



鞍 鋼 股 份 有 限 公 司
ANGANG STEEL COMPANY LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 00347



2020

Social Responsibility and Environmental, Social and Governance Report

* For identification purposes only

Preface

REPORTING PERIOD

The information covered by the Report is for the period from 1 January 2020 to 31 December 2020, and part of the content is traced back to other years as appropriate.

SCOPE OF THE REPORT

Angang Steel Company Limited* (鞍鋼股份有限公司) (the “Angang Steel” or “Company”, which includes subsidiaries) is the reporting entity.

RELEASE CYCLE

This report is a yearly report.

ABOUT THIS REPORT

Angang Steel Company Limited* is the reporting entity for the preparation of the 2020 Corporate Social Responsibility Report and the Environmental, Social and Governance Report of Angang Steel Company Limited* (hereinafter referred to as the “Report”), which discloses the performance of the Company in respect of social responsibilities such as responsible business operation, employee rights, environmental protection and green development and social welfare in 2020 in an objective, true and systematic manner and acts as a platform for communication with all stakeholders, and under the supervision and inspection of the government departments and regulatory authorities while paying attention to the comments on the Company from the public and the media.

MAJOR REFERENCE STANDARDS FOR THE REPORT

Environmental, Social and Governance Reporting Guide (Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”))

Guidelines for the Standardised Operation of Companies Listed on the Shenzhen Stock Exchange (revised in 2020)

Guidelines of the Shenzhen Stock Exchange on Listed Companies’ Handling of the Business No.2 — Matters Related to the Disclosure of Periodic Reports (《深圳證券交易所上市公司業務辦理指南第2號—定期報告披露相關事宜》)

Guidance on Social Responsibility (GB/T36000–2015)

Preface (Continued)

ASSURANCE OF THE REPORT

Unless otherwise specified, this Report describes the business performance of Angang Steel. The amounts are denominated in Renminbi (RMB) in this Report.

PUBLICATION OF THE REPORT

This Report is released to the public in an online version which is available at the websites of CNINFO at <http://www.cninfo.com.cn> and Hong Kong Stock Exchange at <http://www.hkexnews.hk>.

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Chapter I Company Overview

Angang Steel, established on 8 May 1997 by Anshan Iron & Steel Group Co. Ltd. (“Angang Holding”) as its sole promoter, is listed on Hong Kong Stock Exchange and Shenzhen Stock Exchange, respectively. The registered capital of the Company amounts to RMB9,405 million. Its legal representative is Mr. Wang Yidong. The Company is a large domestic enterprise of steel production and sales, mainly engaging in ferrous metal smelting and steel rolling processing, and sales and services of related products.

The Company mainly produces 18 major types of steel, including steel for railway, heavy section steel, small and medium section steel, steel bar, rebar, wire rods, extra thick plates, thick plates, medium plates, hot-rolled sheets, cold-rolled sheets, medium-thick and wide steel band, hot-rolled thin and wide steel band, cold-rolled thin and wide steel band, galvanized steel sheets and band, coating plates and band, electrical steel plates and band and seamless pipes divided into over 700 product categories, more than 2,000 steel grade numbers and over 60,000 specifications. These products are widely used in industries such as machinery, metallurgy, petroleum, chemical industry, coal, electric power, railway, shipbuilding, automobile, construction, home electrical appliances and aviation. A total of over 100 products are honored with the title of products famous for high quality at provincial level or above, of which, railway steel rail, steel plate for hull structure and container plate are rated as China’s Top Brand products.

The Company has obtained certifications for the GB/T19001 Quality Management System, GB/T24001 Environmental Management System, GB/T45001 Occupational Health and Safety Management System and GB/T23331 Energy Management System. Its steel for shipbuilding was certified by the classification societies in 9 countries. Its steel for automobile was certified for IATF16949, European CE certification and Japanese JIS certification. The quality inspection and measurement center, the department responsible for raw material and product test of the Company, has been accredited by China National Accreditation Service for Conformity Assessment (CNAS), is equipped with a number of internationally advanced detection facilities and therefore is able to carry out physical property tests and element content analysis and inspection according to such domestic and international standards as ISO, ASTM, JIS, BS, DIN, NF, API and GB.

As at 31 December 2020, the Company had 31,512 employees with 27,857 on-the-job employees. In 2020, the Company produced 25,873,000 tons, 26,477,000 tons and 24,574,600 tons of iron, steel and steel products respectively.

Chapter I Company Overview (Continued)

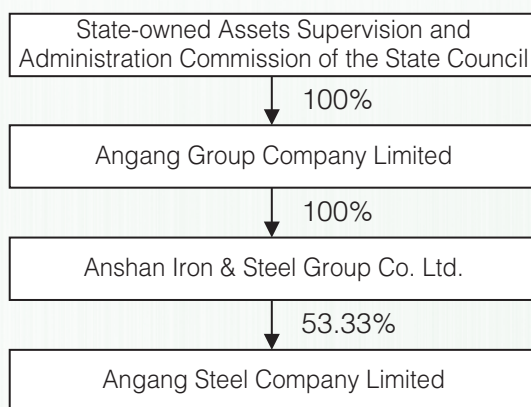
In 2020, in the face of the intricate and complicated situation both domestic and abroad, the arduous task of reform and development, and the sudden impact of the pandemic, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Angang Steel thoroughly studied and implemented the spirit of the 19th National Congress of the Party and the Central Economic Work Conference, and successfully completed the tasks and objectives of the whole year. The Company achieved a milestone victory in the pandemic prevention and control, achieving “Double Zero” (i.e. zero confirmed and zero suspected cases) with its strict prevention and control; deepened its reform to release new vitality for development and built a differentiated control system; made new breakthroughs in technological innovation and continued to enhance its innovation capability; achieved new results in market development and increased market share of key products; accelerated the pace of smart manufacturing and improved management standards; achieved obvious results in environmental management and realized zero complaint by letter from environmental protection inspectors in the main plant areas; achieved new results in joint construction and sharing work and greatly enhanced employees’ sense of achievement. The Company performed the duty in fulfilling the social responsibility, and energetically safeguarded interests and rights of the shareholders, creditors, employees, suppliers and customers. The Company has faithfully fulfilled its corporate social responsibility in the aspects of environmental protection, sustainable development, public relations, social and public welfare establishments, targeted poverty alleviation, etc., so as to give back to the society with all initiatives. In 2020, the Company won a decisive victory in the battle against poverty, achieved poverty alleviation in all the areas it helped, completed its poverty alleviation tasks as scheduled, and was honored with the award for organizational innovation in poverty alleviation in Xinjiang Uygur Autonomous Region in 2020. Angang Steel stood out from over 4,000 listed companies and was awarded the “Social Responsibility Award for Listed Companies in China” in the “14th Session of Value Rating of Listed Companies (第14屆上市公司價值評選)” in 2020.

Chapter II Protection of Shareholders' Rights

(I) CORPORATE GOVERNANCE

The controlling shareholder of the Company is Angang Holding. Angang Holding is an enterprise solely funded by the state. Its legal representative is Mr. Wang Yidong.

The following chart sets out the relationship between the Company and its de facto controller.



In strict compliance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange and the relevant requirements of the CSRC as well as the relevant laws and regulations, the Company has formulated the Articles of Association of the Company, the Rules of Procedure for General Meetings, the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Supervisory Committee, the Working System for Independent Directors and other rules and regulations, which have specified the duties and authorities, procedures and obligations of general meetings, the Board of Directors, the Supervisory Committee and the management in respect of decision-making, supervision, execution, etc., thereby forming a governance mechanism of reasonable division of labour, clear authorities and responsibilities and mutual balance among the authority body, the decision-making body, the supervisory body and the operation body.

The Board of Directors of the Company is responsible for formulating and reporting on the Company's environmental, social and governance strategies. The social responsibility governance is integrated with the corporate governance structure of the Company, covering different aspects of the Company including its functional departments and business units from the Board level to the management level.

Chapter II Protection of Shareholders' Rights (Continued)

(II) CONVENING OF GENERAL MEETINGS, THE MEETING OF THE BOARD OF DIRECTORS, AND THE MEETING OF THE SUPERVISORY COMMITTEE

In order to protect the rights and interests of its shareholders, the Company convenes general meetings at appropriate time and venue according to the relevant requirements and notifies its shareholders in a timely manner. The general meetings are convened by way of on-site voting as well as online voting to ensure that the shareholders can exercise their rights in accordance with the law and effectively promote the standardized operations of the Company. In 2020, the Company convened four general meetings in total, at which 22 resolutions were considered and approved including the "Profit Distribution".

