



About this report

Reporting purposes

This report aims to present the performance of the company in the implementation of corporate social responsibility in 2018 and to communicate frankly and effectively with the stakeholders regarding the company's philosophy, practice and performance in fulfilling corporate social responsibility.

Time range of the report

From January 01, 2018 to December 31, 2018, part of the content is appropriately beyond the above range.

Organization scope of the report

This report uses Tianneng Power International Co., Ltd. as its main body and covers its sub-branches.

Reference standard of the report

Hong Kong Stock Exchange "Environmental, Social and Regulatory Report Guidelines"
International Organization for Standardization "Social Responsibility Guide (ISO26000)"
Global Reporting Initiative "Guidelines for Sustainability Reporting (G4)"
The 10 principles of the UN Global Compact (GC)
National Bureau of Quality Supervision, Inspection and Quarantine, National Standardization Management Committee "Social Responsibility Guide" GB/T36000-2015, GB/T36001-2015 "Social Responsibility Report Writing Guide" and GB/T36002-2015 "Social Responsibility Performance Classification Guidelines"

Data description of the report

The data used in this report comes from the company's annual report, official documents, and statistical reports. The data is based on 2018, with some of the data included in previous years. The amount of currency involved in this report uses RMB as the measurement currency, unless otherwise specified.

Guarantee of the report

The board of directors and all directors of the company ensure that the contents of this report do not contain any false records, misleading statements or major omissions, and undertake individual and joint liability for the truthfulness, accuracy and completeness of their contents.

Report form

This report is divided into two versions of Chinese Traditional and English versions and is provided in electronic format.



The Speech by the Chairman of the Board of Directors

The year of 2018 is vital for Tianneng's reform and starting out again with growth against the trend.

In 2018, we have confirmed our will and main business to seek for improvement and enhancement by steady work. Our business performance has made a historical new high record and being kept in rapid and solid growth momentum. The comprehensive strength of our group has improved significantly with a leap to be ranked top 15 among the 500 global new energy enterprises.

In 2018, we have firmly advanced comprehensive and deep reform. The institution and mechanism has been completed day by day, ideological understanding has been unified step by step, top-level design optimized on and on, and organization vitality aroused effectively.

In 2018, we have firmly adjusted and optimized industrial structure by making cornerstone industry sustain its forces, Green Bamboo energy ready to move on, Green Sustainable New Materials industry move strongly in good direction and Green Projects bloom at multipoint.

In 2018, we have unswervingly stepped on the way to openness and collaboration with highly effective carrier construction, new development on tackling hard-nut problems in science and technology, development and application of new products, new technology and new achievement, and have infused new energy in order to improve the core competitiveness of enterprise.

In 2018, we have unswervingly practiced responsibilities and undertakings by solid promoting industrial poverty alleviation, great achievements of joint development on villages and enterprises, continuous development of various public benefit activities. We believe that it is the foremost social responsibility for an enterprise to “focus on development and give back” from beginning to end.

In 2018, all staff of Tianneng has blazed new trails in a pioneering spirit, forged ahead with determination, and wrote a new brilliant work for Tianneng's new era by fighting, full of courage and responsibility.

We will turn the year of 2019 into a key point for the continued promotion of comprehensive and deepening reform, keep on optimized development strategy, speed up to globalization, totally advance the quality and effectiveness of industry and struggle for “new energy” of high quality development. We will continue to deepen reform and innovation, enhance endogenous power, and struggle for new page of high benefit reform. We will keep on intensifying leading role of culture, promote and make value into behavior in depth, and struggle for “new engine” of high level development. We will continuously advance construction of platform business, create a community of industry, interest and destiny with all our strength, and struggle for “new ecology” of high quality dream. We will build a new Tianneng full of sunshine with “good economic returns, more momentum for development, higher happiness index and excellent social image”.

Tianren Zhang

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Enterprise Profile

Built in 1986, Tianneng Group is a leading enterprise of Chinese new energy power battery industry. After the development of more than 30 years, it now has become a large high-tech energy group dominated by manufacture and service of environment-friendly battery of electric vehicle, supplemented with integrated energy storage. Its business includes new energy vehicle lithium battery, the car starts and stops battery, and R&D, production and sales of wind energy solar energy storage batteries, as well as waste battery recycling and cyclic utilization, urban smart microgrid construction, and green smart industrial park construction.

In 2007, Tianneng Power was listed on the Stock Exchange of Hong Kong Limited, now it has multiple wholly-owned or holding companies domestic and abroad with total number of more than 20,000 staff.



Core Value

During the report period, Tianneng adjusts its core value of "Responsibility as the Spirit and Innovation for Win-Win" to be "Responsibility, Innovation, Fighting and Share", enforces responsibilities and undertakings, insists on innovation-driven, motivates endogenous power and improves core competitions continuously, driven by fighter and directed by value, fulfills high quality development on and on, creates values for clients, provides platform for staff, and give back stockholders and society by practical action.





Responsibility

As an enterprise, Tianneng takes serving country as its responsibility, respects clients and staff, and gives back stockholders and society. As a member of Tianneng, one should carry out responsibilities on their own initiative, be brave enough to take responsibilities and take responsibilities to enterprise, individual and family as standard of behavior, follow due duties and obligations, and fulfill common development of staff and enterprise and mutual improvement of enterprise and society.

Innovation

Tianneng is engaged in energy industry full of growth opportunity and the only constant thing is to change. The tech of energy changes with each passing day, the clients' demand is infinite in variety, and the market competition is becoming fiercer. Whatever change for the outside world, we keep our innovation spirit invariant, keep pace with the times, forge ahead and surpass all, promote sustainable development of enterprise by comprehensive innovation of ideology, system, mechanism, management, technology, products, service and knowledge.

Fighting

Only fighters could be real treasure of Tianneng which encourage staff to be down-to-earth, continue to struggle and create values. Tianneng empowers the staff positively, builds evaluation mechanism and incentive mechanism inclined to fighters, stands up to encourage team and individual with high performance, insists on selecting and appointing talents of fighter spirit, puts differences in distribution into practice according to the practical value and devotion created by fighters.

