees; and 28.6% of our management<sup>4</sup> were women.</li> <li>➤ We are committed to sustainable economic growth and the ongoing creation of jobs in compliance with applicable labor standards where we operate.</li> <li>➤ We insist on the development path of technological innovation, accelerating the expansion in the professional field through various ways such as establishing research institutes, strengthening external cooperation with universities, peer companies and research institutions, and promoting industrial technological innovation through resource integration.</li> <li>➤ We work together with stakeholders to address sustainability challenges, including through product development.</li> <li>➤ We insist on building a compliant, responsible and efficient enterprise, continuously promoting integrity building and strengthening risk control.</li> </ul>
	<p><b>Environmental Aspects</b></p> <ul style="list-style-type: none"> <li>➤ As a non-water-consuming industry, we also actively improve water efficiency and strengthen water resource management and wastewater discharge management.</li> <li>➤ We are actively addressing the challenges and opportunities presented by climate change by adopting sustainable production models such as partial recycling of auxiliary materials and increasing the use of clean energy (natural gas, green power, etc.).</li> </ul>

<sup>4</sup> Management is defined as directors, supervisors and senior management.

<div data-bbox="256 194 411 353">  </div> <div data-bbox="256 376 411 539">  </div> <div data-bbox="256 562 411 734">  </div>	<ul style="list-style-type: none"> <li>➤ We strengthen the sustainable management of natural resources and chemical management, reduce pollutant emissions, improve the relevant risk management and target setting system, and promote high-quality development and green development.</li> </ul>
<div data-bbox="256 757 411 920">  </div> <div data-bbox="256 943 411 1115">  </div> <div data-bbox="256 1137 411 1301">  </div> <div data-bbox="256 1323 411 1496">  </div> <div data-bbox="256 1518 411 1697">  </div>	<div data-bbox="491 763 687 797"> <b>Social Aspects</b> </div> <ul style="list-style-type: none"> <li>➤ We focus on employee care and are committed to protecting the health and safety of our employees and providing them with a comprehensive compensation and benefits programs.</li> <li>➤ We attach importance to staff training and development, establish a comprehensive training system, and empower employees with rich training resources and diversified training programs.</li> <li>➤ We insist on ensuring a good hygienic environment in the workplace and continue to implement epidemic prevention and control measures under the severe situation of the spreading global novel coronavirus pneumonia outbreak.</li> <li>➤ We actively carry out and participate in public welfare activities and care about the welfare of the socially disadvantaged. In addition to donations, we also encourage and organize our employees to participate in social services and other public welfare activities as volunteers.</li> </ul>

## 1.3 Operation in Compliance

### 1.3.1 Compliance with Business Ethics

Improper conduct in commercial activities such as corruption, bribery, or corporate interests being compromised, or violation of the fair-trade principle, or damaging corporate reputation can seriously disrupt an enterprise' normal management order and hinder its continuous and healthy development. Therefore, the Group strictly abides by relevant laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Civil Code of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Interim Provisions on the Prohibition of Commercial Bribery*, and firmly opposes and expressly prohibits corruption. We hope to create a corporate culture that stresses honesty and integrity within the Company.

In 2022, we formulated the *Code of Business Conduct and Ethics* to guide and regulate the Company's employees' behavior in maintaining business conduct and reputation on behalf of the Company and provide guidance for employees when it comes to related issues. The Code requires all employees of the Group comply with the Code, fulfill their duties, and any fraudulent behavior is strictly prohibited.

To combat corruption, the Group adopts a prevention in advance approach to manage it from both organizational and systematic perspectives. In terms of organization, we have formed a working team led by the decision-making management and assisted by the Group's Legal Center and HR Center. Corruption-related complaints or reports from employees or third parties can be directly communicated to the Group's top management through this team. System-wise, we have formulated the *Anti-fraud and Reporting System* and *Reporting Management Measures* covering the entire Group and stakeholder groups such as customers and suppliers with whom we have or intend to have business relationships, compiling in the system the anti-fraud workflow, supervision means, whistleblowing, receiving and reporting of fraud cases, remedial measures and penalties that have been developed over a long period of time, providing institutional safeguards to further strengthen the implementation of anti-corruption work. During the reporting period, we also conducted anti-fraud trainings for multiple suppliers.

Meanwhile, to ensure that all of our employees are aware of and understand our anti-corruption policy, we have clearly stated in the *Employee Manual* that corruption, embezzlement of public funds, bribery, extortion and other acts are prohibited. An employee commitment form is attached to the *Employee Manual* for employees to sign after completing the *Employee Manual* training to ensure that they have personally accepted and are fully aware of our code of conduct.

#### Anti-fraud principles of the Group:

- Anti-fraud work should adhere to the principle of both prevention and punishment, with emphasis on the former one;
- To guide the behavior of employees with the system to achieve prior control and reduce the occurrence of fraud; and
- Reward the reporting behavior that successfully recovers the loss, and resolutely and severely punish the fraudulent behavior that damages the Company and others' interests.

Within the Group, we advocate integrity culture by promoting anti-fraud and reporting system, management system controls, reporting management, business conduct, audit standards, etc. In 2022, the Group Legal Center published articles on "Building a Clean and Transparent Energy Technology with high Integrity and Efficiency" on the Group's office platform, describing the harmful effect of corruption and sharing anti-corruption cases.



We adopt a “no restricted area, full coverage, and zero tolerance” approach towards corruption supervision and investigation. A special investigation team would be set up for possible related incidents and issue a *Special Investigation Report*, stating the time, personnel, content, nature, means, causes, losses caused, inspection conclusions, recommended remedial measures, and analysis of management loopholes. At the same time, the special investigation team is responsible for reporting the *Special Investigation Report* to the chairman and vice chairman, and filing the relevant documents for inspection and further assessment of the effectiveness and applicability of the business control processes and their subsequent improvement.

In 2022, all the Group’s personnel at the middle-level and above, department heads of various bases and etc, had received anti-corruption training, and a total of 125 people have completed the training, who had spent a total of 62.5 hours on the training.



Jiangxi Energy’s anti-corruption training



Shanghai Energy’s anti-corruption training



Wuxi Energy’s anti-corruption training



Suzhou Energy’s anti-corruption training



Chongqing Energy’s anti-corruption training



Zhuhai Energy’s anti-corruption training

For more efficient and targeted management, after walking through all our production and business processes, we have identified specific functions or roles that are most likely to commit corruption, and required middle-level and senior management, and staff of the Group Supply Chain Department and the Group Marketing to sign a *Declaration of Integrity and Commitment* with the unit that hires them. In addition, we have established a fair, transparent, honest and trustworthy cooperative relationship with our customers (such as diaphragm business clients, overseas clients, etc.) by signing integrity agreements. For suppliers, each of the Group's subsidiary has prepared a *Supplier's Commitment to Integrity Letter* and other documents, suppliers of major materials and auxiliary materials have to sign the Commitment Letter before starting the cooperation to clarify business ethics and principles and to resist business misconduct. These agreements stipulate that suppliers who violate the relevant terms will be disqualified as suppliers, and the economic contract signed by both parties will be terminated. If suppliers find any violation, they can also lodge a complaint through the reporting method in the agreement to establish a fair, transparent, honest and trustworthy partnership.

Based on publicly available cases and the circumstances specific to the Group, we have identified the area where instances of corruption occur frequently, that is, the sourcing and procurement process (including procurement of raw materials, materials & equipment for engineering projects, and office supplies). To ensure a transparent sourcing process, we have defined the separation of duties of pricing, purchase decision-making and settlement within the sourcing function by business unit. The procurement department of each business unit reviews prices offered by suppliers, then the procurement department of each subsidiary within the business unit makes the purchase decision, and an administration role in the procurement department of each business unit initiates a payment request. This is to avoid the concentration of power, a hotbed of corruption.

Upon receipt of a complaint or report, the Group Legal Center will initiate an internal investigation, sort out the facts, make recommendations for handling and improving the internal control system for decision-making by the Board of Directors, the President, the General Manager and other senior management to ensure that any injustice or violation of discipline can be effectively reflected and efficiently handled. The Human Resources Department will be responsible for handling the people involved in the case and rewarding and protecting the whistle-blowers. If litigation matters are involved, they will be handled by the Legal Department.

The Group attaches importance to the protection of the legitimate rights and interests of the whistle-blower and will take the strictest confidentiality measures to prohibit any disclosure of the whistle-blower's personal information. The whistle-blower's name, address, contact information and other information materials and reporting materials would be protected in accordance with the *Confidentiality System* as confidential documents. During the incident investigation, it is strictly prohibited to report complaints letters, evidence, complaints and reports of record materials and other materials directly to the reported unit or personnel, to prevent the leakage of confidentiality and the occurrence of retaliation against the whistle-blower. If the situation does occur, the Group will pursue the administrative, economic, and legal responsibilities.

The Group ensures the transparency and accessibility of the reporting policy and reporting methods by making them available on multiple channels.

- The reporting channels of various types of bidding documents and procurement contracts, etc., shall be prominently displayed or displayed on dedicated pages.
- A column on website, dormitory canteen, office area and plants, etc., shall be set in a prominent position, showing the reporting channels.

- During new staff induction training, reporting channels and policies shall be stated in the training materials or *Employee Manual*.

The Group's principles for handling reports:

- Careful, responsible and impartial handling;
- Investigation based on facts and in accordance with laws and corporate rules and regulations, and rectify any mistakes identified;
- Centralised management and handling, and designated responsibility; and
- Strict confidentiality to protect the lawful interests of the whistle-blower (complainant).

Reporting channels of the Group:

- E-mail : xhuallee@163.com ( Vice Chairman of Energy Technology )  
lianjie@semcorpglobal.com
- Telephone : 021-20977221-8110#
- Recipient : the Audit Department of Energy Technology
- Delivery Address : No.155 Nanlu Highway, Pudong New Area, Shanghai

During the reporting period, no employee committed any illegal acts such as embezzlement or extortion, and no employee was disciplined or dismissed for non-compliance with the anti-corruption policy.

Going forward, we plan to further enrich the feedback channels in order to improve the supervision mechanism and to supervise the implementation of the Group's integrity work in a multi-body and all-round way.

### 1.3.2 Transparent Tax Payment According to the Law

The Group strictly abides by applicable tax laws and regulations in the places where we operate, including the *Implementation Regulations for the Corporate Income Tax Law of the People's Republic of China* and *Announcement on Policies for Deepening the VAT Reform Announcement*. We work with the government in tax policy implementation and pay taxes to the local government in a legal and transparent manner to make our contributions to the economic development.

We have formulated the *Tax Management System* to standardize tax management process, strictly prohibit tax evasion, and reduce tax risks. The system covers tax governance structure and responsibilities, invoice management, tax payment, tax media and anti-counterfeit tax control system management, supervision and improvement mechanism, etc. The system aims to ensure that the Company pay taxes in accordance with the law in places where operations occur and value is created, as well as to ensure that taxes and fees are paid in full, and the performance of tax obligations are standardized.

As we develop overseas business, we have strengthened the continuous education and professional sharing of tax personnel as a solid foundation for tax personnel to quickly grasp tax rules and build professional team in places where we operate our business. We also assess tax risks through a combination of regular and ad-hoc methodologies to take potential tax risks into consideration before making major decisions.

In 2022, the Group had no breach of tax laws and regulations.

### 1.3.3 Information Security and Privacy Protection

The Group is committed to strictly regulating information security work in all aspects of operation, and follows laws, regulations and regulations such as the *Data Security Law of the People's Republic of China*, *Cybersecurity Law of the People's Republic of China*, *Regulations of the People's Republic of China on the Security Protection of Computer Information System*. Through the continuous improvement of the system and multiple measures, we aim to avoid information security risks and build a safe and orderly operating environment.

We have formulated policies including the *Computer Hardware and Software Policy*, *Electronic Data Security Management Policy* and *Internet and Email Policy* within the Group, which stipulate the use of office equipment, corporate Internet resources and corporate mailbox, password usage policies, data and file security, and network restrictions, and provide clear guidelines on information security involved in daily office operations. Shanghai Energy and Zhuhai Energy have obtained ISO 27001:2013 information security management system certificate.



ISO 27001:2013 Information Security Management System Certificate of Shanghai Energy

ISO 27001:2013 Information Security Management System Certificate of Zhuhai Energy

The Group attaches great importance to protecting the private information of our customers and takes all means to keep the information provided to us by our customers confidential. In our "Employee Manual" and employment contracts, we set out the relevant agreements prohibiting the disclosure of company secrets, customer information or other confidential matters. If necessary, we will sign a confidentiality agreement with the client to provide additional provisions on the protection of trade secrets in the business cooperation between the two parties. During the reporting period, we did not find any related customer privacy infringement.

As the end of the reporting period, the Group's official website and email site have been registered and filed with the Ministry of Industry and Information Technology and Shanghai Bureau of Network Security under Ministry of Public Security. In 2022, we evaluated the current status and improvement opportunities of the information security management system, covering IT technology, financial procurement, administrative and personnel systems, etc. The reviewers included the general manager, representatives of information security managers, information security teams, and heads of various departments. Based on the review results, a continuous improvement plan is formulated, which includes process optimization, training and implementation, awareness enhancement, further improvement of emergency plans and control equipment addition.

We have been committed to the continuous pursuit of excellence in business processes and actively promote refined management. Under the guidance of this strategy, the Group has actively carried out information system construction, and our budget management platform has entered the background testing stage, adding great confidence for further improvement of financial management. Meanwhile, as an important part of our overseas layout, we are actively promoting the implementation of SAP and peripheral systems in the Hungary factory. With the concerted efforts of the Group and local Hungarian leaders, together with our implementation partners, we have sorted out the overseas business processes for the actual situation of the Hungarian company, and the new processes cover all aspects of finance, procurement, inventory, production and sales, and quality, which provide a solid foundation for the overall improvement of The new processes cover all aspects of finance, procurement, inventory, production and sales, and quality, laying a solid foundation for the overall improvement of management efficiency.

In 2023, we will continue to promote the construction of the SAP system and the financial sharing center, etc., to enhance the Group's internal management efficiency, provide better products and services for our clients. We believe doing so can benefit us to achieve medium and long-term development goals for our future development.

#### **Case: Shanghai Energy conducted drills for data leakage incidents**

In 2022, Shanghai Energy conducted drills for data leakage incidents, including a desktop drill and a physical drill. All members of the IT Department participated the drills. Through the drills, network and information risks were prevented, and a scientific, effective, coordinated and effective emergency management and coordination mechanism of network and information security was established.

In 2022, the Group did not have any violations of laws and regulations related to information security.

## 2. Taking Care of the Planet

Compliance with environmental protection laws and regulations is a basic requirement for enterprises to fulfill their social responsibilities; active involvement in green environmental protection is the primary task of enterprises to fulfill their environmental social responsibilities now and in the future. Adhering to an attitude of being responsible to society and the environment, the Group is well aware of the environmental protection responsibilities that must be undertaken as a corporate citizen. As a participant in the new energy industry, our wet lithium ion battery separator film is mainly used in the field of new energy vehicle lithium battery manufacturing, through the development of new energy vehicles, to reduce the emissions of fuel vehicles, thus practicing the concept of green environmental protection. In the daily operation and development process, we continue to emphasize the importance of environmental protection, actively implement the green and low-carbon development strategy, minimize the negative impact of business development on the environment, and at the same time exert a positive impact.

In 2022, the Group did not have any major violations of laws and regulations in environment.

### **Environment Policy :**

- Prevent and control pollution to reduce the discharge of pollutants;
- Comply with laws, regulations and other requirements, and operate in compliance with the law; and
- Continuously improve the company's environmental behavior and strive for continuous improvement of environmental quality.

### **Environmental slogan :**

- Clean and lean production;
- "Three wastes" up to standard discharge;
- Full staff, full process participation; and
- Implement open source and cost saving, cycle saving operation.

Some of our businesses, such as the design, production and sales of BOPP (biaxially oriented polypropylene) plastic film, have obtained ISO14001:2015 environmental management system certification, ISO50001:2018 energy management system certification and ISO10012:2003 measurement management system certification. As of the end of the reporting period, 12 operating sites of the Group had obtained ISO14001:2015 environmental management system certification, has covered 85.7% of the Group's subsidiaries in operation.

During the reporting period, the Group's environmental protection expenditure was RMB 60.54 million, including investment in environmental protection equipment and pollutant treatment facilities.

## 2.1 Resource and Energy Utilization

The Group attaches great importance to the economical use of natural resources and strictly observes *the Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Water Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Decision of the State Council on Strengthening Energy Conservation (Guo Fa [2006] No. 28)* and other

national and local applicable laws and regulations. We put resource conservation at the key position in our development strategies and operating methods, constantly improve our management system in terms of energy consumption management, optimize energy-saving measures, and are committed to continuous monitoring and continuous improvement of our energy resource utilization efficiency performance. We strive to realize the coordinated and sustainable development of people, resources and the environment to build a resource-saving and environment-friendly enterprise.

### **Energy Management**

Integrating requirements such as ISO14001 into the Company's management system, we set up a top-down management and monitoring system for energy conservation by formulating the *Measures for Energy Management and Administrative, Measures for Energy Conservation and Consumption Reduction* for Group companies, so that energy conservation implementation and management is centralised in the Operations and Maintenance Department (OMD). A 3-tier system centred on the OMD, business units (workshops) and teams (individual) are thus established to take layered ownership of energy conservation management and each party is responsible for its respective role in the network of energy conservation management.

The Operation and Maintenance Department is responsible for guiding, supervising, inspecting and assessing departments' energy management; setting goals and indicators for energy saving and consumption reduction for the coming year based on the energy consumption in the previous year; establishing energy management targets and responsibility system to ensure target achievement and the compliance and effectiveness of the energy management system; as well as penalising and rectifying internal breach of the energy management system.

Apart from saving energy, reducing consumption, maintaining equipment and reporting exceptions, workshops and manufacturing teams are also working together to organize and conduct energy management promotion, education and training, including focused training and general education targeting energy saving and consumption reduction management and all other employees respectively to enhance the company's energy consumption and saving standard, and raise employees' awareness of energy saving, so that they will participate out of their own initiative.

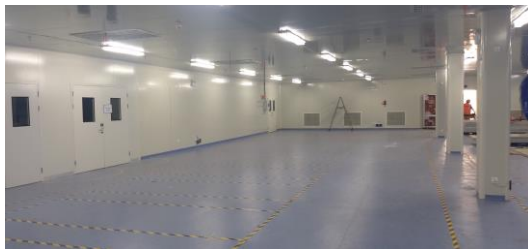
In the production process, the Group uses electric energy, natural gas and steam as the main energy sources, and sets specific targets for the consumption of energy each year. Since the factory is order-based production, reducing energy consumption density is mainly achieved through scientific production scheduling, time optimization, improvement of equipment production efficiency, and improvement of yield rate. We have established energy-saving concepts such as "saving electricity" and "saving gas" in our daily operations. The practices such as people leaving the lights off, reducing standby energy consumption of equipment, not using illegal electrical appliances, air conditioning temperature setting regulations, and air circuit pressure checking are clarified through the system and reflected in the slogans of the operation site to achieve full staff awareness and work implementation.





## Case: Jiangxi Tonry energy-saving renovation

In 2022, the Equipment Operation and Maintenance Department of Jiangxi Tonry completed the energy-saving transformation of the semi-finished product workshop by reducing the overall height of the ceiling of the workshop and numbers of air conditioners, and further reduce the consumption of electricity and the consumption of natural gas during the heating process. In addition, the department also completed the replacement of boiler economizers and condensers in 2022. The replaced boiler economizers and condensers have greatly reduced the unit consumption of natural gas.