The Board of Directors comprises eight Directors including four executive Directors and four independent Directors. The number of the independent Directors accounts for 50% of the members of the Board of Directors. The composition of the Board of Directors complies with the requirements of relevant laws, regulations and normative documents. The Board of Directors of the Company has established four special committees, which are all comprised of Directors. In particular, the majority of the members of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee are independent Directors who are also the conveners. There is at least one independent Director in the Audit Committee who possesses professional qualifications in accounting. Each of the special committees is accountable to the Board of Directors and submits proposals to the Board of Directors for consideration and approval. In 2020, the Company convened a total of 21 Board meetings, at which 69 resolutions including the "Repurchase of Shares" were considered and approved.

The Supervisory Committee comprises three supervisors, including one employee supervisor, and two shareholder supervisors. The number of employee supervisor accounts for one-third of the members of the Supervisory Committee. The composition of the Supervisory Committee is reasonable and complies with the requirements of relevant laws, regulations and normative documents. In 2020, the Company convened a total of nine Supervisory Committee meetings, at which 15 resolutions including the "Election of Chairman of the Supervisory Committee" were considered and approved.

Chapter II Protection of Shareholders' Rights (Continued)

(III) INFORMATION DISCLOSURE

The Company performs the obligations regarding information disclosure in strict compliance with the relevant laws and regulations as well as the relevant requirements of the Shenzhen Stock Exchange and Hong Kong Stock Exchange. The Company actively complied with the stricter requirements of information disclosure supervision, continuously optimized the business process of information disclosure, and effectively guaranteed the quality of information disclosure. The Company makes truthful and detailed disclosure of the important matters such as its business performance, profit distribution and related transactions to the investors via China Securities Journal, the Securities Times, the CNINFO website and the website of the Hong Kong Stock Exchange in order to inform investors of the Company in a timely manner and safeguard the legitimate rights and interests of investors. In 2020, the Company published 4 regular reports and 60 announcements to the public in total.

(IV) PROFIT DISTRIBUTION

The Company understands the great importance of investment returns to the investors and has formulated a long-term profit distribution policy in view of stability. In 2012, pursuant to the Notice regarding Further Implementation of Cash Dividends Distribution of Listed Companies《關於進一步落實上市公司現金分紅有關事項的通知》issued by the CSRC, the Company made amendments to the Articles of Association of the Company, which defined the basic principle of the profit distribution, the specific details of the profit distribution policy and the consideration and approval procedures for the profit distribution plan, and specified in the Articles of Association of the Company that “the profit distribution by way of cash shall be no less than 10% of the distributable profit recorded by the parent company for the year”.

On 28 May 2020, the profit distribution plan for 2019 was considered and approved at the general meeting of the Company. In 2019, the earnings per share amounted to RMB0.19 and the Company distributed cash dividend of RMB0.057 per share. Cash dividends accounted for 30% of the annual net profit attributable to shareholders of the Company. On 30 June 2020, the Company implemented the profit distribution plan for 2019 to all shareholders, distributing the cash dividends with an aggregate amount of RMB536 million.

Chapter II Protection of Shareholders' Rights (Continued)

(V) REPURCHASE OF SHARES

On 26 November 2020, the Resolution on Repurchase of A Shares Held by the Public was considered and approved by the Board of Directors of the Company. Based on the Company's firm confidence in the long-term intrinsic value, in order to enhance investors' confidence in the long-term investment in the Company, and considering the Company's operating conditions and financial position, the Company intends to repurchase part of its A shares held the public with its self-owned funds. Upon completion of repurchase of part of the A shares, such part of A shares will be used to implement the share-based incentives or employee stock ownership schemes to further motivate the team and effectively align the interests of shareholders, the Company and the employees, and promote long-term and healthy development of the Company. The total amount of funds for the repurchase will not be less than RMB105 million (inclusive) or more than RMB210 million (inclusive), and the total number of A shares to be repurchased is expected to range from 30 million shares to 60 million shares, representing approximately 0.32% to 0.64% of the Company's current total issued share capital.

As of 24 December 2020, the Company had completed the repurchase and actually repurchased 52,450,023 shares of the Company, representing 0.56% of then total share capital of the Company, using funds of RMB165,655,091 (excluding transaction costs) in total. There is no difference between the actual implementation of the plan of repurchase of A shares and the originally disclosed plan of share repurchase, and the Company has completed the repurchase according to the plan disclosed.

(VI) COMMUNICATION WITH INVESTORS

The contact with investors was deepened through holding online results conferences, participating in strategic meetings organized by securities firms and receiving investor visits by the Company. In 2020, the Company organized a total of nine activities in connection with investor relations, conducted communications with 55 investors from 41 institutions, interacted with investors on issues such as the industry prospects, production and operation conditions, and passed on the Company's value information. In addition, the Company also communicated with the investors by responding to enquires from the investors on the online interactive platform and answering telephone enquiries from the investors through a hotline, thereby ensuring an unimpeded communication channel between the Company and the investors. The Company strictly complied with the Guidelines for Fair Information Disclosure of Listed Companies, and the issues communicated were based on the announced information of the Company.

Chapter III Protection of Employees' Rights

I. OVERVIEW ON EMPLOYEES

As at 31 December 2020, the Company had 31,512 employees with 27,857 on-the-job employees, among whom 2,265 were in managerial positions, 2,992 were in professional and technical positions, 22,600 were in production and service positions. The Company had 2,724 female on-the-job employees, accounting for 9.78% of the total on-the-job employees. The Company had 13,348 on-the-job employees aged 45 or below, accounting for 47.92% of the total on-the-job employees.

As at 31 December 2020, the Company had 29,905 employees with an education level higher than technical secondary school, accounting for 94.9% of the total employees, among whom 9,374 employees had a bachelor's degree or above, accounting for 29.75% of the total employees; 8,906 were college graduates, accounting for 28.26% of the total employees; 11,625 employees graduated from technical secondary schools, accounting for 37.92% of the total employees. The Company had 1,104 employees with middle or senior technical titles, accounting for 3.6% of the total employees, and 10,871 employees with high technical ability (senior personnel and above), accounting for 35.46% of the total employees.

In 2020, the Company recruited 92 fresh graduates from colleges or above, accounting for 0.28% of the on-the-job employees as at the beginning of 2020, and terminated employment contracts for 56 employees, accounting for 0.18% of the on-the-job employees as at the beginning of 2020.

II. PROTECTION OF EMPLOYEES' RIGHTS

The Company safeguards the relevant interests and rights of employees in accordance with laws and has formulated the Management Measures on Labour Contracts pursuant to the Labour Law, the Labour Contract Law, the Implementation Regulations of Labour Contract Law and other laws and regulations, and has entered into labour contracts with all the employees with labour relations, which specify the rights and obligations of both the Company and the employees, and has strictly enforced such rules. In compliance with the relevant national laws and regulations, the Company protects the legitimate rights of its employees and prohibits the use of child labour and forced labour. The Company always adheres to the principle of granting reward according to work accomplished and implements an equal pay for equal work policy with equal employment opportunities. There is no discrimination policy towards gender, age, illness, race and religion. The Company has prepared and issued the relevant measures for management of national secret and business secret-related personnel to practically fulfill the obligation of keeping national secrets.

Chapter III Protection of Employees' Rights (Continued)

II. PROTECTION OF EMPLOYEES' RIGHTS (CONTINUED)

Pursuant to the requirements on insurance policies at the national, provincial and city level, the Company has established such employee insurance system as basic pension insurance, basic medical insurance, etc., as well as a supplementary medical insurance system, thereby forming a four-in-one medical protection system comprising the basic medical insurance, the over-limit medical insurance, the supplementary corporate medical insurance and the medical relief fund. The Company has implemented the corporate annuity scheme. The Company has made timely contributions to various insurance policies in a full amount and provided welfare expenses as stipulated to improve employee benefits. According to the law, the employees are entitled to paid annual leave, family leave, leave for marriage or funeral, maternity leave and other holidays. The pay for overtime and holiday work of employees is in compliance with the relevant policies of the government and the Company.

The Company always enters into and fully fulfils the Collective Contract and the Specialized Collective Contract for Protecting Rights and Benefits of Female Employees as the important measures for maintaining a harmonious labour relationship as well as protecting legitimate rights of employees and special interests of female employees. The coverage of collective contracts has reached 100%. The Company has strengthened the inspection and supervision of the performance of collective contracts to ensure the performance of the legitimate rights of employees. The Company conducted inspection of the performance of the Collective Contract and the Specialized Collective Contract for Protecting Rights and Benefits of Female Employees by grass-roots units in terms of labour deployment, remuneration, working hours and rest and leave, staff education and training, insurance and welfare benefits, protection of female employees' rights, occupational safety and health and other aspects and reported the performance of Collective Contract to the employee representative meeting. In strict compliance with the Special Rules on the Labour Protection of Female Employees, Rules on the Prohibited Scope of Labour of Female Employees and other requirements as well as the terms of the Company in respect of the management measures on the labour protection of female employees, the Company achieved equality between male and female in terms of equal pay for equal work, vocational education, technical training, promotion, participation in corporate democratic management and other aspects. The Company offered "two diseases" general examinations, with the coverage of 100%, and special physical examinations for all female employees to reduce the incidence of gynecological cancers of female employees and effectively maintain the physical health of female employees. The Company has also purchased "Ankang Insurance (安康保險)" for female group covering 2,744 female employees. 6 female employees made claims and received compensation of RMB300,000 in total.