Share

All Tianneng staff could only share interests after make enterprise obtain interests. Any material and spiritual rewards for organization and individuals come from the value and performance created for enterprise by them. Managers of all levels should put enterprise value maximization first, lead staff to struggle on and on. The greater they devote to enterprise, the more interests they could get.

Mission

During the report period, Tianneng has proposed a brand new mission that is to **devote to green energy and create happy life.**

Tianneng insists on the way to green and eco-friendly civilization development, provide abundant and reliable solution for new energy industry, more green products and qualified service to consumers, meets ever-growing demands of human beings for better life and beautiful eco-environment.

1.Create better life for clients.

Tianneng create the most qualified solution of green energy for clients, brand new life styles and consumption experience in order to meet their "demand for better life".

2.Create better life for staff.

Tianneng create industry platform for staff to realize self-worth, meet their material and spiritual demand constantly, make each staff build up valuable life during working, achieve their "happy value" by mutual development.

3.Create better life for stockholders.

Tianneng seeks for firm improvement, reduce the operational risks, create interests for enterprise constantly, and realize the "happy growth" of shareholders' capital by enduring maintenance and appreciation of value.

4.Create better life for strategic partners.

Tianneng insists on concept of friendly business and win-win business, helps partners to improve values and accomplish "good fortune" via the eco-development system of co-creation.

5.Create better life for society.

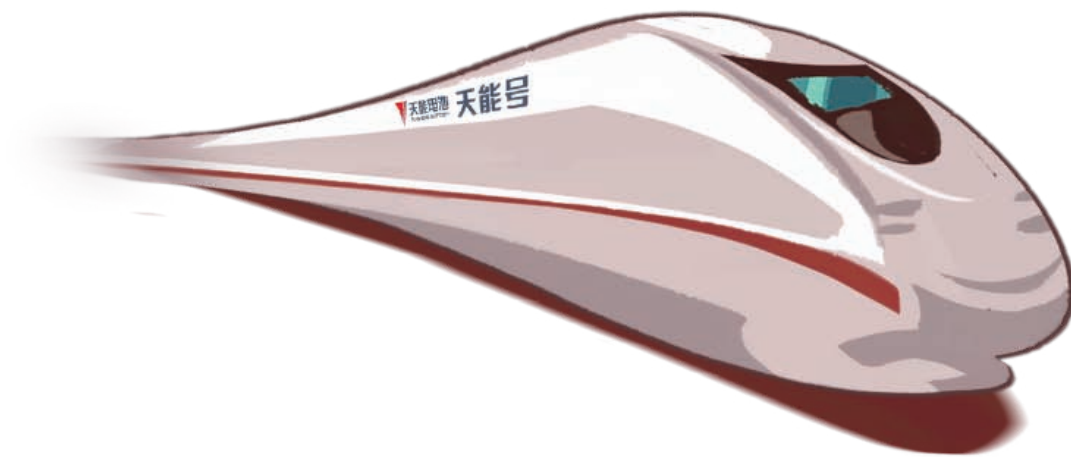
Tianneng is engaged in social benefit activities as well as enterprise development, works as an excellent corporate citizen and help society to "develop well" with high responsibility.



Vision

During the report period, Tianneng reviews development direction in the future and establishes a new vision that is **to be the most respected new energy company among the world's best.**

Tianneng takes the idea of "Innovation, Harmony, Green, Openness, Share" as its guide for development, takes a broad view and mind around the world, supported by technology and quality, insists to set an ethic through noble social responsibility, set an industry through distinguished products and service, set an idea through excellent enterprise culture, forges the first rate platform and enterprise with great influence.



Service Concept

Tianneng emphasizes "Customer First Value and Making Management Become Service", insists on customer orientation, strengthens service awareness, and creates value for clients inside and outside including staff, customers and win-win partners wholeheartedly with qualified and high effective service.

State of Operation

In 2018, Tianneng has taken green intelligent production as its main line, quality and benefit as its center, brought forth new ideas, overcome difficulties, and improved and enhanced by steady work. The group has sales growth of **25%** year-on-year, profit and tax growth of **30%** year-on-year, keeping rapid and solid growth momentum. The status as industry leader has moved forward a solid step and the comprehensive power has improved obviously, finally Tianneng has ranked **No.15** among top 500 global new energy enterprises, **No.143** among top 500 Chinese enterprises, **No.32** among 500 Chinese private enterprises and **No.1** among top 100 Chinese battery enterprises.



15^位

全球新能源企业500强
Rank 15 Global top 500 New Energy Enterprises



143^位

中国企业500强
Rank 143 China's Top 500 Enterprises



32^位

中国民营企业500强
Rank 32 China's top 500 Private Enterprises



1^位

中国电池行业百强企业
Rank 1 China's top 100 battery industry companies

Major honors of the year

Awards	Awarding agency
National Green Factory (2 Factories)	Ministry of Industry and Information Technology of the People's Republic of China
National Green Supply Chain Management Demonstration Enterprise (2 Enterprises)	Ministry of Industry and Information Technology of the People's Republic of China
National Green Design Product (8 Products)	Ministry of Industry and Information Technology of the People's Republic of China
2018 Intelligent Manufacturing Pilot Demonstration Project	Ministry of Industry and Information Technology of the People's Republic of China
National Supply Chain Innovation and Application Pilot Enterprise	Ministry of Commerce of the People's Republic of China
National High and New Technology Enterprise (5 Enterprises)	Ministry of Science and Technology of the People's Republic of China
National Intellectual Property Superiority Enterprises	National Intellectual Property Administration, PRC
Chinese Patent Excellent Award (2 Awards)	National Intellectual Property Administration, PRC
National Circular Economy Technical Center	China Association of Circular Economy
Energy Management System Authentication	China Quality Certification Center

