Yunnan Energy New Material Co., Ltd.,
2021 Environmental, Social and Governance Report

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About this Report

Glossary of the Report

This is the second 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 2021.

Reporting Period

The Report is an annual report for the period from 1 January to 31 December 2021 (the "reporting period"). To enhance the readability of the Report, some contents or data relate to previous or subsequent years.

Organisational Structure

The organisational structure that is relevant to this report includes entities within Yunnan Energy New Material Co., Ltd. that either control or significantly influence the applicable finance and business policies and measures.

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-CSR 4.0")
- 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 United Nations Sustainable Development Goals ("SDGs")
- "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" White Paper [1] - Stakeholder Capitalism Metrics from World Economic Forum International Business Council

Publication Cycle

This Report is published on a yearly basis.

Access to and Feedback on the Report

[1] Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation，World Economic Forum，September 2020.

This Report is available on Yunnan Energy New Material Co., Ltd.'s website (http://www.cxxcl.cn), the Shenzhen Stock Exchange's website (http://www.szse.cn) and CNINFO's website (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) your thoughts and suggestion on our ESG Report or our environment and social responsibility performance.

Message from the Chairman and General manager

Chairman's Message

In 2020, the COVID-19 pandemic spread around the world, posing a threat to the development of the global economy. In 2021, we ushered in the first year of the 14th Five-Year Plan (14th FYP) period and a new starting point for China's development against the backdrop of the post-pandemic era. During the year, we worked together to fight against the pandemic, seized opportunities, made various breakthroughs and achievements, promoted high-quality and responsible development, and pushed forward the post-pandemic recovery.

In 2021, we made a concerted effort to accelerate development of the Group. We undertook various measures to prevent and control the pandemic; and at the same time, we carried out our production and operating activities in an orderly and steady manner, thereby achieving "win-win" results and significant growth in revenue and profitability. To meet European customers' demand for a stable and timely supply of wet-process lithium ion battery separator film products, we continued to pursue our "go global" strategy and expanded in overseas markets. In 2021, the Group recorded total revenue of RMB 7.982 billion, representing growth of 86.37% year on year (YoY); and total profits over RMB 3.219 billion, representing growth of 145.16%.

In 2021, we strived to work together for the benefit of all parties. We consider our employees, customers, and suppliers to be our key stakeholders. Under the Group's people-centred approach, employees work alongside our like-minded business partners in order to deliver a positive impact on our stakeholders. We are committed to providing high-quality products and services that meet customers' needs, and we ensure that their needs are transmitted across our entire value chain so that our brand value is closely integrated with customer value. In respect of suppliers, we adopt centralised procurement practices to build a transparent, equal and healthy supply chain. Meanwhile, for the benefit of our employees, we insist on carrying out measures in four major areas: protecting their rights and interests, communication and care, training and development, and health and safety. We adhere to a diversified talent strategy and respect the development needs of each employee. To these ends, we provide systematic and forward-looking training programmes and a range of opportunities for development so that employees have the chance to grow alongside the Group.

We have taken various measures related to energy conservation and emissions reduction in order to set the Group on the path toward lower-carbon operations. In recent years, the impact of climate change has subjected the world to unprecedented challenges; and as a result, governments around the world are making commitments to cope with climate change. For its part, China has made a commitment to reaching peak carbon emissions by 2030 and carbon neutrality by 2060 (the "dual carbon goal"). To fully support the national "dual carbon" goal, we have taken the initiative to explore and promote good practices related to lower-carbon operations; and in particular, we are leveraging our advantages in lithium ion battery separator film products and related services to promote the transition toward new energy vehicles. In this way, we are doing our part to harness the power of technological innovation to solve the imminent challenges facing society.

In the midst of global climate issues, we thoroughly understand the importance of promoting sustainable development while also ensuring robust business development. In 2021, we reviewed our approach to environmental, social and corporate governance (ESG) issues, and we conducted research and communicated with various stakeholders to gain a better understanding of stakeholders' expectations in respect of our ESG tasks. As a result, we now have a clearer direction for the development and targeted implementation of ESG-related tasks, and we are in a better position to realise our sustainable development strategy.

Thanks to the hard work and perseverance of our people, the Group has achieved rapid growth and moved from being a follower to a leader in the field of lithium ion battery separator film products. At the same time, we have been proud to witness and play a role in China's historical progress from "Made in China" to "Created in China" status. At present, we are standing at the forefront of an array of changes, and more opportunities and challenges are waiting for us ahead. As we face them, we will strive to live up to our full potential and never stop moving forward.

Paul Xiaoming Lee

Chairman of the Board

11 April 2022

General Manager's Message

With its responsibilities and commitments firmly in mind, in 2021, Energy Technology took great effort to put into practice lower-carbon, sustainable development strategies. We integrated sustainable development concepts into daily production and operational processes and established a scientific system for promoting sustainable development. Energy Technology is committed to creating value for its stakeholders, including its shareholders, customers, employees, communities, and the environment, and creating synergy between the Group and various stakeholders. Under the guidance of our core values of integrity, perseverance, diligence, and the pursuit of excellence, we have gone to great lengths to devise a realistic development blueprint that will enable us to make progress in areas such as energy conservation, emissions reduction, technological innovation, safe development, quality services and employee empowerment.

In 2021, the Group complied with the requirements in the regions where we operate. We continued to implement pandemic prevention measures as part of normal operations, coordinate pandemic prevention and control with economic development, and safeguard employees' health and safety by taking stronger and more effective measures such as pandemic prevention drills.

When managing human resources, we always bear in mind that people are the driving force for the Group's growth. At Energy Technology, we welcome outstanding talents that are able to add new momentum to the Group's development. We safeguard employees' well-being and continuously improve the incentive and performance system. In addition, we encourage employees to participate in our empowerment training system, which is based on cooperation between "Enjie University" and external institutes, so that they can grow their skills and capabilities. In 2021, our human resources (HR) information management system went live, helping to optimise HR management processes and increase HR management efficiency.

Against a changing global landscape, we remain committed to integrity as we work closely with our stakeholders, including customers, suppliers and external partners, to make mutually beneficial progress alongside upstream and downstream industries. We strive to provide high-quality products and promote industry development and reform, and on that basis, we provide green and innovative products and solutions. We consider the supply chain to be a key component of the operational process, and we are committed to promoting ESG concepts and achieving ESG targets during the dynamic process of supply chain management, with the ultimate goal of creating a sustainable supply chain.

We believe that "lucid waters and lush mountains are invaluable assets," and we are steadily working to internalise the concept of green development. Aware of the impact our businesses have on the environment, we strive to embed lower-carbon practices throughout the entire lifecycle of our operations and products. In response to the call for carbon peaking and carbon neutrality, we have accelerated the Company's carbon emissions reduction efforts and launched a system for measuring greenhouse gas (GHG) emissions. In these ways and more, we are playing our part in the effort to achieve China's dual carbon goal, as well as the global effort to tackle climate change.

We firmly believe that there is no end to the journey of sustainable development; and as a responsible corporate citizen, our responsibilities are not limited to meeting economic goals and ensuring production compliance. Going forward, we will make greater progress in ESG-related tasks, embrace challenges and pursue innovation with a spirit of courage and bravery. Together with our stakeholders, we will champion the sustainable and high-quality development of the economy, society and environment.

Li Xiaohua

General Manager

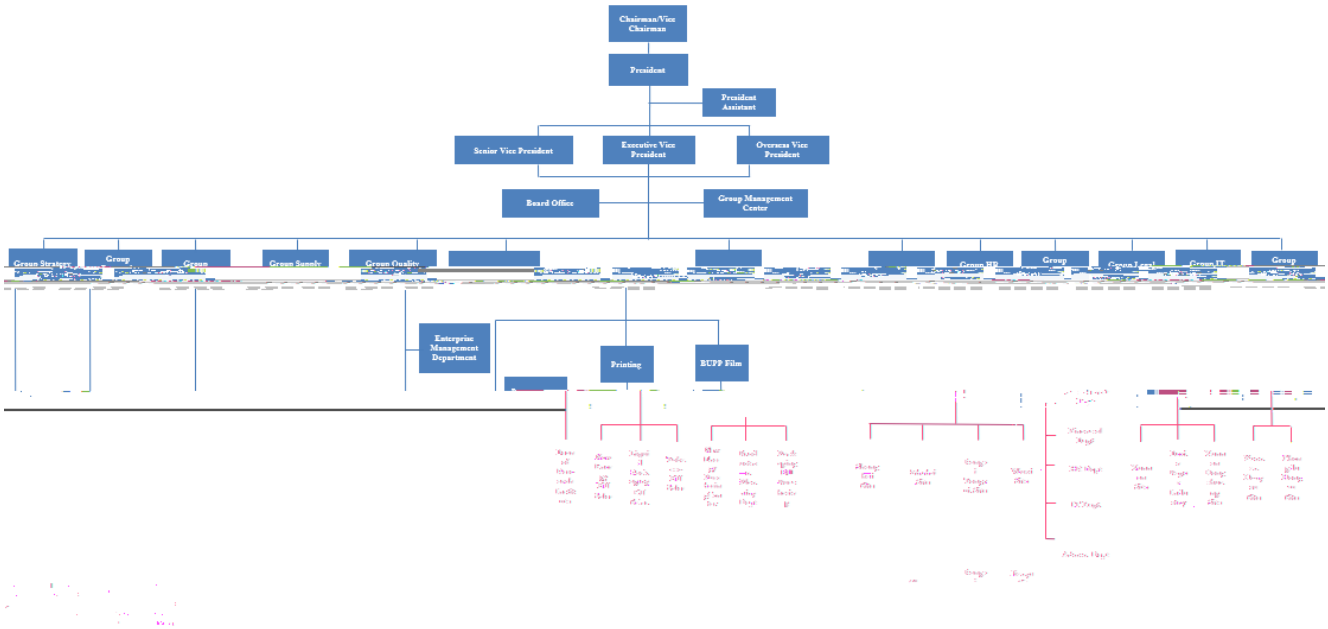
11 April 2022

I. About the Group

1.1 Group Overview

Yunnan Energy New Material Co., Ltd., the world's leading manufacturer of lithium

Economic KPIs	As of the End of Reporting Period
Total assets (10,000 RMB)	2,612,218.48
Total operating income (10,000 RMB)	798,242.68
Operating income growth rate	86.37%
Total profit (10,000 RMB)	321,957.49
Total profit growth rate	145.16%
Weighted-average return on net assets attributable to common shareholders	21.85%
Taxation payment [3] (10,000RMB)	62,522.18



Group Organization Chart

1.2 Vision, Mission and Core Values

Our mission is to pursue excellence and become a national brand with global recognition. We are committed to using technological innovation and a refined management approach to provide our customers with high-quality products and services. By following this path, we aim to become a global leader in the new materials market.

Our core values are integrity, perseverance and diligence, and the pursuit of excellence.

Our vision is to become a "world-class R&D centre and manufacturer in the new polymer materials sector and the most competitive packaging enterprise in China" based on our "world-class talents" and "world-class products and services."