Energy saving renovation

of semi-finished workshop

Replacing Boiler Economizers and Condensers

## Case: Suzhou Jieli energy saving and consumption reduction measures

In 2022, The Equipment Department of Suzhou Jieli has launched a series of energy-saving and consumption-reducing projects to reduce electricity, water and natural gas consumption:

- 2TD heat recovery: Open the exhaust air collection port at the top of the compartment and use the air duct to recycle the hot air to the oven inlet through the inverter fan for reuse, reducing the temperature of the recycling area and reducing the heating power consumption;
- Increase heat preservation of boiler water tank: Use special heat preservation cotton to carry out a complete set of heat preservation on the outside of the circulating water tank to reduce heat loss, reduce natural gas consumption, and achieve energy saving purposes;



- Renovation of old tap water pipes: re-install and renovate the old rusted and concealed tap water pipes in the factory area to achieve the purpose of water saving.

### **Water resource management**

The Group is not a high water-consuming enterprise, and the water used mainly comes from municipal water supply. We manage water separately according to production water and domestic water:

- In terms of production water, our production process does not involve a lot of water, but we still try to increase the recycling of water as much as possible. Our water consumption is mainly used for heat exchange inside the equipment, which can be recycled directly or after transformation. In 2022, the Group's recycled water consumption will be 408438,887.7 cubic meters. We continue to emphasize the idea of "water conservation", combined with the guiding ideas of the local natural resources water conservation office and other institutions, formulate water use and water management plans and set water use assessment targets according to the actual water use, and actively implement water-saving measures to continuously reduce water consumption.
- In terms of domestic water use, we also implement water conservation in all aspects of life through various methods, such as slogan publicity, actively promoting water-saving appliances, intercepting rainwater for mopping the floor, watering flowers and plants, and repairing and replacing damaged water equipment in a timely manner.

In 2022, the Group has made no significant negative impact on the water resources of the place where it operates due to water intaking.

#### **Group water conservation measures:**

- Set goals for water usage appraisal in line with the energy management system;
- Tier-3 water meter is installed at each water tap to monitor the change of water consumption in real time, any exceptions identified should be analysed, investigated and rectified on a timely basis;
- Designated personnel responsible for supervising and inspecting the pipeline every day to eliminate "water running, flowing, dripping and leaking", and repair and rectify any problem identified immediately; and
- Designated personnel responsible for supervising and inspecting the pipeline every day to eliminate "water running, flowing, dripping and leaking", and repair and rectify any problem identified immediately; and
- Put buckets under rainwater pipes of the factory building to collect rainwater for toilet flushing and cleaning; back flush water used in soft water treatment is collected in a centralized manner; waste water is reused for watering plants after sewage treatment, increasing the amount of reclaimed water used, reduce the use of tap water ;
- Condensed water recycling is an important way to save water. We continue to carry out condensed water recycling projects to improve the reuse rate of energy resources.

### **Case: Quality improvement and capacity expansion of Hongchuang Packaging 's sewage treatment station**

In 2022, Hongchuang Packaging completed the upgrading and expansion of the sewage treatment station. After the sewage treatment, the wastewater reaches the first-level A standard of the "Pollutant Discharge Standards for Urban Sewage Treatment Plants" and the "Urban Sewage Recycling and Utilization - Urban Non-potable Water Quality (Water for Afforestation)" standard, then it will be used for watering plants in the Company, and the part that cannot be fully reused in the rainy season will be discharged into the municipal sewage pipe network to improve the utilization rate of reclaimed water and reduce the use of water.



### **Packaging material management**

We use packaging materials in a green and environment-friendly way, take actions to recycle packaging materials, and minimise unnecessary waste during the operation process. We mainly use two major types of materials for packaging during daily production and operation, they are paper packaging (including carton, paper tube, paper core, etc.) and plastic packaging (including tray, plastic core etc.). We have worked actively to recycle packaging materials in various regions where we operate.

### **Green office**

The Group actively practices economy and implements green office, following the concept of green development and the requirements of green and low carbon, and effectively reduces unreasonable consumption behaviors. We actively practice the concept of energy saving and consumption reduction, create a green and environmentally friendly office model, and strive to be a loyal practitioner in the creation of a "resource-saving" society.

- Reduce office paper consumption: The Group uses OA, ERP and other office systems to effectively reduce the use of paper and uses e-mail instead of printing and photocopying. When using printers or photocopiers, we use recycled paper as much as possible; if we need to use paper, we will check the recommended recycled paper brands to see if they offer product guarantee. We advocate using both sides of a piece of paper before putting it into a recyclable bin; and we set up three types of paper recycling bins to collect used double-sided paper separately, such as copy paper, old envelopes, letterheads, newspapers, wrapping paper, packaging boxes; we use newspapers as padding in packaging boxes; choose fax machines that can use plain paper instead of fax machines that use thermal fax paper.
- Reduce energy consumption: The Group advocates carpooling to reduce vehicle gasoline consumption; we set computers to enter sleep mode if the screen is not used

for more than five minutes to save electricity; turn off the lights in the meeting room in time, and use natural lighting as much as possible during the day; when purchasing new electrical appliances, while considering the price factor, we try to choose products with high energy efficiency ratio; we control the air conditioner temperature settings in summer and winter to avoid the temperature being too low or too high.

- Reduce resource consumption: we replace disposable paper cups or plastic bottles with reusable cups; advocate the use of pens with replaceable cores, toner cartridges, rechargeable batteries, and other recyclable items; set up a simple recycling system to recycle glass bottles, aluminum cans; reduce packaging and food waste by reducing the purchase pre-packaging products and reusing shopping bags.



Wuxi Energy Green Office Logo

### Annual performance

In 2022, a number of production lines of the Group were put into use, and the production increased, so most of the energy and resource consumption involved in production increased compared to 2021. In 2022, the Group's electricity consumption was 1,028,826,280.8 kWh, natural gas consumption was 116,451,071.0 cubic meters, and comprehensive energy consumption was 2,696,796,592.7 kWh. The comprehensive energy consumption intensity was 2,142.2 kWh/RMB 10,000 total operating income, decreased 16% compared to 2021 ; the total water resources withdrawal and consumption was 4,181,644.1 cubic meters, the recycled water consumption was 438,887.7 cubic meters, and the water resources reuse rate was 10.5%

Energy and Resource Consumption in 2021 and 2022			
Metrics	Unit	Consumption in 2022	Consumption in 2021
<b>Energy</b>			
Electricity <sup>5</sup>	kilowatts per hour	1,028,826,280.8	747,788,807.2
Natural gas for production	cubic metres	236,248.2	72,080,212.0
Natural gas for domestic use	cubic metres	1,028,826,280.8	144,384.2
Liquefied gas <sup>6</sup>	cubic metres	6.2	20.4
Gasoline	litre	87,318.4	126,323.1
Diesel <sup>7</sup>	litre	108,007.5	71,338.7
Purchased steam	gigajoule	1,461,040.1	1,818,438.9
Comprehensive energy consumption <sup>8</sup>	kilowatts per hour	2,696,796,592.7	2,036,507,763.6
Integrated energy consumption intensity	kilowatts per hour/RMB 10,000 (total operating income)	2,142.2	2,551.2
<b>Resources</b>			
Packaging consumption	ton	50,209.7	37,517.9
paper	ton	42,930.6	28,668.6
plastic	ton	7,279.1	8,849.3
Amount of packaging recycling <sup>9</sup>	ton	4,098.7	1,548.9
paper	ton	1,546.1	683.0
plastic	ton	2,552.6	865.9
Water utilisation and consumption	cubic metres	4,181,644.1	2,876,110.9
Water utilisation and consumption intensity	cubic metres/RMB 10,000 (total operating income)	3.3	3.6

<sup>5</sup> Includes production electricity and domestic electricity.

<sup>6</sup> Consumption is reduced in 2022 due to the use of other energy sources to replace liquefied gas.

<sup>7</sup> Diesel is mainly used for forklifts, trucks and other transportation processes.

<sup>8</sup> Comprehensive energy consumption is calculated according to the conversion factor in the National standard of China's *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T2589-2020).

<sup>9</sup> As the management of packaging was strengthened during the reporting period, the amount of packaging recycling was not fully consistent with the change in packaging consumption.

Over the years, the Group has formed the practice of target management for energy consumption. At the end of each year, the Group formulates the plan of target management in combination with the actual energy consumption of that year, the production forecast of the next year and the known production equipment transformation and the adoption of lower energy consumption equipment. We have established medium and long-term target management to further promote energy saving and consumption reduction by improving production efficiency and allocating energy consumption, improving equipment and continuously saving energy, and scheduling production and emission scientifically.

## 2.2 Emission Management

The Group strictly observes the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other laws and regulations to prevent and control environmental pollution. We have formulated the Compilation of environmental and hazardous waste management systems, Exhaust Gas, Wastewater, and Noise Management Regulations. In accordance with the standards of the local environmental protection authorities, each company conducts internal management, supervision and feedback on the discharge of exhaust gas, wastewater and waste. Meanwhile, there are external inspections from time to time to ensure that the emissions meet the standards.

Based on the operation practices of various companies, we have made arrangement and plans for environmental protection work. We set relevant goals at the beginning of the year and regularly review and follow up to implement environmental protection related work.

Statistics on Environmental Targets and Implementation in 2022	
Targets	Achievement of Targets
Hazardous waste classification recovery rate	100% Completed
Proper disposal rate of solid waste	100% Completed
Pollutant emission compliance rate	100% Completed
Number of major environmental pollution accidents	No major environmental pollution accidents occurred

### Emission Management

The Group strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Air Pollution Prevention and Control Action Plan of Yunnan Province* and other national and local exhaust emission management regulations and adheres to standards on emission. The exhaust gas generated by the Group mainly comes from workshop exhaust and boiler exhaust, including VOCs (volatile organic compound) emissions and nitrogen oxide emissions, among which VOCs mainly come from workshop exhaust. The Group has formulated relevant exhaust gas management systems, including the *Exhaust Gas Emission Management System*, *Exhaust Gas Absorption System Operating Procedures*, etc., and strictly implemented them.

The Group continues to invest in waste gas recovery and treatment devices to reduce emissions. The Group has set up treatment facilities such as plasma purifiers in the workshops. Jiangxi Ruijie adopts Regenerative Thermal Oxidizer (“RTO”), which can recover waste heat while treating waste gas. We require the exhaust gas absorption facilities and treatment systems of each workshop to operate normally, and we regularly maintain related equipment. We have set up monitoring instruments in the workshops, which will alert employees to evacuate once the preset concentration is exceeded. The VOCs exhaust gas online monitoring system has been put into operation in Wuxi Energy, which can gradually realize real-time monitoring of emission concentration.

In addition, in accordance with the requirements of relevant national laws and regulations, we have engaged a qualified third party to conduct regular and continuous monitoring of various indicators of exhaust emissions.

#### **Case: Newmi Tech gas boiler low-nitrogen transformation**

Newmi Tech has carried out low-nitrogen transformation on the existing gas-fired boilers. The main transformation is to change the burner to a low-nitrogen burner and add the Flue Gas Recirculation (FGR) return air duct. After this transformation, the nitrogen oxide emission concentration of the 8 gas-fired boilers is less than 50mg/m<sup>3</sup>, in line with the requirements of *Emission Standards of Air Pollutants for Boiler (DB 50/658-2016 ) of Chongqing*, reducing nitrogen oxide emissions by about 22.75 tons per year. In addition, our staff can remotely monitor the boiler operating status and fault alarm through the host computer.

#### **Wastewater discharge**

We discharge wastewater in accordance with the *Law of the People’s Republic of China on Prevention and Control of Water Pollution*, the *Water Pollution Prevention and Control Work Plan of Yunnan Province* and other national and local measures and regulations for managing wastewater discharge. Wastewater discharged by the Group includes domestic wastewater and other production wastewater. Production wastewater is treated by sewage treatment facilities in compliance with the production practices in each region where we operate, and then reused or discharged into the municipal sewage pipe network. To treat domestic sewage, Group factories are equipped with facilities to treat and regularly monitor domestic sewage. Take new energy business of Shanghai Energy as an example, there is a sewage treatment station in the Shanghai Energy, and the wastewater is discharged to the municipal pipe network after primary precipitation, secondary precipitation, and filtration treatment. We conduct strict and effective internal supervision on the compliance of wastewater discharge. Firstly, the relevant staff conducts manual inspections every day; secondly, we hire a third party to conduct monthly inspections and issue reports; thirdly, the Group conducts random inspections every quarter. There is no production wastewater discharge by packaging business under Chengdu Hongsu. The daily discharge of domestic sewage is about 65 cubic meters per day. It is discharged to four sewage pretreatment tanks (septic tanks), and then discharged to the local sewage treatment plant through the sewage pipe network.

#### **Waste management**

The Group strictly abides by the *Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution*, *Solid Waste Pollution Control Plan of Yunnan Province* and other national and local waste management regulations, and adheres to emission and disposal standards. We have formulated relevant management systems such as *General Solid Waste Management System*, *Hazardous Waste Management System*, *Hazardous*

*Waste Pollution Prevention and Control Responsibility System, Hazardous Waste Transfer System, Hazardous Waste Storage Facilities Management System, Solid Waste Management Regulations, etc. and strictly enforces them.*

During the production and research and development process, the Group generate certain types and a small number of hazardous wastes and non-hazardous wastes. We classify and collect waste in accordance with regulations, store and classify waste in separate areas. Among them, all hazardous wastes are handled by qualified third parties after they are taken away from the factories. We carefully confirm the relevant qualifications when signing a contract with third-party processing agencies and regularly understand their actual treatment methods for the Group's waste. Hazardous waste, including laboratory materials, waste activated carbon, etc., is usually stored in a separate hazardous waste warehouse and disposed of 2-3 times a year. Among the non-hazardous waste, paper, plastic bottles, etc. will be recycled through the recycling bins set up in the Group, and domestic waste will be handled by the sanitation department.

Sorting and Disposal of the Group's Major Wastes in 2022		
Waste category	Waste items	Disposal
<b>Hazardous wastes</b>	<ul style="list-style-type: none"> <li>Waste ink solvent and waste motor oil and heat transfer oil</li> <li>Waste activated carbon</li> <li>Laboratory wastes</li> <li>Sludge from biochemical tank</li> </ul>	All hazardous wastes are handled by qualified third parties
<b>Recyclable wastes</b>	<ul style="list-style-type: none"> <li>Scrap metal</li> <li>Plastic parts</li> <li>Waste paper</li> <li>Non-hazardous packaging materials</li> </ul>	Wastes are recycled by qualified waste recycling company or recycled in-house to promote the circular economy
<b>Non-recyclable wastes</b>	<ul style="list-style-type: none"> <li>Swill</li> <li>Other domestic wastes</li> </ul>	The Sanitation Department is entrusted to dispose and transport in accordance with the environmental protection requirements

The Group is actively carrying out technological innovations to reduce hazardous waste emissions. We have replaced lipid inks with alcohol-based inks, and plan to further replace lipid inks with water-based inks in feasible usage scenarios. The factories strictly follow the waste classification and disposal regulations, and separate the kitchen waste generated in the canteen for dumping. Garbage classification instructions will be posted on the publicity boards in the workplace to help employees understand the waste classification method more clearly.

### Noise Management

Noise is an important factor in causing environmental pollution and damaging employees' health, we comply with the *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution* and *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008) to control and prevent this hazardous factor. We have formulated management rules, including the *Noise Pollution Prevention and Control Procedures* and *Management Rules for Noise*, for our subsidiaries. We opt for "low noise" equipment in

purchasing, use shock absorbing and sound insulation materials for decoration, maintain equipment in accordance with regulations, and use personal protective equipment to prevent and control noise pollution. We also strictly control the industrial sound that becomes a nuisance to the neighbourhood.

During the year, each subsidiary of the Group has entrusted a third party to carry out noise testing at the factory boundary, all of which met the relevant standards.

### **Clean production**

With the profound changes in the global energy landscape, we are also actively promoting the clean and low-carbon energy structure of the enterprise, while vigorously exploring and promoting clean technologies and energy-saving equipment. In 2022, the Group will continue to follow the related regulations and strategies of the place where it operates, such as the *Guiding Opinions on Coordinating and Strengthening Work Related to Climate Change and Ecological Environment Protection, Energy Production and Consumption Revolution Strategy (2016-2030)*, and further promote cleaner production:

- In terms of the use of clean energy, we regard natural gas as a "bridge" for the transition from fossil energy to non-fossil energy and purchase outsourced electricity that includes a certain proportion of green electricity to continue to promote energy transformation.
- In terms of cleaner production, in addition to the equipment update and resource reuse mentioned in the preface, we are also actively promoting projects related to clean production in various companies, striving to integrate clean production with the daily operation and management of enterprises, and gradually formulate effective Targeted programs, improve cleaner production plans, and improve the understanding of all employees on the concept of cleaner production, so as to establish a long-term mechanism for cleaner production.

As of the end of the reporting period, Suzhou Jieli, Energy Technology and Hongta Plastics have all carried out cleaner production projects and completed relevant audit and acceptance.

### **Biodiversity Conservation**

Biodiversity is an essential part of the natural environment and is related to human well-being. The Group appreciates the importance of biodiversity and complies with the White Paper on *Biodiversity Conservation in China*, *Regulations on Biodiversity Conservation in Yunnan Province*, *Regulations on the Administration of Environmental Protection of Construction Projects* and other requirements and regulations. We take the biodiversity conservation factor into consideration and conduct environmental impact assessments when selecting construction sites for all our projects and avoid developing any projects within areas delineated by conservation red lines to fundamentally reduce the impact of project construction and subsequent operation on biodiversity.

At the same time, we cherish forest resources, always agree with the concept of promoting sustainable forest management and insist on taking the protection of biodiversity into consideration from the procurement side. Hongchuang Packaging has obtained FSC chain of custody certification (COC). During the reporting period, both Hongchuang Packaging and Dexin Paper purchased FSC-certified paper for production, which ensures that the forest resources used in our products come from sustainable management resources.



In 2022, there was no major incidents that damaged biodiversity occurred in the Group.

### Yearly Performance

In 2022, a number of production lines of the Group were put into use, and the output increased, so the discharge of most pollutants increased compared to 2021. In 2022, the Group's greenhouse gas emissions was 1,026,270.tons of carbon dioxide equivalent; wastewater discharge was 336,814.4 cubic meters.

In 2022, the Group had no significant violation of laws and regulations in respect of exhaust gas, wastewater and waste discharge.

Pollutant Emissions in 2021-2022			
Indicators	Unit	Emissions in 2022	Emissions in 2021
<b>Exhaust and Greenhouse Gases</b>			
SOx	ton	2.7	0.8
SOx emission intensity	kilogram / RMB 10,000 (total operating income)	0.002	0.001
NOx	ton	54.4	33.4
NOx emission intensity	kilogram / RMB 10,000 (total operating income)	0.04	0.04
Particulate matter	ton	12.0	8.6
Total GHG emissions	tCO2 -e	1,026,270.5	806,074.1
Direct GHG emissions <sup>10</sup>	tCO2 -e	255,585.6	158,718.4
Indirect GHG emissions <sup>11</sup>	tCO2 -e	770,684.8	647,355.7
Total GHG emissions intensity	kilogram / RMB 10,000 (total operating income)	0.8	1.0
<b>Waste</b>			

<sup>10</sup> Direct GHG emissions were calculated according to *Appendix 4 of China Energy Statistical Yearbook 2020; GHG Protocol; IPCC, 2014 : Climate Change 2014 : synthesis report , The Fifth Assessment Report of Working Group I,II,III of Intergovernmental Panel on Climate Change; Guidelines for compiling provincial greenhouse gas inventories, (Trial, May 2011) and Energy Statistics Workbook (Department of Energy, National Bureau of Statistics , 2010)*

<sup>11</sup> Indirect GHG emissions were calculated from the 2012 Baseline Emission Factors for Regional Power Grids in China in the *2011 and 2012 Baseline Emission Factors for Regional Power Grids in China* issued by National Development and Reform Commission.