Chapter III Protection of Employees' Rights (Continued)

III. RELATIONSHIP BETWEEN THE EMPLOYEES AND THE COMPANY

1. Employees' Participation in Democratic Management

The Company has implemented the Opinion on Establishing Harmonious Labour Relations issued by the central government and the State Council in a conscientious and consistent manner and strengthened the establishment of corporate democratic management system in a basic form of employee representative meetings. In particular, the Company focuses on the democratic management while deepening the reform to ensure that the works are carried out according to the laws and regulations under standardised procedures without any flaws and mistakes. The Company convened the 19th meeting of the first session of employee representative meeting to consider and approve 12 items including the administrative work report of the Company and the employee training scheme for the year 2020, 100% of which was considered. In particular, polls were conducted in respect of the items related to the vital interests of employees, including the Use of Welfare Expenses for the Year 2020 (Draft) and Measures on Performance and Remuneration Assessment for the Year 2020 (Draft). The Company convened review the proposals from the employee representatives to so as to evaluate the proposals received and file such proposals for further handling and then give feedback to the ground-level units and the relevant employees in a timely manner, while reporting the results at the annual employee representative meeting. The Company has handled all the proposals from the employee representatives as well as the opinions and suggestions. The Company fully implemented an open system for factory affairs to broaden the channel for disclosure of factory affairs. The Company also facilitated the disclosure of affairs of the basic working zones and teams. After consideration and evaluation by the employee representatives, the satisfaction rate for the implementation of the open system for factory affairs reached 100%. The Company conducted democratic consideration and evaluation on the performance of the leaders and cadres and achieved full rating coverage for the former.

Chapter III Protection of Employees' Rights (Continued)

III. RELATIONSHIP BETWEEN THE EMPLOYEES AND THE COMPANY (CONTINUED)

2. Working Together to Build a Happy Enterprise

The Company always focuses on the comprehensive development of corporate activities for labour relations to establish new-type labour relations which are standardised and orderly, fair and reasonable, mutually beneficial and harmonious and stable so as to protect the legitimate rights of the Company and its employees and in turn to pursue healthy growth of the Company. The Company has pushed forward the implementation of various works for establishing harmonious labour relations, including furthering disclosure of factory affairs, implementing collective negotiation and collective contract systems and strengthening the mediation mechanism for labour conflicts. The Company has conducted a special activity called "Online Questions for Company (網絡問企)" to establish a channel for employees to give opinions, suggestions and appeals and motivated them to participate in democratic management. 64,416 opinions and suggestions were given by the employees via the "Online Questions for Company (網絡問企)" platform throughout the year, of which 56,488 passed preliminary approval and were replied and settled. The Company has set up a labour dispute mediation committee to learn the development of labour disputes in a timely manner and strengthen the efforts in handling letters and visits of employees as well as labour disputes in order to maintain an unimpeded channel for the employees to express their opinions, mediate labour conflicts in a timely and effective manner, resolve the conflicts at early stage and solve the issues at the basic level. The Company adheres to implementing the democratic management reception day, the contact point system of the management members and regular symposiums between the team leaders and team members, inspection of employee representatives and other matters to have better knowledge of employees' needs, listening to employees' opinions and respect employees' aspiration. The opinions and suggestions proposed by the employees are studied and the existing problems are rectified and solved.

Chapter III Protection of Employees' Rights (Continued)

III. RELATIONSHIP BETWEEN THE EMPLOYEES AND THE COMPANY (CONTINUED)

3. Focusing on Employees' Occupational Health

The Company has placed great emphasis on the labour protection for employees and thoroughly publicized and implemented the Labour Law, Work Safety Law, Law on Prevention and Control of Occupational Disease, Trade Union Law and other relevant laws and regulations. Intensified efforts have been exerted on up-to-standard infrastructure construction for standardization of safety production of shifts. In the campaign themed by "Deliver Coolness in Summer (夏送清凉)", the trade union of the Company allocated special funds for the ground-level production front-line units during the summer vacation, which were used for the purchase of heatstroke prevention products for front-line employees. Besides, the Company proactively organized soliciting and achievements gathering in respect of safety standardization management made by work groups and studied the connotation of the "Ankang Cup" competition from different perspectives, summarized and refined practical experience, and effectively gave play to the role of trade unions in the promotion and guidance of work safety.

The trade union's participation function was strengthened. In the "Month for Safety Production", the Company organized screening and rectification of accident potentials and occupational hazard factors. A total of 7,462 potential safety hazards were identified and 7,424 potential safety hazards were rectified. For the rest 38 hazards which cannot be rectified temporarily, appropriate protective measures have been taken. The Company organized blackboard newspapers on safety and pictorial exhibitions as well as 1,696 education campaigns on safety. The trade unions at all levels, closely centering on "thorough fulfillment of corporate responsibilities in respect of safety production", organized the employees at front line, in work groups and at different positions to carry out a safety knowledge quiz and an employee health and safety skill competition, respectively, together with the Safety and Environmental Protection Department of the Company in order to prevent safety production accidents, in which a total of over 900 front-line employees participated, further improving the employees' knowledge of safety skills.

Chapter III Protection of Employees' Rights (Continued)

III. RELATIONSHIP BETWEEN THE EMPLOYEES AND THE COMPANY (CONTINUED)

4. Enthusiasm for Helping Employees in Difficulties

The Company has further enhanced the long-term mechanism for poverty relief. The Company redefined employees in exceptional poverty and employees-in-need of the Company, improved files for accurate identification. The Company established targeted employee helping cards for employees in difficulties to ensure targeted poverty relief. The Company expanded relief channels and included the qualified employees in the assistance network of All-China Federation of Trade Unions to increase relief efforts. The Company organized the extensive visit event named "Warmth for Thousands of Homes (温暖送万家)" by leaders, cadres and Party members, and paid 15,875 visits to model workers, employees in difficulties and retired personnel in plight throughout the year. Medical relief was also provided to 371 individuals hospitalized with illness.

5. Caring for and Helping Disabled Employees

The Company has 587 disabled employees. In order to enhance the management of and services to the disabled employees, the Company has established a society for disabled persons and effectively commenced activities to care for the disabled employees. The Company paid over 1,022 visits to employees with difficulties or disabilities, organized condolence activities during the National Day for Helping the Disabled and the International Day for Helping the Disabled, and handed out comfort gifts to those employees. The Company actively participated in the vocational skills competition for the disabled organized by Anshan Disabled Persons' Society, and ranked the second in the total team score.

Chapter III Protection of Employees' Rights (Continued)

III. RELATIONSHIP BETWEEN THE EMPLOYEES AND THE COMPANY (CONTINUED)

6. Enrichment in Cultural Life of Employees

The Company has carefully implemented the important instruction made by Xi Jinping, General Secretary of the Communist Party of China that "Trade unions must increase efforts to organize, publicize, educate, guide the people, do more to unify the ideas, improve the cohesion, resolve the conflicts, enhance the feelings and motivate the enthusiasm, so as to strengthen the people's confidence, gather the people's hearts, warm the people's hearts, and tightly unite together the majority of employees in ideals and beliefs, values and moral concepts", continuously enhanced the awareness of danger, crisis and responsibility of the general employees. The Company launched a micro video speech contest for employees themed by "fighting against crisis, protecting the bottom line and seeking development", held a video lecture for employees of Anshan Steel themed by "spreading culture to thousands of homes, and health coming to all" and extensively collected the calligraphy and art works with the theme of fighting against the pandemic, so as to guide the employees to be confident, face up to difficulties, take responsibility and strive for dedication. According to the actual situation of the pandemic prevention and control, the Company carried out a 100-day fitness walking activity for three-month "long march to overcome the pandemic" based on the network platform, in which nearly 10,000 employees actively participated and uploaded their data every day.

7. Caring for Physical and Mental Health of Employees

The Company arranges its employees to attend physical examinations every year with full coverage of physical examination and health filing for all employees. According to the actual situation of the pandemic prevention and control, the Company gave out vacation cards to the employees to replace the traditional mode of organizing vacation for all employees, allowing the employees to select the time and services of vacation by themselves, which avoided the mass gathering, improved the flexibility and comfort of vacation activities and was well received by the majority of employees.