Awards	Awarding agency
Contribution Award for Quality by the People's Government Of Zhejiang Province	The People's Government of Zhejiang Province
The First Batch of Benchmarking Enterprises with Business Applying Cloud Computing in Zhejiang Province	Economy and Information Technology Department of Zhejiang
Export Famous Brand in Zhejiang Province	Department of Commerce of Zhejiang Province
The Second Batch of Service-Oriented Manufacturing Demonstration Enterprises in Zhejiang Province	Economy and Information Technology Department of Zhejiang



Standard Operation

2.1 Complete Management System

2.2 Protection of Staff's Rights and Benefits

2.3 Protection of Shareholders' Equity

2.4 Protection of Customers' Rights and
Interests

2.5 Protection of Intellectual Property Rights

2.6 Supply Chain Management



Anti-corruption

Tianneng insists to oppose all kinds of behaviors such as corruption, bribery, abuse of power for personal gain and so on, builds anti-commercial bribery mechanism, sets up complaint channels, survey and corrosion prevention mechanism, implements “Sunshine Project” actively, and forges “Incorrupt Tianneng” with all strength. In 2018, Tianneng has revised Monitoring and Management Measures of Tianneng Group and Staff Red Line Management System of Tianneng Group, formulated Operation Management Accountability System of Tianneng Group, optimized supervisory working process, managed people and affairs according to system, and held more than 30 integrity education trainings covering 5000 staff all year round. Besides, Tianneng has enhanced supervision on bidding and large contracts for 350 times all year round.

Safe Establishment

Tianneng sets up special project team for safe establishment, builds great safety system actively, reinforces comprehensive control of internal risk, and constructs a higher safe, harmonious and stable environment which could provide important guarantee for high quality and sustainable development of the company.

Safety Production

Safety production is the precondition and foundation of sustainable development of Tianneng. In 2018, Tianneng has reinforced construction of safety production responsibility system, advanced safety production standard tasks, made great efforts to check and solve hidden danger, pushed safety production systematize, normalize and scientific. In the meantime, Tianneng strengthens construction of emergency rescue system, through prevention and control mechanism of the trinity including people's defense, technical prevention and material prevention, optimizes risk evaluation and monitoring and warning system, and makes sure full coverage of control in the process of production.

Quality Assurance

Tianneng implements quality idea of “Quality First and Customer Orientation” all the time. Recent years, Tianneng has been exploring new path of total quality management and lean management applications, built and put life cycle green quality management system into force. Through unceasing improvement of management, technology and process, the quality of products is more stable and keeps improving, at last, “sealed lead-acid battery for electric bicycle”, “lead-acid battery for electric road vehicles” and a variety of products has passed certification of “Zhejiang Manufacture”, besides, Tianneng had the honor to win “National Quality Credit Benchmarking Typical Enterprise” in 2018.

In regard to quality management, Tianneng pays attention to process control that means each production chain is strictly guarded and controlled from material purchase to finished products in the market.

Tianneng fully implements quality responsibility system, according to overall quality policy, does not only insist on total quality responsibility, but also breaks goals and responsibilities down to every level, commits to each manager of related departments including purchase, technology, manufacture, service and so on.

The quality supervisory team makes irregular tour of supervision for suppliers, on-site quality management of each production base and carries out jobs related to quality improvement.

Meanwhile, Tianneng organizes a series of activities such as “Quality Month”, “Gold-Idea” and so on, strengthens sense of responsibility and quality of the whole staff, improves their abilities of quality management, and then drives products' quality to improve further.

Protection of Staff’s Rights and Benefits

Tianneng regards staff as the biggest fortune of enterprise, respects staff and pays attention to their development, through creating “a Platform, a School, a Family and an Army”, improves staff’s sense of belonging, happiness and accomplishment. In 2018, Tianneng has been rewarded as “National Employment and Social Security Advanced Private Enterprises”.





Basic Employment Protection

Tianneng obeys all regulations in Labor Law, carries out equal employment strictly and makes sure 100% legal compliance. All staff must sign labor contract on entry day and company pays for 5 social insurances and house fund according to the regulations. Staff enjoys marriage leave, pregnancy leave and so on according to law. Company organizes and holds congress of workers and staff each year to discuss big issues related to workers' rights and interests.

At the same time, Tianneng follows Law on Production Safety, Law on Prevention and Control of Occupational Disease and other related laws and regulations, through establishing and completing occupation health safety management system, improves working condition on and on, makes sure to provide a safe, comfortable and healthy working environment. Besides, Tianneng conducts employee occupational health monitoring each year and sets up employee health records.

Talent Development

Tianneng takes talents for the first resource of supporting enterprise development, relying on "Tianneng University", actively builds an enterprise-level talent incubator, puts effort into talent discovery, training and output.

Company pays attention to staff training and carries out all kinds of training activities actively. In 2018, Tianneng has organized top managers to pursue advanced studies, set up financial management practice class for general managers, international talents training camp and so on, which amounts to 45 times of training covering 3000 staff.

Tianneng provides two development channels of management and professional skills, sets up two modes of "Vertical Promotion" and "Horizontal Development", offers more promotion and development opportunities for staff, and helps them realize self-fulfillment.



Salary and Welfares

Tianneng promises to make sure that staff's average income rises gradually in a planned and proportionate way under the premise of enterprise's sustainable development and salary system equipped with competitive advantage than in the same industry all the time.

Tianneng really concerns about staff's life, devotes to solve their basic problems such as house, transportation, children's education and so on by establishing staff dormitories in more than one production bases as well as staff dining halls, besides, provides daily multi-shift, multi-route shuttle service for the convenience of employees.

Personnel Encouragement

Tianneng constantly improves encouragement system, actively explores innovation of mode, forges communities of interest thoroughly, stimulates staff's internal capability fully, and provides impetus for staff to realize higher achievement, create greater value and gain more returns.