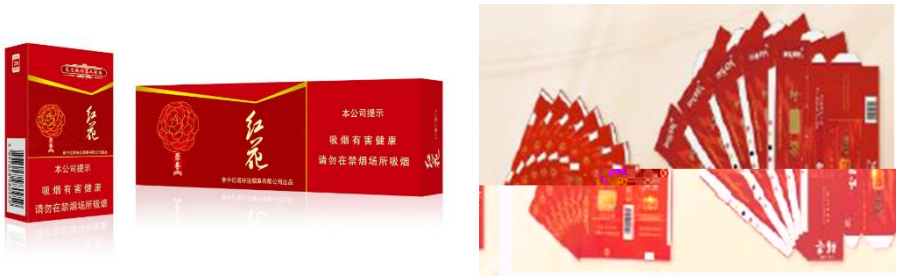
[3] Various taxes: This equals the total of corporate income tax, value-added tax, and other taxes.

1.3 Main Products

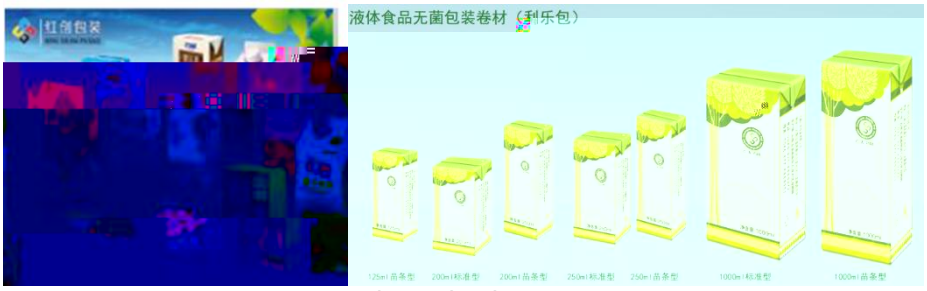
Energy Technology has formed two business systems of "new energy" and "packaging". By the end of the reporting period, the main products can be divided into the following three categories:

-

Beijing Sanyuan Foods Co., Ltd., Royal Group South China Dairy Co., Ltd., Guizhou Haoyiduo Dairy Co., Ltd., Shenzhen Dongpeng Jiexun Supply Chain Management Co., Ltd., Dali Foods Group Co., Ltd., Heilongjiang Wandashan Sunshine Dairy Co., Ltd., Yunnan Ouya Dairy Products Co., Ltd., Yunnan Huangshi Lesson Dairy Co., Ltd., Bright Dairy & Food Co., Ltd. , Nanjing Weigang Dairy Co., Ltd., Hebei Muyuan Food Sales Co., Ltd., Shenzhen Chenguang Dairy Co., Ltd., Zhuhai vvbigshot Dairy Co., Ltd., New Hope Dairy Co., Ltd. and other well-known enterprises.

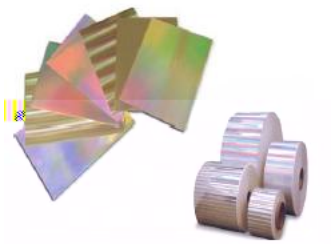


Tobacco Labels



Aseptic Packaging Boxes

- Paper products which are produced by Dexin Paper mainly include speciality paper products (e.g. laser transfer anti-counterfeiting paper, direct plating paper and coated paper products), holographic anti-counterfeiting anodized aluminum, transfer film and other products.
  - 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

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 2021, 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 294 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.

2.1.3 Investor Relations

In 2021, the Group will continue to concentrate and commit to improving investor relations management. We strictly follow by *the Company Law of the People's* , *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 m15(ort)-6(hs)11

Group also established an ESG working team, which is led by high-ranking managerial personnel and includes intermediate level managers. The working team consists of core representatives from all regular management divisions of the Group

Employment and employee benefits						▲						●		●
Training and development						▲						●		●
Occupational health and safety						▲		▲			▲			●
Achieving prosperity														
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".

2.2.2 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	▪ Compliance with disciplines and laws ▪ Employment provision ▪ Payment of taxes	

		telephone, CNINFO and email • Information disclosure in a timely manner, strengthening investor relationship and treating small and medium shareholders equally
Customers	▪ Performance of contracts in good faith ▪ Quality assurance ▪ Premium services	• Guaranteeing stability of product Guaranteeing stability and quality of product supply • Strengthening the management of product quality, and optimizing product structure • Carrying out satisfaction survey

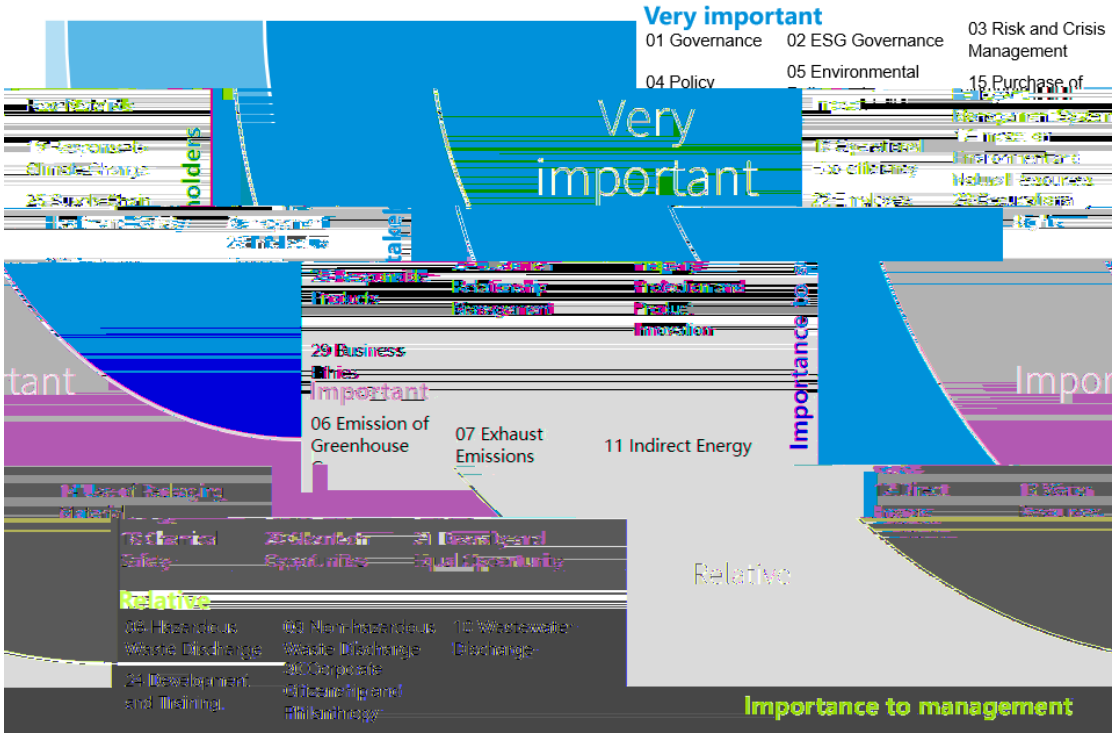
Creditors	▪High solvency ▪Due repayment of debts and interest ▪Mutual trust and cooperation	•Due repayments •Better communication and liaison •Win-win cooperation
Industry	▪Fair competition ▪Facilitating industry progress ▪Promoting the development of industrial chain	•Refraining from vicious competition •Exchange of experience •Technological innovation

2.2.3 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.

In 2021, we invited internal stakeholders, including members of management and employees of each department, 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.

In 2021, the Group paid more attention to corporate governance, ESG governance, environmental policy and management system, employee rights and interests, responsible products, supply chain management, customer relationship management, intellectual property protection as well as scientific and technological innovation.



Materiality Assessment Matrix of Energy Technology's 2021 ESG Report

Going forward, we will continue to pay attention to various stakeholders, constantly review and update important ESG issues, and introduce the participation of external stakeholders when conditions are mature, so as to more accurately and fully understand the demands of multiple parties and provide guidance and direction for the development of corporate operations, and ESG related work.

2.2.4 Response to Sustainable Development Goals (SDGs)

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 2021
	**Governance Aspects**
	➢ 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 57 disabled employees; and 28.6% of our management[4] were women.

[4] Management is defined as directors, supervisors and senior management.

➢

- We focus on employee care and are committed to protecting the health and safety of our employees and providing them with a comprehensive compensation

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.

We work to uphold a culture of integrity throughout the Group and conduct anti-corruption training and examinations in all subsidiaries, including anti-corruption-related system training led by both the Department of Legal Affairs and the departmental team level, covering anti-fraud and reporting systems, management system control methods, whistleblowing management methods, business practices, audit charters and many other contents. We take a zero-tolerance approach to corruption in all business processes. 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 2021, all Group employees, including directors, completed anti-corruption training with a total of 23,816 hours.

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 Procurement Department and the Marketing Department to sign an Declaration of Integrity and Commitment with the unit that hires them. In addition, we have established a fair, transparent, honest and trustworthy relationship with our customers (such as diaphragm business clients, overseas clients, etc.) by signing integrity agreements. We have also prepared an “Agreement of Supplier integrity and honesty commitment” template at the member entity level. Each member entity, before entering a formal purchase contract with any supplier (of main materials or auxiliary materials) shall sign an agreement 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.

In terms of whistleblowing processing, the Group has formulated the *Whistleblowing Management Measures* and established a whistleblowing processing structure with the Legal Department, the Human Resource Centre and decision-making level as the core. Upon receipt of a complaint or report, the Legal Department of the Group 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. If litigation matters are involved, they will be handled by the Legal Department, and the Human Resources Department will be responsible for handling the people involved in the case and rewarding and protecting the whistle-blowers.

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

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- Deli 155 Nanlu Highway, Pudong New A

porting period, the Group received no relevant re ere
ns related to embezzlement, bribery, and no employe ed or
dismissed for non-compliance with the anti-corruption poli

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

2.3.2 Transparent Tax Payment According to the Law

The Group strictly abides by applicable tax laws and regulations i te, including the *Implementation Regulations for the Tax ople's Republic of China* and *An for Deepening* nment 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.

For example, Shanghai Energy has ec

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.

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 2021, the Group implemented an information security project to prevent terminal data leakage. For highly confidential data and information of Shanghai Energy Research Institute ("Research Institute

III. 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. 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 2021, 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.

3.1 Resource and Energy Utilisation

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* and other laws and regulations, so as to build a resource-saving and environment-friendly enterprise, and strive to achieve the coordinated and sustainable development of people, resources and the environment.

Regulation implementation

We place resource conservation at a key position in our development strategy and operation methods, continuously improve the 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 efficiency performance. Integrating requirements such as ISO14001 into the Company’s management system, we implemented the Energy Conservation Law of the People’s Republic of China, the Decision of the State Council on Strengthening Energy Conservation (No. 28 [2006] of the State Council) and other laws and regulations of the regions where we operate, and set up a top-down management and monitoring system for energy conservation by formulating the Measures for Energy Management and Administrative Measures for Energy Conversation 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 organise 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.

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, 11 operating sites of the Group had obtained ISO14001:2015 environmental management system certification, accounting for 91.67% [5]of the total.