Chapter III Protection of Employees' Rights (Continued)

IV. TRAINING AND ABILITY IMPROVEMENT OF EMPLOYEES

In 2020, Angang Steel took the in-depth implementation of talent priority development strategy as its purpose, and significantly improved its talent cultivation ability. The Company aimed at building a knowledge-oriented, skilled, innovative and expert-based workforce, giving full play to the leading and exemplary role of outstanding talents. While closely centering on the production and operation, the Company comprehensively conducted systematic, modular and precise education and training, promoted the development of training programs of different terms, levels and scales, and strived to create featured and high-quality training programs to effectively boost the training effectiveness, which further improved the overall quality of the workforce and laid a solid foundation for the high-quality development of Angang Steel.

In 2020, in response to the impact of the COVID-19 pandemic, the Company organized training by self-study, online learning and other ways, which achieved good effects. The attendance of the annual special training was 11,316; 25,369 primary employees received training for job knowledge and operational skills, with a planned completion rate of 93%. As at the end of December 2020, the actual completion rate of the plan was 98.6%. The attendance of employees holding the work permits for special operations for safety qualification training was 7,815, with a planned completion rate of 100%. The actual completion rate of the annual plan was 100%, and the planned training targets were achieved. The completion rate of employee training program was 98.5%. The Company organized employees to attend centralized training courses for a total of 2,969,650 training hours and received attendants of 50,640 person-times, representing a per capita training length of 58.6 training hours. The planned training targets were entirely realized.

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES

In 2020, Angang Steel continued to insist on the safety production policy of “placing safety first, preventing injuries as core, and implementing comprehensive management (安全第一·預防為主·綜合治理)”, firmly established the concept of safe development, strictly followed the laws and orders, and thoroughly implemented the safety production responsibility system with the construction of safety production standardization as the main line. The Company improved the construction of a dual prevention system for the hierarchical management and control of safety risks and the removing and handling of hidden dangers, consolidated the foundation of safety management, and continued to improve the safety production management level of Angang Steel.

In 2020, Angang Steel achieved the goal of non-occurrence of substantial major safety production incidents and recorded a total of two safety production incidents, in which one was seriously injured and two incurred minor injury. The injury rate per 1,000 employees was 0.081‰, beating the target of less than 0.15‰ set for the entire year. In 2020, Angang Steel did not have any substantial major fire disaster.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

1. Strengthened the Construction of Safety Production Management and Optimized the Safety Production System

- (1) The Company thoroughly implemented the three-year action plan for the special rectification of safety production. The Company insisted on setting the minds and carrying out practices under the important statements on safety production made by General Secretary Xi Jinping, effectively placed safety production in an important position, further optimized and implemented the safety production responsibility system of “the Party and government sharing the same responsibility, one position with dual responsibilities, joint control and management, and accountability for duty negligence”, strengthened the effective operation of dual prevention system, and strictly controlled risks and eliminated the hidden dangers. The Company seriously conducted the accident accountability assessment, enhanced the enthusiasm, initiative and consciousness of all units for safety production and strengthened the foundation to continuously improve the overall safety management level of the enterprise.

The Company and each department respectively organized and formulated a three-year overall plan for the special rectification of safety production, and further refined the three-year action plan for the special rectification of safety production of the unit in light of the actual situation. The Company formulated a detailed work list according to each special plan, clarified the task, target and deadline of each stage, and designated professional departments to follow up the progress of each work. In 2020, each unit put forward the implementation progress in accordance with the special implementation plan and completed the annual work targets.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

1. Strengthened the Construction of Safety Production Management and Optimized the Safety Production System (Continued)

- (2) The Company launched the activity of "Safety Performance Year" to fulfill the corporate responsibilities in respect of safety production. The Company comprehensively launched the activity of "Safety Performance Year". With an emphasis on the safety performance of managers at all levels as its core tone of safety production throughout the year, starting from the implementation of the safety production responsibility system, the Company improved the safety management and supervision mechanism to strictly fulfill the management responsibilities. Firstly, the Company revised and improved the safety production responsibility system at all levels, highlighted the principle of "industry management, business management, production and operation management must encompass safety management", clarified the safety management and supervision responsibilities of each department, unit and position, separated the safety management and safety supervision responsibilities, and established and improved the safety management mechanism of "the business department assumes the main responsibility under the comprehensive supervision of the safety supervision department". Secondly, in accordance with the principle of "one level manages another level, and one level takes responsibility for another level", the Company decomposed the annual targets and indicators of safety production level by level, signed liability forms to implement responsibilities at each level, detailed the implementation plans and promotion measures to ensure the implementation of the safety production responsibility. Thirdly, the Company took the visualization of detailed safety management responsibilities as the starting point to further standardize the safety responsibilities of managers at all levels, and required the safety officers, safety supervisors and safety managers at all levels to wear the safety armbands corresponding to their responsibilities, so as to enhance the responsibility awareness of managers at all levels. Fourthly, the Company continuously carried out safety management performance evaluation and conducted daily supervision and inspection, focused on the supervision, evaluation and assessment on safety performance such as the implementation of the safety production responsibility system of managers at all levels in their daily work, and investigated and resolved the problems in the safety management in an all-round manner, so as to promote the effective performance of managers at all levels. Fifthly, the Company strictly implemented the principle of "accountability for duty negligence" in safety production, and corrected the incompetence and dereliction of duty performance on managers at all levels, the responsible persons of the ground-level units by multiple uses of "the first form", and the ineffective implementation of "one position with dual responsibilities" in a timely manner.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

1. Strengthened the Construction of Safety Production Management and Optimized the Safety Production System (Continued)

- (3) In order to ensure the compliance and effectiveness of the rules and regulations on safety management, the Company undertook the national laws and regulations, industry norms and standards, and organized a comprehensive revision and improvement on the safety management rules and regulations. It revised a total of 8 rules and regulations, added 3 new rules and regulations and revised 5 safety management procedure documents, which effectively improved the compliance of safety management system, and promoted the further standardization of safety management.

2. Optimized the Mechanism of Dual Prevention and focused on the Rectification of the Safety Hidden Dangers to Improve the Operating Environment

- (1) The Company organized each unit to relaunch the identification and determination of major safety risks in accordance with the standards such as the Criteria for Determination of Hidden Dangers of Major Production Safety Accidents in industrial trading, identified 31 major safety risks, and further supplemented and improved the management and control measures. Meanwhile, the Company organized each unit to relaunch the identification and integration of major and general safety risks, established a complete safety risk list and prepared a four-color distribution map of risks, which effectively promoted the continuous and in-depth construction of the “dual prevention” system.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

2. Optimized the Mechanism of Dual Prevention and focused on the Rectification of the Safety Hidden Dangers to Improve the Operating Environment (Continued)

- (2) The Company continuously promoted the implementation of “five clearances and five eliminations”, and according to the actual situation, formulated a checklist of 16 elements in relation to “five clearances and five eliminations”, which was fully implemented in the engineering and maintenance construction operations, achieving good effects. In order to further eliminate hidden dangers of accidents and strengthen the removing and handling of hidden dangers, the Company launched a special action of “clearing the dangers” in the whole company from June and set up five professional groups to organize and promote each unit to vigorously rectify various hidden dangers and work site environment for each profession, as a result of which, a large number of hidden dangers and defects were rectified. All units strictly implemented the requirements of the dual prevention system and continued to carry out the removing and handling of hidden dangers, and cumulatively identified 35,600 items of various production safety hidden dangers, and the rectification of 34,959 items was completed, with a rectification rate of 98.2%.
- (3) In 2020, the Company used a total of more than RMB60 million on safety production, effectively improving operating conditions and enhancing the intrinsic safety level of the working sites.

3. Ongoing Education and Training to Promote the Safety Culture

- (1) Good safety education and training lays an important foundation for achieving safe production. The Company continued to organize safety education and training for all employees, further strengthened special training for employees on safety skills, accident case warnings and management capabilities in response to new areas, new problems and weak links in safety production, and made full use of the training forms such as “leading cadres going to the lecture hall” and “one month one classroom” to effectively carry out safety education and training for all employees and achieve training effects.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

3. Ongoing Education and Training to Promote the Safety Culture (Continued)

In particular, 75,537 people received the trainings on safety production rules and regulations, position safety skills and emergency rescue, and 7,419 people received the trainings on initial certification and re-examination for engaging in special operations, effectively ensuring that they were qualified in pre-employment trainings before being allowed to work.