Tianneng organizes assessment on advanced and excellent staff, sets up special award of president, quality improvement, award for cost reduction and efficiency increase, honors the best ones and makes grant award publicly.

Community and Culture

Tianneng recruits from all staff to set up multiple communities including Staff Art Troupe, Literature Club and so on, carries out all kinds of activities irregularly in order to enrich the spare time of employees.

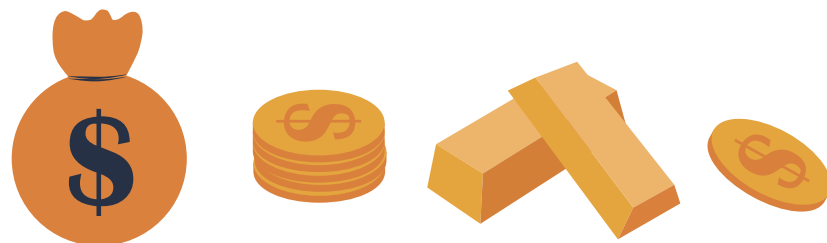
Tianneng launches Strength of Thinking, Tianneng Charters and other cultural theoretical achievements, and organizes and study announcement conference, publishes magazine of Tianneng Staff, opens a cultural forum to enrich staff's spirit and release their internal vigor.

Protection of Shareholders' Equity

In order to maintain the shareholders' legal rights to be informed, Tianneng develops strict information disclosure system and measures. The contents of information disclosure are divided into periodic report and interim report. The periodic report include middle report, yearly report, and social responsibility report and so on; meanwhile, in order to make investors command company operation information, Tianneng achieves the followings:

- 1) Immediate announcement referring to big issues of the company including asset restructuring, merger and acquisition and so on;
- 2) Immediate reply for News Media event and clarification announcement publication for investors to understand the real situation of the incident;
- 3) Tianneng releases voluntary announcement irregularly of the latest development of production and management, such as major cooperation projects, technology breakthrough and company operation and improvement in order to increases investors' confidence for company.
- 4) Updating company news and industry trends monthly so as to make investors command information of company and industry immediately;
- 5) Company provides official website for information disclosure www.tianneng.com.hk which allows investors around the world to command the latest trends of the company;
- 6) Company holds stockholders' conference at least once a year to listen to investors' and stockholders' suggestion and increases communication between listed company and investors.

Besides, Tianneng organizes anti-road show activities irregularly to keep interaction with investors.



Protection of Customers' Rights and Interests

Tianneng insists service idea of "People First and Making Customers Satisfied", meets customers' demand up to the hilt and taking it as main tasks, and provides qualified products and services for customers wholeheartedly.

As for the fact of complaint, company analyzes, studies and judges in time according to national laws and regulations to make rational and viable scheme of rectification and reform which will be implemented after confirmed by the customers until meeting their satisfaction.

Customers

Tianneng owns large sales network and complete aftersales service system, combines technique and quality team to build all-dimensional services.



 **3000** sales service network station

 **700** full-time after sale staff

Tianneng introduces company's technology strength, products performance or directions for product usage to customers respectively and faithfully through advertising, product manual, user's manual and so on.

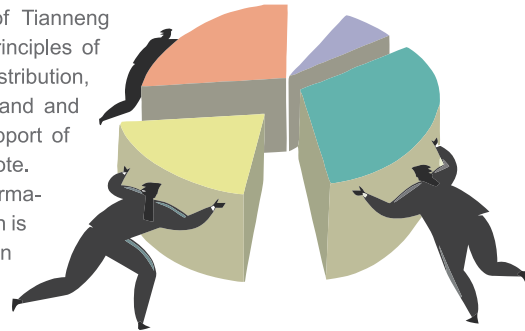
Tianneng carries out market investigation activities irregularly to listen to customers' voices, which makes them indirectly involve in improvement of product performance and quality and make sure its privacy safety.

Tianneng actively develops new products, tries its best to solve actual problems encountered by customers, and meets and surpasses customers' demand and expectation.

Tianneng sets up special institutions, equipped with full time staff against fake to protect customers' rights and interest.

Franchiser

Tianneng builds Franchiser Management System of Tianneng Group and carries on cooperation in line with the principles of “Mutual Benefits and Win-Win”. Within the scope of distribution, franchisers share the right of usage for company brand and sales right for products, while company provides support of products, service and training and helps them to promote. At the same time, Tianneng builds SAP and other information platform, realizes high effective collaboration, which is convenient for franchisers to order online and obtain real-time order information and schedule after sale. Modules of platform keep the data separate in order to make sure the privacy and safety of information.



Comprehensive Response

At the same time when terminal shops provide service offline, Tianneng builds 400 service hotlines, call centers, online stores, website, after sale management platforms of customer sales, email, fax and multiple communication channels, and meets all demands of customers before and after sale through all-dimensional, diversified and timely response.

In order to response to service quickly, Tianneng sets up service branch offices relying on marketing network, equipped with accessories centers, solves complaint problems independently, increases service effectiveness greatly. Company has also built VIP customer service system to provide point to point service for vehicle manufacturers.

Customer Satisfaction Investigation

Tianneng builds complete customer satisfaction management system, carries out customer satisfaction investigation and survey for quality, service, price and related aspects at regular intervals. Meanwhile, Tianneng organizes marketing staff to pay a return visit via measures of telephone, fax, email and interview irregularly to collect customers' opinions and suggestions.

According to the feedback, Tianneng actively carries out self-evaluation for existing problems and shortcomings, organizes special session when necessary, negotiates, makes and implements improvement plan to meet demands of customers.

Overall customer satisfaction comes to 90% above in 2018.

Protection of Intellectual Property Rights

Tianneng sets up department of projects and Intellectual Property Rights management and it is totally responsible for jobs related projects application and Intellectual Property Rights management, makes sure to finish various application jobs with high quality and quantity, meanwhile, takes constantly improvement of high quality and quantity of Intellectual Property Rights as a goal, through reasonable compliance patent layout, actively participates in making standard, deals with affairs of Intellectual Property Rights thoroughly, protects innovation results effectively, and ensures the steady improvement of core competition of enterprise. 525 patent applications and 12 various standard preparations within country and industry have been finished in this year. Up to December 31, 2018, Tianneng has been authorized national patents amounting to 2320, of which 315 patents are for invention, and taken part in making and revising 79 international, national and industrial standards.