Total hazardous waste generated	ton	156.1	198.7
Grease trap waste (waste lubricating oil, etc.)	ton	54.3	25.4
Ink Dye Coating	ton	29.0	26.6
Laboratory waste	ton	7.3	3.2
Waste activated carbon <sup>12</sup>	ton	65.4	143.6
Hazardous waste emission intensity	kilogram / RMB 10,000 (total operating income)	0.1	0.2
Total non-hazardous waste generated	ton	4,307.0	3,141.9
Domestic waste	ton	1,309.4	979.3
Waste packaging	ton	2,997.6	2,162.6
<b>Effluent</b>			
Effluent	cubic metres	336,814.4	269,279.0

## 2.3 Response to climate change

At present, abnormal climate phenomena such as sea level rise caused by global warming continue to attract the attention of the whole society. China's carbon peak target and carbon neutral vision have sounded the clarion call to accelerate the formation of green development methods and lifestyle, which means that higher requirements are put forward for coping with climate change, promoting low-carbon development and building ecological civilization, and will promote the transformation and upgrading of economic structure, energy structure and industrial structure. The Group's efforts and future directions in addressing climate change are broken down by governance, strategy, risk management and targets and goals.

### Governance

In regards of governance, we have established an ESG governance structure to cover the overall governance of our ESG-related work, including the governance of our response to climate change. The Board of Directors is responsible for monitoring climate-related risks and opportunities, delegating ESG management to the Environmental, Social and Governance Working Group. The Institute collaborates with various departments to identify and study the impact of climate change on our business activities and supports the Board in monitoring this

<sup>12</sup> As the activated carbon of the subsidiaries of the Group did not reach the replacement cycle in 2022, the emissions of waste activated carbon decreased compared with 2021.

matter. (Please refer to the preceding paragraph on ESG governance for details). We refer to the TCFD (Climate Related Financial Disclosure) framework to progressively review the current situation, develop strategies, manage risk, identify and manage indicators and targets for the risks and opportunities that the Group may face due to climate change.

## Strategy

Climate-related risks include those associated with the transition to a low-carbon economy ("transition risks") and those associated with the physical impacts of climate change ("physical risks"). Among them, transformation risks can be divided into policy and legal risks, technology risks, market risks, reputation risks, and physical risks including acute risks (such as typhoons, floods and other extreme weather) and chronic risks (climate pattern shifts such as persistent high temperatures). Our response to climate change does not end with risk prevention, but also with proactive identification of opportunities, including resource efficiency, energy sources, products and services, markets and resilience.

Category		Climate-related Risks
Physical risks	Acute	<ul style="list-style-type: none"> <li>A series of risks that will reduce business stability, increase costs, and decrease production capacity caused by manufacturer or supply chain production suspension or reduction, disrupted transportation of products during the sudden occurrence of extreme climate or weather events such as rainstorm and typhoon.</li> <li>Extreme climate or weather events are very likely to cause production equipment damage and employee safety incidents, giving rise to additional adverse impact.</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may lead to an increase in operating costs and equipment maintenance and repair costs caused by the increase in cooling demand in summer, as well as the cost spent on subsequent adjustment of energy consumption structure.</li> </ul>
Transition risks	Policy and legal risks	<ul style="list-style-type: none"> <li>As policy actions around climate change continue to evolve, regulators will take stricter measures to limit GHG emissions and strengthen GHG emissions disclosure requirements;</li> <li>China is accelerating the development of a carbon trading market and improving the policies on international carbon tariffs, carbon emission compliance in the future may lead to increasing costs;</li> <li>Policy changes may also lead to early retirement of existing fixed assets, such as high energy-consuming facilities; and</li> <li>There may be a risk of being prosecuted or subject to fines and financial losses due to non-compliance with relevant climate-related policies or laws.</li> </ul>

	<b>Technology risk</b>	<ul style="list-style-type: none"> <li>Investments in new technologies may increase due to innovations in production technology in response to environmental requirements and product R&amp;D findings, or front-end costs may rise to adopt/deploy new operations and processes.</li> </ul>
	<b>Market risk</b>	<ul style="list-style-type: none"> <li>Under the guidance of policies and markets, and as customers are increasingly aware of lower-carbon alternatives and environmental protection, they will opt for greener products, such as FSC-certified paper, which may have an impact on the Group's raw material procurement; and</li> <li>As one of the suppliers along the industry chain of new energy vehicles, customers' behavioural changes, such as supply chain requirements if our customers implement projects to cope with to climate changes.</li> </ul>
	<b>Reputation risk</b>	<ul style="list-style-type: none"> <li>Stakeholders are increasingly concerned about issues in response to climate changes, the Group may suffer from reputation risk if it fails to meet stakeholder expectations or there is any behaviour in violation of relevant laws and regulations.</li> </ul>

In terms of acute physical risks, our products are all produced in indoor factories with good conditions. Extreme weather such as typhoons, rainstorms, and high temperatures where the factory is located has less impact on labour management (safety, absenteeism) and less impact on the production itself. The production department of each company is responsible for production scheduling and delivery management, considering the possible negative effects of factors including extreme weather in scheduling, achieving flexible adjustment and good customer service.

In terms of chronic physical risks, global warming may increase the Group's operating costs, including the increase in operating costs and equipment maintenance and repair costs caused by the increase in cooling demand in summer, as well as the subsequent adjustment of energy consumption structure.

In terms of transition risks, as the community's awareness of climate change deepens and the implementation of relevant policies such as the national carbon peak, carbon neutrality target, regulatory authorities have increasingly stringent requirements on the Group's carbon emissions, which may lead to increases in our operation costs, the pressure of energy conservation and emission reduction, and the investment in environmental protection equipment and facilities. We will actively respond to the relevant national policies on carbon emissions, and gradually adapt to the requirements of carbon emission reduction in the production and operation process.

In terms of development opportunities, the whole society has become increasingly vocal about energy conservation and emission reduction, and energy structure adjustment is imperative. One of the main products of the Group, the lithium battery separator is mainly used in new energy vehicles, which is an important driver of the electrification of vehicles. In addition, we are also actively deploying the dry-process lithium battery separators. Dry-process separators are widely used in the field of energy storage batteries. In the future, we will actively promote the development of energy storage-related businesses with the goal of helping energy upgrading and transformation. The Group will continue to firmly grasp

development opportunities with rich technology development, advanced technology level and continuous cutting-edge research, and devote itself to the development and promotion of green and low-carbon products and services, laying the foundation for the Company to become bigger and stronger, and contribute to the energy saving and emission reduction of the society.

### **Risk Management**

In response to climate change, we focus on identifying and assessing physical risks and transformation risks, while seizing development opportunities to promote the sustainable development of the Group. We strengthen the sustainable management of natural resources, chemical management, and reduction of pollutant emissions, improve related risk management and target setting systems, and promote high-quality and green development.

### **Metrics and targets**

The Group has identified indicators related to the monitoring of environmental, social and climate-related risks, and conducts annual statistics and disclosure of relevant data, including:

- Energy (diesel, gasoline, LPG, natural gas, electricity) usage;
- Water consumption ;
- Amount of packaging materials (including paper packaging and plastic packaging);
- Greenhouse gas emissions (including Scope 1 and Scope 2 emissions);
- Hazardous waste emissions;
- Non-hazardous waste discharge.

We gradually carried out greenhouse gas emission accounting and product carbon footprint accounting in accordance with ISO14064, PAS 2050 and other international standards, and are committed to making it a routine to clarify the establishment and tracking of relevant performance. For example, according to ISO 14040 and ISO 14044 standards, Wuxi Energy conducted a life cycle assessment of a trial-produced lithium battery separator ; Zhuhai Energy 's sustainable development energy plan specified the carbon emission reduction plan for 2020-2025 , and the adoption of waste heat utilization, centralized collection and reuse of steam condensate and other measures, and the promotion of low-carbon concept in the supply chain to help achieve the goals established.

We will continue to pay attention to the impact of climate change on our business, fully respond to policy requirements, and further improve strategy formulation, risk management, indicator and target identification and management, and work together with all sectors to address climate change and achieve common sustainable development.

### 3. People-centred Operation

No enterprise can sustain its operations without its people. We consider our people as the cornerstone of our growth and take a people-centred approach. This focus on employees has been one of our core values since 1996, when we started the business.

#### 3.1 Employment and Employee Benefits

##### 3.1.1 Standardized employment with diversified structures

The Group strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Individual Income Tax Law of the People's Republic of China* and other relevant laws and regulations to protect the legitimate rights and interests of our employees, pay their salaries, social insurance, and housing funds fully and in a timely manner. In line with laws and regulations and based on the actual circumstances of each subsidiary, we have formulated relevant policies at a subsidiary level to ensure fairness and justice in terms of recruitment, work duties, training, promotion, compensation and benefits, working conditions and departure (including retirement, resignation and dismissal), etc. The Group has signed labor or employment contracts with all staff under laws and regulations, and has clearly defined in such contracts the positions, working hours, labor protection and remuneration of employees.

During the reporting period, there were no violations of national and local laws and regulations by the Group in terms of employment, nor any human rights violations.

##### Prohibition of child labor

The Group strictly complies with the *Law of the People's Republic of China on Protection of Minors*, the *Provisions of the People's Republic of China on Prohibition of Using Child Labor* and other relevant laws and regulations, and has formulated policies within each subsidiary such as the *Provisions on Prohibition of Using Child Labor* to prohibit the employment of people under the age of 18. The Group has promised not to employ child labor and to perform enquiry, observation and qualification comparison during the recruitment process, as well original ID card checking during the acceptance procedures to avoid such employment.

During the reporting period, no child labor has been employed by the Group.

##### Eliminating Forced Labour and Protecting Labourers' Rights

We implement a “competency-based job matching, role-based remuneration determination, and contribution-based reward” policy. We adopt the comprehensive working hour system for production roles to quickly cover customer demand, the flexible working hour system for sales, technology and other task-oriented office clerks, and the standard working hour system of 8 hours a day and 40 hours a week for general office clerks. While we advocate hard work, we strongly oppose any kind of forced labour. We safeguard employees' leave entitlements and rights to take a rest in accordance with the relevant laws and regulations. If timely deliveries of products require working overtime or night shifts, the relevant production department will ask for employees' willingness and ensure that they follow the internal rules when arranging the shift schedule (i.e. employees shall not work more than 36 hours of overtime in a week). On a monthly basis, the human resources department reviews employee attendance and working hours recorded in the attendance system and investigates into any exceptions identified. We have gone online and put into use the human resource information management system in 2021 to integrate scheduling and attendance in the system and establish an early warning mechanism before overtime work occurs to further protect employee health.

## Freedom of Association and Collective Bargaining

We insist on protecting the freedom of association and collective bargaining rights and interests of employees, establish trade unions in various places in accordance with the *Trade Union Law of the People Republic of China*, the *Regulations on the Work of Trade Unions in Enterprise (Trial)* and other regulations and local norms and requirements, combined with operation practice, and safeguard the rights and interests of employees by signing special collective contracts, ensure 100% of workers are protected by collective bargaining agreements. In the collective agreement, there are also matters relating to providing reasonable notice to employees and their representatives for major operation changes, as well as the notice time or processing cycle of contract negotiation, change and termination. The group has no violations of laws and regulations relating to violation of freedom of association or disrespect for collective bargaining rights and interests.

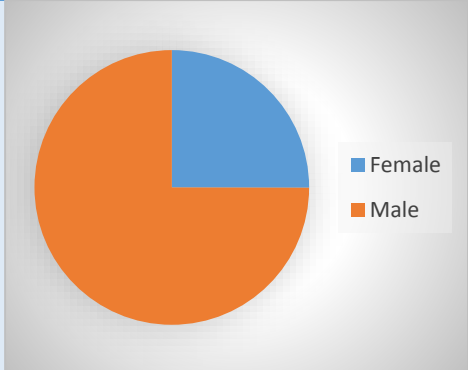
## Privacy Protection

We pay attention to the protection of employees' privacy. In the Employee Manual, we explicitly prohibit the acts of "disclosing privacy of others" and "divulging or inquiring into the privacy information of other personnel of each company", so as to clearly convey to employees our practices and attitudes of adhering to the protection of personal privacy.

## Promoting Diversity and Gender Equality

We respect differences, encourage diversity, and are against employment discrimination based on factors such as gender, age, region, religion, etc. And we will never make such a factor an obstacle for employees' advance within the Group. A mix of employees of various genders, ages, and educational backgrounds is an edge for the Group to realize the effective use of talents, and is conducive to the retention and carrying on of traditional production technology and management experience.

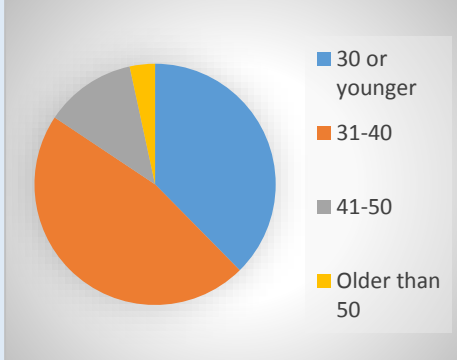
We strictly comply with the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, the *Regulations on the Labour Protection of Female Employees* and other relevant laws and regulations. Despite the inherent limitations of the Group's manufacturing industry, when seeking candidates for open positions, we take into account the characteristics of the position and give preference to women for positions that require more communication and service requirements under the same conditions. By the end of the report period, the number of female employees in the group was 1,867, accounting for 25.0%.

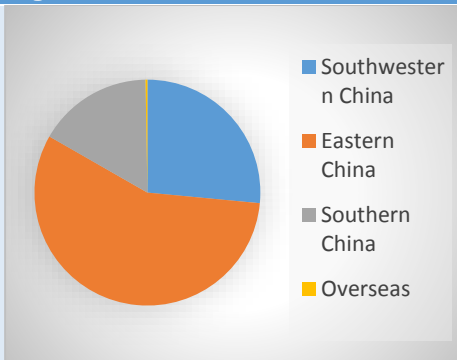
2022 employee distribution by gender		Gender	2022		2021
			Headcount	Proportion	Proportion
		female	1,867	25.0 %	26.0%
		male	5,591	75.0 %	74.0%

Employees of different nationalities and countries make the Group a diverse and integrated family. As at the end of the reporting period, in addition to employing 20 employees who were from the United States, Japan, Hungary or other countries, the Group has 534 employees from ethnic minority groups including Hui, Yi, Hani, Bai and Mongolian, and 71 employees with disabilities, reflecting that our recruitment practice was diversified and not discriminatory.

In 2022, we continue to emphasize the win-win situation of achieving enterprise development and driving employment by way of excellent talent attraction. At the same time, we adhere to the principle of localized employment. Taking Hongta Plastic as an example, the number of local employees employed by the company in the region where it operates (the southwest region) accounts for 100% of the total number of employees of the company.

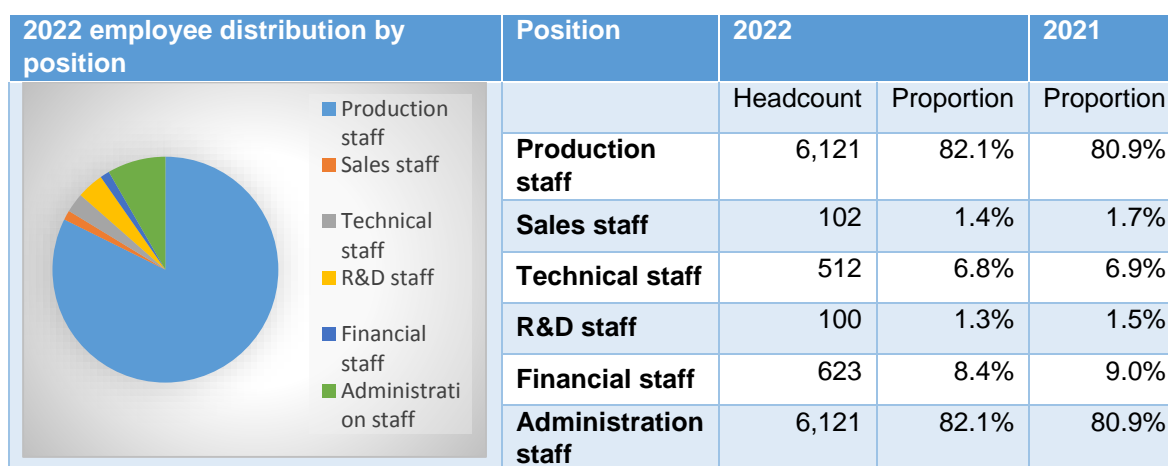
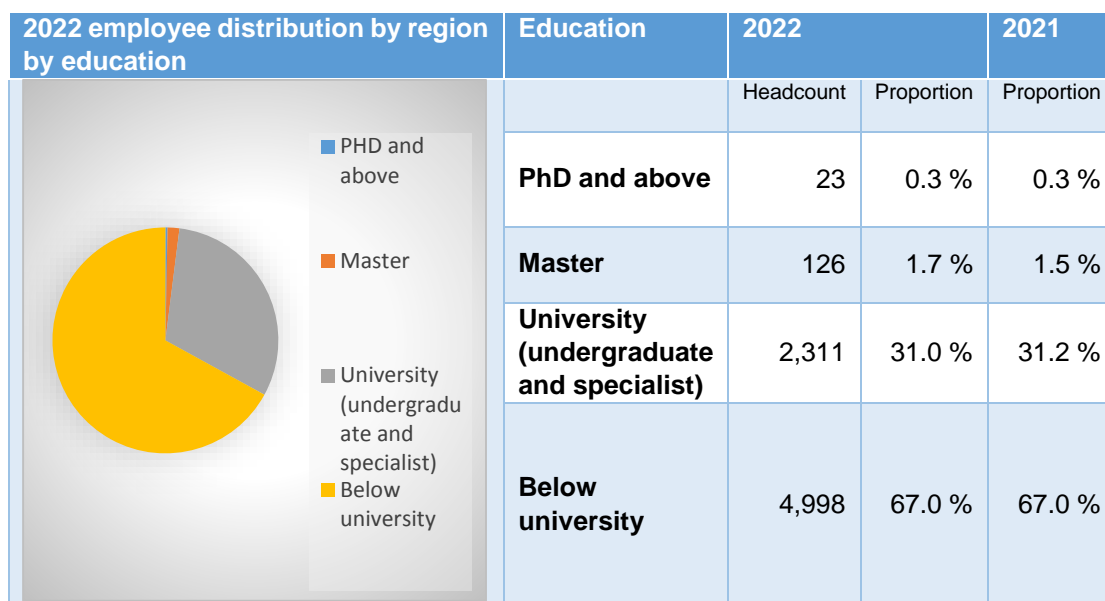
As at the end of the reporting period, the Group had 7,458 employees (2021: 5,954) in total, the distribution of which by age, region, education and position is as follows.

2022 employee distribution by age	Age	2022		2021
		Headcount	Proportion	Proportion
	30 or younger	2,805	37.6 %	36.7%
	31 - 40	3,486	46.7 %	47.3%
	41 - 50	914	12.3%	16.0%
	Over 50	2 53	3.4 %	

2022 employee distribution by region <sup>13</sup>	Region	2022		2021
		Headcount	Proportion	Proportion
	Southwestern China	1,971	26.4 %	29.6 %
	Eastern China	4,223	56.7 %	51.2 %
	Southern China	1,224	16.7 %	19.2 %
	Overseas	2 0	0.2 %	0.1 %

<sup>13</sup>The region here refers to the location of the company signing contract with the employee, rather than the employee's native place; and the same definition applies below.





During the year, there were a total of 14 management personnel<sup>14</sup>, of which, 71.4% were male and 28.6% female; 42.9% were aged from 30 to 50, 57.1% over 51 years old, and none under the age of 29; there was 1 minority management personnel, accounting for 7.1%. As at the end of the reporting period, the average period of service of the Group's employees was 4.6 years.