- (2) The Company organised and formulated a series of training materials such as the Compilation of Safety Accident Cases in Iron and Steel Enterprises, which were issued to the ground-level teams to continuously carry out trainings on accident cases and to organize safety trainings for operators of relevant parties in a targeted manner to ensure that no operator would miss the safety education. In order to further enhance the safety quality of managers at all levels and implement the management responsibilities of “the Party and government sharing the same responsibility, one position with dual responsibilities, and accountability for duty negligence”, the Company held a training course on “implementing the main responsibility of safety and promoting the intrinsic safety of the enterprise” to provide a full-coverage training on safety management knowledge to the Party and government leaders and managers at all levels of the authorities and units. In order to improve the safety management level of team leaders, the Company invited experts from the China Iron and Steel Association to conduct “full-coverage” safety management skill improvement trainings for all team leaders. In order to improve the management and operation skills of professional and technical personnel, the Company conducted professional trainings on gas and high-voltage electricity.

Through various forms of the safety education and training, the Company vigorously promoted the conscientious performance of managers at all levels, improved the safety awareness and safety operation level of all staff (including related parties), and enhanced the awareness of operators' compliance with rules and regulations, providing a strong guarantee for the control and elimination of unsafe human behaviour.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

4. Conducted Special Safety Evaluations and Implemented Special Safety Inspections

- (1) In 2020, the Company continuously carried out quarterly safety management performance evaluation for each unit, systematically sorted and classified the evaluation issues, and urged each unit to draw inferences and rectify such issues on a case-by-case basis to effectively improve the overall level of safety management. In order to strengthen construction safety management and ensure project compliance, the Company entrusted relevant domestic safety production experts to carry out a special safety evaluation of the coal gas project. The Company engaged a third party to carry out the guidance service of in-depth hidden danger investigations for 15 major production unites and conducted comprehensive hidden danger investigations of key process equipment and facilities. It entrusted professional and technical personnel from Shenyang Wanyi Security Technology Co., Ltd. to conduct hidden danger investigations of the electrical equipment and facilities and operational safety management for the steel rolling system of seven units in the headquarters respectively. Through carrying out special evaluations, the Company effectively eliminated the hidden dangers and ensured the quality of projects.
- (2) In order to learn the lessons from accidents and eliminate hidden dangers, the Company organized special inspections of hazardous chemicals, smelting cranes, dust, electrical work and conveyors in a targeted manner, and supervised all relevant units to strengthen professional management and to control and eliminate hidden dangers from the source. Through carrying out special inspections, various units removed and handled a large number of hidden dangers in equipment and facilities, improved the ability of professional and technical managers and operators to identify safety hazards, and promoted a significant improvement in the safety conditions of workplaces.

Chapter III Protection of Employees' Rights (Continued)

V. PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY RIGHTS OF EMPLOYEES (CONTINUED)

5. Strengthened the Emergency Management to Improve Its Effectiveness

The Company organized and revised its own comprehensive safety production emergency plan, further strengthened the emergency management of safety production, perfected the comprehensive and special plans for safety production of each unit, and improved the effective and applicable on-site handling plan, thereby forming a comprehensive emergency plan system. In June, the Company held a comprehensive emergency rescue drill for production safety accidents to test and improve the emergency linkage capabilities of relevant units. In accordance with the principle of "preparation for peacetime and wartime, treating drill as actual battle", each unit organized various professional emergency rescue drills in accordance with the requirements, and a total of 276 drills were organized at all levels, effectively improving the practical capabilities of the emergency response teams.

6. Consolidated Occupational Health Management

The Company continued to consolidate occupational health management and control, improved operating conditions, strengthened occupational health protection, eliminated occupational hazards and prevented occupational diseases, and spared no efforts to manage the occupational health of employees. During the year, the Company conducted a total of 23,389 occupational health checks for employees exposed to occupational hazards such as high temperature, noise, dust and toxins, with a completion rate of 100%; 7,059 points were tested for occupational hazards, with a completion rate of 100%; and 733 dose pens were used for verification.

The Company continuously strengthened the "three-simultaneous" occupational health management of construction projects, and fully implemented the pre-evaluation of occupational health, design of occupational disease protection facilities and evaluation of the effectiveness of occupational hazard control for construction projects in accordance with the laws. At the same time, the Company continuously evaluated the current situation of occupational hazards, perfected the occupational health management system, set up occupational health information boards, improved the occupational health file and the occupational health supervision file of employees, and provided the employees who are exposed to occupational hazards with protective gears which met the requirements of regulations. During the year, no cases of occupational diseases occurred on duty, and the occupational health management work achieved remarkable results.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights

I. RESPONSIBLE BUSINESS OPERATION IN COMPLIANCE WITH LAWS

Adhering to the leadership of the Party, the Company incorporated the Constitution of the Communist Party of China (《中國共產黨章程》) into the Articles of Association of the Company and corporate governance, and complied with the Standards on Integrity and Self-discipline of the Communist Party of China (《中國共產黨廉潔自律準則》), Disciplinary Punishment Ordinance of the Communist Party of China (《中國共產黨紀律處分條例》) and other regulatory provisions. The Company has been in strict accordance with the Criminal Law of the PRC (《中華人民共和國刑法》), the Law on Anti-money Laundering of the PRC (《中華人民共和國反洗錢法》) and other relevant national laws and regulations. The Company conducted business in a white-handed and upright manner with strict internal oversight, and adhered to the system of the right to put in cages. The Company revised and improved the Implementation Measures of Angang Steel on Three Importance and One Greatness Policy-making System (《鞍鋼股份有限公司關於“三重一大”決策制度實施辦法》), strengthened anti-corruption and integrity building, enhanced decision-making supervision and promoted integrity of its leading staff when conducting operations. The Company insisted on operating in compliance with the law, built a compliance management system, established a compliance committee and clarified the organizational and leadership responsibilities of the Board of Directors, the Supervisory Committee, and the management for compliance management. The Company established and operated six compliance management mechanisms, including review and evaluation of rules and regulations, compliance review of material matters, compliance risk prevention and control, compliance management evaluation report, non-compliance assessment and accountability and compliance training. It also conducted special compliance management work around contracts, intellectual property rights and trademarks.

The Company adhered to the principle of “fairness, impartiality and openness” and comprehensively reviewed the integrity of candidates selected by units as outstanding model and excellent representative at all levels. It organized 43 integrity talks for new leaders in direct control, so that integrity education in office achieved normalized full coverage. In the “two reforms”, the Company insisted on front load supervision and on-site supervision, and thus the tasks of the “two reforms” were completed in accordance with the set targets; it conducted investigation and survey and field supervision in poverty areas, and put forward special supervision feedback and suggestions.

The Company strictly reviewed and regulated disciplines, and adhered to the keynote of being “strict”. The Company closely concerned on key areas, regulated and carried forward special supervision, formulated and implemented the Implementation Measures for Special Supervision. The Company has established 66 special supervisions around areas of concentrated power, gathered assets, rich resources and intensive capital, and has continuously strengthened supervision of key work such as leading scientific and technological innovation, “ten measures” to “ensure survival”, market-oriented reform and stopping food and beverage waste.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

I. RESPONSIBLE BUSINESS OPERATION IN COMPLIANCE WITH LAWS (CONTINUED)

The Company strengthened discipline and enhanced the deterrent effect of disciplinary education. The Company has formulated and implemented the Arrangements and Opinions on the Education Activities under the Theme of “Disciplining Yourself and Integrity in Family” (《關於開展“修身修己廉潔齊家”主題教育活動的安排意見》), carried out warning education at different levels, sending reminders that included a total of over 4000 SMS messages and WeChat messages and over 500 emails at critical time points; organized over 3,000 visits to anti-corruption and integrity education exhibitions, and carried out 700 corrective inspections and over 70 special treatments throughout the Company.

II. RESPONSIBILITY FOR PRODUCT QUALITY

The Company focused on the key indicators of “intensification, reduction and wisdom” to enhance quality control on an ongoing basis; adopted a problem-oriented approach to improve the overall product quality; optimised the product structure with demands as the driver; carried on with its efforts in technical innovation and quality enhancement for benefit with the centre of improving product quality and core competitiveness; focused on users' experiences to fulfill the personalized demands of users, which contributed to realizing its goals for production and operation.