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Supply Chain Management

In line with the principle of “Justice and Equity, Operation in Good Faith, Share and Win-Win, Long-Term Cooperation”, Tianneng focuses on global qualified suppliers, optimized supply chain management system thoroughly, and devotes to forge a qualified, high effective and open platform of supply chain.

When developing new suppliers, key factors such as quality, reliability, service, and price and so on are considered. At the same time, Tianneng pays attention to suppliers' performance of enterprise social responsibility and will carry out one-vote veto for those who do not perform social responsibility or not actively.

Tianneng carries on supplier evaluation jobs regularly. If there is any problem with them, Tianneng could give reasonable advices or amendment opinions in time and provide technology, human or funds support when it is necessary, help and urge them to improve. For those who can't meet the requirements of amendment, Tianneng will cancel their qualification of supply according to laws and regulations.

Besides, Tianneng actively explores innovation of mode of supply chain management, vigorously builds industrial collaboration platform, speeds up construction of information, integrates resources comprehensively, and promotes cost decreasing and benefit increasing. “Tianchang Intelligent Operation Platform” has been officially online in 2018.

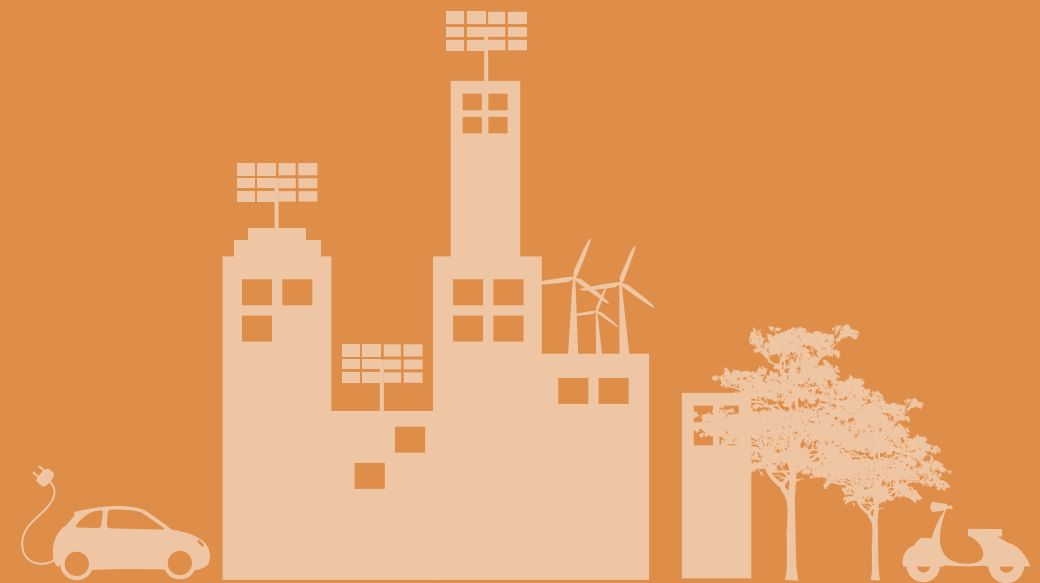
Sustainable Development

3.1 Green Intelligent Manufacturing

3.2 Energy Conservation and Emission
Reduction

3.3 Circular Economy

3.4 Green Development



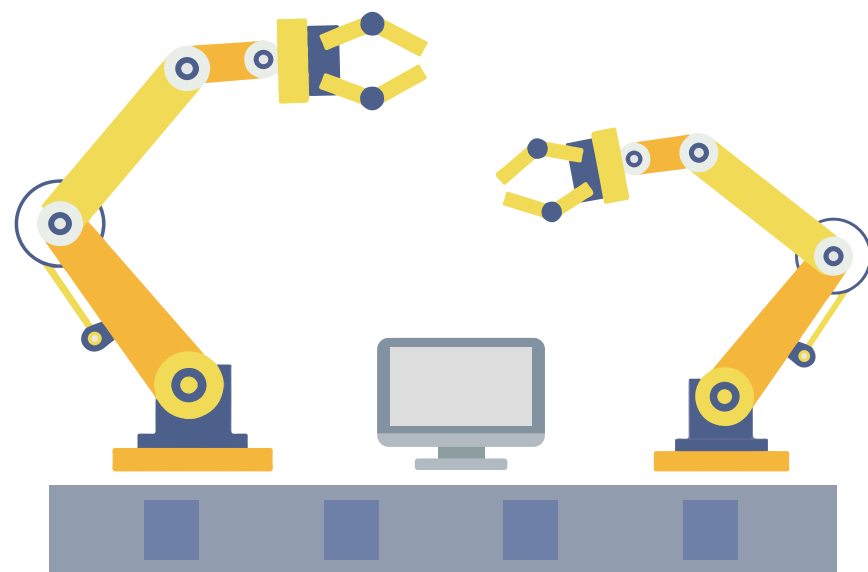


Green Intelligent Manufacturing

Tianneng practices the idea of “Two Mountains” unswervingly, starts with green product, green workshop, green factory, green garden, green standard, green supply chain and so on, runs green development idea through the whole process of designing, manufacturing, packaging, transportation, using and disposal of products, realizes product lifecycle management.

In recent years, Tianneng takes Environmentally Conscious Manufacturing for its main line, actively pushes forward digital transformation, relying on technological innovation, puts efforts into human substitution by machine, integrates informatization with industrialization, with the help of internet, big data, cloud computing and other measures, establishes flexible intelligent manufacturing platform and the platform driven by big data cloud, forges industrial chain of Environmentally Conscious Manufacturing with all strengths, boosts transformation and upgrading of storage battery industry and its green development. Project of “Lead Carbon Battery Digital Workshop” has successfully been on the list of intelligent manufacturing pilot demonstration projects in 2018.