### 3.1.2 Expanding Recruitment to Cultivate Talent

Having a talent pipeline that provides a stable inflow of high-quality talent can drive sustainable development.

<sup>17</sup> Management personnel include directors, supervisors, and senior executives.

## Talent selection and recruitment

When selecting and recruiting talent, we focus on “front-line workers and high-end talent”. We continue to expand our recruitment channels to build a desired front-line talent pool, including:

- Campus recruitment events: We have co-established a training base with Donghua University, and have been rated as a "key Enterprise for Recruiting College Graduates". By doing so, we have gained access to a pool of potential job candidates, and also provided opportunities for the youngsters to practice and learn;
- We have established an internal recommendation mechanism. This is to promote the Group as an employer brand that offers competitive compensation packages, convenient housing facilities and best career development opportunities, and encourage employees to recommend eligible candidates. Once the candidates they recommend are successfully hired, they will be rewarded with cash.

During the reporting period, the Group recruited 2,986 employees (2021: 3,080), including 51 fresh graduates (2021: 74). Among the new recruiters, 2,338 were males, 648 females; 1,580 of them aged 30 and below, 1,140 from 31 to 40, 236 from 41 to 50, and 30 over the age of 50.

The number and proportion<sup>15</sup> of newly recruited employees in major regions of the Group are as follows:

	2022		2021	
	Headcount	Proportion	Headcount	Proportion
<b>Southwestern China</b>	470	15.7%	500	28.4%
<b>Eastern China</b>	2,058	68.9%	1,966	64.5%
<b>Southern China</b>	440	14.7%	611	53.5%
<b>Overseas</b>	18	0.6%	-	-

As for acquisition of high-end talents, we have attracted experienced professionals in the industry with competitive compensations to lead our rapid yet sustainable development in the future.

## Talent retention and incentive mechanisms

We provide our employees with competitive compensation packages and the best opportunities possible for career development to retain our talent.

Our employees' salaries and compensation include but are not limited to (included items may differ subject to regions and posts): basic salary; post allowance; performance bonus and allowance; full attendance bonus; seniority allowance; overtime pay; year-end bonus, etc. To demonstrate our position in the industry, maintain and further expand our competitive strengths, we review and evaluate remuneration packages based on the value of positions, adopt a leading compensation strategy and put in place a sound compensation system (which includes

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<sup>15</sup> Proportion of new recruiters = number of new recruiters in the region during the year/ headcount in the region as at the end of the reporting period.

20 grades, each having 7 classes (each class has 7 levels), across 5 categories, namely management, technology, R&D, functions, sales). These measures have provided a solid foundation for acquiring, retaining and motivating our workforce while enabling us to maintain marketplace competitiveness and internal fairness.

During 2022, the Company implemented the *2022 Stock Option and Restricted Stock Incentive Plan*, and granted 1,585,437 restricted stocks to 826 core employees, allowing employees who had made positive contributions to share with the Company the fruits from business development.

In the future, we'll continue to improve our workforce management approach by putting in place a key talent development programme and a talent pool. We'll prepare a customised development plan for key personnel in key positions, taking into consideration our future development directions and the personnel's own career planning. The move aims to cultivate core employees by providing the best career development opportunities possible and encouraging supervisor support and employee involvement. To provide a consistent support for rapid growth, we'll build a backup talent pool by training, job rotation, adopting the "two people for each role" mechanism and other tools available. At the same time, we'll continue to implement the "9S" management model and encourage employees to develop good work ethics, as we are fully aware that the need to put in place better management measures has never been more pressing due to the COVID-19 outbreak.

### **Compliance Resignation**

We protect the rights and interests of leaving employees in accordance with the law, pay wages based on the actual working days in the month an employee leaves, and assist in the transfer of files and social insurance relations. Left employees are welcome to join us again, and they will be re-employed by us according to the relevant rules.

We pay attention to the impact of abnormal employee turnover on production and operation, summarize and propose improvement measures for employee turnover problems, and continuously promote human resource management mechanisms to control employee turnover by eliminating or reducing factors in the workplace that may affect employee stability.

During the reporting period, the Group had a total of 1,469 employees resigned, with a turnover rate of 19.7%<sup>16</sup>. Among them, 1,276 were males and 193 females; 788 aged 30 and below, 565 from 31 to 40, 86 from 41 to 50, and 30 over the age of 50.

The number and proportion<sup>17</sup> of employees resigned in major regions of the Group are as follows:

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<sup>16</sup> Employees quitting during probationary period are not included; turnover rate = total number of employees resigned in 2022/headcount as at the end of the reporting period.

<sup>17</sup> Proportion of employees resigned = number of employees resigned in the region during the year/ headcount in the region as at the end of the reporting period.

	2022		2021	
	Headcount	Turnover Rate	Headcount	Turnover Rate
<b>Southwestern China</b>	249	12.6%	180	10.2%
<b>Eastern China</b>	883	20.9%	481	15.8%
<b>Southern China</b>	336	27.0%	186	16.3%
<b>Overseas</b>	1	5.0%	-	-

### 3.1.3 Providing Employee Assistance

We focus on enhancing employees' satisfaction, well-being and engagement, and encouraging employees to provide feedback and offer suggestions. The reasonable improvement suggestions or opinions put forward by the employees can help the Group improve its management level and production efficiency, so as to promote the group's strategy of reducing costs, winning by quality and focusing on market development. If the suggestions of the employees are adopted, the employees will be recognized accordingly.

We care for and respect our employees and implement a mentor-mentee programme group-wide to help new recruits adapt to the new environment. We encourage team leaders and supervisors to communicate more with their team members to promote harmony in the team. In addition, we set up a comprehensive communication channel, such as bulletin board, regular meeting, internal network, employee suggestion box, email (info@semcorpglobal.com), etc. Moreover, we organize employee satisfaction surveys every year, and employees can also give feedback on their ideas and suggestions through the satisfaction survey form. During the reporting period, the Group conducted ten employee satisfaction surveys and received 2,343 valid questionnaires, with all employee satisfaction scores reaching over 72%.

If an employee has a complaint, he / she can submit it to the direct supervisor, department head, human resources department or trade union. The receiver will timely solve the problems of employees or provide reasonable explanations, make corresponding records, and reply to employees within 5 working days. The human resources department will also regularly collect and sort out the written complaints and opinions put forward through the 'suggestion box' and other channels set in the place without monitoring equipment and reflect them to the management in a timely manner. The grievance process and all relevant information of employees are strictly confidential.

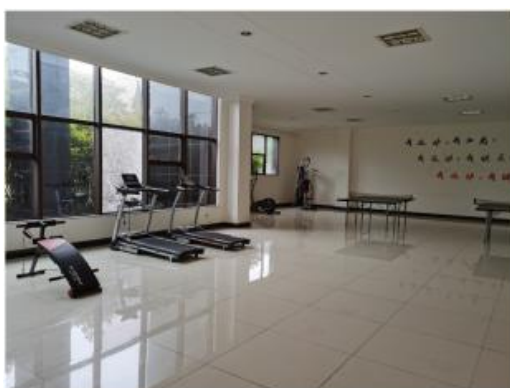
In accordance with national and local government regulations, and based on the actual circumstances of various regions, we provide employees with comprehensive welfare programs, such as birthday welfare, traditional festival welfare, annual leave, sick leave, marriage leave, parental leave and other paid holidays. We also pay attention to employees' various needs in daily life. For example, we have equipped production subsidiaries with staff dormitories, canteens and other living facilities, such as basketball courts, table tennis courts, activity rooms and other sports and leisure facilities at Jiangxi Tonry and Zhuhai Energy, as well as the mediation room, health home, staff reading room and other facilities at Chengdu Hongsu to facilitate the physical and mental wellbeing of our employees.



Mediation room at Chengdu Hongsu



Health home at Chengdu Hongsu



Sports center at Chengdu Hongsu



Staff reading room at Chengdu Hongsu

Parental leave status				
	2022		2021	
	Male	Female	Male	Female
Total number of employees taking parental leave	100	50	100	57
Total number of employees due to return to work from parental leave as at the end of the year	99	38	99	53
Total number of employees returning to work from parental leave as at the end of the year	99	37	99	43
Return rate <sup>18</sup>	100.0%	97.4%	100 . 0 %	81.1 %
Total number of employees still employed as at the end of the reporting period after	95	37	92	39

<sup>18</sup> Return rate = total number of male (female) employees returning to work from parental leave / total number of male (female) employees due to return to work from parental leave.

returning to work from parental leave				
Retention rate <sup>19</sup>	96.0%	100.0%	92.9%	90.7%

### Employee engagement activities

Based on their overall work arrangements, subsidiaries of the Group will organize appropriate employee engagement activities from time to time, such as tea parties, Mid-Autumn Festival celebrations, Dragon Boat Festival events, Lantern Festival garden parties, outdoor hiking, annual meetings, etc., in order to enrich employees' leisure activities, help them wind down from the tension brought about by the fast paced working environment, and encourage more employees to relax and enjoy themselves after work.



Chengdu Hongsu's patriotic theme movie watching event



Wuxi Energy's team building activities



Suzhou Jieli's Tree Planting Festival activity



Chengdu Hongsu's gifts distribution event to celebrate Mid-Autumn Festival

<sup>19</sup>Retention rate = total number of male (female) employees returning to work from parental leave as at the end of the reporting period /total number of male (female) employees returning to work from parental leave during the reporting period.





Shanghai Energy's Mid-Autumn Festival activity



A staff birthday party at Suzhou Jieli



Dragon Boat Festival activities held by Dexin Paper



Team building activities organized by Jiangxi Tonry

### Supporting employees in need

We firmly believe that a harmonious and caring working environment lays a foundation for our long-term development. Therefore, we care for our employees in need with various supports. For example, during each Spring Festival holiday, representatives from the Group will visit families of deprived employees with New Year's greetings and comforts, such as cash and gifts. To show our love and care, we have put in place relief funds and fundraising plans in case employees or their families suffer major illnesses and need financial support. In 2022, we have visited sick employees, organized donations for them, and distributed subsidies to employees in difficulties from various departments. For example, Zhuhai Energy has distributed comforting subsidies to disabled employees and employees in difficulties, and Shanghai Energy has organized two donation activities for needy employees, so that employees can obtain support from our family in time.

## 3.2 Staff training and development

### 3.2.1 Systematic and diversified training

Innovation is the driving force for enterprise development and talents are directors of technological innovation. We attach great importance to the cultivation of innovative talents in science, technology, management and other aspects, and provide employees with a comprehensive training system, enriched training resources and diversified learning programs. At the same time, we emphasise the integration of theory and practice and advocate learning during practice, so as to truly improve the capability to pursue scientific and technological innovation and management skills for better services and technical support for customers.

#### Case: Diversified training courses to tap the potential of our talents

In 2022, Enjie University carried out two training courses themed with "Decisive Business Battle: Strategic Management and Sandbox Simulation of Overall Operation" and "Analysis and Interpretation of Financial Statements for Managers", which attracted more than 40 middle and senior management personnel to participate.



Photos of Enjie University's Incubation Camp for High Potential Talents

We also established its own training centre, the "Enjie University", for the advancement of our employees. Focused on the Group's strategy, the University adopts an inclusive principle in formulating its talent selection and development policies, including the combination of internal and external resources, the comprehensive consideration of both front-line staff and senior staff and pursuit of advancement both in knowledge and practice as well.

Since its establishment, the training centre has been continuously launching new programmes for staff of various levels and positions. These programmes are designed to reflect the features of manufacturing, with an emphasis on learning in practice. Furthermore, these programmes can be classified into on-line programmes and on-the-spot programmes by instruction model, and pre-job training programmes (such as onboarding training, training programmes for newly promoted supervisors or managers) and on-the-job training programmes (focused on training programmes relating business knowledge, corporate culture and laws and regulations) by time scale. We also kept updating our programmes and classifying them from the trainer's perspective in order to form a training mechanism leading by mentors or lecturers. For us, training has gone far beyond simple classroom instructions and practices. It has an essential role to play during each transformation and acquisition with its magic on idea publicity and spirit cohesion.



During the reporting period, Enjie University continued to carry out themed courses targeting various talent groups such as managers and technical staff, and strived to tap the potential of different talents through diversified and differentiated training courses.

Curriculum schedule of Entity University

level	Category	Sub-category		Audience	Lecturer
1	Induction training system (including relocation)	Production staff induction training		Production staff	Mainly in-house lecturers
		Functional staff induction training		Functional staff	Mainly in-house lecturers
		Sales staff induction training		Sales staff	Mainly in-house lecturers
		R&D staff induction training		R&D staff	Mainly in-house lecturers
		Induction training for middle management		Middle management	Mainly in-house lecturers
		Induction training for senior management		Senior management	Mainly in-house lecturers
2	Organizational commonality training	Corporate culture activities -CSR		All staff	Mainly in-house lecturers
		Corporate values training		All staff	Mainly executive lecturers
		Safety training		All staff	Mainly fire brigade or related agencies
		Communication efficiency improvement training		All staff	Mainly in-house lecturers
		Enterprise strategic goal training		All staff	Mainly internal lecturers
		Laws and regulations training		All staff	Mainly Legal Department or external law firm
		Pre-departure training for personnel going abroad		Personnel going abroad	Mainly in-house lecturers
3	Business training	Production	Production operation training	Production staff	Internal + external lecturers
			Production management training (team leader)	Production staff	Internal + external lecturers
			Production support Training	Production staff	Internal + external lecturers
			Project management Training	Production staff	Internal + external lecturers
			Quality management Training	Production staff	Internal + external lecturers
			Equipment operation and maintenance training	Equipment maintenance personnel	Mainly in-house lecturers
			Logistics warehousing training	Logistics warehousing staff	Mainly in-house lecturers
			Procurement training	Procurement staff	Mainly in-house lecturers
		Technology	Technical knowledge popularization training	Relevant personnel (production, sales, quality)	Mainly R&D lecturers
			R&D trend popularization training	Relevant personnel (production, sales, quality)	Mainly R&D lecturers
		Sales	Product knowledge training	Sales staff	Mainly R&D lecturers and production managers
			Sales skills training - Preliminary	Sales staff	Mainly R&D lecturers and production managers
			Sales skills training - Intermediate	Sales staff	Mainly R&D lecturers and production managers
			Sales skills training - Advanced	Sales staff	Mainly R&D lecturers and production managers
		Function	Financial management professional training	Financial personnel	Mainly external professional lecturers
			Human resources professional training	HR staff	Mainly external professional lecturers
			IT professional training	IT staff	Mainly external professional lecturers
			Clerk efficiency improvement training	Administrative Clerk	Mainly external professional lecturers
		R&D	Forum participation and active sharing	R&D staff	External lecturers
			Summit organization and high-level exchanges	R&D staff	External lecturers
	General onboarding training	Forklift position certificate training		Forklift worker	Mainly external professional lecturers
		Electrician position certificate training		Electrician	Mainly external professional lecturers
		Special equipment position certificate training		Special equipment operators	Mainly external professional lecturers
4	Promotion training system	Training for new junior managers		Newly promoted staff	Internal + external lecturers
		Training for new middle managers		Newly promoted staff	Internal + external lecturers

		Training for new senior managers		Newly promoted staff	Internal + external lecturers
	Training system for high potential talents	Training series for high-potential mid-level personnel		High-potential talents	External lecturers
		Training series for high-potential high-level personnel		High-potential talents	External lecturers
5	Training system for middle and high-level talents	miniMBA series courses		Middle and senior management	External lecturers
6	Training for decision-making staff	Leadership series Courses		Top management	External lecturers

In addition, we also provide special training such as office software application training and human resource manager training for our employees to further improve their professionalism and encourage them to obtain relevant professional qualifications; we are also actively exploring new modes of cooperation with external organizations to train talents and build more diversified training platforms for our employees.

### **Case: Strengthened cooperation with external parties to explore a new model of enterprise apprenticeship**

To improve our employees' professional skills, with government funds and under relevant policies, Energy Technology and Dexin Paper have cooperated with Yunnan Yuxi Technician College to conduct a two-year new-type apprenticeship training since July 2021. During the reporting period, the college has conducted various trainings to improve employees' skills in terms of printing process, typesetting process, electrical circuit fault detection and maintenance of machine tools and granted employees passing the occupational skill evaluation corresponding certificates (such as skill certificates, etc.). Such a "new apprenticeship" training provided by the Company can facilitate the improvement of our employees' professional skills, the employment of skillful employees, and the nourishment of our top talents.

### **3.2.2 Creating Opportunities for Growth and Career Development**

To enhance the cohesion and involvement of our staff, and to keep pace with the Group's rapid development, Human Resources Department formulates HR strategic plans on an annual basis, with reference to the Group's strategy and development speed. These plans are formulated based on the analysis of and responses to challenges posed to HR management by the investments into recently developed new production lines and the realisation of strategic acquisitions, with a focus on the rapid expansion of reserve talents and potential talents to support the operation of these new production lines as well as the implementation of the Group's strategic plan.

Our staff serve the Group with a wealth of knowledge and high spirits and are rewarded by the Group with a broad platform for individual development in pace with the development of the Group through systematic training and promotion program. The Group classifies all positions into 5 categories and provides our staff with multiple channels for career development. Under the Group's promotion policies, a technical staff can be promoted to a management position or a technical expert position, and a R&D staff can be promoted to a management position, a production position or an expert R&D position. This mechanism of multiple promotion channels provides our staff with various options for their career advancement. We have also introduced appraisal tools and performance management system, set performance targets for employees on an annual basis and conducted regular follow-up, feedback and evaluation to fully release

the potentials of our staff and direct them to develop their expertise in suitable positions. In 2022, 100% of employees received regular performance and career development reviews.

The continuous development of the Group and the construction of new factories in various places also provide employees with a broad platform for their career development. By getting deeply involved in the development of the Group, young employees have also achieved their own career development. In 2022, Chengdu Hongsu, one of the Group's subsidiaries, held a technical contest for employees to show their talents. In 2022, a total of 61 employees of the Group were eligible for promotion.



A technical contest launched by Chengdu Hongsu

### 3.3 Occupational Safety and Health

#### 3.3.1 Developing Policies to Ensure Work Safety

Safety is the cornerstone of domestic bliss, the source of social harmony, and the guarantee of enterprise development. Work safety secures the personal safety of employees and property safety of enterprise, and therefore constitutes an important part of the Group's operation and management. Thus, we pay relentless attention to work safety in our production to ensure the personal and property safety.

The Group strictly complied with the requirements of the *Work Safety Law of the People's Republic of China*, the *Basic Norms for Standardisation of Work Safety of Enterprises* and other laws and regulations, and has formulated administrative systems for work safety, such as the *System for Management of Work Safety Objectives*, the *System for Work Safety Responsibilities*, the *System for Reward and Punishment Relating Work Safety*, and the *System for Detection of Work Safety Hazards*.