In 2020, the Company complied with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》), Law of the People's Republic of China for Anti-Unfair Competition (《中華人民共和國反不正當競爭法》) and other relevant laws and regulations in terms of responsibility of product quality. The Company has observed relevant laws and regulations as well as the requirements under relevant standards on a voluntary basis and updates the directory of laws and regulations applicable to the quality management systems of the Company on an annual basis to make sure downright law abiding and up-to-par product manufacturing. Meanwhile, the Company has provided the stakeholders with primal products and sincere services in return for their confidence in the Company. In 2020, the Company did not have any breach of the Law on Product Quality (產品質量法) and other relevant laws and regulations.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

1. Optimization of the Innovation and Scientific and Technological R&D Systems

(1) Focusing on key and major areas and building high-level R&D platforms

Facing national strategies, great demands and “bottlenecks” technologies, the Company insisted on unifying the research and development of key core technologies with national strategies, synergizing with the responsibilities of central enterprises and integrating with the Company’s strategies. According to the idea of “reserve a generation, research and develop generation and apply a generation (儲備一代、研發一代、應用一代)”, four technologies have been selected as national “bottlenecks” technology catalogue, and the 1025 special plan has been introduced to efficiently promote the research and development of “bottlenecks” technologies. Through continuous strengthening of high starting point, timely and efficient organization of government project guidelines intervention, declaration, project establishment, management and advanced planning work, the Company organized 32 projects to complete the National Key R&D Programme – the “14th Five-Year Plan” major R&D demand submission, organized the “critical technology and demonstration application of steel for marine engineering equipment in extreme environment” (極端環境海洋工程裝備用鋼關鍵技術及示範應用) which was selected for Liaoning major special projects, and was responsible for the subject of “critical manufacturing and application technology of steel for high strength corrosion resistant auto body and bogie structure of high speed trains” (高強耐蝕車體和高鐵轉向架構架用鋼關鍵製造與應用技術) of the National Key R&D Programme which was passed the mid-term inspection.

In accordance with the strategic requirements of major breakthroughs in core critical technologies such as new processes, new products, new equipment, high quality, low energy consumption, low emissions, etc., and on the basis of strengthening market research, the Company completed the world premiere of cryogenic steel for ships and high strain steel plates for deep-sea pipelines around the industry frontier, key, major, core, leading, energy-saving and emission reduction and green manufacturing technologies, and high strain steel plates for deep-sea pipelines were expected to serve in the deep sea environment of 2,000 meters.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

1. Optimization of the Innovation and Scientific and Technological R&D Systems (Continued)

- (2) Relying on science and technology to support the strategy and consolidating the foundation of high-quality development

The Company adhered to the development path of “intensification, reduction and smart customization”. Guided by the technology development plan, the Company gave full play to the leading role of technology in efficiency improvement, cost change, service leadership, smart manufacturing and ecological integration. The Company has completed the layout of its “14th Five-Year Plan” major R&D projects in terms of key core technologies in 18 areas and 33 projects, key common technologies in 16 areas and 34 projects, key products in 10 varieties and 34 projects, leading-edge technologies in 8 areas and 28 projects, and disruptive technologies in 11 areas and 13 projects. The Company has formulated a three-year plan of key actions for science and technology leadership, forming action plans such as “R&D of domestic leading and international first-class products of steel for nuclear power” in 2020, 2021 and 2022, respectively. It has integrated more than 370 projects into 102 major projects by systems and fields, of which 84 are leading science and technology projects, 16 are outstanding science and technology projects, and two are major steel making projects.

- (3) Building an efficient R&D system to unleash the effectiveness of science and technology across the system

By creating a mechanism of scientific and technological innovation to stimulate “power, vitality and leadership”, the Company was committed to becoming a gatherer of high-end talents, a leader in industry technology and an explorer of future technologies. It formulated and fully promoted the Management Measures on Technology Excellence Program. The Company completed the formulation and revision of management measures such as the Management Procedures for Scientific Research Projects, forming an efficient system of control and management. The Company released the effectiveness of information control of science and technology work in a comprehensive and systematic way through continuously optimising the online approval for scientific research projects and other work. The Bayuquan Branch of Angang Steel Research Institute comprising of 15 members was established and 14 key R&D tasks were implemented.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

2. Increased Efforts on Technology Research and Development

In 2020, Angang Steel invested RMB4.163 billion in technology and RMB1.575 billion in research and development. The Company put forward four batches of scientific research project programs of Angang Steel with a total of 117 subjects, and three batches of technical research programs for cost reduction and efficiency enhancement, of which 395 projects were implemented. Focusing on the key points, difficulties and critical links of the production and operation of the Company, the Company has strengthened the research and development efforts of ironmaking institutes, the environment and capital institutes and the automotive centers by increasing investment in research and development, and formed 66 key projects of “one plant, one institute and one room”, which has well played the role of “one plant, one institute and on room” and enhanced the level of breaking technical bottlenecks, solving practical problems and enhancing profitability.

3. Continuously Strengthening the Innovation Capabilities

A total of 708 proprietary technologies went through declaration, and 587 patents of the Company were accepted for review by the competent authorities, including 357 invention patents, accounting for 60% and one appearance design patent. 535 patents were licensed by the competent authorities, including 278 invention patents. There were five items of computer software applying for copyright protection. 96 proprietary technologies were put on record. The Company signed 70 technology export contracts with an amount of RMB16.38 million. 50 patents were declared in seven key technology areas, including “extra thick offshore steel with high performance”, forming a patent cluster. The Company was recognized as among the first batch of High Value Patent Cultivation Centres in Liaoning.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

4. Conducting Technical Cooperation and Communication

The Company actively promoted the scientific research cooperation with universities such as Northeastern University and Dalian University of Technology and signed 18 external technology development contracts with Northeastern University and other universities such as “Research and Development of Protective Slag for Continuous Casting of High Aluminium Steel (高鋁鋼連鑄保護渣的研製開發)”. Through mutual visits with Dalian University of Technology, the Company signed two technology development contracts such as the “Development of Visual Monitoring System for Continuous Casting of Small Billet (小方坯連鑄可視化監測系統開發)”. It completed the acceptance of the joint research projects with Xi'an Jiaotong University including the “Development and Application of High-Efficiency Heat Exchanger Project (高效換熱器研製與應用項目)”. The state key laboratory was inaugurated by Tan Chengxu, Chairman and Secretary of the Party Committee of Angang Group, and it has completed its development plan for the next five years. Based on the state key laboratory, the Company held three high-level academic conferences, including hosting the Seventh Session of the Conference on Marine Materials and Corrosion Protection in 2020, and announced eight open projects and ten joint fund projects.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

5. Enhanced Standardized Management, Improved Market Influence

Angang Steel strived to improve the market influence of its products through taking on more work in respect of formulation and revision of international and national standards. It participated in the formulation and revision of four international standards, among which the final draft international standard (FDIS) of the ISO 630-3 Structural Steels-Part 3: Technical Delivery Conditions for Fine Grain Structural Steels (《結構鋼第3部分：細晶粒鋼交貨技術條件》) was completed. ISO 439:2020 Steel and Cast Iron Measurement of Silicon Weight Method(《鋼和鑄鐵硅含量的測定重量法》), ISO TS 21826:2020 Iron Ore Measurement of TFe EDTA Titration(《鐵礦石全鐵含量的測定EDTA滴定法》)and ISO 4947:2020 Steel and Cast Pig Iron Measurement of Vanadium Potentiometric Titration(《鋼和生鑄鐵釩含量的測定電位滴定法》) were officially published. It obtained leading revision rights for 3 international standards, including ISO 630-5:2014 Structural Steels-Part 5: Technical Delivery Conditions for Improved Atmosphere Corrosion Resistant Structural Steels(《結構鋼第5部分：改進型耐大氣腐蝕結構鋼交貨技術條件》), ISO 15633:2009 Iron Ore Measurement of Nickel Flame Atomic Absorption Spectrometry(《鐵礦石鎳含量的測定火焰原子吸收光譜法》) and ISO 15634:2015 Iron Ore Measurement of Chromium Flame Atomic Absorption Spectrometry(《鐵礦石鉻含量的測定火焰原子吸收光譜法》), realizing major breakthrough in the Company's international standardization work. It completed the applications for formulation and revision of 30 national, industrial and group standards including Steel Sheet and Steel Strip for Fire-resistant Structures (《耐火結構用鋼板及鋼帶》), so as to actively lead the standard formulation, among which 17 projects have been approved by competent authorities, including Hot-rolled Steel Sheet and Steel Strip with Green Cleaning Surface Treatment(《熱軋綠色清潔表面處理鋼板及鋼帶》). It implemented the works on formulation and revision of 29 national, industrial and group standards including Duplex Stainless Steel Sheet for Nuclear Power Plants(《核電站用雙相不鏽鋼鋼板》), among which 11 ones were completed including High-performance Wear-proof Steel Sheet for Engineering Machineries(《工程機械用高性能耐磨鋼板》). It organized and completed the formulation and revision of 30 enterprise standards including Cold-Rolled High-Strength Steel Sheet and Steel Strip for Automobiles-Part 1: Steel for Cold Formulation(《汽車用高強度熱連軋鋼板及鋼帶第1部分：冷成形用鋼》) and the formulation and revision of 7 enterprise products graded sales standards including Hot-rolled Steel Sheet and Steel Strip for Ordinary Structures(《普通結構用熱連軋鋼板及鋼帶》). It completed the review of 271 enterprise standards, among which, 88 were revised, the versions of 161 were upgraded and 22 were abolished. It confirmed and published 68 foreign standards, 90 national and industrial standards and 14 technical specifications, and translated and proofread 70 foreign standards. It organized, prepared and issued plans for formulation and revision of 2 batches of enterprise standards for 2020. It completed the publication of 50 new issued enterprise standards on the self-declaration system, including Cold-Rolled High-Strength Steel Sheet and Steel Strip for Automobiles-Part 1: Steel for Cold Formulation(《汽車用高強度熱連軋鋼板及鋼帶第1部分：冷成形用鋼》), thereby guaranteeing the compliance and lawfulness of its production standards. GB/T 714-2015 Structure Steel for Bridges led(《橋樑用結構鋼》)and completed by the Company was awarded Excellent Prize and Meritorious Prize by the National Technical Committee on Steel Standardization, while 5 standards including GB/T 24178-2009 Low-power Analysis Methods of Solidification Structure in Continuous-cast Steel Billets(《連鑄鋼坯凝固組織低倍評定方法》) received the third prize.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