Before this, on the list of three batches of green manufacturing published by Ministry of Industry and Information Technology of the People’s Republic of China, four sub companies of Tianneng were selected on the list of green factories, three were awarded as demonstration enterprise of green supply chain management, and eight products were chosen to be on the list of green design products.



Lifecycle Quality Management

Tianneng builds Lifecycle Quality Management of “One Core, Two Driving Forces, Four Modernizations” actively through technological innovation and management innovation, driven by customer and technology, advances enterprise development of “Industrial Ecology, Innovation Systematization, Ecological Intelligence, Management Informationization”, opens up a road for sustainable development of manufacturing, and plays an demonstration role for the whole lead-acid battery industry on quality, operation, management and related aspects.

Energy Conservation and Emission Reduction

Tianneng advocates harmonious development of enterprise and environment all the time, runs idea of green ecology development through Product Lifecycle Management from product design to disposition, through innovation measures of automatization and intelligence of equipment, constantly improves levels of cleaner production, consolidates green and high quality sustainable development.

Tianneng follows development planning of industry and trade, innovates EHS management system, insists on energy conservation and emission reduction, pushes forward pollution prevention solidly, makes great efforts to wipe out the “three wastes” in the midst of the process. The establishment of professional team even more guarantees ecological environment construction and smooth going of safety production works powerfully.

Tianneng follows development planning of industry and trade, innovates EHS management system, insists on energy conservation and emission reduction, pushes forward pollution prevention solidly, makes great efforts to wipe out the “three wastes” in the midst of the process. The establishment of professional team even more guarantees ecological environment construction and smooth going of safety production works powerfully.

Water Recycling

Tianneng pays high attention to protection of water resources, pushes forward circular using of resource actively, adopts advanced water recycling technology, through sedimentation and purification, circularly utilizes industrial waste water and therefore widely reduces use of purified water and discharge of wastewater.

Tianneng is practicing green development idea of “Green Hills and Clear Waters are Gold and Silver Mountains” through action.



Circular Economy

Tianneng performs responsibilities and extended obligation actively, as early as 2009, has invested to build circular economy industrial park, and forged international advanced harmless recycle base of waste battery and recycled lead demonstration project actively.

At present, Tianneng has set up a standardized working mode of lead-acid battery recycling and a standardized system of lead-acid battery recycling circular economy, built a closed-loop green industry chain integrating production, recycling, smelting and re-production, realized more than 99% of metal recovery rate of waste battery, 99% of recovery rate of plastic and 100% of spent acid.

In the meanwhile, Tianneng promotes and replicates the operation mode of Tianneng Cycle Industrial Park on a national scale, speeds up reasonable layout in mature areas, and constantly expands the recycling business segment.

Construction of Recycling System

In recent years, as the large-scale application of lead storage battery in the fields of electric bicycles, automobiles and storage energy, lead storage battery and recycled lead industry has developed rapidly. The recycle and reuse of waste lead storage battery has high value for resource and environment. Relevant state departments has revised and introduced a series of policy and measures, laws and regulations, particularly the promulgation and implementation of "System Pilot Work Scheme of Centralized Collection and Cross-Regional Transshipment of Lead Storage Battery by Production Enterprises" has further standardized and completed recycling system of waste lead storage battery, and has provided important guarantee for healthy and orderly development of this industry.

Tianneng executes in strict rotation in relevant state policy and requirement, explores new path for recycling of waste lead storage battery actively, relying on current sales network, self-owned recycling company, integrates external qualified resources and expands recycling business of waster lead storage battery, speeds up the construction of large logistics, forges stereomodel of combination of self-recycling, joint recycling and recycling delegation. Currently, Tianneng has reached strategic cooperation with recycling, disposition and transportation companies in national key provinces and cities.

Green Development

New energy lithium battery industry is ready to move on. In 2018, Tianneng has finished construction of Battery Cell workshop intelligent manufacturing project, and a variety of products has passed the authentication at provincial level. "Ternary Material Lithium Ion Battery for Electric Vehicles" products gain authorization of usage for brand logo of "Pin". Meanwhile, a series of products such as high-capacity lithium battery, soft-package battery, battery cell, Pack and so on have been developed and come into mass production in order to meet new international demand and market demand.

In the fields of photovoltaic, stored energy and intelligent microgrid, Tianneng has made substantial progress and built distributed photovoltaic power station, first commercial intelligent microgrid lead charcoal energy storage power station and multiple projects, among which distributed photovoltaic power station has been successfully connected to the grid and could realize annual energy output of 2,520,000 kilowatt hours, save standard coal of 881 tons, reduce carbon emission of 2438m³ and sulfur dioxide emission of 73.375 tons. 150KW/1.6MWh project of commercial intelligent microgrid lead charcoal energy storage power station guarantees that customers' electric power increases capacity of 120KW, reduces impact on the power grid and local grid failure rate. 1MW/8MWh project of intelligent microgrid lead charcoal/lithium battery storage power station is also in an orderly advancement.