Energy Management

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, and improvement of equipment production efficiency. 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: Freezer renovation project of Shanghai Energy

In 2021, the Group continued to promote energy saving and consumption reduction projects. During the reporting period, Shanghai Energy implemented a freezer energy-saving renovation program and completed the renovation in August 2021, achieving centralized and remote control of the freezer system and improving the energy consumption detection system. The full-link energy-saving control system has been added to increase the cooling capacity, optimize the cooling capacity configuration, realize the real-time monitoring, active fault alarm and other functions,

[5] The calculation method of the proportion here is the percentage of operation points that have obtained relevant certification, accounting for the total number of operation points that need to obtain relevant certification.

improve the overall intelligent management level and effectively reduce energy consumption. Audited by professional third-party institutions, the renovation project has achieved effective energy saving after the renovation.

Case 2021 Cost Year Activities

To further strengthen the foundation of management, enhance the awareness of worry, crisis and saving of personnel, achieve the goals of reducing waste, perfecting fine management and improving the efficiency of resource use, etc., we carried out a one-year "Cost Year" activity in 2021 in all regions. With the themes of "saving, eliminating waste" and "lean management to reduce costs, continuous innovation to increase efficiency", we set up various activity groups such as production efficiency improvement group and supervision and assessment group, and combined various modes such as publicity, training and knowledge and skills competition to further deepen the concepts of improving production efficiency, reducing energy consumption and saving without waste in the whole group.

Water Management

As regards water consumption, the Group's water supply mainly comes from the municipal water supply, and production water and domestic water is divided and managed separately. As regards production water, our production process does not involve a lot of water, and we adhere to the concept of recycling water. As a non-high water consumption enterprise, the consumption of water resources is mainly used for the heat exchange inside the equipment, without special treatment, and generally will be directly recycled. In 2021, the group's recycling water consumption is 329,746 cubic meters. As regards water resources management, we emphasize the importance of “water saving”, formulate plans for water usage and management, and set goals for water usage appraisal based on the guidelines issued by local offices of natural resources and water conservation and our actual water usage. We actively promote water-saving measures to minimise the consumption of water resources while meeting water usage goals. As regards domestic water consumption, we have implemented water conservation into every aspect of our lives through various means, such as slogan publicity, actively promoting water-saving appliances, retaining rainwater for mopping the floor, watering flowers and plants, and timely repairing and replacing damaged water equipment. In 2021, the Group did not have any significant negative impact on the water resources of its operations due to water withdrawal.

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;
- Collect rainwater for flushing toilets and cleaning; and centrally collect back flush water after water softening;
- 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
- Analyse the data of each water tap every week, and check with water resources management department and workshops for any exceptions identified.

Case Optimisation of Water Use

Hongta Plastic has put the idea of water saving in its daily operation by taking various measures to minimise water consumption in its production and life. For example, Hongta Plastic controls the time for watering the plantation on its property. After the water source study on the equipment for treating factory water, it switched the daily automatic backflushing of the second-level quartz sand tank and carbon tank in front of the tier 1 and tier 2 water treatment equipment to manual cleaning. In addition, Hongta Plastic also invests in the replacement of tier-2 water treatment equipment and the addition of tier 1 and tier 2 soft water storage tanks. The modified water treatment equipment can save 6,930 cubic meters of water per year depending on usage.

Case Condensate Water Recovery

Condensate water recovery is an important way to save water. We have carried out condensate water recycling projects in Suzhou Green Power, Newmi Tech, Zhuhai Energy and Wuxi Energy to improve the re-utilization rate of energy resources.

Reuse Sector	Reuse Effects	Related Subsidiaries
The condensate reuse system is fully utilized to collect the steam condensate from the equipment in the recycling area centrally and then transport it to the boiler system through pipelines to realize the reuse of condensate return water.	Average monthly condensed water recovery is about 6,000 tons	Suzhou Green Power
	Average monthly condensed water recovery is about 2,880 tons	Newmi Tech
Make full use of the condensate recovery device in the recycling area to collect condensate and transport it through the pipeline to the cooling tower to complete the related use, so as to achieve the purpose of water saving.	Average monthly condensed water recovery is about 12,000 tons	Zhuhai Energy
	Average monthly condensed water recovery is about 12,000 tons	Wuxi Energy

Use of packaging materials

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.

Recycled Packaging Materials in 2021		
	Unit	**2021**

Recycled packaging (paper products)	ton	683.0
Recycling packaging (plastic)	ton	865.9

Annual performance

In 2021, the Group consumed 747,788,807.2 kilowatts per hour (kWh) of electricity, and 72,224,596.2 cubic meters (m^3) of natural gas. As the lithium battery industry is developing rapidly driven by the increase in global demand for new energy vehicles, a general rising trend can be observed in the energy consumption due to significant expansion of the Company's business scale and production output. The comprehensive energy consumption reached 2,036,507,763.6 kWh while integrated energy consumption intensity is 2,551.2kWh/RMB 10,000 (total operating income), representing a decrease of 19.4% YoY. A total of 2,876,110.9$m^3$of water is utilised and consumed, 329,746$m^3$of water is recycled, and the water reuse rate is 11. 5%.

Energy and Resource Consumption in 2020 and 2021

Metrics

Water utilisation and consumption intensity	cubic metres/RMB 10,000 (total operating income)	3.6	4.6

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. Going forward, we will try to establish 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 purchasing clean energy such as green electricity.

3.2 Reducing Emissions

Regulation implementation

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 2021	
Targets	**Achievement of Targets**
100% Exhaust emissions compliance	100% Completed
100% noise emission compliance	100% Completed
The recycling and treatment rate of hazardous solid waste reached 100%	100% Completed
100% Standard operation of waste-water discharge	100% Completed
No major environmental pollution accident	No major environmental pollution accidents occurred

Exhaust emissions

We strictly comply with the rules under the *Operating Procedures for the Exhaust Gas Absorption System* to properly operate facilities and systems for absorbing and treating exhaust gas in each workshop and carry out regular repair and maintenance of the facilities and systems. Metrics of exhaust emissions are regularly measured and continuously monitored by qualified third parties in accordance with relevant national laws and regulations. Exhaust gas generated by the Group mainly comes from exhaust gas of workshops and boilers, including VOCs (volatile organic compounds) emissions and nitrogen oxides emissions. Among them, VOCs are mainly derived from workshop waste gas. On the one hand, we continue to invest in exhaust gas recovery and treatment equipment to reduce emissions. On the other hand, we have installed monitoring equipment in the workshop. Once the concentration exceeds the pre-set level, a warning will be sent to remind employees to evacuate. The online monitoring system for VOCs exhaust gas has been put into operation in Wuxi Energy, Jiangxi Tonry and Hongchuang Packaging have also installed the system, so that real-time monitoring of emission concentration can be achieved.

Wastewater discharge

We discharge wastewater in accordance with the *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 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.

Waste discharge

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. 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 2021		
Waste category	**Waste items**	**Disposal**
Hazardous	▪ Laboratory wastes	All hazardous wastes are

wastes	▪ Waste ink solvent and waste motor oil and heat transfer oil ▪ Waste activated carbon	handled by qualified third parties
Recyclable wastes	▪ Scrap metal ▪ Plastic parts ▪ Waste paper ▪ Non-hazardous packaging materials	Wastes are recycled by qualified waste recycling company or recycled in-house to promote the circular economy
Non-recyclable wastes	▪ Swill ▪ Other domestic wastes	The Sanitation Department is entrusted to dispose and transport in accordance with the environmental protection requirements



Hazardous waste placed at designated locations and treated in a unified manner



Domestic waste sorted out and treated in a unified manner

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. At the same time, garbage classification instructions will be posted on the publicity boards in the workplace to help employees understand the waste classification method more clearly.



Garbage Sorting Bulletin Board of Zhuhai Energy

During the reporting period, the group spent RMB 154 million yuan on environmental protection (2020: RMB 31.64 million yuan), including the investment in environmental protection equipment. For example, Hongchuang Packaging added a VOCs treatment system and replaced three sets of lampblack purification devices in this year to further reduce emissions.

Clean production

The global energy landscape is going through a far-reaching change, and we are promoting a clean and low-carbon corporate energy structure in response; meanwhile, we are exploring and promoting clean energy technologies and energy-saving equipment. In 2021, we continued to comply with *the Guiding Opinions on Coordinating and Strengthening the Work related to the Response to Climate Change and Ecological and Environmental Protection (《关于统筹和加强应对气候变化与生态环境保护相关工作的指导意见》), the Strategy for Energy Production and Consumption Reform (2016-2030) (《能源生产和消费革命战略(2016-2030)》)* and local laws and regulations including *-Year Action Plan for Winning the Blue Sky Defence Battle (《云南省打赢蓝天保卫战三年行动实施方案》)* to strive for cleaner production. To promote the use of clean energy, we treat natural gas as the "bridge fuel" from fossil energy to non-fossil energy to continuously promote energy transition and gradually increase the procurement of green electricity and other clean energy. Apart from equipment renewal and resource reuse mentioned in the preceding sections, we have carried out projects, reviews and examinations related to clean production in Group companies, and integrated clean production with the companies' daily operation and management. We have gradually developed targeted solutions and improved plans for clean production, set medium to long-term goals and raised employees' awareness to establish a long-term mechanism for clean production. As of the end of the reporting period, both Hongta Plastic and Suzhou Green Power have carried out clean production projects and completed relevant audits and acceptances.

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.

For example, Suzhou Green Power identified sources of noise emission, and two major emission sources were identified, including equipment operating noises in the manufacturing process such as noises generated from various fans, extrusion equipment, casting machines, slitting machines, winders, extraction devices, rectification facilities, and solvent recovery facilities, as well as traffic noise within the

enterprise. According to the source of noise emission, we have adopted various measures to mitigate the impact of noise, including strengthening room enclosure management, improving process, adopting low-noise equipment, strengthening equipment maintenance, optimising equipment location, wearing earplugs, strengthening the management of transportation vehicles, and regulating the transportation time in the company. To maintain on-going monitoring, we conduct regular internal testing and engage professional third-party organisations to conduct regular inspection on noise at factory boundary, follow-up improvement will be carried out in accordance with internal procedures for any exceptions identified.

Case Retrofit of gravure printing machine's exhaust fan system

To reduce the impact of noise on the production and operation environment, we took the initiative to carry out improvement works to reduce noise. In 2021, Yunnan Energy's cigarette label printing workshop completed the fan unit upgrade in the relevant process by improving the fan unit performance, upgrading the power frequency control system to a variable frequency control system, and adding a fan noise cover while ensuring the normal operation of the gravure printing process, which effectively reduce noise and save energy.