6. Technological R&D Results and Major Cases

(1) Technological R&D Results

The “Development and Application of Oxidation Behavior Control Technology in Steel Hot-rolled Process (鋼材熱軋過程氧化行為控制技術開發及應用)” participated by the Company was awarded the Second Prize of National Science and Technology Progress. 11 projects organized by the Company, including “Key Technology of High Efficiency and Green Smelting of Large Converter Clean Steel (大型轉爐潔淨鋼高效綠色冶煉關鍵技術)”, won the Metallurgical and Provincial Science and Technology Progress Award.

The “Development of High Grade Wire Rod of Cold Heading Steel and Welding Wire Steel for Automobile and High-speed Railway (汽車高鐵領域用冷鐸鋼、焊絲鋼高等級線材的開發)” project mainly studied the design and optimization of chemical elements of steel grades, the control and improvement of segregation of wire rod and inclusion and the control of wire rod surface without defect, so that the cold heading steel wire rod for automobiles has various characteristics including stable composition, low level of inclusions and segregation and small depth of surface defects, etc. The product was successfully applied to the field of automobiles. The high-grade welding wire steel was widely used in high-end fields such as shipbuilding, vehicle, pipeline, nuclear power equipment, etc. The comprehensive performance of the products reached the leading level in China.

The “Development and Application of Intelligent Electromagnetic Control Technology for Improving the Quality of Continuous-cast Billets (提高連續鑄坯質量的智能電磁控制技術開發與應用)” project developed the first domestic continuous-cast electromagnetic brake intelligent control system with independent intellectual property rights, which had been selected as one of the top ten innovative technologies in China's iron and steel industry. Through process and equipment improvement, the technical problems including unstable continuous-cast poured process, poor electromagnetic flow control effect and electromagnetic level interference were solved. The project broke through the limitation of the use conditions of electromagnetic braking technology, which increased the mixing intensity by 40%, and the equiaxial crystal rate of silicon steel reached 86%, the best level in history. In addition, the project developed the integrated control technology for billet electromagnetic stirring.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

6. Technological R&D Results and Major Cases (Continued)

(2) Major cases on scientific and technical work

The Company completed the R&D layout for the “14th Five-year Plan” effectively. It fully followed the strategic deployment of “unswervingly build China into a strong manufacturing powerhouse, a quality powerhouse, a cyber powerhouse and a digital China, promote the level of its industrial foundation and the modernization of the industrial chain and enhance the economic quality and efficiency and core competitiveness” proposed by the Fifth Plenary Session of the 19th Communist Party of China Central Committee, faced the strategic and major needs of the country and the Company, adhered to the traction of market demand and major needs of the country, and speeded up the ability to control the core and key indicators of the industry. Aiming at the integration of science and technology planning and strategic planning, the Company created the process technology with Angang characteristics. It focused on key technologies and the launch of high-end products to build itself into a steel flagship with the most core competitiveness. It centered on the green manufacturing and the leading of intelligent manufacturing and promoted the coordination of industrial upgrading and green intelligence. It paid equal attention to the research and development of technology and the application of achievements, and realized double harvest of basic research and achievement transformation. Taking benchmarking with first-class enterprises as an opportunity, which served as the development direction, the Company built itself into a world-class iron and steel enterprise by virtue of its technology. It focused on giving full play to the leading role of advanced technology in efficiency transformation, cost transformation, service leading, intelligent manufacturing and ecological integration, and comprehensively strengthened the top-level design of its scientific research and development projects. Based on the 10 process areas including iron making, coke making, steel making, hot rolling, cold rolling and medium-to-thick plates, 13 product areas including automobile steel, steel for shipbuilding, steel for marine engineering, bridge steel, pipeline steel, steel for nuclear power, heavy rail and steel for railway vehicles, and 10 non-steel areas including resource utilization & environmental protection, intelligent manufacturing and energy technology, the Company preliminarily completed the scientific and technological development plan for the “14th Five-year Plan” that involved 305 supporting projects and 190 basic, cutting-edge and leading projects.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

7. Centered on Customer Experience and Quality Management and Control to Push for Continuous Upgrade of Quality Management

The Company focused on quality breakthrough, process innovation, indicator promotion and key quality activities to push for the continuous upgrade of quality management, improve the product quality and the capability of benefit generation on an ongoing basis and enhance the quality competitiveness. It sought breakthrough through the improvement and innovation of process and technology, organized and completed the simplification of process path, the alloy reduction and the decrease of defection or degradation, so that the product quality and key breakthrough projects were promoted energetically with obvious effect. The composite yield and through yield of the Company's rolled steel increased by 0.85 percentage points and 0.71 percentage points year on year, respectively, as a result of the endeavors in leveling up up-to-standard rate and composite yield continuously by monitoring and assessing core performance indicators of production lines monthly; the Company controlled the annual indicators at a good level by setting up and optimizing 10 quantitative indicators for customer experience and in turn conducting appraisal based on the feedbacks from customers; a number of product quality indicators mounted up, such as hot rolled sheets, owing to the organization of six sigma quality and management training of the Company and the completion of the implementation of more than 20 six sigma programs; in addition to the formulation and revision of more than 30 documents concerning quality procedures and management measures, it conducted the appraisal on quality control abilities of each unit, hence the employees' awareness of product quality and their execution of quality management, as well as the product quality were improved prominently. Bayuquan Iron & Steel Branch Company was awarded the title of Excellent Enterprise by Liaoning Quality Management Group Activities.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

8. Strengthened Product Certification and Excellence Management to Enhance Brand Awareness

In 2020, the Company completed more than 40 domestic and international certifications including the automobile steel, the super-high-strength steel for marine engineering, the Indian BIS, etc., which effectively facilitated the further expansion of product sales channel and the presence in high-end product market. In terms of major certifications, its products produced in Anshan, Yingkou and Chaoyang were accredited by the CE of European Union, which covered hot-rolled and medium-to-thick plates; its cold-rolled and zinc-coated products were in line with the SNI standards of Indonesia; and its cold-rolled products were in line with the FPC standards of Singapore; its steel produced by the Bayuquan 3,800 mm production line was qualified for ship hull and marine engineering; its products produced in Anshan and Yingkou were accredited by the BIS of India, which covered hot-rolled, cold-rolled and zinc-coated products, silicon steel, medium-to-thick plates and wire rods; moreover, such certifications also included the CRCC certifications for quality assurance capacity in heavy rail and certifications on automobile steel granted by the vehicle enterprises and key users.

In 2020, the cold-rolled low carbon steel sheet and steel strip and container steel sheet and steel strip products of the Company were acknowledged as "Golden-Cup Quality Product" by China Iron and Steel Association.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

II. RESPONSIBILITY FOR PRODUCT QUALITY (CONTINUED)

9. Continuously improved the Packaging Quality to Improve the Presence of Angang Products

Upon quarterly special review over the stevedoring, shipment and warehousing quality of a dozen of units involved product packaging quality and transportation including logistics parks, ports and off-port warehouses, the Company's inspection team for packaging, warehousing and shipment quality informed each production factory and the logistics management department of the issues identified in product packaging quality and transportation quality timely, and monitored the continuous improvement. The team also combined with the random inspection of product packaging quality of each production factory at all times, informed them of relevant issues that occurred during the transportation process, and urged the units with problems to improve timely. Each production factory was supervised to conduct a thorough self-inspection and make continuous enhancement in packaging quality. Thanks to the strict control of quality in respect of packaging and handling and the close observance of the standards on freighting for railway, road and marine transportation, the packaging materials used in the products were purchased in strict accordance with the national and industrial standards, and the label content and related advertising activities complied with the relevant provisions of the national intellectual property rights and advertising laws and regulations, the total consumption of packaging materials amounted to 70,500 tons, and complaints over packaging quality of products of the Company decreased by 19% throughout the year.