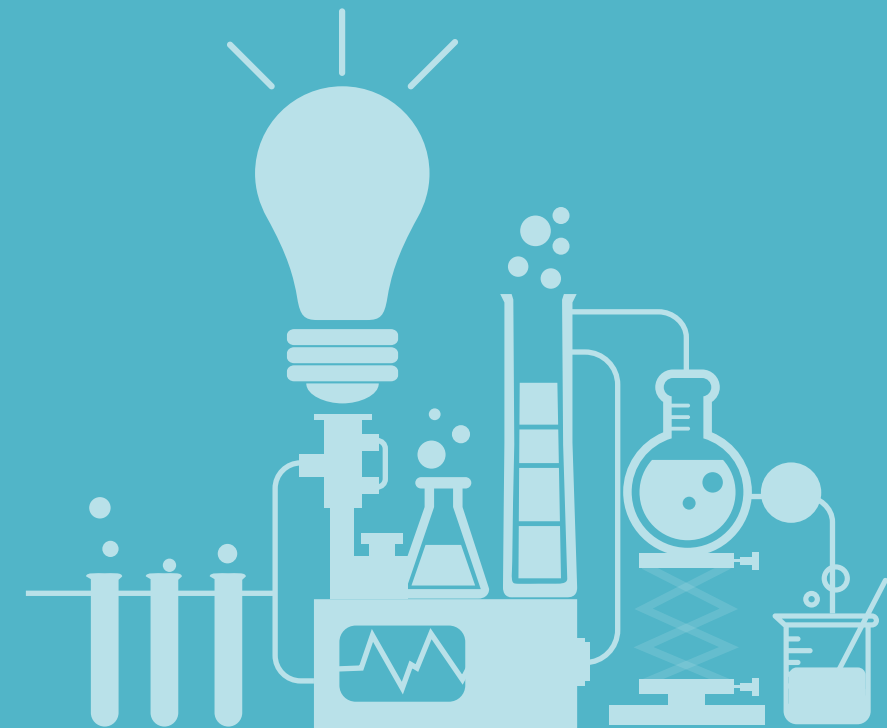
At the same time, in order to optimize upstream and downstream value chain of new energy industry, create green industry ecology system together, and realize harmonious development of enterprise itself, enterprise and industry, enterprise and environment, Tianneng integrates new energy, new materials, equipment manufacturing, intelligent manufacturing, scientific information service and related projects, and forges green manufacturing industry garden with all strength. At present, the overall construction of the project is in good condition. In October 2018, Tianneng has signed another agreement of project for recycling and reuse of lithium battery with total investment of 600 million on the project signing ceremony of Changxing International Investment and Trade Fair.



Technological Innovation

4.1 Self-dependent Innovation

4.2 Systematic Cooperation in
Production, Learning, Scie-
ntific Research and Practical
Application



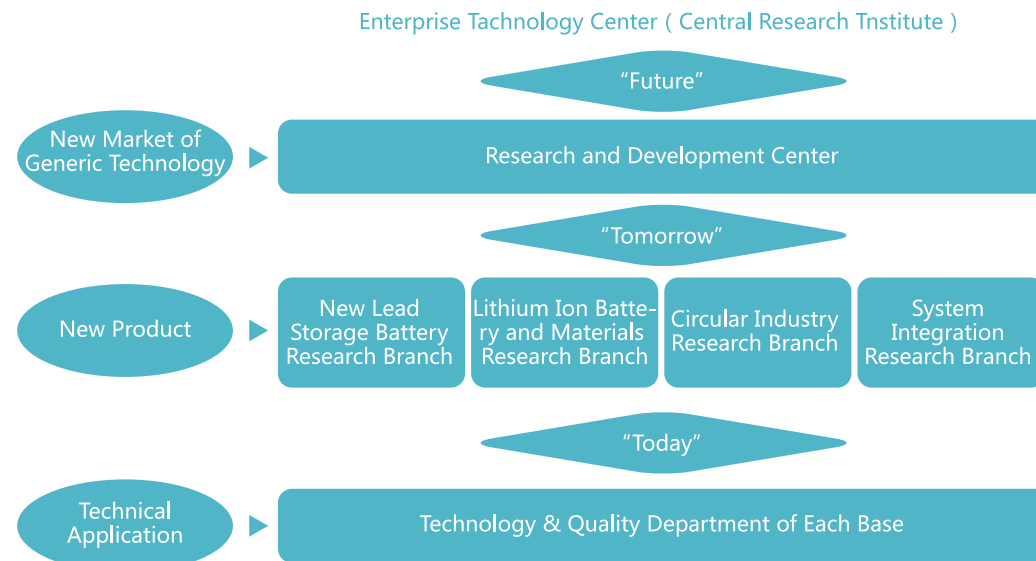


Self-dependent Innovation

Tianneng insists on self-dependent innovation, sets up National-Recognized Enterprise Technology Center, National Postdoctoral Research Station, Provincial Academician Expert Workstation, National Renewable Lead Engineering Research Center and multiple high-level technology innovation platforms, carries out prospective fundamental research and application study for new energy power battery, new energy power material and waste battery recycling clean production technology.

Tianneng Group builds three-tier R&D architecture of "Research Institute, Research Branches, Technology & Quality Department" of trinity, makes a series of system including technology check and evaluation, share, encouragement and so on, implements process management, constantly pushes forward platformization, normalization and systematization of research and development, acquires a series of technology achievements, realizes iteration and updating of products, meanwhile drives high quality and effective development of industry.

Tianneng pays attention to technology evaluation and development all the time, through studying, digestion and absorption of advanced technology of industry domestic and overseas, combines practical application of independent innovation, constantly promotes technological innovation and progress, in order to make sure that core technology reaches international advanced level.



Systematic Cooperation in Production, Learning, Scientific Research and Practical Application

Tianneng moves around the access to scientific and technological innovation and industrialization of scientific research achievements, uses technology, capital, and talent as a link, strengthens cooperation of all kinds of innovative subjects, promotes close integration of production, learning, scientific research and practical application, and builds multi-party collaborative innovation community.

Tianneng has built wide range and multidisciplinary cooperation by production, study and research with famous universities and research institutions at home and abroad including University of Berlin, University of Wollongong, Harbin Institute of Technology, Zhejiang University, Zhejiang University of Technology, Nanjing University, Shenyang Battery Research Institute, International Advanced Lead-acid Battery Association (IALABC) and so on, as well as Chery, Kandi and other new energy vehicle companies. Working together on research and development of new energy industries, Tianneng has achieved a series of results on key research and development, and results promotion of new energy power battery, lithium ion battery, solar battery, fuel cell and other projects.