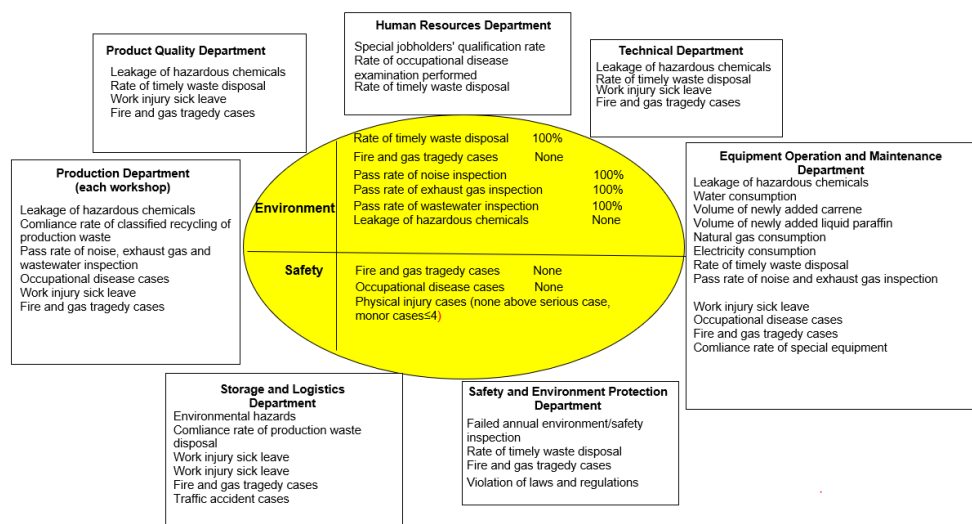
We implemented the production safety accountability in accordance with the standardization requirements on safe production, which was combined with daily inspections, special inspections, holiday inspections and other inspections to eliminate all kinds of work safety hazards. We signed responsibility statements and taken other measures to clarify safety production goals, and performed regular performance evaluations on production safety and the implementation of standardization requirements to ensure a smooth implementation progress while maintaining property and personal safety. We set the "Number of EHS Unqualified/Number of Risk Control Unqualified" KPI indicators, which cover the objectives of business management activities and the number of problems, defects and of risk points meeting

the EHS requirements or the internal control compliance policies in the relevant procedures, processes and results.

As at the end of the reporting period, a total of 7 operating sites of the Group, including Energy Technology, Chengdu Hongsu, Shanghai Energy, Suzhou Jieli, Jiangxi Tonry, Newmi Tech and Jiangxi Ruijie, have obtained the third-tier certificate for safety production standardization, accounting for more than 50 %.

Production Safety-related Targets and the Implementation in 2021	
Content	Implementation
The number of accidents with serious injuries or more is 0	100% achieved
The number of occupational disease incidence among employees is 0	100% achieved
The number of fire accidents is 0	100% achieved
The number of major liability accidents is 0	100% achieved
The number of acute poisoning accidents is 0	100% achieved
100% of occupational health and safety non-conformities, incidents and accidents found are rectified as required	100% achieved

In addition, each subsidiary has also formulated and achieved their tailored goals based on their own operating practices.



Annual goals set for environment and safety management by Wuxi Energy's Safety and Environment Protection Department

We proactively performed introspections and rectifications after safety accidents to eliminate potential safety hazards and safeguard our staff's life safety. Safety and Environmental Protection Department has deployed security guards within the Group. While ensuring the deepening of the supervision and management mechanism, we have established a smooth communication channel for potential dangers, adopted the correct opinions of the safety officers in a timely manner, and mobilized the entire team to work together to improve production safety. We rectified safety issues and analysed the causes in a timely manner; member entities submit work injury reports to the Group on a quarterly basis, and Safety and Environmental Protection

Department takes the lead in the communication and root cause analysis of major work injury accident based on their nature.

During the reporting period, the Group did not experience any work-related death, work-related injuries or lost work due to work-related injuries as follows:

List of Work-related Injuries		
Relevant performance	2022	2021
Work-related injury accidents	27	26
Working hours missed <sup>20</sup> (count by hour)	14,704	16,128
Working days missed (count by day)	1,832	2,016
Total Recordable Injury Rate (TRIR) <sup>21</sup>	0.36	0.44

#### Chemicals management

We are keenly aware of the importance of chemical management for safety production. In this regard, we have established the *Compilation of Rules and Regulations on Environmental and Hazardous Waste Management*, the *Administrative Measures on Chemical Management*, the *Oil and Chemical Management Regulations*, the *Warehouse Management Regulations* and other rules and regulations. We have collected and compiled the relevant *MSDS Technical Requirements* to standardize the transportation, handling, storage, labelling, usage, discard and disposal of chemicals to avoid adverse environmental impact and harm to human body. We have identified the types of chemicals involved in our production process and laboratories, and set up obvious signs at key locations to remind employees to guard against risks.

We proactively carried out chemicals-related training to clarify the process for procurement, storage, receipt and use of chemicals, and to publicize and implement the protection and emergency response measures for the use of hazardous chemicals. We have set for all relevant companies a goal of zero hazardous chemical leakage incident, which has been achieved to the extent of 100%.

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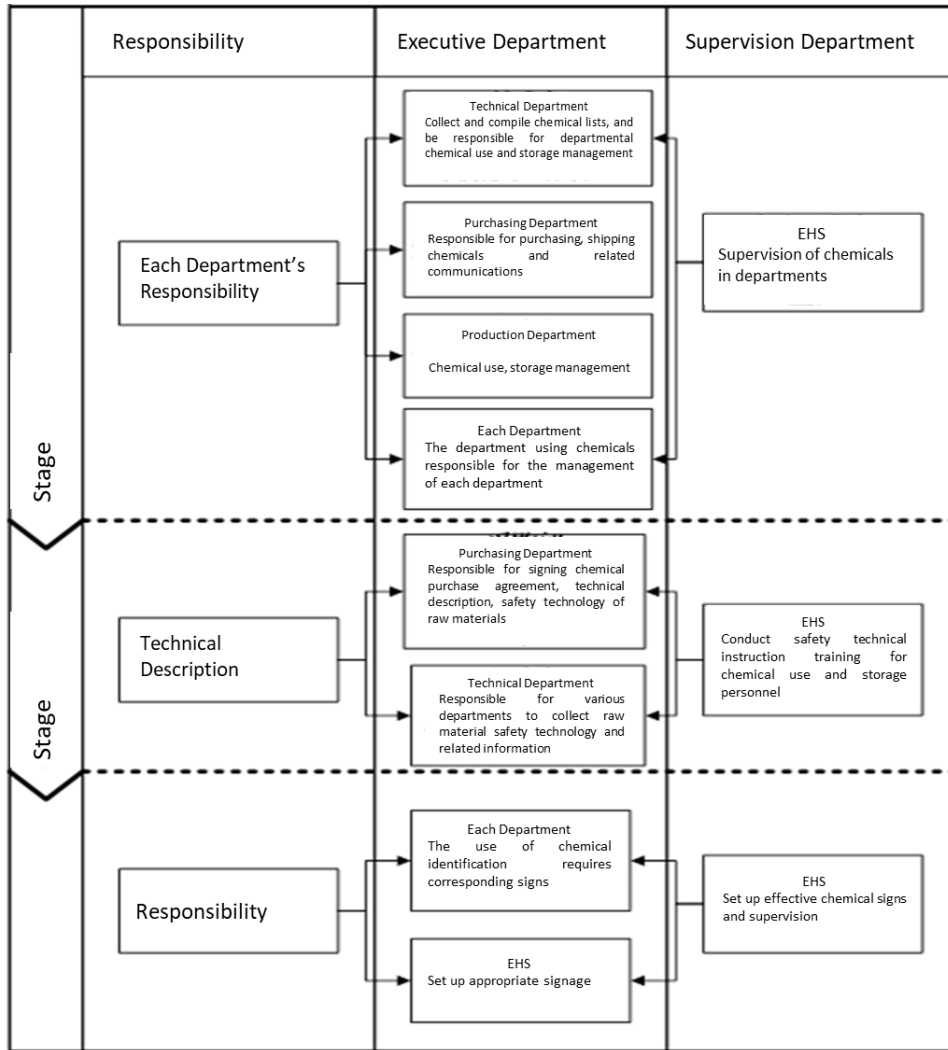
<sup>20</sup> 8 working hours per day.

<sup>21</sup> Total recordable injury rate=number of recordable injury during the reporting period x 200,000 / employee total hours supposed to work during the reporting period



Hazardous chemicals training slides

As for chemicals transportation and handling management, suppliers or entrusted external parties are responsible for our transportation of chemicals, and the procurement departments of Group members shall be confirmed with the relevant certificates before carrying out such transportation and handling activities in accordance with the relevant rules and regulations. When emergencies such as chemical abnormalities occur, all relevant companies within the Group shall make rectifications in accordance with the *Control Procedures for Corrective and Preventive Measures* and take preventive measures accordingly. For the leakage of hazardous chemicals, we have formulated relevant emergency response plans and actively carried out emergency drills. For the disposal of chemical wastes, we have strictly complied with the relevant chemical waste management rules and regulations in our management process to prevent environmental contamination by chemical pollutions.



Chemical Safety Management Framework of Hongta Plastic



Safety warning signs on the doors of Suzhou Jieli's generator room



Suzhou Jieli's safety warning signs





Safety warning signs in the workplace of Suzhou Jieli

### 3.3.2 Upgrading Technology to Promote Occupational Health

The Group complies with the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, and published the *Compilation of occupational Health Management System*, including occupational disease protection equipment, management system of protective equipment, education and training system for prevention and control of occupational disease hazards, management system for monitoring and evaluation of occupational disease hazards, management system for safety in limited space, etc., and continuously improve working conditions based on the occupational health and safety management system, identify hazards in our workplaces, strengthen the monitoring and control of hazards, provide protective equipment for our employees and strive to create a safe, healthy and comfortable working environment for them.

We adhere to the policy of prevention first and combined with control to deal with occupational safety and health issues. Shanghai Energy signed the *Special Collective Contract for Occupational Disease Prevention* with employees, which provides specific guidelines on the subject responsible for occupational disease prevention, measures taken for prevention and improvement, detection of occupational hazard factors, regular occupational health training, as well as pre-job, on-the-job, off-job, and emergency occupational physical examinations for employees.

Air conditioners, ventilators and other equipment have been installed in most of our workshops in addition to our office and living areas to improve the working environment. In addition, we provide our employees with articles to prevent heatstroke and reduce temperature, schedule our operations properly so that our employees do not have to work in the heat, and shorten working hours appropriately to reduce the adverse effects that high temperatures may have on our employees' health in summer, to improve the working environment for our employees as much as possible and to ensure their safety and health.

Holders of special positions that are prone to occupational diseases have been fully informed of the job requirements and working environment when they apply for the job. A physical examination focused on occupational diseases is arranged for employees holding such positions every year. The coverage rate of occupational physical examinations for high-risk positions has reached 100%. During 2022, the Group had not identified any cases in which an



employee was suffering from an occupational disease. Other employees have also been provided with free physical examinations on a regular basis.

Hazards to human health in the production environment are tested every year. Relevant employees are required to undergo pre-job, on-the-job, and off-job occupational physical examinations to prevent occupational diseases. Employees working in the film workshop of the diaphragm business, those responsible for operating equipment, and those responsible for mixing materials are exposed to the following hazards: high temperatures, dichloromethane, noise, paraffin fume, dust and power frequency electric field. We have taken the following measures:

- High temperatures: labour suit, protective gloves and other protective articles are provided for employees; air conditioners have been installed in the central control room; measures have been taken to minimise employees' exposure to high-temperature equipment; medicines for preventing heatstroke are distributed to employees;
- Dichloromethane: ventilators must be turned on in sites exposed to dichloromethane; employees are required to wear protective masks or respirators when entering these sites, and the concentration of dichloromethane in these sites is monitored;
- Noise: noise-proof earphones are provided for employees; work is done to improve equipment and facilities which are also regularly serviced to reduce noise levels;
- Paraffin fume and dust: dust masks are provided for employees; ventilators and dust catchers have been installed in areas where there is lots of dust, and are cleaned regularly;
- Power frequency electric field: insulated shoes, insulated gloves and protective masks are provided for employees, and tests are conducted regularly.

As of the end of the reporting period, 12 of the Group's operating sites had obtained ISO45001:2018 occupational health and safety management system certification. During the reporting period, the Group's safety production expenditure was RMB 23.77 million.

### **3.3.3 Conducting Training and Emergency Drills to Raise Safety Awareness**

To ensure occupational health and safety, it is important to implement the relevant management systems, provide protective articles for employees, improve processes and facilities. But it is still more important that employees increase their safety awareness and master the skills to ensure safety in production activities and rescue themselves when they are in distress. Therefore, we attach importance to safety trainings and awareness campaigns, and regularly organise emergency drills to improve employees' safety awareness and skills to deal with emergencies.

To effectively respond to safety risks in emergencies, emergency plans including *the Emergency Plan for Fires*, *the Emergency Plan for Environmental Emergencies*, *the Emergency Plan for Accidents Endangering Production Safety*, *Emergency plan for lifting machinery injury accident* and *Special emergency plan for natural gas leakage* have been

formulated. Drills are organised regularly to ensure the Company's preparedness for emergencies.

As the raw materials, packages and finished products we need for production contain flammable materials (e.g. paper), we also pay special attention to fire control and strictly abide by *the Fire Control Law of the People's Republic of China*. Fire control trainings and drills are organised every year and fire control trainings are part of on-boarding trainings for new joiners. Employees are required to participate in annual fire control trainings to enhance their fire control awareness and skills.

Every June is the month for production safety campaigns. During this period, trainings on production safety and occupational health, and knowledge quizzes are organised in the Company's workplaces to enhance employee's awareness and all employees are required to participate.



Chengdu Hongsu's Safety Production Month events



Hongchuang Packaging's 2 fire drills in 2022



Chongqing Energy's firefighting facilities training site



Shanghai Energy's fire drill site in 2022H1

In 2022, the Group organized a total of 90 safety emergency drills and trainings, with a total of 10,912 participants, including special training for first-aid personnel, training on safety laws and regulations, training on emergency response plans against production safety accidents, fire and emergency drills, rehearsals of emergency rescue plans, hazardous chemical leakage accident drills, extreme weather emergency drills, public health emergency drills, mechanical injury training and drills, etc.

**Pandemic prevention and control:**

In 2022, the Group continued with its pandemic prevention and control measures, and strictly implemented the relevant pandemic prevention and control requirements of the relevant rules and regulations in various operating locations. We have carried out pandemic prevention drills, kept our employees in healthy conditions, and guaranteed our normal production and operation activities. Specifically:

- As a response to regional pandemic prevention and control policies, Wuxi Energy has strengthened its control over imported goods with requirement on imported goods to be separately located for management and control purpose. If out-sourced materials are involved, then a comprehensive disinfection and stewing process is required, and the personnel responsible for such disinfection shall receive nucleic acid test on a daily basis. Personnel selected from the gatekeeping, warehousing, safety and environmental protection, procurement, administration and other departments interacted with links of government system platform via a closed-loop and end-to-end method.
- During the pandemic, Dexin Paper performed strictly environment and personnel control in its kitchens and canteens, which were equipped with ultraviolet disinfection lamps based on floorage. These lamps were turned on for irradiation and disinfestation purpose twice a day at regular intervals; temperature measuring guns were provided to carry out daily morning inspections for logistics staff, all of whom shall wear disposable rubber gloves, masks and other protective tools during work, and the gloves and masks shall be replaced for each meal preparation.

## 4. Achieving prosperity

### 4.1 Product responsibility

#### 4.1.1 Quality management in pursuit of excellence

Customer trust and good competitiveness are based on product quality, which is relevant to the sustainable and healthy development of an enterprise. Energy Technology strictly abides by *the Product Quality Law of the People's Republic of China, Consumer Rights Protection Law of the People's Republic of China, Administrative Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products, EU RoHS Directive, REACH, Battery Directive, Packaging Directive* as well as other relevant laws and regulations and national standards for relevant products. Our vision is to "become a world-class polymer material R&D and production enterprise". We implement strict quality control measures throughout the production process to strive for excellence and improvement in order to provide customers with high-quality products.

We always focus on the construction and maintenance of our quality management systems. To align with the Company's development strategy, we have comprehensively introduced the ISO9001 quality management system in each of our factories, and put in place full-process management in terms of incoming goods management, supplier management, material management, process management and after-sales quality supervision throughout the business process. The Group has formed a system construction working group to provide system-related guidance on the establishment and implementation of system management (including quality management system ISO9001, environmental management system ISO14000 and occupational health and safety management system ISO45001) for each subsidiary to improve business quality and stability as well as perform spot checks on the implementation of system management from time to time. Our factories in the new energy segment have also obtained the IATF16949 automotive quality management certification. As at the end of the reporting period, the Group's subsidiaries in operation had obtained ISO9001 quality management system certification with a ratio of 85.7%; a total of 7 operating sites had obtained IATF16949:2016 quality management system certification for the automotive industry.



### Jiangxi Ruijie IATF16949 Certificate

In accordance with laws and regulations as well as system management requirements, with the different types of products, we have developed different quality management systems and set up a stringent product quality assurance process to ensure the quality of our products. The Quality Management Department of each factory is responsible for recording self-inspection and self-audit steps on a daily basis and providing analysis reports on eight dimensions, namely team formation, background description, corrective measures, cause analysis, improvement measures, verification of the effects of improvement measures, prevention of recurrence (standardisation) and lessons learnt; it is on this basis that annual spot checks are performed by the Group's Quality Management Department. We carry out IQC (i.e. incoming quality control) according to customer requirements, and formulate special plans for inspecting suppliers' materials, so as to perform assurance and full or random inspections of incoming materials. According to the technical agreement with the customer, each product that we provide is accompanied by an inspection specification.

We have launched a quality management system (QMS) to optimize and streamline the quality management processes through the introduction of process-based standardized measures. The quality management system adopts multiple data collection approaches to enable quality monitoring throughout the entire production process, provide true and accurate data, and realize all-round sharing of quality information. After the launching of the system, positive feedbacks are received from different factories, with significant improvement seen in the standardization of quality and the accuracy and timeliness of data.

In order to ensure the control of possible unqualified products and prevent the unintended use of them, we have also established systems *Regulations on the Management of Unqualified Products*, *Procedures for the Control of Unqualified Products*, *Regulations on the Management of Product Withdrawal*, *Regulations on the Management of Product Recall*, *Management System of Return and Exchange Products / Compensation*, etc., which classify product defects, clarify the recall methods and time limits and the contents to be included in the recall notice, and also have clear regulations on the handling and compensation of recalled products. In order to further standardize the handling of non-conforming and

exception issues during in the realization of products, and to prevent the occurrence and re-occurrence of such issues and the outflow of unsatisfactory products, we have formulated the *Management Procedures for the Control of Non-conforming and Unsatisfactory Products* to clarify the handling of non-conforming and exception issues in the product realization process (material supply, film making, pulping, coating, slitting and shipping), and make relevant revision based on the actual circumstances during the reporting period.

Through a concerted effort to maintain strict quality control, we achieved zero product recalls and no violations of health and safety regulations or voluntary codes regarding products and services in 2022.

The Group's quality management is based on planned target management, and targets for the following year are set at the end of each year. For example, the product qualification rate is divided into various targets based on operational reality, such as the effectiveness of quality management system planning, product factory qualification rate, and timely feedback rate of product quality information. During the reporting period, there was an increase in the product qualification rate as compared with 2021. We conducted regular inspections and supervisions of our factories regularly to facilitate the improvement of their systems and quality, which included Group inspections, cross-checks within the Group and LPAs (Layered Process Audits). At the same time, we actively cooperate with external quality audits. In 2022, we received a total of more than 150 external quality-related audits from customers or third parties, and no obvious non-conformities were found, and the relevant system operation continued to be effective.

In order to further implement the quality work, we focus on the creation of "quality-oriented" atmosphere of the whole Group, establish the quality consciousness of "quality first, customer first", and carry out quality training and quality year-related activities in each subsidiary, with the theme of product quality, to promote the concept of product quality control and requirements.



Quality and safety training

We consider product labelling compliance one of important components of good product quality. The Group attaches relevant labels and reminders for potential risk warnings of products. For example, Hongta Plastic labels information of our products on the product certificate strictly in accordance with the *National Food Safety Standard – Plastic Materials and Products Used for Food Contact* (GB4806.7-2016) to ensure that adequate and accurate description of product information has been provided and product safety assessment conducted to avoid any potential risk caused by improper use or storage. In 2022, there was no breach of regulations or voluntary codes on product and service information and labelling.