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 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 uding4cuTm ,46c( )-4134ct14(n)-89(si)5(t)-4(es)-426an-8(ul)6()-8ub

Indicators	Unit	Emissions in 2021	Emissions in 2020
Exhaust[11] and Greenhouse Gases			
SOx	kilogram	803.0	8,977.16
SOx emission intensity	kilogram / RMB 10,000 (total operating income)	0.001	0.02
NOx	kilogram	33,379.3	88,078.54
NOx emission intensity	kilogram / RMB 10,000 (total operating income)	0.04	0.21
Particulate matter	kilogram	8,625.6	11,847.62
Total GHG emissions[12]	tCO2 -e	806,074.1	548,810.5
Direct GHG emissions[13]	tCO2 -e	158,718.94	95,402.1
Indirect GHG emissions[14]	tCO2 -e	647,355.7	453,408.4
Total GHG emissions intensity	kilogram / RMB 10,000 (total operating income)	1.0	1.3
Waste			
Total hazardous waste generated	kilogram	198,705.6	77,725.0
- Grease trap waste (waste lubricating oil, etc.)	kilogram	25,376.0	14,790.0
- Ink Dye Coating	kilogram	26,570.0	16,580.0
- Laboratory waste	kilogram	3,159.6	8,978.0
- Waste activated carbon	kilogram	143,600.0	37,377.0
Hazardous waste emission intensity	kilogram / RMB 10,000 (total operating income)	0.2	0.2
Total non-hazardous waste generated	kilogram	3,141,903.7	1,146,448.1
- Domestic waste	kilogram	979,336.1	403,392.0
- Waste packaging	kilogram	2,162,567.6	743,056.1
Effluent			

[11] In 2021, the emission concentration of some plants did not reach the detection limit, so the statistics could not be counted; some other plants went online with online monitoring system, and the accuracy of data was improved

[12] In 2021, outsourcing steam was included in the statistical category and greenhouse gas emission data was updated in 2020.

[13] 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,II 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)*

[14] 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.

Effluent	cubic metres	269,279.0	254,275.0

	Chronic

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, the impact of global warming may increase our operating costs on the one hand. At the same time, the whole society is increasingly demanding for energy saving and emission reduction, and energy structure adjustment is imperative. One of the Group's main products, lithium ion battery separator film, is mainly used in new energy vehicles, which is an important boost to the electrification of vehicles. In addition, we are also actively laying out the lithium battery diaphragm dry process business. Dry process diaphragm is widely used in the field of energy storage batteries, and we will actively promote the development of energy storage related business with the goal of helping energy upgrade and transformation in the future. The Group will continue to firmly grasp the development opportunities with rich technology accumulation, advanced process level and continuous cutting-edge research, and devote itself to developing and promoting green low-carbon products and services. We will lay the foundation for the further expansion and strengthening of the enterprise and make contribution to the energy saving and emission reduction of the whole society.

In terms of transition risks, as the community's awareness of climate change deepens and relevant policies are implemented, the call for electrification of vehicles is increasing, which may also bring about regulatory tightening. 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.

Metrics and targets

In addition to the construction of a governance architecture, and identification of risks and opportunities, we have considered TCFD recommendations to identify metrics related to the monitoring of environmental, social and climate-related risks, including volume of diesel, gasoline, liquefied petroleum gas (LPG), natural gas, electricity, water, packaging materials (including paper and plastic packaging) used; GHG emissions (Scope 1); GHG emissions (Scope 2); as well as the emission of hazardous and non-hazardous wastes. We compile and disclose the related statistical data each year and carry out GHG emission and product carbon footprint accounting in accordance with ISO14064, PAS 2050 and other international standards to formally establish and track relevant performance indicators.

For example, Zhuhai Energy has developed the *Sustainable Energy Planning* to set out the carbon reduction plan for 2020-2025. The Plan proposes the use of cleaner natural gas, waste heat utilisation, centralised collection and reuse of steam condensate water, and other measures to achieve the goal. Zhuhai Energy also makes energy use one of its requirements that some of its suppliers should meet to promote a lower-carbon supply chain.

IV. 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.

4.1 Employment and Employee Benefits

4.1.1 Regulating the Employment Process to Promote Diversity

Fair Employment

We strictly comply with

of China and other relevant laws and regulations, safeguard our people's legitimate rights and interests, and pay salaries, social security and pension funds on time and in full. In line with the relevant regulatory requirements, we have developed relevant policies at the member entity level, taking into consideration the circumstances specific to each member entity. These policies are designed to ensure justice and fairness across the recruitment, work, training, job promotion, remuneration & benefit determination, employment conditions and departure (including retirement, resignation and dismissal) processes. We have worked to uphold inclusion and diversity and prohibit discrimination against employees on the ground of gender, age, geography, ethnicity, and religion; we have never let those factor into employees' career development within the Group. No instances of violation of the national or local laws or regulations regarding labour employment were reported during the reporting period within the Group. There have been no violations of laws and regulations related to human rights violations.

Labour Contract

The group signs labour or employment contracts with all employees as required by laws and regulations, in which the positions, working hours, labour protection and remuneration of employees are clearly reflected.

Prohibiting the Use of Child Labour

We strictly abide by
Minors, the Provisions on the Prohibition of Child Labour and other relevant laws and regulations. We have made *the Provisions on the Prohibition of Child Labour* and other clear policies as key rules not to hire any candidates under the age of 18. We are committed to never hire child labour and job interviewers are required to understand candidates' work experience via enquiries, observation and background check during the job interview and to double check candidates' identity in pre-employment procedures to ensure that we are not recruiting any minors. We also have a series of provisions to prevent possible risks, including ensuring that the child worker leaves the workplace, providing a medical examination, sending him/her to his/her parents or guardians, ensuring that he/she continues to complete his/her education and other remedial measures, and covering the costs associated with this. No cases of hiring minors were reported during the reporting period within 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 collective bargaining agreements and special collective contracts. 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

Having a workforce made up of males and females from different age groups and educational backgrounds will allow us to leverage the best experience and knowledge possible. This will also help maintain and pass down the Group's best practices in production and management.

We strictly comply with
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 1,540, accounting for 25.9%.

The number of employees by educational level is as follows:

	2021	2020

University of Applied Sciences, Wuhan University of Technology, etc. We have established a training base in partnership with Donghua University and been named a "Key Enterprise for Recruiting College Graduates". With the establishment of the training base, we, in addition to recruiting talent, also aim to cultivate talent by providing opportunities for prospective graduates to practise what they have learned in the classroom; and

- 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 3,080 employees (2020: 3,100), including 74 fresh graduates (2020: 62), with an employment rate of 51.7%[17]. Among them, 2,353 new male employees and 727 female employees; 1,645 employees aged 29 and below, 1,240 employees aged 30-40, and 195 employees aged 41 and above.

Number and Percentage of New Employees in Major Regions by Region in 2021		
	Number of people	**Percentage[18]**
Southwestern China	500	28.4%
Eastern China	1966	64.5%
Southern China	611	53.5%

For the recruitment of high-end talent, we attract professionals that have extensive industry experience and expertise with the prospect to hold important posts, such as COO, CFO and CIO, that are responsible for leading us through the journey of achieving further growth 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 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

[17] Hiring rate = Number of new employees during 2021 / Total number of employees on board at the end of the reporting period.

[18] The ratio of new employees = the number of new employees in the region in 2021 / the total number of employees in the region at the end of the reporting period.

workforce while enabling us to maintain marketplace competitiveness and internal fairness.

We have implemented an equity-based incentive plan for eligible employees, as part of our effort to allow more employees who contribute greatly to the development of the Group to share the fruits of our growth and encourage them to keep up their efforts. The group carried out share repurchase in 2021 for Equity Incentive Plan. On March 14, 2022, the registration of stock option grant of the group in 2022 and restricted stock incentive plan was completed. The number of people of stock options granted was 877, and the number of stock options granted was 1,585,437.

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. Department heads have no authority to dismiss any employees orally or in writing. 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 847 resigned employees, with a turnover rate of 14.2%[19]. Among them, there were 612 male employees and 235 female employees; 400 employees aged 29 and below, 384 employees aged 30-40, and 63 employees aged 41 and above.

Number and Percentage of Employees Lost in Key Regions by Region in 2021		
	Number of people	Percentage[20]
Southwestern China	180	

Eastern China	481	15.8%
Southern China	186	16.3%

4.1.3 Providing Employee Assistance

Care for Employees

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 seven employee satisfaction surveys and received 2,286 valid questionnaires, with all employee satisfaction scores reaching over 70%.

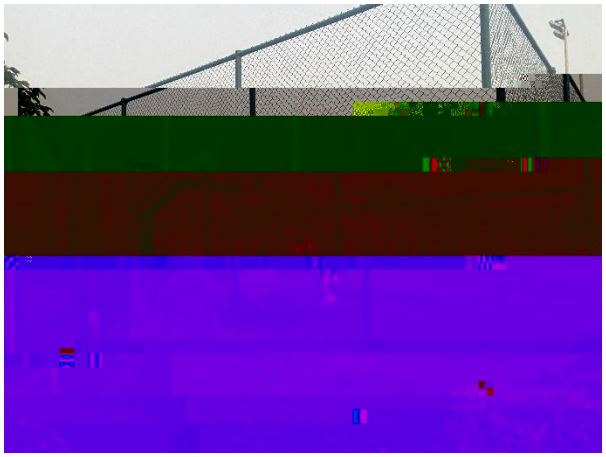
If an employee has a complaint, he / she can submit it to the direct supervisor, department head, human resources department or trade union. The receiver will timely solve the problems of employees or provide reasonable explanations, make corresponding records, and reply to employees within 5 working 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 and reflect them to the management in a timely manner. The grievance process and all relevant information of employees are strictly confidential.

According to the regulations of the nation and local governments and in combination with the actual situation of various regions, we provide employees with perfect welfare schemes, such as employee birthday welfare, traditional festival welfare, annual leave, sick leave, marriage leave, parental leave and other paid holidays. We also attach importance to the living needs of employees. All production-oriented subsidiaries have staff dormitories, canteens and other living facilities. For example, Jiangxi factory and Zhuhai Energy are equipped with sports and leisure facilities such as basketball court, table tennis court and activity room. If the original living facilities of the acquired factory are insufficient, we will add corresponding facilities in the reconstruction and expansion to provide good convenience for the life of employees and make everyone have more energy to work.





Staff Station of Dexin Paper





Basketball Court and Table Tennis Court of Zhuhai Energy

Parental Leave in 2021		
	Male employee	Female employee
Total number of employees actually taking parental leave in 2021	100	57
Total number of employees who should return to work after the holiday in 2021	99	53
Total number of employees actually returning to work after the end of the holiday in 2021	99	43
Return rate[21]	100.0%	81.1%
Total number of employees still in service at the end of the reporting period after returning from parental leave	92	39
Retention rate[22]	92.9%	90.7%

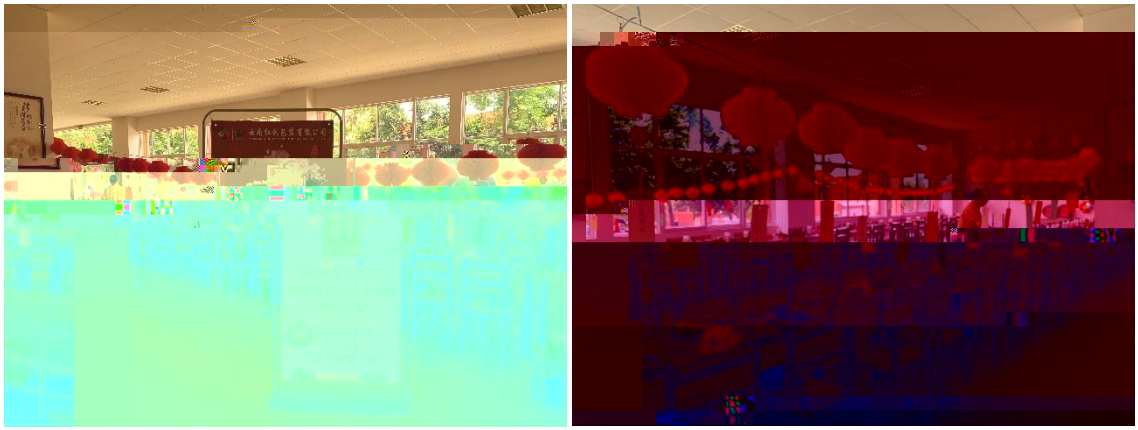
Employee engagement activities

All subsidiaries of the group will organize appropriate employee activities from time to time in combination with working hours, such as tea party, Mid-autumn Festival

[21] Return rate = Total number of male (female) employees who return to work after parental leave / Total number of male (female) employees who should return to work after parental leave.