In 2018, Tianneng has finished reviewing and acceptance of six major projects at national and provincial level, broken through a patch of core technology such as power battery, positive electrode formula, battery specific energy, new materials and so on. Multiple projects were chosen as provincial key research and development plan project respectively, and obtained preferred funding by post-doctoral research projects. Academician expert workstation has been awarded provincial excellence.



Contribute to the Society

5.1 Industrial Poverty Alleviation

5.2 Joint Development of Villages
and Enterprises

5.3 Public Benefit and Charity





Industrial Poverty Alleviation

In recent years, Tianneng has played its demonstration and leading role in industry at the same time of rapid development, integrated industrial investment into precise poverty alleviation, taken root in poverty-stricken areas, successively invested and built multiple projects in provinces such as Henan, Anhui, Guizhou and so on, through absorbing local employment, introduced advanced technology and business management level, driven the development of surrounding industries, promoted local economic development and helped poor areas to fight poverty.

In 2018, Tianneng has walked into Taijiang County, located Southeast of Guizhou Province, a national poverty-stricken county in Zhejiang Province, and built Tianneng Group (Taijiang) Circular Economy Industrial Park Project which mainly develops and produces various new type of sealed power lead storage batteries for electric vehicles and special electric vehicles, new large-capacity sealed lead storage batteries for wind energy solar energy storage, electric vehicle and accessories manufacturing, harmless recycling and using of used lead storage batteries, etc.

After the project is completed, it could absorb nearly 2000 employed persons, and more than 600 low income family members as expected, meanwhile, promote the coordinated development of upstream and downstream production, logistics, commerce and trade in Taijiang county, and realize more interest-linked employment out of poverty. It is expected to drive more than 500 poor people to work.



Figure 1 Tianneng Group (Taijiang) Circular Economy Industrial Park Project



Figure 2 The "Joint Development of Villages and Enterprises" Spring Festival Sodality



Joint Development of Villages and Enterprises

In the process of development and expansion of enterprise, Tianneng Group has built win-win platform of "Joint Development of Villages and Enterprises" with Xinchuan Village, Meishan Town, Changxing County, in this way, it does not only absorb villagers to be engaged in working in factory, but also guide them to open supporting factories, work on battery marketing, after-sale maintenance service and lead the villagers to work hard to get rich and strive to prosper.

According to incomplete statistics, Tianneng has solved employment of more than 5000 villagers for Xinchuan village and surrounding areas. Two thirds of the villagers are engaging in jobs related to Tianneng, furthermore, many of them are not only the staff of Tianneng, but also the stockholders, which makes their money bags quickly bulged. Currently, the average annual income of villagers in Xinchuan village has passed 100,000 RMB Yuan.

Tianneng takes part in public welfare establishment in villages actively, donates to schools, helps and supports the poor, takes the initiative to do practical things, do good things and solve problems, and donates at least 1 million each year to Xinchuan village. Cumulative donation has reached 40 million which are used for infrastructure construction including road and school construction, sewage treatment, etc. Xinchuan village now has nearly 100% of compulsory education enrollment rate, social security participation rate, public toilet renovation rate, garbage disposal rate, and clean energy utilization rate, and 40% of village greening rate. Besides, earth satellite station is built in the village, and two rebuilt kindergartens.

Nowadays, Xinchuan village owns beautiful, clean and tidy scenery, and villagers live a rich and colorful cultural life. Xinchuan village has successively acquired honorable titles of "Huzhou City Civilization Demonstration Village", "Zhejiang Health Village", "Zhejiang Comprehensive Well-off Demonstration Village", and become a model of a new socialist countryside.

Public Benefit and Charity

Tianneng's activities of public benefit and charity mainly focus on disaster relief, poverty alleviation and volunteer service and so on. Company has set up Tianneng non-profit fund in 2016, extracted 0.02 RMB Yuan from per Tianneng battery sold from the secondary market, which effectively helps the win-win partner and cooperative partner to solve problems.

Meanwhile, through measures of enterprise investment and staff donation and so on, Tianneng has set up "Love Fund" which provides economic support for workers' families and their relatives who have difficulties in living.

On the second "Volunteer Service Expo of Learning from Lei Feng" in Changxing County held on March 5th, Tianneng invested 100,000 Yuan to help Changxing County Ethical Fund to be established.

Unfortunately, win-win partner Peng Libao in Ganzhou of Jiangxi suffered a fire on July 17th and caused economic losses of nearly 10 million RMB Yuan. Company sent people to the scene for condolences and applied for Tianneng Public Welfare Fund for assistance, meanwhile, launched a donation activity on official platform and collected more than 400,000 on the same day, so as to rebuild his dream and hope.

In August, Tianneng Staff Art Troupe walked into Center Nursing Home of Meishan, sent a cool summer to the lonely grandparents in the mountains and talked about household words with constant warmth left.

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Reader’s feedback form

Dear readers,

Thank you for reading this report. We would like to hear your comments and Suggestions on this report so that we can continue to improve our social responsibility work.

1. What is your overall assessment of Tianneng Social Responsibility Report?

☐very good ☐good ☐general ☐poor

2. Do you think the information disclosed by Tianneng Social Responsibility Report is clear and accurate?

☐yes ☐general ☐no

3. Did you get the information you need from Tianneng Social Responsibility Report?

☐yes ☐general ☐no

4. How do you think the Tianneng Social Responsibility Report plays a role in the communication between the company and its stakeholders?

☐a lot ☐general ☐little

5. How do you think the Tianneng Social Responsibility Report has responded to and disclosed the concerns of stakeholders?

☐very high ☐high ☐general

6. Do you think the contents of this report typesetting and layout design is conducive to reading?

☐yes ☐general ☐no

Open questions:

1. What is your most satisfied aspect of this report?

2.What social responsibilities do you want us to disclose?

3.Do you have any Suggestions on how to improve our future social responsibility work and social responsibility report?

You can also choose the following contact information to feedback your opinion:

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