Safety label displayed on a packaging box

#### 4.1.2 Enhancing responsibility on low-carbon development and environmental protection

In addition to product quality control, we are also committed to creating low-carbon and environmental-friendly products, and implement the concept in the development, design and production process of the product.

- Regarding new energy products, the Institute of Recycling and Energy Saving under the Shanghai Energy Research Institute is mainly responsible for the recycle, improvement and reuse of white oil, dichloromethane, DMAC<sup>22</sup>, acetone and clay used in manufacturing of lithium battery separators, as well as the research on the recovery and treatment of waste water and waste gas by designing effective plans and using advanced separation and recovery equipment to ensure the recovery rate of white oil, dichloromethane, DMAC, acetone and white clay. In addition, we have also improved the recycling rate of waste water and waste gas to save energy, reduce consumption and contribute to the environmental friendliness of R&D and product design activities.
- To improve the yield of BOPP film products, and reduce waste film and environmental pollution, Hongta Plastic takes measures such as increasing the rewards for online trim scrap recovery and for the team that recovers most trim scraps as an incentive to encourage employees to recover more trim scraps. The film-making workshop strictly follows the *Film Manufacturing Order* and the requirements on the effective width of the parent roll in its manufacturing; while the Technical and Quality Assurance Department strictly controls the sampling size according to the testing requirements when selecting parent roll samples, oversampling is prohibited and cutting waste is minimised to reduce wastes in the manufacturing process.
- In terms of packaging products, in response to the ecological civilization construction strategy implemented by the country and in line with the development ideology of “embrace ecological environmental protection through energy saving and carbon reduction”, we continue to embrace innovation in packaging materials. During the reporting period, Hongchuang Packaging used special technology and materials to replace traditional oil packaging with paper-plastic packaging to reduce the use of plastic. In addition, Hongchuang Packaging also reformed the roof packaging design to reduce the size of trash and improve user-friendliness to promote the green development of the industrial chain.

We believe the industry is leading to a greener future, and life cycle assessment assists companies to determine the strategies and direction of green development. Therefore, we conduct product life cycle environmental impact assessments. Wuxi Energy performs life cycle assessments on the trial production of lithium ion battery separator film in accordance with the requirements of ISO 14040 and ISO 14044 as the basis for the research on reducing product carbon footprints.

#### **4.1.3 Providing optimized services in a timely manner**

While we strive to improve product quality internally, we are guided by customer feedback to seek continuous improvement in our service level, and ensure that we do not make false

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<sup>22</sup> DMAC: dimethyl acetamide, is an organic solvent used in the coating process.



propaganda that exceeds the actual performance of products. The Group has formulated a number of relevant rules and regulations such as the *Sales Work Plan*, *Customer Complaint Handling Management Regulations*, *Sales Management System*, and revised the customer claim related regulations during the reporting period. We continue to strengthen the construction of our sales system. Sales personnel are required to strictly abide by the operating policy of the Company to maintain good corporate image while ensuring the legality of business activities, and to ensure the good reputation of the Company during the conduct of market activities.

In 2022, the Group did not violate any laws and regulations or voluntary codes of practice in relation to marketing activities (including advertising, promotion and sponsorship).

In terms of after-sales services, we respond to customer needs in a way that demonstrates high quality and high efficiency by clarifying department responsibilities and personnel orientation services. Take the New Energy Business Department as an example. With a commitment to "making a response within one hour and arriving at the site within 24 hours", the Group Marketing assigns a dedicated person responsible for addressing customers' after-sales service needs while the Group Quality System Department performs classified follow-ups on problems in different categories that have been identified. We conduct research and rectification work to optimise product design and quality in response to product defects. For issues unrelated to product quality, we take customer needs into consideration, review service processes, proactively give feedback and provide assistance and solutions.

We attach great importance to the feedback and complaints from customers, and for the complaints received, we have summarized the content of the complaints and implemented relevant corrective measures, and the complaint handling rate is 100%. We will continue to strengthen our understanding of the importance of customer service, enhance customer relations management and effectively improve customer satisfaction.

At the same time, we continue to improve the customer experience and send "after-sales service commitment letters" to customers at the time of contracting to make a reliable commitment to the quality and efficiency of after-sales service. During the service process, each subsidiary sets satisfaction targets based on its actual operation and conducts annual satisfaction surveys to know about customer satisfaction.

In 2022, all customer satisfaction results have met the standards.

#### **4.1.4 Pursuing Innovation to Protect Property Rights**

Technological innovation is one of the major drivers for better product quality. The Group supports technological innovation. Internally, it has established the Research Institute to promote self-dependent R&D. Externally, we work with research institutes and universities, including Chinese Academy of Sciences to engage in technological research, and also cooperate with leading enterprises in the industry to accelerate our development in specialised areas.

We integrate resources on innovative exploration in the fields of packaging materials and new energy products to promote technological innovation.

In 2022, the Group invested nearly RMB 724,297,699.66, or 5.75% of the Group's operating income in R&D, and R&D investments have been increasing over the last three years both in terms of amount and the percentage in the Group's operating income.

2020-2022 R&D investment list	2022	2021	2020
R&D investment (RMB)	724,297,699.66	409,178,730.28	178,243,333.28
Percentage of R&D Investment in Operating Income	5.75%	5.13%	4.16%

At the same time, we are increasing our investments in establishing an R&D platform in response to the needs of industrial development and chain of technological innovations in the industry to conduct R&D of generic technologies and translate R&D results into commercial use. Chongqing Energy has built a digital workshop for lithium ion battery microporous separator films, which improves production and operation efficiency, enables collaboration among different departments, and further improves the level of intelligence adoption. To this end, Hongta Plastic Laboratory and the Analysis and Testing Center of Shanghai Energy Research Institute have obtained the laboratory accreditation certificate issued by China National Accreditation Service for Conformity Assessment (CNAS).

In addition to the new energy separator film products, our R&D activities also include degradable films, bio-based plastic covers and other products that are in line with the concept of “embrace ecological environmental protection through energy saving and carbon reduction” to better fulfill our social responsibilities. In 2022, our R&D projects are mainly as follows:

- Development of low moisture and heat resistance ceramic coating products
- Aramid coating separators
- Development of semi-solid lithium-ion conductivity separators
- Basic development of base films with ultra-high rupture meltdown temperature and a high degree of safety
- Development of low cost new generation high viscosity heat-resistant coated films
- Development of water treatment membranes for municipal wastewater and industrial wastewater
- Research and development of new degradable film materials
- Scratch and sniff gable top packaging
- Development of base films with a high degree of safety by using synchronous process
- Development of base films with a high degree of safety by using synchronous process
- Design and development of the third generation base films with low shutdown temperature
- Development of high porosity/high-strength base films
- Basic development of ultra-small pore diameter special filtration membranes
- Development of aluminum laminated film
- R&D of bio-based polyethylene plastic covers
- Al-PE-Pa complex packaging materials engineered to protect edible oil against moisture, light and air

We are keen on mobilising our researchers' incentive and creativity to enhance their ability in technological innovation and application, and promote the translation of R&D results into commercial use for the Company's on-going rapid development. To this end, we have formulated the *Reward System for Training and Recruitment of Talents in Science and*

*Technology, R&D Personnel Performance Appraisal and Reward System* and other relevant system. We have set up performance appraisal awards for R&D projects and define the scope and evaluation criteria and standards for awards of different categories. To encourage R&D innovations, the Research Institute selects outstanding projects at the end of each year, and award honorary certificates and bonuses to selected project members. In addition, the Research Institute also grants financial rewards to R&D engineers who have been active in applying for invention patents.

### **Shanghai Energy Research Institute**

We have chosen a development path driven by self-dependent innovation and will further go global by expanding the overseas market and get involved in global competition. In response to China's development strategy for the new energy industry, we established Shanghai Energy Research Institute (referred to as "Energy Research Institute") in 2010. There are ten institutes under the Research Institute specialising in various fields, they are Institute of Basic Materials, Institute of Diaphragm Base Film, Institute of Inorganic Coating of Diaphragm, Institute of Organic Matter Coating of Diaphragm, Institute of Recycling and Energy Saving, Institute of Diaphragm and Battery Performance Testing, Institute of New Packaging Materials, Institute of Water Treatment Membrane, Institute of Ultra-High Heat Resistant Insulating Film, Institute of New Battery Materials, and Institute of Aluminium and Plastic Film.

As Energy Technology develops over time, Shanghai Energy began to plan for a world-class R&D center in 2019 to maintain the advancement of technology and product leadership. Its areas of research and development expanded from battery separator films to cutting-edge products such as aluminum-plastic composite membrane used in soft battery packaging film, water processing film, and coated electrolyte film for new batteries. Shanghai Energy has currently employed a number of foreign experts from countries including the United States, Japan, and has established a wide range of production-academic research cooperation programs with higher education institutions including the Chinese Academy of Sciences, University of Macau, Donghua University, Shanghai University of Applied Sciences, Nanjing University of Science and Technology, Nanjing University of Technology and Beijing Normal University.

On the basis of consolidating our existing resources, we also continue to expand basic research and development initiatives and drive technological innovation. We have established a "Separator Film Research and Development Technology Service Platform for Lithium Batteries for New Energy Vehicles", which has been supported by the funding introduced by the Shanghai Municipal Development and Reform Commission for the service industry. It focuses on the wide variety of lithium batteries in the market to provide customized separator film products to meet the diversified needs of customers, provide technical support for lithium battery and separator film manufacturers, and promote the independent innovation of China's new energy industry.

Shanghai Energy has participated in a number of key national research and development programs, national industrial foundation reconstruction programs and other relevant projects. In addition, we established the "Shanghai High-Performing Lithium Battery Separator Film Engineering Technology Research Center", "Shanghai Enterprise Technology Center" and "Pudong New Area Enterprise Postdoctoral Research Sub-Workstation", and set up the "Joint Laboratory of Advanced Battery Materials and Technology" together with the Shenzhen Institute of Advanced Technology of the Chinese Academy of Sciences.

## Protection of intellectual property

As an innovative enterprise, we attach great importance to the protection of property rights. On the one hand, we proactively protect the intellectual property rights of the Group, and on the other hand, we respect the intellectual property rights of others to avoid infringement.

### **Group Intellectual Property Management Policy**

Full participation, awareness precedence, continuous innovation and competitive edge.

- Promote corporate upgrade and development through technological innovation and protect industrial leading position with intellectual property rights.
- Create, use and protect intellectual property rights, increase market shares and promote corporate transformation and upgrade.
- Drive corporate development with technological innovation, protect it with intellectual property rights and use intellectual property rights as the foundation for corporate development.
- Create a world leading enterprise with more technological innovation.
- Strengthen the protection of intellectual property rights and enhance market competitiveness.
- Technology for value creation, management for industrial development, brand for longer achievement, and innovation for social well-being.

In accordance with *the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China* and other laws and regulations, we have established an Intellectual Property Department, formulated *Intellectual Property Management Manual, Patent Management System* and other related documents to clarify the standards and processes for the creation, use, management and protection of intellectual property rights of the Group. On the one hand, the Intellectual Property Department provides research personnel with assistance and creates facilitating conditions for product structure, product performance, process and equipment patent applications. On the other hand, it develops a series of courses to help R&D personnel enhance their awareness of independent intellectual property rights, with the aim of nurturing them to become compound talent who understands both R&D and patent protection.

We perform classified management of intellectual property rights based on different product attributes. In the new energy business units, products are enjoying a period of vigorous development with enhanced level of innovation. Therefore, all the new products are subject to intellectual property feasibility studies, and patent application is included in the KPI for the assessment of researchers.

In 2022, we conducted four intellectual property training programs covering topics such as the introduction of intellectual property and patent law, interpretation of patent specifications, study on of patent infringement cases, and brief descriptions of patent application and review procedures. 129 employees participated in the training.

In terms of the layout of intellectual property rights, Energy Technology attaches great importance to such initiatives. During the reporting period, the Company continued its momentum to achieve many breakthroughs in technological innovation. As at the end of the reporting period, the Company and its subsidiaries obtained 520 patents, including 365 utility

model patents, 143 invention patents (including 18 international patents), and 12 design patents. The Company attaches great importance to the layout of overseas patents, 95 international patents are being applied for registration and have been accepted, and 196 domestic patents are being applied for registration and have been accepted. Among them: the Company's lithium battery separator film research and development team has obtained remarkable achievements in the improvement of production efficiency, the improvement of quality for lithium battery separator film products and the development of new products. A total of 343 valid patents are currently in hand, including 18 international patents. 281 patents are under application, including 95 international patents. At the same time, the Company has established arrangements with industry giants from countries such as South Korea, Japan and the United States which have possessed core patent rights on base membrane and coating on the mutual sharing or authorization of technology and intellectual property rights.

In sorting out purchased database accounts and patent relevance, we have incorporated all historical patents of the Group into our self-developed database, and gathered patent information related to the Group's products, which is updated once a month to form a systematic and normalized intellectual property management approach. With an emphasis on technology first, we observe market development from the perspective of intellectual property rights. Monthly patent briefings are produced by the Intellectual Property Department for the research institute to refer to in developing ideas for its new projects, which reflects two-way dynamic cooperation. The intellectual property management of the R&D, production and sales of Shanghai Energy lithium ion battery separator film has been certified by GB/T29490-2013 intellectual property management system.



GB/T29490-2013 Intellectual Property Management System Certification of Shanghai Energy

Going forward, the Group will continue to explore new technologies and new projects. We plan to launch new projects continuously mainly targeting thin film technologies for lithium batteries, including high-performance films such as water treatment films. We will vigorously accelerate the construction of a patent system in the context of big data analysis to gradually enrich our patent knowledge base. Our research institute will also actively promote research on advancement and relevance based on existing technologies and equipment.

## 4.2 Supply Chain Sustainability

The quality of raw materials and the stability of their supply are indispensable when it comes to the quality of finished products and the stability of delivery to customers. Therefore, sustainable supply chain management is key to ensuring the first-class quality of our products.

According to the different degrees of influence of purchased products on the quality of finished products, we adopt a hierarchical management model for suppliers in order to complete the daily access, evaluation, assessment, rectification and withdrawal of suppliers in a targeted manner, and set up an evaluation team consisting of procurement, quality, technology and finance staff to be responsible for the relevant work.

Supplier classification	Definition of the classification
<b>Classification of packaging suppliers</b>	
<b>A class material suppliers</b>	The main raw material suppliers that have a great impact on product quality.
<b>B class material suppliers</b>	Suppliers that have some impact on product quality.
<b>C class material suppliers</b>	Suppliers that have a certain impact on product quality, such as the spare parts, office supplies, packaging materials, plastic bags and other sporadic material suppliers.
<b>D class material suppliers</b>	Suppliers of energy and resources such as water, electricity, coal, steam, etc.
<b>Classification of new energy suppliers</b>	
<b>Grade I</b>	Major materials suppliers
<b>Grade II</b>	Intermediate materials / major auxiliary materials their suppliers
<b>Grade III</b>	Additives / minor auxiliary materials suppliers

### 4.2.1 Prudently Selecting Partners to Ensure Stable Supplies

We strictly abide by *the Bidding Law of the People's Republic of China* and other relevant laws and regulations, implement strict controls on the selection of business-related suppliers, and put forward specific requirements on the selection of suppliers, the procurement process and

the verification of procured products and services through internal systems such as the *Supplier Management System*, *Material Procurement Management System*, *Related Party Control Procedure*, and *Supplier Evaluation Management Procedure*, and also continuing to consolidate and develop partnerships with suppliers, stabilise supply channels and ensure supply quality.

Before adding new suppliers, the Procurement Department will make preliminary screening and form the *Supplier Evaluation Record*, and then the evaluation team will evaluate the suppliers according to the relevant information, and the suppliers who pass the evaluation will be included in the *Qualified Supplier List*. In the basic supplier evaluation, we include the system certification and whether the supplier has the relevant qualification of green activities, whether the supplier has ISO 14001 or ISO 45001 certificate and other factors into the evaluation, and check the relevant certificates at the supplier site when necessary to ensure the authenticity and validity of the certificates provided by the supplier.

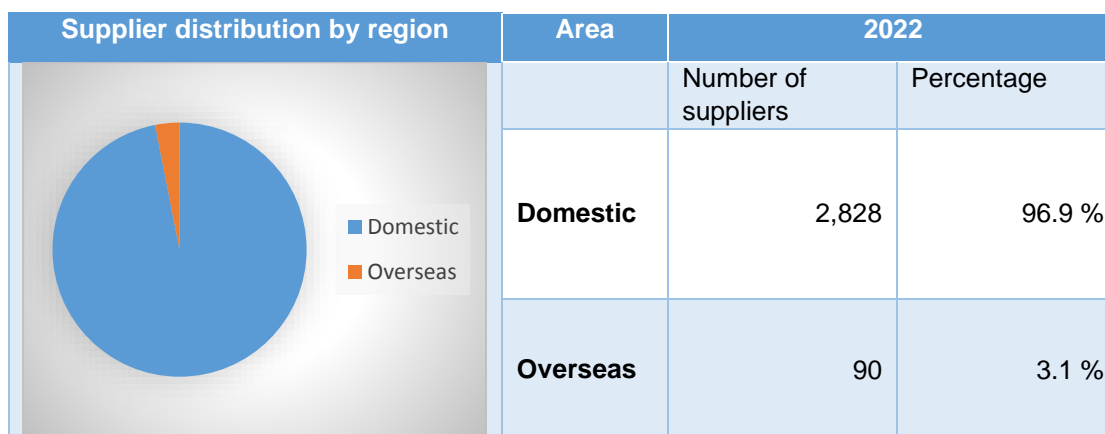
During the cooperation period, we set quantifiable indicators for annual assessment of suppliers in terms of quality, delivery, service, assets and finance, cost, qualification, technological innovation, etc, and fill out the *Supplier Performance Appraisal Form*.

The Group divides raw materials into bulk raw materials, packaging accessories and low-value consumables according to the nature of raw materials. The acceptance of bulk raw materials requires that the supplier pass system management certifications, such as by relevant documents to provide a specific basis for supplier evaluation, which include the ISO9000 quality management system certificate, the environmental management system certificate, the heavy metal inspection report and the safe production and standardisation certificate, etc.

For new energy suppliers, we have developed a standardized *Procurement Manual* in order to clarify on the management of regulated environmental substances, prevent pollution and reduce risks. The Procurement Department will also be responsible for communicating with the suppliers on regulated environmental substances related to the supplied materials, and conducting relevant supervision and management. Suppliers are required to submit relevant qualification certificates and sign a commitment for the proper management of regulated environmental substances.

In 2022, the Group had a total of 2,922 suppliers (including 2,730 suppliers in the new energy sector), including 271 suppliers of bulk raw materials, 370 suppliers of packaging accessories, 1,148 suppliers of low-value consumables, 1,105 suppliers of infrastructure equipment, 24 suppliers of major auxiliary materials and 4 suppliers of other materials. There are 113 new suppliers (including 97 new suppliers in the new energy sector).

To improve supply chain efficiency and security, promote nationalization and localization of imported materials and support local economic development, we implement local procurement on the basis of ensuring production requirements. In 2022, the number of suppliers in the location where we operate (domestic) accounts for 97% of the total number of suppliers.



#### 4.2.2 Conducting Centralised Procurement to Lower Costs and Raise Efficiency

The Group's New Energy BU and Packaging BU have each formed a supply chain management approach that suits their own business needs. Under each business segment, bulk raw materials are purchased in a centralised manner and managed by the procurement management centre to ensure stability and quality as well as lower costs and improve efficiency.

Small purchases such as the purchase of low-value consumables are directly carried out by each subsidiary, and priority is given to local purchases where other conditions remain the same, so as to achieve zero inventory (low inventory) management through flexible procurement.