[22] Retention rate = Total number of male (female) employees still in service at the end of the reporting period after returning from parental leave / Total number of male (female) employees returning from parental leave during the reporting period.

celebration, Lantern Festival garden party, outdoor hiking, annual meeting, etc., so as to enrich employees' spare time life, adjust the tension brought by fast-paced work, and let more employees relax and enjoy themselves outside of work.



2021 Mid-Autumn Festival Activities of Hongchuang Packaging

Supporting Employees in Need

We care for our employees and readily help employees in need to promote a warm and harmonious work environment.

Every year, the senior management of the Group visits individual employees in difficulties on behalf of the Group to send holiday greetings and gifts to them during the Spring Festival holiday. 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 2021, we organized fundraising for sick employees and subsidies for employees in difficulty in various departments and various places through visits to them, so that employees can get the care from the Yunan Energy's family in the first place.

We firmly believe that a warm and harmonious work environment lays the foundation for long-term growth of the Group as a whole. In April 2020, Shanghai Energy received the title of "The Model Enterprise of Harmonious Labour Relations of Shanghai" from the Shanghai Municipal Bureau of Human Resources and Social Security and the Shanghai Federation of Trade Unions. This will encourage continuous investment in programmes to address employee needs.

4.2 Staff Training and Development

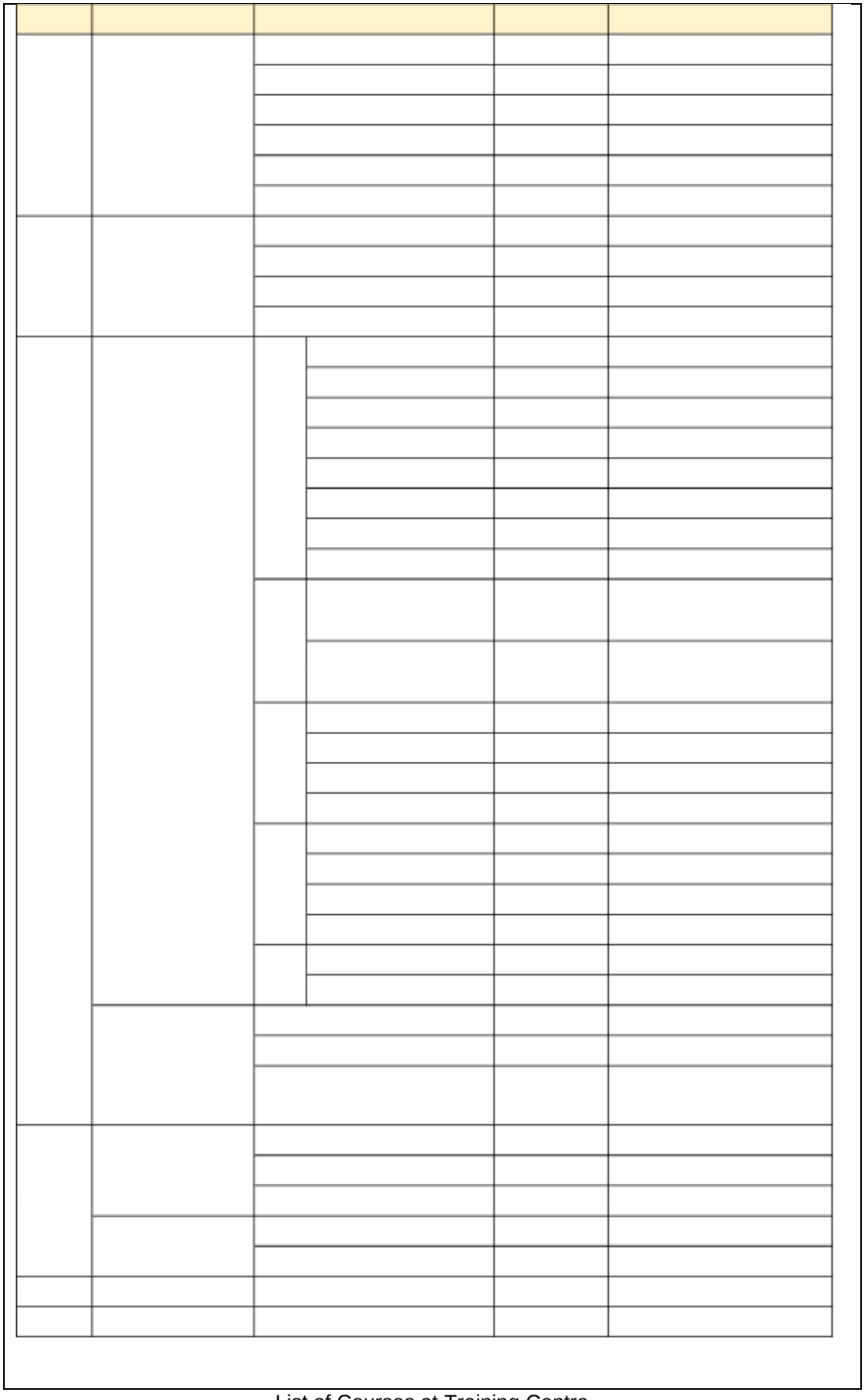
4.2.1 Systematic Training Programmes

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.

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



List of Courses at Training Centre

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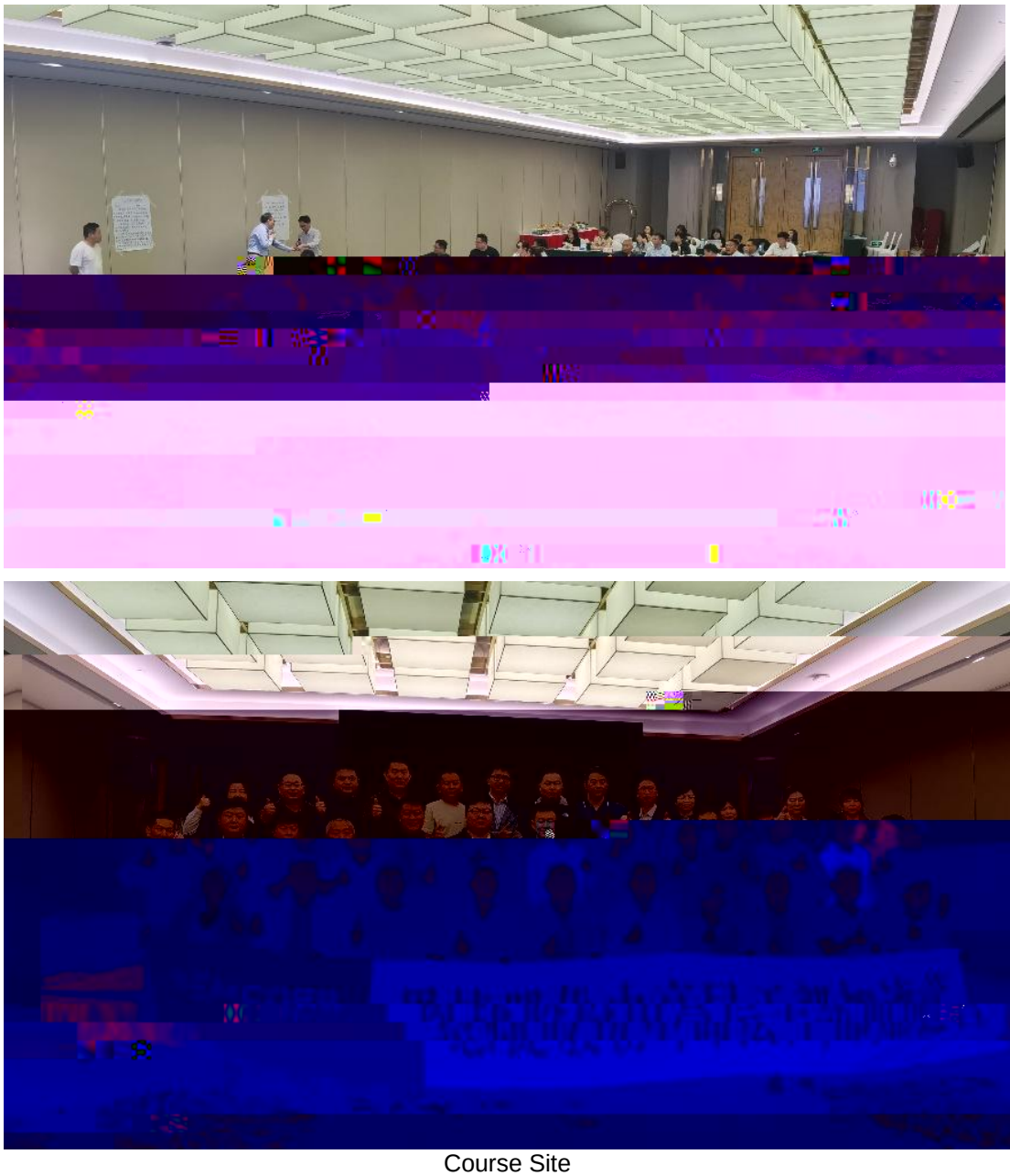
Case: Diversified training content to explore talent potential

During the reporting period, the training centre continued to conduct targeted thematic courses for different talent teams, such as management and technical ones, to explore the potential of different talents through diversified and differentiated training contents. In 2021, to further build a team with good communication, mutual understanding and trust and efficient operation within the Group, the training centre has set up a course with the theme of effective communication. The course aims to strengthen the ability of effective communication, enhance the ability of management team and cross-departmental collaboration, and strengthen the influence of oneself, to strengthen the construction of management team and plays a top-down, demonstration-driven role. The course attracted more than 30 management staff to actively participate in the course and debriefing and related summary activities were conducted after the course to ensure the effectiveness of the course.



Course Site

Case: strengthen external cooperation and explore new mode of apprenticeship system in enterprise

Since 2020, we have cooperated with Yunnan Yuxi Institute of Technology, and fully implement the new apprenticeship system in the enterprise with the main content of "recruitment is enrollment, entering into the enterprise is into the school, jointly trained by enterprise and school ", give full play to the main role of enterprise training, improve policy measures and training services. As of the end of the Report Period, 307 employees in the production line of Dexin Paper have signed " training program of new apprenticeship system " with Yuxi Institute of Technology, training specialties include printing, mechanical and electrical equipment installation and maintenance and other specialties.