In 2022, we launched the Supplier Relationship Management (SRM) System to enable the sharing of supplier resources within the group, effectively promote scientific sourcing for procurement activities, collaborate efficiently with suppliers, manage suppliers through informatization means, and seek continuous improvement with suppliers. By the end of 2022, all the suppliers have conducted various types of collaboration with the Company through the SRM system, enabling then to reduce costs and increase efficiency for a win-win situation.

#### 4.2.3 Adopting responsible procurement for bright future

The environmental and social performance of suppliers is instrumental in supporting the stability of their supply. Striving for the excellence of products and services, we evaluate the ESG performance of our suppliers and take them as an important factor. We have formulated the *Management Regulations on the ESG Risk Assessment of Suppliers*, and signed a CSR Management Commitment Letter with our suppliers before our cooperation starts. We will also continue to assess the social and environmental factors during our cooperation period.

Among the suppliers we cooperate with, there are many well-known companies such as PetroChina and Sinopec. We have obtained an understanding of the environmental and social performance of these well-known suppliers through publicly disclosed information. For enterprises that have not disclosed information publicly in this regard, we pay visits to them from time to time, perform on-site inspections of their working environments and management conditions, and gain an in-depth understanding of their circumstances, so as to make our evaluation more objective and comprehensive.

During the reporting period, we did not terminate our cooperation with any suppliers which we had assessed due to major environmental or social risks. In the future, we will further



incorporate the environmental and social performance of suppliers into our supplier evaluation form, assign fixed scores and weightings for routine observation and consideration.

#### **No usage of conflict minerals**

We actively support the policy of prohibiting the use of conflict minerals and comply with the requirements of the *Dodd-Frank Wall Street Reform and Consumer Protection Act (HR4173)* on not to use conflict minerals. We strive to ensure that all the materials used in our products come from socially and environmentally responsible sources. Participation or cause in any way that contributes to conflict-induced environmental harm or human rights abuses will not be tolerated. Our suppliers understand our “conflict minerals” policies: we do not support or use minerals mined from areas of armed conflict, illegal mining or using forced labour, i.e., “conflict minerals”. Democratic Republic of Congo is the country with the largest mineral deposits of cobalt (Co) where risks of armed conflict and child labour are high, so cobalt is also one of the minerals from “high-risk areas”. Suppliers should investigate tin (Sn), tungsten (W), tantalum (Ta) and gold (Au) contained in their products to ensure that they are not mined from “conflict-affected and high-risk areas”. Our suppliers guarantee that metals used or contained in the products and parts provided to the company (including but are not limited to semi-finished products, finished products, raw materials, accessories, packaging, etc.) are not sourced from Congo (Kinshasa) and its neighbouring countries. Stronger supply chain management ensures that raw materials are sourced lawfully, and the use of conflict minerals is avoided. On the other hand, suppliers would be subject to our enquiry of the source of raw metals, they are required to complete and respond to our enquiry on the “conflict minerals” and provide relevant information, and make an undertaking on the truthfulness, accuracy and integrity of their response and the information provided. “No Conflict Minerals Undertaking” is signed together with cooperation agreements between the Group and our suppliers.

During the reporting period, we conducted the "Conflict Minerals" risk identification, and no suppliers were identified that violated the conflict minerals policy after the identification.

### **4.3 Charity Work and Community Engagement**

Co-existence and co-prosperity with the community is an important factor in promoting the steady development of enterprises. Over the years, while pursuing our own business expansion and rapid growth, the Group also focused on delivering social benefits and actively organised community public welfare activities in the place where we operated, so as to promote the harmony and integration of the enterprise and the communities and foster shared prosperity between the enterprise and the communities.

We actively participate in events and initiatives locally in each subsidiary to promote the well-being of disadvantaged groups. Such initiatives include fund and goods donations, volunteerism programmes to further engage with local communities, and blood donations. We have “community service hour” as wording hour and incentive measures, such as special leaves (3 days per person-time) and compensation for nutrients, for potential blood donors.

In 2022, our subsidiaries actively carried out a variety of public welfare activities such as rural vitalization, poverty alleviation, pandemic prevention and control in the location where they operate. Total spending in such activities amounted to more than RMB 300,000 in areas such as:

#### **Rural Vitalization:**

Zhuhai Energy donated RMB 40,000 in May 2022 to support the rural vitalization of Xishui County, Guizhou Province. It also donated RMB 50,000 in December 2022 for the construction of Huaixiang Chicken Breeding Base in Zhongdao Village, Chidong Town, which is a key rural vitalization project in the area.

#### Poverty alleviation:

- In January 2022, Hongchuang Packaging organized employees to extend Chinese New Year blessings and necessities to the underprivileged elderly and disabled children at Yuxi City Social Welfare Service Center. In September, it organized employees to visit the underprivileged elderly in Majing Community and sent them Mid-Autumn Festival blessings and gifts. The donated gifts and relief supplies worth a total amount of over RMB7,000;
- Energy Technology provided a sponsorship fee of RMB10,000 to the Disabled Art Troupe in 2022, and sponsored Yunnan Provincial Games by contributing RMB 300,000. Energy Technology Labour Union participated in the public welfare activities organized by the High-tech Zone Federation of Labour Unions to visit the students in Central Primary School in Longtan Township, Yuanjiang County and donated RMB 3,000. They also visited 5 needy families and donated RMB 3,000 ;

#### Pandemic prevention and control:

- During the pandemic in 2022, Wuxi Energy donated more than 800 servings of cooking oil and rice to the residential areas and communities;
- In April 2022, Jiangxi Tonry donated anti-pandemic items to the "Thank you for helping us fight the Pandemic!" campaign organized by Gaoan High-tech Industrial Park to show appreciation to the frontline health workers;
- Chongqing Energy actively supported the pandemic prevention and control policy adopted in the Economic and Technological Development Zone, and organized employees to support nucleic acid testing code collection for a total of 15 days;
- In April 2022, Zhuhai Energy sent support to the frontline staff fighting against the pandemic at the pandemic prevention points and nucleic acid testing points located at the entrance and exit of Jinzhou Community Neighborhood Committee and Nanshui Health Center, Nanshui Town, Jinwan District, Zhuhai.



Wuxi Energy donated relief materials during the pandemic



Jiangxi Tonry donated anti-pandemic items in Gaoan High-tech Industrial Park



Zhuhai Energy sent support to the  
frontline staff fighting against the pandemic

## Appendix

### Industry Associations

Name of Association	Participants	Member Position
Guangdong Battery Industry Association	Energy Technology	Council Member
Yunnan Listed Companies Association	Energy Technology	Council Member
Yunnan Association of Small and Medium Enterprises	Hongta Plastic	Member
China Plastic Processing Industry Association	Hongta Plastic	Council Member
China Tobacco Society	Hongta Plastic	Member
Yunnan Packaging Industry Association	Hongta Plastic	Member
Yunnan Enterprise Technology Center Association	Hongta Plastic	Member
China Industrial Association of Power Sources	Shanghai Energy	Executive Member
Pudong New Energy Association Lithium Battery Special Committee	Shanghai Energy	Council Member
Yunnan Packaging Industry Association	Dexin Paper	Council Member
Yunnan Enterprise Technology Center Association	Dexin Paper	Member
China Plastic Processing Industry Association	Hongchuang Packaging	Member
Houqiao Chamber of Commerce of Xishan, Wuxi	Wuxi Energy	Member
Guangdong Battery Industry Association	Zhuhai Energy	Chairman
Zhuhai Federation of Enterprises and Entrepreneurs	Zhuhai Energy	Member
Guangdong Intelligent Manufacturing Federation	Zhuhai Energy	Member

## Awards

In 2022, the main honors received by the Group are as follows:

Honored Company	Awards
Energy Technology	2022 Lithium Battery Industry TOP50
	Top 100 China growing companies
	Forbes 2022 Top 50 Chinese Innovation Enterprises
	Forbes 2022 Global 2000 Listed Companies (1888 <sup>th</sup> )
	Top 10 power battery supply chain in China
	2021 China's Top 500 New Economy Enterprises (39 <sup>th</sup> )
	2022 CATL Supplier Conference "Technology Innovation Award"
	Best Delivery Guarantee Award
	2022 Excellent Supplier
	2022 Strategic Partner Award
	Gold Award for Investor Relations (2021)
	Institutional Friendly Communication Award
	Excellent IR team
	Outstanding IR enterprise
	2022 Top 100 China printing and packaging enterprise (3 <sup>rd</sup> )
<b>Social Responsibility and investor relations related</b>	
Suzhou Green Power	Patriotic model enterprise supporting the army
Suzhou Green Power	2022 Zhenze town Charity Award
Wuxi Energy	Xishan Charity Award
<b>Innovation, products and services related</b>	
Shanghai Energy	National Enterprise Technology Center
Shanghai Energy	CNAS approval of Shanghai Enjie New Material Technology Co., Ltd. Analysis and Testing Center
Shanghai Energy	National manufacturing single champion (product)
Shanghai Energy	National specialized new small giant enterprise
Shanghai Energy	Shanghai High Performance Lithium Battery Isolation Membrane Engineering Technology Research Center
Shanghai Energy	First prize of China Nonferrous Metals Industry Science and Technology Award
Shanghai Energy	2022 Lithium Battery Material Industry TOP50 by GGII
Suzhou Green Power	Suzhou Smart Factory
Suzhou Green Power	LG New Energy Thank You Card
Suzhou Green Power	2021 Zhenze Town Digital Transformation Award
Suzhou Green Power	2021 Zhenze Town Specialty Award
Newmi Tech	Chongqing Enterprise Technology Center
Newmi Tech	Chongqing specialized new small and medium-sized enterprises
Newmi Tech	HNTE

Newmi Tech	Key products of Chongqing New Materials
Newmi Tech	Chongqing Advanced Enterprise of New Material R&D and Manufacturing
Chongqing Energy	Chongqing Digital Workshop
Wuxi Energy	Private science and technology enterprises in Jiangsu Province
Wuxi Energy	Jiangsu Enterprise Technology Center
Wuxi Energy	Jiangsu Province specialized in new small and medium-sized enterprises
Wuxi Energy	Jiangsu Intelligent Manufacturing Demonstration Workshop
Zhuhai Energy	National specialized new small giant enterprise
Zhuhai Energy	Excellent Cooperative (Separator Film)
Jiangxi Tonry	Jiangxi Province's leading manufacturing enterprise
Jiangxi Tonry	Jiangxi Enterprise Technology Center
Jiangxi Tonry	Demonstration enterprise of integration of industrialization and industrialization in Jiangxi Province
Jiangxi Tonry	Jiangxi specialized small giant enterprise
Jiangxi Tonry	HNTE
Dexin Paper	Yunnan Province specialized in new small giant enterprises
Hongta Plastic	2021 Worry-free quality supplier
Hongchuang Packaging	Yunnan Province specialized in new small giant enterprises
<b>Human resource related</b>	
Suzhou Green Power	2021 Suzhou Gold Medal Labor and Personnel Dispute Mediation Organization
Suzhou Green Power	Excellent grassroots labor union in Zhenze Town in 2020-2021
Suzhou Green Power	Excellent enterprise in talent work of Zhenze Town in 2021
Suzhou Green Power	Exemplary organization of Zhenze Town's Socialization "Double Calling and Double Introduction" in 2021
Wuxi Energy	Qualified unit of labor law supervision of Xishan District Labor Union
<b>Market and economic related</b>	
Shanghai Energy	2022 Top 100 manufacturing enterprises in Shanghai (40th)
Shanghai Energy	2022 Top 100 private enterprises in Shanghai (61st)
Shanghai Energy	2022 Top 100 private manufacturing enterprises in Shanghai (22nd)
Shanghai Energy	2022 Top 100 emerging industrial enterprises in Shanghai (33rd)
Shanghai Energy	2022 Top 100 growth enterprises in Shanghai (7th)
Shanghai Energy	Shanghai Private Enterprise Headquarters
Shanghai Energy	Outstanding Contribution Award of Private Enterprises in Pudong New Area in 2021
Suzhou Green Power	2021 Zhenze Town per-mu tax contribution award
Suzhou Green Power	Top ten tax paying enterprises in Zhenze Town in 2021
Suzhou Green Power	Tax scale and progress award in 2021
Wuxi Energy	Outstanding Investment Enterprise in 2022
<b>Environmental safety related</b>	

Wuxi Energy	Advanced enterprise in ecological environment work of Xishan Economic and Technological Development Zone in 2021
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## GRI Index

Issues	GRI Standards	Disclosures	Report content/remarks	Issues	GRI Standards	Disclosures	Report content/remarks
General Disclosures							
Organizational profile	102-1	Name of the organization	Group Overview	Stakeholder engagement	102-40	List of stakeholder groups	Communication with Stakeholders
	102-2	Activities, brands, products, and services	Group Overview Main Products		102-41	Collective bargaining agreements	Regulating the Employment Process to Promote Diversity
	102-3	Location of headquarters	Group Overview		102-42	Identifying and selecting stakeholders	Communication with Stakeholders
	102-4	Location of operations	Group Overview		102-43	Approach to stakeholder engagement	Communication with Stakeholders
	102-5	Ownership and legal form	Limited liability company (Sino-foreign joint ventures, Listed)		102-44	Key topics and concerns raised	Materiality Assessment for ESG Topics
	102-6	Markets served	Main Products	Reporting practice	102-45	Entities included in the consolidated financial statements	About this Report
	102-7	Scale of the organization	Group Overview		102-46	Defining report content and topic boundaries	Materiality Assessment for ESG Topics
	102-8	Information on employees and other workers	Regulating the Employment Process to Promote Diversity		102-47	List of material topics	Materiality Assessment for ESG Topics
	102-9	Supply chain	Supply Chain Sustainability Group Overview		102-48	Restatements of information	Not Applicable
	102-10	Significant changes to the organization and its supply chain	Supply Chain Sustainability		102-49	Changes in reporting	About this Report
	102-11	Precautionary Principle or approach	Conducting Training and Emergency Drills to Raise Safety Awareness		102-50	Reporting period	About this Report
	102-12	External initiatives	Not Applicable		102-51	Date of most recent report	About this Report
	102-13	Membership of associations	Industry Associations		102-52	Reporting cycle	About this Report
Strategy	102-14	Statement from senior decision-maker	General Manager's Message		102-53	Contact point for questions regarding the report	About this Report
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Vision, Mission and Core Values		102-54	Claims of reporting in accordance with the GRI Standards	About this Report
Governance	102-18	Governance structure	Corporate Governance ESG Governance		102-55	GRI content index	Index
					102-56	External assurance	Not Applicable



Issues	GRI Standards	Disclosures	Report content/remarks
Topic Specific Standards			
Economic Issues			
Economic Performance	103-1	Explanation of the material topic and its Boundary	Not Yet Disclosed
	103-2	The management approach and its components	Not Yet Disclosed
	103-3	Evaluation of the management approach	Not Yet Disclosed
	201-1	Direct economic value generated and distributed	Group Overview
	201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Not Applicable
	201-4	Financial assistance received from government	Disclosed in 2022 Annual Report
Market Presence	103-1	Explanation of the material topic and its Boundary	Not Yet Disclosed
	103-2	The management approach and its components	Not Yet Disclosed
	103-3	Evaluation of the management approach	Not Yet Disclosed
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not Yet Disclosed
	202-2	Proportion of senior management hired from the local community	Not Yet Disclosed
Indirect Economic Impacts	103-1	Explanation of the material topic and its Boundary	Not Yet Disclosed
	103-2	The management approach and its components	Not Yet Disclosed
	103-3	Evaluation of the management approach	Not Yet Disclosed
	203-1	Infrastructure investments and services supported	Not Yet Disclosed
	203-2	Significant indirect economic impacts	Not Yet Disclosed

Issues	GRI Standards	Disclosures	Report content/remarks
Procurement Practices	103-1	Explanation of the material topic and its Boundary	Prudently Selecting Suppliers to Ensure Stable Supplies
	103-2	The management approach and its components	Prudently Selecting Suppliers to Ensure Stable Supplies
	103-3	Evaluation of the management approach	Prudently Selecting Suppliers to Ensure Stable Supplies
	204-1	Proportion of spending on local suppliers	Prudently Selecting Suppliers to Ensure Stable Supplies
Anti-corruption	103-1	Explanation of the material topic and its Boundary	Anti-corruption
	103-2	The management approach and its components	Anti-corruption
	103-3	Evaluation of the management approach	Anti-corruption
	205-1	Operations assessed for risks related to corruption	Anti-corruption
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
Anti-competitive Behavior	103-1	Explanation of the material topic and its Boundary	Not Yet Disclosed
	103-2	The management approach and its components	Not Yet Disclosed
	103-3	Evaluation of the management approach	Not Yet Disclosed
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Yet Disclosed
Tax	207-1	Approach to tax	Transparent Tax Payment According to the Law
	207-2	Tax governance, control, and risk management	Transparent Tax Payment According to the Law
	207-3	Stakeholder engagement and management of concerns related to tax	Not Applicable
	207-4	Country-by-country reporting	Not Applicable

Issues	GRI Standards	Disclosures	Report content/remarks
Environmental Issues			
Materials	103-1	Explanation of the material topic and its Boundary	Resource and Energy Use
	103-2	The management approach and its components	Resource and Energy Use
	103-3	Evaluation of the management approach	Resource and Energy Use
	301-1	Materials used by weight or volume	Not Yet Disclosed
	301-2	Recycled input materials used	Not Yet Disclosed
	301-3	Reclaimed products and their packaging materials	Resource and Energy Use
Energy	103-1	Explanation of the material topic and its Boundary	Resource and Energy Use
	103-2	The management approach and its components	Resource and Energy Use
	103-3	Evaluation of the management approach	Resource and Energy Use
	302-1	Energy consumption within the organization	Resource and Energy Use
	302-2	Energy consumption outside of the organization	Resource and Energy Use
	302-3	Energy intensity	Resource and Energy Use
	302-4	Reduction of energy consumption	Resource and Energy Use
	302-5	Reductions of energy requirements of products and services	Resource and Energy Use Promoting Low-carbon Operations
Water and Effluents	303-1	Interactions with water as a shared resource	Resource and Energy Use
	303-2	Management of water discharge-related impacts	Resource and Energy Use
	303-3	Water withdrawal	Resource and Energy Use
	303-4	Water discharge	Resource and Energy Use
	303-5	Water consumption	Resource and Energy Use

Issues	GRI Standards	Disclosures	Report content/remarks
Biodiversity	103-1	Explanation of the material topic and its Boundary	Reducing Emissions
	103-2	The management approach and its components	Reducing Emissions
	103-3	Evaluation of the management approach	Reducing Emissions
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	Not Applicable
	304-3	Habitats protected or restored	Not Applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Applicable
Emissions	103-1	Explanation of the material topic and its Boundary	Reducing Emissions
	103-2	The management approach and its components	Reducing Emissions
	103-3	Evaluation of the management approach	Reducing Emissions
	305-1	Direct (Scope 1) GHG emissions	Reducing Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	Reducing Emissions
	305-3	Other indirect (Scope 3) GHG emissions	Not Yet Disclosed
	305-4	GHG emissions intensity	Reducing Emissions
	305-5	Reduction of GHG emissions	Reducing Emissions
	305-6	Emissions of ozone-depleting substances (ODS)	Not Yet Disclosed
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Reducing Emissions