During the reporting period, the Group held a total of 2476 training sessions, including a total of 2400 internal trainings and 76 external trainings. The cumulative training hours amounted to 75,403 hours, and the cumulative number of trainees was approximately 38,800 person times, with an average training hour of 12.66 hours per person and a training coverage rate of 100%.

4.2.2 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 2021, 100% of employees received regular performance and career development reviews.

Our staff can also explore tremendous development spaces arising from the Group’s continuous development and construction of new plants. The deep involvement of young employees in the Group’s development also nourish their individual career advancement in turn.

4.3 Occupational Safety and Health

4.3.1 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.

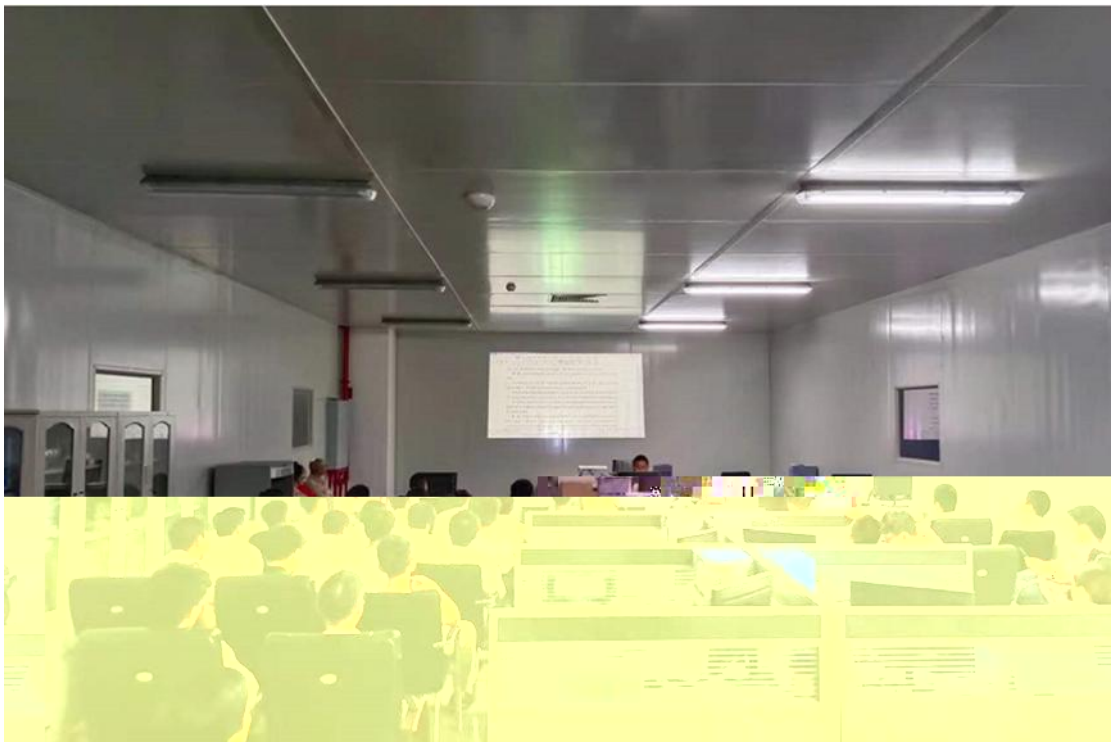
The Group strictly complied with the requirements of the *Work Safety Law of the People's Republic of China*, the *Basic Norms for Standardisation of Work Safety of Enterprises* and other laws and regulations, and has formulated administrative systems for work safety, such as the *System for Management of Work Safety Objectives*, the *System for Work Safety Responsibilities*, the *System for Reward and Punishment Relati o4e(S)4(y)11(st)-4(e)16t024 645g.04 Tf-4(of)8( )]TETB 0 1 90.024 591.34 Tm 632.26*

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	**2021**	**2020**
Work-related injury accidents	26	28
Working hours missed[23] (count by hour)	16,128	,360
Working days missed (count by day)	2,016	920
Recordable injury rate[24]	0.44	0.55

Chemicals Management

We are fully aware of the impact of chemicals management on safe production, and therefore formulate rules and regulations including the *Compilation of Environmental and Hazardous Waste Management Systems, Measures for Chemicals Management, Provisions on Oils and Chemicals Management* and *Provisions on Warehouse Management*; collect and compile the relevant *MSDS Technical Requirements* to regulate the transportation, handling, storage, identification, use and disposal of chemicals to avoid any impact on the environment and harm to employees. We actively provided trainings and set the goal that all our subsidiaries shall have zero hazardous chemical spill, and they 100% met the goal this year.



Anodized Aluminum Workshop of Dexin Paper Conducted Training on Chemical Management

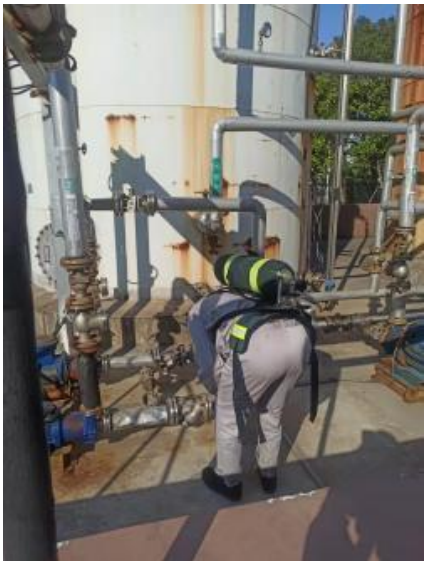
[23] 8 working hours per day.

[24] Recordable injury rate=number of recordable injury x 200,000 /number of working hours.



Chemical Safety Management Framework of Hongta Plastic

With respect to the transportation and handling of chemicals, the subsidiaries' procurement departments must confirm that suppliers or entrusted external parties responsible for transporting chemicals are qualified, and they transport and handle chemicals in accordance with relevant rules and regulations. Chemical wastes should be subsequently disposed according to relevant rules and regulations on chemical waste management, random disposal of wastes causing pollution to the environment is forbidden. For leakage of hazardous chemicals, we have formulated relevant emergency plans and actively carried out drills. When chemical anomalies or emergencies occur, corrective and preventive measures must be taken in accordance with the *Control Procedures for Corrective and Preventive Action* to make improvements.

Hazardous Chemical Leakage Emergency Plan Drill of Shanghai Energy

4.3.2 Upgrading Technology to Promote Occupational Health

The Group complies with the , the *Law*

Diseases, the *Regulations on the Management of Protective Equipment by Employers* 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 continuous 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.

As of the end of the reporting period, 11 of the Group's operating sites had obtained ISO45001:2018 occupational health and safety management system certification, accounting for 91.67%[25], and the remaining one operating site was in the process of certification.

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. With regard to the glue workshop of aluminium plastic film business where air conditioners are not allowed due to the manufacturing processes, 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.

[25] The proportion here is calculated as the percentage of the operating points that have obtained relevant certification in the total number of operating points that need to obtain relevant certification.

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, and free general physical examination for other employees every year or every two years. The coverage rate of occupational health examination for high-risk posts reached 100%. In 2021, no employee was found to be exposed to occupational hazards after the company's own investigation.

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.

During the reporting period, the Group's safety production expenditure was RMB 12.48 million (2020: RMB 10.35 million).

4.3.3 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 . 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

pandemic era. During the year, the Group continued to take preventive and control measures in accordance with local regulations for COVID-19 prevention and control in the regions where we operate. To safeguard employees' health and ensure the Company's normal production and operation, we have taken effective measures such as pandemic prevention drills.

- Hongta Plastic

V. Achieving Prosperity

5.1 Product Responsibility

5.1.1 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 New Material strictly abides by *the Product Quality Law of the People's Republic of China* and other laws, regulations and national standards for related 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 and ensure that there is no false publicity with respect to the actual performance of our 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, all of the Group's operating sites had obtained ISO9001 quality management system certification; a total of 6 operating sites had obtained IATF16949:2016 quality management system certification for the automotive industry, accounting for 85.7%[26], and the remaining 1 relevant operating site will also start the certification process in 2022.

[26] The percentage here is calculated as the percentage of the total number of operating points that need to obtain the relevant certification.



认证证书

兹证明

珠海恩捷新材料科技有限公司

中国广东省珠海市珠海高栏港经济区装备制造区洁能路 889 号 519050

经 NSF-ISR 评估，已建立的质量管理体系符合如下标准：

IATF 16949:2016

认证范围：
锂电池隔膜的设计和生产

IATF 证书编号：	0353677
证书编号：	CNIATF038701
证书颁发日期：	2020/07/09
注册日期：	2019/04/25
到期日期*：	2022/10/24

Tom Chestnut,
Sr Vice President - ISR,
NSF-ISR, Ltd.

NSF International Strategic Registrations

789 North Dixboro Road, Ann Arbor, Michigan 48105 | (888) NSF-9000 | www.nsf-isr.org

Page 1 of 2



Certificate of Registration

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兹证明

上海恩捷新材料科技有限公司

上海市浦东新区南芦公路 155 号

的质量管理体系适用于

锂电池隔离膜的设计和制造

已经 NQA 根据标准

IATF 16949 : 2016

审核和注册

本注册要求组织必须按照上述标准保持其质量管理体系，并由 NQA 进行监督。
若有任何争议，以英文证书为准

Managing Director

NQA Certificate No:	T 82753
IATF Certificate No:	0348478
Date:	16 January 2019
Valid Until:	15 January 2022
Version:	1

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IATF16949 Certificates Obtained by Some Group Subsidiaries

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.

In order to ensure the control of possible unqualified products and prevent the unintended use of them, we have also established systems such as *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.

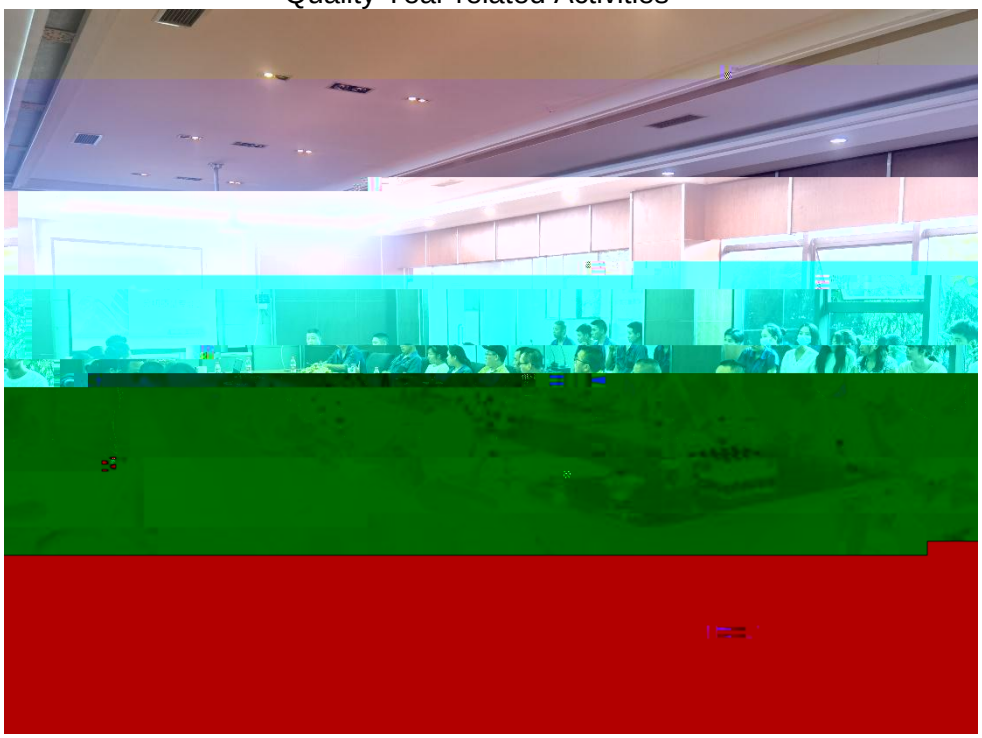
Through a concerted effort to maintain strict quality control, we achieved zero product recalls and no violations of health and safety regulations or voluntary codes regarding products and services in 2021.

The Group's quality management is based on planned target management, and

activity have been incorporated into the regular operation to ensure its sustainability as well as extensibility.



Quality Year-related Activities[27]



Chengdu Hongta Plastic Conducted Quality Training

We consider product labelling compliance one of important components of good product quality. 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 2021, there was no breach of regulations or voluntary codes on product and service information and labelling.

[27] The photo was taken before the pandemic.

5.1.2 Promoting Low-carbon Operations

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 Research Institute is mainly responsible for the recycle, improvement and reuse of white oil, dichloromethane, DMAC[28], 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, and improve 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.

- We have worked closely with leading enterprises in the packaging material industry to promote green development and recycling capabilities of the industrial chain. During the reporting period, Hongchuang Packaging, Caogen Zhiben and New Hope Dairy signed a strategic cooperation agreement to conduct in-depth research on the use of alternative degradable materials and more renewable energy, improvement in packaging to reduce food residues and the resulting costs in recycling and cleaning the packaging, as well as lightweight packaging materials.

5.1.3 Providing Optimised Services in a Timely Manner

While internally we seek progress on product quality, we continuously improve our services guided by customer feedback. In this regard, the Group has formulated the *Sales Work Plan*, *Customer Complaint Handling Management Regulations, Sales Management System* and other related systems to continuously strengthen the construction of the sales system, and sales personnel must strictly abide by the Company's business policies, maintain the corporate image on the basis of ensuring the legality of business activities, and ensure the good image of the Company in the market activities. In 2021, the Group did not violate any regulations or voluntary codes of conduct related to marketing (including advertising, promotion and

[28] DMAC: dimethyl acetamide, is an organic solvent used in the coating process.

sponsorship); 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 2021, all customer satisfaction results have met the standards.

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 Marketing Department assigns a dedicated person responsible for addressing customers’ after-sales service needs while the Quality 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.

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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.

Overview of R&D Investments 2019-2021	2021	2020	2019
R&D Investment (RMB)	409,178,730.28	178,243,333.28	154,913,207.75
Percentage of R&D Investment in Operating Income	5.13%	4.16%	4.90%

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. To this end, Hongta Plastic Laboratory has been certified by China National Accreditation Service for Conformity Assessment (CNAS) as an accredited laboratory.



Hongta Plastic Laboratory has been certified by China National Accreditation Service for Conformity Assessment (CNAS) as an accredited laboratory

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 New Materials Technology Co., Ltd. (New

- 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 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 transactional 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.

In 2021, we conducted a total of 17 intellectual property-related training sessions, covering an introduction to intellectual property and patent law, interpretation of patent specifications, discussion of patent infringement cases, and brief explanation of the patent application and examination process, etc., with about 200 employees participated.

We implement classified management of intellectual property rights based on the properties of products. For the New Energy BU, products are in a period of vigorous development where new products are launched to replace old ones. Therefore, all new products must undergo intellectual property feasibility studies, and patent applications are included in the KPI assessment of researchers. As at the end of the reporting period, the number of intellectual property authorisations granted by the New Energy BU totalled 280, including 78 invention patents (including 13 at overseas countries) and 202 utility model patents. Another 236 patents are in the application stage, including 224 invention patents (including 56 at overseas countries) and 12 utility model patents. For the Packaging BU, market demand is relatively stable, and new intellectual property rights are mainly derived from technological innovations in production processes. As of the reporting period end, the Packaging BU possesses 179 patents, including 11 industry design patents, 8 invention patents and 160 utility model patents. In addition, 9 utility model patents and 2 invention patents are in the application stage.

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 normalised 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

Development is driven by innovation. 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.

5.2 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.

5.2.1 Prudently Selecting Partners to Ensure Stable Supplies

We strictly abide by *the Bidding Law of the People's Republic of China* and other

During the cooperation period, we set quantifiable and non-quantifiable indicators for annual assessment of suppliers in terms of quality, delivery, service, assets and finance, cost, qualification, technological innovation, etc.

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 furnishing paper 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.

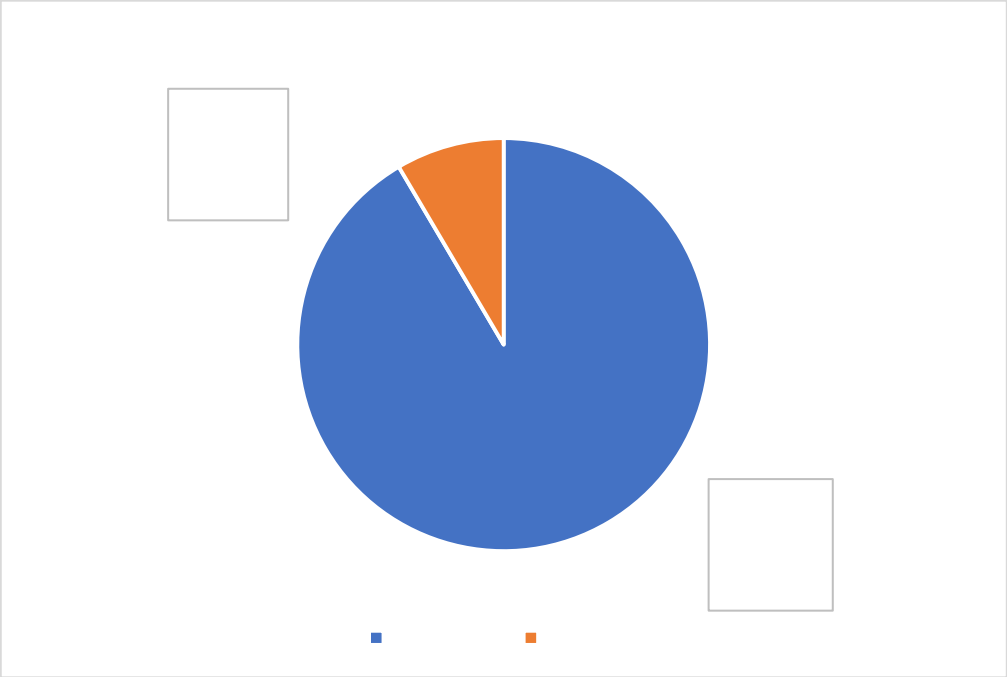
We understand that the environmental and social performance of suppliers is instrumental in supporting the stability of their supply. Among the suppliers we cooperate with, there are many well-known companies such as PetroChina and Sinopec. We can be informed of their environmental and social performance through publicly available 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.

As for new energy suppliers, in order to clarify the management methods of environmental management substances, prevent environmental pollution and reduce risks, the Procurement Department will be responsible for communicating with suppliers for material-related environmental management substances, and also take the responsibility for supervision and management. Suppliers need to submit relevant certificates of compliance and sign the supplier environmental substances management commitment.

We respond actively to no conflict minerals policies, strive to ensure all raw materials used in our products are derived from socially and environmentally responsible sources, and we are intolerant of participation in or contribution to conflict-induced environmental degradation or human rights violations in any form. 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.

In 2021, the Group had 330 suppliers[29] (including 135 suppliers of the new energy segment), including 151 bulk raw materials, 146 packaging and auxiliary materials, and 33 low-value consumables. There are 18 new suppliers (including 14 new suppliers in the new energy segment) and 0 terminated suppliers.



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 2021, the number of suppliers in the location where we operate (domestic) accounts for 92% of the total number of suppliers.

As for the evaluation of social and environmental factors, during the reporting period, there were no suppliers assessed to have terminated cooperation due to significant environmental or social risks. In the future, we will further incorporate suppliers' performance in environmental and social aspects into the written supplier evaluation form, giving fixed scores and weights to form a regular observation and consideration.

5.2.2 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.

[29] The number of suppliers here does not include equipment suppliers and service providers.

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.

Going forward, it is expected that we will distinguish the characteristics of different

These charity activities conveyed the Group's love and true feelings to the society and at the same time made our staffs spiritually enlightened.





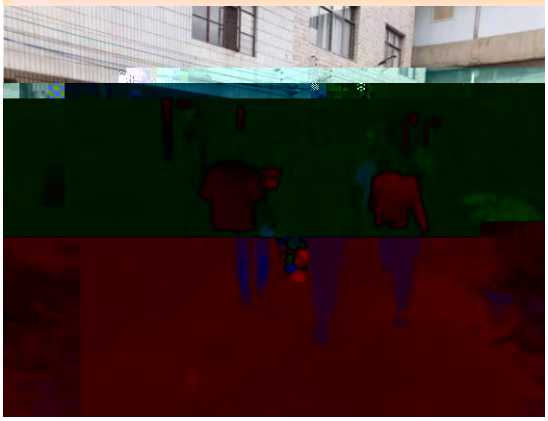














Employees Participated in Charity Activities

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 (Bidirectional Stretch Polypropylene Film Professional Committee Executive Director)
China Tobacco Society	Hongta Plastic (Member)
[redacted]cessing Industry Association	Hongta Plastic (Member) g

Wuxi Energy	Awarded "High-tech Enterprise Certificate" by Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province and Jiangsu Provincial Tax Service, State Taxation Administration
Jiangxi Tonry	Awarded the "2020 Jiangxi Province Specialized and New Small and Medium Enterprises" by the Department of Industry and Information Technology of Jiangxi Province
Jiangxi Tonry	Awarded "Top Ten Science and Technology Innovation Teams in Yichun Science and Technology Association System in 2021" by Yichun Science and Technology Association
Jiangxi Tonry	Awarded "Municipal Enterprise Technology Center" by Yichun Bureau of Industry and Information Technology, Yichun Finance Bureau and Jiangxi Provincial Tax Service, State Taxation Administration
Jiangxi Tonry	Awarded the "High-tech Enterprise Certificate" by Science and Technology Department of Jiangxi Province, Department of Finance of Jiangxi Province, and Jiangxi Provincial Tax Service, State Taxation Administration
Suzhou Green Power	Awarded "Jiangsu Private Technology Enterprise" by Jiangsu Private Science &Technology Enterprise Association