Issues	GRI Standards	Disclosures	Report content/remarks
Waste	306-1	Waste generation and significant waste-related impacts	Reducing Emissions
	306-2	Management of significant waste-related impacts	Reducing Emissions
	306-3	Waste generated	Reducing Emissions
	306-4	Waste diverted from disposal	Reducing Emissions
	306-5	Waste diverted to disposal	Reducing Emissions
Environmental Compliance	103-1	Explanation of the material topic and its Boundary	Taking Care of the Planet
	103-2	The management approach and its components	Taking Care of the Planet
	103-3	Evaluation of the management approach	Taking Care of the Planet
	307-1	Non-compliance with environmental laws and regulations	Taking Care of the Planet
Supplier Environmental Assessment	103-1	Explanation of the material topic and its Boundary	Prudently Selecting Suppliers to Ensure Stable Supplies
	103-2	The management approach and its components	Prudently Selecting Suppliers to Ensure Stable Supplies
	103-3	Evaluation of the management approach	Prudently Selecting Suppliers to Ensure Stable Supplies
	308-1	New suppliers that were screened using environmental criteria	Prudently Selecting Suppliers to Ensure Stable Supplies
	308-2	Negative environmental impacts in the supply chain and actions taken	Prudently Selecting Suppliers to Ensure Stable Supplies
Social Issues			
Employment	103-1	Explanation of the material topic and its Boundary	Employment and Employee Benefits
	103-2	The management approach and its components	Employment and Employee Benefits
	103-3	Evaluation of the management approach	Employment and Employee Benefits
	401-1	New employee hires and employee turnover	Employment and Employee Benefits
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment and Employee Benefits
	401-3	Parental leave	Employment and Employee Benefits
Issues	GRI Standards	Disclosures	Report content/remarks
Labor/Management Relations	103-2	The management approach and its components	Employment and Employee Benefits
	103-3	Evaluation of the management approach	Employment and Employee Benefits
	402-1	Minimum notice periods regarding operational changes	Employment and Employee Benefits
	103-2	The management approach and its components	Employment and Employee Benefits
Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Safety and Health
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health
	403-3	Occupational health services	Occupational Safety and Health
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health
	403-5	Worker training on occupational health and safety	Occupational Safety and Health
	403-6	Promotion of worker health	Occupational Safety and Health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health
	403-8	Worker covered by an occupational health and safety management system	Occupational Safety and Health
	403-9	Work-related injuries	Occupational Safety and Health
	403-10	Work-related ill health	Occupational Safety and Health
Training and Education	103-1	Explanation of the material topic and its Boundary	Staff Training and Development
	103-2	The management approach and its components	Staff Training and Development
	103-3	Evaluation of the management approach	Staff Training and Development
	404-1	Average hours of training per year per employee	Staff Training and Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Staff Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Staff Training and Development

Issues	GRI Standards	Disclosures	Report content/remarks
Diversity and Equal Opportunity	103-1	Explanation of the material topic and its Boundary	Regulating the Employment Process to Promote Diversity
	103-2	The management approach and its components	Regulating the Employment Process to Promote Diversity
	103-3	Evaluation of the management approach	Regulating the Employment Process to Promote Diversity
	405-1	Diversity of governance bodies and employees	Regulating the Employment Process to Promote Diversity
	405-2	Ratio of basic salary and remuneration of women to men	Not Yet Disclosed
Non-discrimination	103-1	Explanation of the material topic and its Boundary	Regulating the Employment Process to Promote Diversity
	103-2	The management approach and its components	Regulating the Employment Process to Promote Diversity
	103-3	Evaluation of the management approach	Regulating the Employment Process to Promote Diversity
	406-1	Incidents of discrimination and corrective actions taken	Regulating the Employment Process to Promote Diversity
Freedom of Association and Collective Bargaining	103-1	Explanation of the material topic and its Boundary	Regulating the Employment Process to Promote Diversity
	103-2	The management approach and its components	Regulating the Employment Process to Promote Diversity
	103-3	Evaluation of the management approach	Regulating the Employment Process to Promote Diversity
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Regulating the Employment Process to Promote Diversity
Child Labor	103-1	Explanation of the material topic and its Boundary	Regulating the Employment Process to Promote Diversity
	103-2	The management approach and its components	Regulating the Employment Process to Promote Diversity
	103-3	Evaluation of the management approach	Regulating the Employment Process to Promote Diversity
	408-1	Operations and suppliers at significant risk for incidents of child labor	Regulating the Employment Process to Promote Diversity
Forced or Compulsory Labor	103-1	Explanation of the material topic and its Boundary	Regulating the Employment Process to Promote Diversity
	103-2	The management approach and its components	Regulating the Employment Process to Promote Diversity
	103-3	Evaluation of the management approach	Regulating the Employment Process to Promote Diversity
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Regulating the Employment Process to Promote Diversity
Issues	GRI Standards	Disclosures	Report content/remarks
Forced or Compulsory Labor	103-1	Explanation of the material topic and its Boundary	Regulating the Employment Process to Promote Diversity
	103-2	The management approach and its components	Regulating the Employment Process to Promote Diversity
	103-3	Evaluation of the management approach	Regulating the Employment Process to Promote Diversity
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Regulating the Employment Process to Promote Diversity
Rights of Indigenous Peoples	103-1	Explanation of the material topic and its Boundary	Not Applicable
	103-2	The management approach and its components	Not Applicable
	103-3	Evaluation of the management approach	Not Applicable
	411-1	Incidents of violations involving rights of indigenous peoples	Not Applicable
Human Rights Assessment	103-1	Explanation of the material topic and its Boundary	Not Yet Disclosed
	103-2	The management approach and its components	Not Yet Disclosed
	103-3	Evaluation of the management approach	Not Yet Disclosed
	412-1	Operations that have been subject to human rights reviews or impact assessments	Not Yet Disclosed
	412-2	Employee training on human rights policies or procedures	Not Yet Disclosed
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not Yet Disclosed
Local Communities	103-1	Explanation of the material topic and its Boundary	Charity Work and Community Engagement
	103-2	The management approach and its components	Charity Work and Community Engagement
	103-3	Evaluation of the management approach	Charity Work and Community Engagement
	413-1	Operations with local community engagement, impact assessments, and development programs	Not Applicable
	413-2	Operations with significant actual and potential negative impacts on local communities	Not Applicable

Issues	GRI Standards	Disclosures	Report content/remarks
Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary	Prudently Selecting Suppliers to Ensure Stable Supplies
	103-2	The management approach and its components	Prudently Selecting Suppliers to Ensure Stable Supplies
	103-3	Evaluation of the management approach	Prudently Selecting Suppliers to Ensure Stable Supplies
	414-1	New suppliers that were screened using social criteria	Prudently Selecting Suppliers to Ensure Stable Supplies
	414-2	Negative social impacts in the supply chain and actions taken	Prudently Selecting Suppliers to Ensure Stable Supplies
Public Policy	103-1	Explanation of the material topic and its Boundary	Not Applicable
	103-2	The management approach and its components	Not Applicable
	103-3	Evaluation of the management approach	Not Applicable
	415-1	Political contributions	Not Applicable
Customer Health and Safety	103-1	Explanation of the material topic and its Boundary	Quality Management in Pursuit of Excellence
	103-2	The management approach and its components	Quality Management in Pursuit of Excellence
	103-3	Evaluation of the management approach	Quality Management in Pursuit of Excellence
	416-1	Assessment of the health and safety impacts of product and service categories	Not Yet Disclosed
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Management in Pursuit of Excellence
Marketing and Labeling	103-1	Explanation of the material topic and its Boundary	Quality Management in Pursuit of Excellence Providing Optimised Services in a Timely Manner
	103-2	The management approach and its components	Quality Management in Pursuit of Excellence Providing Optimised Services in a Timely Manner
	103-3	Evaluation of the management approach	Quality Management in Pursuit of Excellence Providing Optimised Services in a Timely Manner
	417-1	Requirements for product and service information and labeling	Quality Management in Pursuit of Excellence
	417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Management in Pursuit of Excellence
	417-3	Incidents of non-compliance concerning marketing communications	Providing Optimised Services in a Timely Manner

Issues	GRI Standards	Disclosures	Report content/remarks
Customer Privacy	103-1	Explanation of the material topic and its Boundary	Privacy Protection and Information Security
	103-2	The management approach and its components	Privacy Protection and Information Security
	103-3	Evaluation of the management approach	Privacy Protection and Information Security
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy Protection and Information Security
Socioeconomic Compliance	103-1	Explanation of the material topic and its Boundary	Corporate Governance
	103-2	The management approach and its components	Corporate Governance
	103-3	Evaluation of the management approach	Corporate Governance
	419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Governance

## CASS-ESG 5.0 Index

Topics	No.	Index	Report content/remarks
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	P1.2	Information description	About this Report
	P1.3	Reporting system	About this Report
Speech by senior executives ( P2 )	P2.1	Situation analysis and strategic consideration of ESG work	Message from the General Manager
	P2.2	Annual ESG progress	Message from the General Manager
Responsibility focus ( P3 )	P3.1	Major events of ESG	Sustainable Development Outcomes in 2022
Company Profile ( P4 )	P4.1	Essential information	About the Group
	P4.2	Strategy and culture	About the Group
	P4.3	Business Overview	About the Group
	P4.4	Significant changes in organizational size, structure, ownership or supply chain during the reporting period	About the Group
Corporate governance ( G1 )	G1.1	The composition of the board of directors is diverse	Corporate Governance
	G1.2	Independence of the Board of Directors	Corporate Governance
	G1.3	Legal compliance system	Corporate Governance
	G1.4	Compliance training performance	Corporate Governance
	G1.5	Anti-unfair competition	Operation in Compliance
	G1.6	Grievance and reporting mechanism	Operation in Compliance
	G1.7	Anti-commercial bribery and anti-corruption system	Operation in Compliance
	G1.8	Anti-corruption training performance	Operation in Compliance
	G1.9	Corruption incidents and countermeasures	Operation in Compliance
	G1.10	Information transparency	Corporate Governance
	G1.11	Events subject to punishment due to violation of information disclosure regulations	Corporate Governance

Topics	No.	Index	Report content/remarks
Board ESG Governance ( G2 )	G2.1	ESG Management Policy of the Board of Directors	ESG Governance
	G2.2	ESG work leadership mechanism of the Board of Directors	ESG Governance
	G2.3	Identification of ESG risks and opportunities by the Board of Directors	ESG Governance
	G2.4	Board ESG Objective Review	ESG Governance
	G2.5	Executive compensation is linked to ESG	Not Disclosed Yet
ESG management ( G3 )	G3.1	ESG responsible department	ESG Governance
	G3.2	ESG strategy	ESG Governance
	G3.3	ESG working system	ESG Governance
	G3.4	Participate in ESG research or industry ESG standard development	Not involved
	G3.5	ESG major issues identification	ESG Governance
	G3.6	Stakeholder communication activities	ESG Governance
	G3.7	ESG information disclosure channels	ESG Governance
	G3.8	ESG assessment system	ESG Governance
	G3.9	ESG training	Not Disclosed Yet
	G3.10	ESG training performance	Not Disclosed Yet
	G3.11	ESG Honors	Awards

Topics	No.	Index	Report content/remarks
Environmental management ( E1 )	E1.1	Environmental management system	Taking Care of the Planet
	E1.2	Environmental management objectives	Taking Care of the Planet
	E1.3	Environmental protection investment	Taking Care of the Planet
	E1.4	Environmental protection early warning and emergency mechanism	Taking Care of the Planet
	E1.5	Environmental assessment policy for new projects	Taking Care of the Planet
	E1.6	Passed environmental management system certification	Taking Care of the Planet
	E1.7	Environmental protection training and publicity	Taking Care of the Planet
	E1.8	Research, development and application of environmental protection products or technologies	Product responsibility
	E1.9	Environmental protection violations and punishment	Taking Care of the Planet
Resource utilization ( E2 )	E2.1	Energy management system	Resource and Energy Utilization
	E2.2	Energy consumption	Resource and Energy Utilization
	E2.3	Energy consumption intensity	Resource and Energy Utilization
	E2.4	Clean energy use policy	Resource and Energy Utilization
	E2.5	Clean energy consumption	Resource and Energy Utilization
	E2.6	Policies to reduce the use of packaging materials for manufactured products	Resource and Energy Utilization
	E2.7	Total amount of packaging materials used for finished products	Resource and Energy Utilization
	E2.8	Recycling ratio of packaging materials used in finished products	Resource and Energy Utilization
	E2.9	Water use policy	Resource and Energy Utilization
	E2.10	Fresh water consumption	Resource and Energy Utilization
	E2.11	Water consumption intensity	Resource and Energy Utilization
	E2.12	Water saving	Resource and Energy Utilization
	E2.13	Circulating water consumption	Resource and Energy Utilization
	E2.14	Green office measures	Resource and Energy Utilization
	E2.15	Green office performance	Resource and Energy Utilization

Topics	No.	Index	Report content/remarks
Emission ( E3 )	E3.1	Wastewater emission reduction policy	Emission Management
	E3.2	Wastewater discharge	Emission Management
	E3.3	Emission reduction policy	Emission Management
	E3.4	Exhaust emissions	Emission Management
	E3.5	Waste discharge management policy	Emission Management
	E3.6	General waste discharge	Emission Management
	E3.7	General waste discharge intensity	Emission Management
	E3.8	Hazardous waste discharge	Emission Management
	E3.9	Discharge intensity of hazardous waste	Emission Management
	E3.10	Waste recycling performance	Emission Management
Protect ecological security ( E4 )	E4.1	Impact of business operation on biodiversity and ecology	Emission Management
	E4.2	Biodiversity conservation action	Emission Management
	E4.3	Ecological restoration and treatment	Emission Management
Addressing climate change ( E5 )	E5.1	Governance mechanisms to address climate-related risks and opportunities	Response to climate change
	E5.2	Impact of climate-related risks and opportunities on business	Response to climate change
	E5.3	Climate related risk management	Response to climate change
	E5.4	Objectives and performance of climate-related risks and opportunities	Response to climate change
	E5.5	Direct greenhouse gas emissions	Emission Management
	E5.6	Indirect greenhouse gas emissions	Emission Management
	E5.7	Greenhouse gas emission intensity	Emission Management

Topics	No.	Index	Report content/remarks
Employment ( S1 )	S1.1	Compliance with labor standards	Employment and Employee Benefits
	S1.2	Diversity and equality of opportunity	Employment and Employee Benefits
	S1.3	Staff composition	Employment and Employee Benefits
	S1.4	Labor contract signing rate	Employment and Employee Benefits
	S1.5	Employee turnover rate	Employment and Employee Benefits
	S1.6	Democratic management	Employment and Employee Benefits
	S1.7	Salary and welfare system	Employment and Employee Benefits
	S1.8	Social insurance coverage	Employment and Employee Benefits
	S1.9	Per capita paid annual leave days	Not Yet Disclosed
	S1.10	Employee care	Employment and Employee Benefits
	S1.11	Employee satisfaction	Employment and Employee Benefits
Development and training ( S2 )	S2.1	Career development channel	Staff training and development
	S2.2	Vocational training system	Staff training and development
	S2.3	Vocational training input	Staff training and development
	S2.4	Vocational training performance	Staff training and development
Occupational health and safety production ( S3 )	S3.1	Occupational health management	Occupational Safety and Health
	S3.2	Passed the certification of occupational health and safety management system	Occupational Safety and Health
	S3.3	Number of new occupational diseases	Not Yet Disclosed
	S3.4	Safety production management system	Occupational Safety and Health
	S3.5	Safety publicity, implementation and training	Occupational Safety and Health
	S3.6	Troubleshooting and rectification of hidden dangers	Occupational Safety and Health
	S3.7	Emergency management system	Occupational Safety and Health
	S3.8	Safety production input	Occupational Safety and Health
	S3.9	Safety production training performance	Occupational Safety and Health
	S3.10	Number of safety production accidents	Occupational Safety and Health
	S3.11	Number of work-related injuries/deaths	Occupational Safety and Health
	S3.12	Lost working days due to industrial injury	Occupational Safety and Health

Topics	No.	Index	Report content/remarks
Customer responsibility ( S4 )	S4.1	Product/service quality management	Product responsibility
	S4.2	Product qualification rate	Product responsibility
	S4.3	Responsible marketing	Product responsibility
	S4.4	Stop loss and compensation mechanism	Product responsibility
	S4.5	Actively respond to customer complaints	Product responsibility
	S4.6	Information security and privacy protection	Operation Compliance in
	S4.7	Customer satisfaction	Product responsibility
	S4.8	Complaint resolution rate	Product responsibility
	S4.9	Negative customer health and safety events during the reporting period	Not occurred
Responsible supply chain management ( S5 )	S5.1	Supply chain ESG management system	Supply Chain Sustainability
	S5.2	Supplier review ESG and evaluation	Supply Chain Sustainability
	S5.3	Number of suppliers reviewed	Supply Chain Sustainability
	S5.4	Number of suppliers whose cooperation has been suspended due to non-compliance	Supply Chain Sustainability
	S5.5	Number of potential suppliers rejected due to non-compliance	Supply Chain Sustainability
	S5.6	Supplier ESG training system	Supply Chain Sustainability
	S5.7	Supplier ESG training performance	Supply Chain Sustainability
National value ( V1 )	V1.1	Concepts and policies serving the major national strategies	Charity Work and Community Engagement
	V1.2	Major national strategic contribution areas	Charity Work and Community Engagement
	V1.3	Action measures to serve major national strategies	Charity Work and Community Engagement
	V1.4	Achievements achieved in serving major national strategies	Charity Work and Community Engagement



Topics	No.	Index	Report content/remarks
Industrial value ( V2 )	V2.1	Institutional mechanism of technological innovation	Product responsibility
	V2.2	Action measures for technological innovation	Product responsibility
	V2.3	R&D investment	Product responsibility
	V2.4	Major technological innovation achievements	Product responsibility
	V2.5	Drive the coordinated development of upstream and downstream industrial chains	Product responsibility
	V2.6	Ensure the safety and stability of the industrial chain supply chain	Product responsibility
	V2.7	Participate in the development of industry standards	Product responsibility
	V2.8	Strategic cooperation mechanism and platform	Product responsibility
People's livelihood value ( V3 )	V3.1	Action measures to promote employment	Employment and Employee Benefits
	V3.2	New employment	Employment and Employee Benefits
	V3.3	Participate in infrastructure construction	Not involved
	V3.4	Public welfare action field	Charity Work and Community Engagement
	V3.5	Create brand public welfare projects	Not involved
	V3.6	Total public welfare donations	Charity Work and Community Engagement
	V3.7	Volunteer service performance	Charity Work and Community Engagement
Environmental value ( V4 )	V4.1	Carbon peak carbon neutralization strategy and objectives	Not Yet Disclosed
	V4.2	Action plan and path for carbon peak and carbon neutralization	Not Yet Disclosed
	V4.3	Effect of carbon reduction	Response to climate change
	V4.4	Action measures to protect green ecology	Emission Management
	V4.5	Progress and effect of protecting green ecology	Emission Management
	A1	Future plans	This Report
	A2	Key Performance Table	Sustainable Development Outcomes in 2022
	A3	Report evaluation	Not evaluated yet
	A4	Reference index	Appendix
	A5	Feedback	Feedback

## Feedback

To our readers:

Thank you very much for reading this Report during your busy schedule. In order to continuously improve and enhance the sustainable development management of the Group, we particularly hope to listen to your valuable comments and suggestions. Please help complete this page and give us your feedback.

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1. What is your overall evaluation of this Report ?

☐ Excellent      ☐ Good      ☐ Average

2. What do you think of the clarity, accuracy and completeness of the information and data disclosure in the Report ?

☐ Excellent      ☐ Average      ☐ Poor

3. How do you think the quality of significant economic, social and environmental impact information of the Group disclosed in this Report?

☐ Excellent      ☐ Average      ☐ Poor

4. How do you think the Group is doing in defending its stakeholders?

☐ Excellent      ☐ Average      ☐ Poor

5. Your comments and suggestions on the sustainable development management :

**If it is convenient, please leave your contact information:**

Name:	Occupation:	Workplace:
Post code:	E-mail:	Contact number:

Contact address:

We will give full consideration to your comments and suggestions and are committed to keeping your information safe.