	Safety Production Committee of Xishan Economic and Technological Development Zone
Wuxi Energy	Awarded "2020 Advanced Enterprise for Ecological Environmental Protection" by the Office of the Headquarters of Xishan Economic and Technological Development Zone
Hongta Plastic	Awarded the " Third Prize of Comprehensive Assessment of Ecological Environment, Safety Production, Safe Construction, and Fire Safety in 2020" issued by the Management Committee of Yuxi High-tech Zone and the Party Working Committee of Yuxi High-tech Zone
Shanghai Energy	Awarded the "2020 Advanced Collective Honorary Title of Safety Production" issued by Huinan Town Safety Production Committee

Index
GRI

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Issues	GRI Standards	Disclosures	Report content/remarks
General Disclosures			
Organizational profile	102-1	Name of the organization	Group Overview
	102-2	Activities, brands, products, and services	Group Overview Main Products
	102-3	Location of headquarters	Group Overview
	102-4	Location of operations	Group Overview
	102-5	Ownership and legal form	Limited liability company (Sino-foreign joint ventures, Listed)
	102-6	Markets served	Main Products
	102-7	Scale of the organization	Group Overview
	102-8	Information on employees and other workers	Regulating the Employment Process to Promote Diversity
	102-9	Supply chain	Supply Chain Sustainability
	102-10	Significant changes to the organization and its supply chain	Group Overview Supply Chain Sustainability
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Issues	GRI Standards	Disclosures	Report content/remarks
Impacts		approach and its components	
	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
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

Issues	GRI Standards	Disclosures	Report content/remarks
		(Scope 2) GHG 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
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

Issues	GRI Standards	Disclosures	Report content/remarks
	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
Security Practices	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
	410-1	Security personnel trained in human rights policies or procedures	Not Applicable
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
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	103-1	Explanation of the	Quality Management

Issues	GRI Standards	Disclosures	Report content/remarks
Labeling		material topic and its Boundary	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
	103-1	Explanation of the material topic and its Boundary	Privacy Protection and
Customer Privacy			

CASS-CSR 4.0

	No.	Index	Report content/remarks
Report Forward	P1.1	Quality assurance	About this Report
	P1.2	Information description	About this Report
	P1.3	Reporting system	About this Report
		Situation analysis and strategic considerations of fulfilling social responsibilities	Chairman's Message General Manager's Message
	P2.2	Annual social responsibility work progress	Chairman's Message General Manager's Message
	P3.1	Major events of social responsibility	The ESG Report
	P3.2	Progress and effectiveness of key issues of social responsibility	The ESG Report
	P4.1	Organizational structure and operating region	Group Overview
	P4.2	Major products, services and brands	Main Products
	P4.3	Size and influence	Group Overview Regulating the Employment Process to Promote Diversity
	P4.4	Significant changes in the size, structure, ownership or supply chain of the organization during the reporting period	Not Applicable
Responsibility Management	G1.1	Corporate mission, vision and values	Vision, Mission and Core Values
	G1.2	Corporate social responsibility concept or slogan	Not Applicable
	G2.1	Identification and management of substantive social responsibility issues	Materiality Assessment for ESG Topics
	G2.2	Social responsibility strategic program and annual plan	Not Applicable
	G2.3	Promoting the integration of social responsibility into corporate development strategies and daily operations	The ESG Report
	G3.1	Senior executives support and promotion social responsibility work	ESG Governance Structure
	G3.2	Social responsibility leading organization and working mechanism	ESG Governance Structure
	G3.3	Social responsibility organization system and division of responsibilities	ESG Governance Structure
	G4.1	Formulating a social responsibility management system	The ESG Report
	G4.2	Constructing a social responsibility indicator system	The ESG Report
	G4.3	Carrying out social responsibility assessment or appraisal	The ESG Report
	G5.1	Organizing and carrying out social responsibility training	Not Applicable
	G5.2	Enriching research on social responsibility theory	Not Applicable
	G5.3	Participate in the development of social responsibility standards, initiatives and guidelines domestic and abroad	Not Applicable
	G6.1	Identifying and responding to stakeholder demands	Communication with Stakeholders
	G6.2	Corporate-led social responsibility communication and participation in activities	Communication with Stakeholders
	G6.3	Participation or support in economy, environment, social conventions, principles or other initiatives initiated by outside parties	Not Applicable
Market performance	M1.1	Standardizing corporate governance	Corporate Governance
	M1.2	Nomination and selection process of the highest corporate governance and its committees	Corporate Governance
	M1.3	Anti-corruption	Anti-corruption
	M1.4	Compliance information disclosure	Disclosures
	M1.5	Protecting the interests of small and medium investors	Investor Relations
	M1.6	Growth	Group Overview
	M1.7	Profitability	Group Overview
	M1.8	Safety	Group Overview
	M2.1	Product promotion /service accessibility	Not Applicable
	M2.2	Product/Service quality management system	Quality Management in Pursuit of Excellence
	M2.3	Percent of pass	Quality Management in Pursuit of Excellence
	M2.4	Adhering to innovation-driven	Pursuing Innovation to Protect Property Rights
	M2.5	R&D spending	Pursuing Innovation to Protect Property Rights
	M2.6	Number of new patents	Pursuing Innovation to Protect Property Rights
	M2.7	Industrialization of scientific and technological achievements	Pursuing Innovation to Protect Property Rights
	M2.8	No false or misleading publicity	Providing Optimised Services in a Timely Manner
	M2.9	Popularization of product knowledge or customer training	Not Yet Disclosed
	M2.10	Potential risk alert	Quality Management in Pursuit of Excellence
	M2.11	Fair dealing	Providing Optimised Services in a Timely Manner
	M2.12	Advocating sustainable consumption	Taking Care of the Planet Promoting Low-

	No.	Index	Report content/remarks
			carbon Operations
	M2.13	Customer information protection	Privacy Protection and Information Security
	M2.14	Active after-sales service system	Providing Optimised Services in a Timely

	No.	Index	Report content/remarks
	S2.18	Difficult employee assistance	Providing Employee Assistance
	S2.19	Employee satisfaction	Providing Employee Assistance
	S2.20	Turnover rate	Expanding Recruitment to Cultivate Talent
	S3.1	Safety management system	Occupational Safety and Health
	S3.2	Safety emergency management mechanism	Occupational Safety and Health
	S3.3	Safety education and training	Occupational Safety and Health
	S3.4	Safety training performance	Occupational Safety and Health
	S3.5	Production safety input	Occupational Safety and Health
	S3.6	Number of accidents in production safety	Occupational Safety and Health
	S3.7	Number of employee casualties	Occupational Safety and Health
	S4.1	Community communication and participation mechanism	Charity Work and Community Engagement
	S4.2	Employee localization policy	Regulating the Employment Process to Promote Diversity
	S4.3	Localized employment ratio	Regulating the Employment Process to Promote Diversity
	S4.4	Localized procurement policy	Prudently Selecting Suppliers to Ensure Stable Supplies
	S4.5	Support for the development of community women, indigenous people, farmers, herders and fishermen	Not Applicable
	S4.6	Public welfare policy or main public welfare areas	Charity Work and Community Engagement
	S4.7	Establishment of corporate charity fund/foundation	Not Applicable
	S4.8	Total donation	Charity Work and Community Engagement
	S4.9	Creation of brand public welfare projects	Not Applicable
	S4.10	Policies and measures to support volunteer activities	Charity Work and Community Engagement
	S4.11	Performance of employee volunteer activities	Charity Work and Community Engagement
	S4.12	Contributing to targeted poverty alleviation	Not Applicable
	S4.13	Increasing special funds for poverty alleviation	Not Applicable
	S4.14	Population out of poverty	Not Applicable
Environmental performance	E1.1	Environmental management system	Resource and Energy Use Reducing Emissions
	E1.2	Environmental early warning emergency response mechanism	Conducting Training and Emergency Drills to Raise Safety Awareness
	E1.3	Research and application in environmental protection technology	Resource and Energy Use Reducing Emissions
	E1.4	Environmental statisti	49.66 Tind 0xg [( ) 147.5 525.53n4 32.

	No.	Index	Report content/remarks
	E2.24	Plans and actions to reduce greenhouse gas emission	Reducing Emissions
	E2.25	Greenhouse gas emission and reduction	Reducing Emissions
	E3.1	Green office measures	Resource and Energy Use Reducing Emissions
	E3.2	Green office performance	Resource and Energy Use

	No.	Index	Report content/remarks
			Reducing Emissions
	E3.3	Ecological restoration and management	Not Applicable
	E3.4	The conservation of biological diversity	Reducing Emissions
	E3.5	Net deforestation zero	Not Applicable
	E3.6	Environmental protection and public welfare activities	Not Applicable

Glossary of Terms

Paraphrase		Paraphrase Content
Energy Technology, Yunnan Site, Company, the Company	Refer to	Yunnan Energy New Material Co., Ltd.
Group, the Group, we	Refer to	The Company together with its subsidiaries
ESG, ESG Report, the Report	Refer to	Energy Technology *Annual Environmental, Social and Governance Report 2021*
This year	Refers to	From January 1, 2021 to December 31, 2021
SZSE	Refers to	Shenzhen Stock Exchange
Hongta Plastic, Yunnan Hongsu Site	Refers to	Yunnan Hongta Plastic Co., Ltd.
Dexin Paper	Refers to	Yunnan Dexin Paper Co., Ltd.
Shanghai Energy, Shanghai Site	Refers to	Shanghai Energy New Material Technology Co., Ltd.
Hongchuang Packaging, Yunnan Hongchuang Site	Refers to	Yunnan Hongchuang Packaging Co., Ltd.
Zhuhai Energy, Zhuhai Site	Refers to	Zhuhai Energy New Materials Technology Co., Ltd.
Jiangxi Tonry, Jiangxi Tongrui Site	Refers to	Jiangxi Tonry New Energy Technology Development Co., Ltd
Wuxi Energy, Wuxi Site	Refers to	Wuxi Energy New Materials Technology Co., Ltd.
Suzhou Green Power, Suzhou Jieli Site	Refers to	Suzhou Green Power New Energy Material Co., Ltd.
Chongqing Site	Refers to	Chongqing Energy New Materials Technology Co., Ltd.
Newmi Tech, Niumi	Refers to	Chongqing Yuntianhua Newmi Technological Co., Ltd.
Jiangxi Ruijie	Refers to	Jiangxi Ruijie New Materials Technology Co., Ltd.
Jiangsu Ruijie	Refers to	Jiangsu Ruijie New Materials Technology Co., Ltd.
Jiangsu Site	Refers to	Jiangsu Energy New Materials Technology Co., Ltd.
Hubei Site	Refers to	Hubei Energy New Materials Technology Co., Ltd.
Yuxi Site	Refers to	Yuxi Energy New Materials Technology Co., Ltd.
Chengdu Hongta Plastic, Chengdu Hongsu Site	Refers to	Hongta Plastic (Chengdu) Co., Ltd.

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.
Fax: 0877-8888677
Address: No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province

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.