10. Established Green Intelligent Logistics

The Company insisted on planning the logistics process from all aspects of the supply chain, deeply integrated the big data, Internet of Things and other intelligent information technology with traditional logistics, deeply integrated the specialized, personalized and diversified solutions of logistics services with the modern production of iron and steel enterprises and deeply integrated the development mode of green and efficient logistics with the progress of ecological civilization and the new requirements of energy conservation and emission reduction, so as to achieve the intellectualization and ecologicalization of the whole process of purchasing logistics, production logistics and distribution logistics, make the enterprise have lower cost, better price, stronger service and lower risk in the logistics link, and realize the important transformation and upgrading from production-oriented manufacturing to service-oriented manufacturing.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

III. ESTABLISHMENT OF RESPONSIBLE SUPPLY CHAIN

1. Centered on Demand to Strengthen the Supply Guarantee

The Company centered on the production demand and provided all-round checklist-manner services for agile and flexible production of Angang. It continuously improved the response ability to production demand, increased the visits to the production factory, provided timely feedback and improved the product satisfaction of users. It took strategic and key suppliers as the main procurement channel, expanded the suppliers to look for such resources as coal, ore, scrap and other key varieties, and consolidated the channel foundation of checklist-manner services. In addition, it actively coordinated production, logistics, quality inspection, storage and transportation and other relevant units, paid close attention to consumption and inventory and improved the efficiency of handling objections so as to reduce the low efficiency of loading and unloading products caused by impeded logistics. Moreover, it reasonably regulated and controlled the rhythm of delivery and transportation, adjusted the inventory structure, actively formulated various countermeasures to prevent and control all kinds of procurement risks and improve the supply guarantee ability in the case of emergency production.

2. Improved the Procurement System for Raw Materials and Fuels to Consolidate the Foundation of Supply Chain Management

The Company optimized the procurement supply chain management process on a continuous basis and innovated the management methods. It revised a number of procurement mechanisms including the Procedures for Supply Management of Raw Materials and Fuels (《原燃料供應管理程序》), the Measures for Objection Management of Raw Materials and Fuels (《原燃料異議管理辦法》) and the Measures for Supervision and Management of the Quality of Class B Raw Materials and Fuels and the Inspection and Acceptance Thereof (《B類原燃料及其檢查驗收工作質量監督管理辦法》). It also ran regular examination on the compliance of procurement businesses, conducted spot check, audit and rectification on various professional procurement contracts entered into in 2020 on a quarterly basis. Furthermore, it organized annual business sampling inspection for the units with procurement authority to ensure continuous improvement of purchasing work.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

III. ESTABLISHMENT OF RESPONSIBLE SUPPLY CHAIN (CONTINUED)

3. Strictly Controlled Quality Acceptance of Raw Materials and Fuels

Faced with the difficulty of not being able to travel freely during the pandemic at the beginning of the year, the Company enhanced publicity on the quality requirements of suppliers by means of telephone or video, and communicated with suppliers in time about the quality conditions of arrived goods. It increased the number of internal quality sampling inspection, and consolidated the procurement quality acceptance work on a continuous basis. In the face of the quality test differences between the supplier and the demander, the Company organized professional personnel to the supplier's production factory for benchmarking and guidance, and urged the supplier to continuously optimize the quality internal control system. What's more, it optimized the internal quality management process, implemented the main responsibility of the department, and corrected the links with quality management risks. It improved the relevant business rules of objection negotiation and comprehensively strengthened the basic work of quality management.

4. Persisted in Transparent Procurement to Promote Sustainable Development of the Industry

The Company implemented eco-friendly procurement. It effectively controlled the relevant quality indexes of purchased raw materials and fuels, all of which met the requirements of national standards, and reduced the amounts of harmful substances produced in the use of raw materials and fuels from the source. The Company carried out procurement through bidding in keeping with the goal of maintaining "transparent, cost-effective, safe and efficient" procurement management systems. While securing stable procurement channels backed by major suppliers with stable production, delivery and transportation capacity and well-established quality assurance in the industry, the Company also expanded the scope of public bidding to the extent possible to further attract the general suppliers eligible for participation and in turn to develop effective competition in the procurement market.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

III. ESTABLISHMENT OF RESPONSIBLE SUPPLY CHAIN (CONTINUED)

5. Established Strict Supplier Evaluation System

The Company advanced strategic procurement of all varieties to support cooperation among the strong ones and to achieve a win-win for supply chain enterprises. It also built alliance agreements with some key strategic suppliers to deepen the collaboration in all aspects. In order to intensify dynamic management of suppliers, the entry requirements were constantly optimised, and the additions of qualified suppliers and standards for annual review were revised and consummated. Throughout the year, the Company drew 45 outperformed suppliers in and sifted 22 underperformed suppliers out. It had 232 qualified suppliers as at the end of the year. For non-compliant suppliers, the Company implemented assessment measures such as warning, imposing penalties, terminating contracts, disqualification, etc. During the year, the Company issued written warnings to 8 suppliers, required 2 suppliers to go through rectifications, and disqualified 12 suppliers for provision of materials and 1 supplier for provision of full package of varieties. Based on the principle of selecting the superior and eliminating the inferior, upstream channels of the supply chain witnessed a remarkable upgrade in its overall strength.

6. Strengthened Risk Prevention and Control to Reduce Procurement Risks

In order to cope with procurement risks, the Company further designated the main department responsible for procurement, put the management strategies and solutions into practice and reinforced monitoring over and early warning of risk indicators, having resulted in appreciable effects in management and control of material risks.

- (1) The Company made use of market information seminars, blended coal and ore meetings and specialised conferences for various market themes to continuously optimise procurement strategies. Keeping abreast of online information for capture of market hotspots, it updated shipping information regularly and accomplished 48 weekly reports on purchasing information. Its ability to make decisions on procurement was therefore improved effectively.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

III. ESTABLISHMENT OF RESPONSIBLE SUPPLY CHAIN (CONTINUED)

6. Strengthened Risk Prevention and Control to Reduce Procurement Risks (Continued)

- (2) It proactively promoted the establishment of procurement informatization, strengthened the benchmarking and analysis and evaluation with key steel plants and industries, and formulated 6+1 benchmarking system, international advanced enterprise benchmarking system, the integration of Angang and Pangang and other projects. In addition, it studied the blended coal and blended ore structure, logistics cost and other influencing factors, timely grasped the dynamic information of competitors' purchasing strategy and price, so as to find the gap, excavate the potential, research the market and maintain the competitive advantage of Angang's purchasing market.
- (3) It fully expanded financial efficiency creating tools, actively carried out hedging of iron ore, coking coal, nonferrous metals and other large raw materials and fuels, further refined the strategy of using financial tools, the number of basic spot price and measures, and adopted hedging, swap and basic spot price tools to complete certain raw materials and fuels transactions.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES

1. Reformed Marketing Management Systems

(1) Transforming marketing mode to improve marketing efficiency

Firstly, the Company built a competent and highly efficient marketing service system and deepened the incentive mechanism of “authorization + common benefit”. It formulated scientific and accurate performance appraisal methods to fully stimulate staff vitality. Secondly, it was bold in making breakthroughs and innovation, localized and rejuvenated our human resources, introduced market competition mechanism to build a contingent of cadres who take on responsibilities. Thirdly, it strengthened and optimized the regional companies and established a marketing service coordination center. It implemented the separation of management and operation and regional cooperation, focused on digging the value-added ability of regional services, constructed the regional logistics warehousing, processing and distribution systems, and improved the scale and management level of industrial chain and supply chain integration. Fourthly, it enhanced the information establishment, introduced the cross regional and multi-base marketing and information overall promotion project of main steel industry, and realized the information management and control mode of “customer-centric, efficient internal coordination and rapid external response”.

The Company set up a business unit of medium-to-thick plates to implement centralized and consistent management of the whole process of the products of medium-to-thick plates from market development to product delivery and then after-sales service, so as to achieve rapid external response and efficient internal coordination, and comprehensively enhance the comprehensive competitiveness and market share of the products of medium-to-thick plates.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES (CONTINUED)

1. Reformed Marketing Management Systems (Continued)

(2) Continuously Improving Sales Channels to Enhance Brand Competitiveness

The Company implemented “direct supply + project” well and improved the domestic and foreign marketing strategic layout construction of product development and multi base supporting. It continued to escalate the marketing strategic layout of “Embracing the Big Dipper & Moon and Looking Forward to the Overseas” with regional companies as the marketing service coordination center, the direct supply from customer as the main marketing mode, and processing and distribution as the main service means, covering the country and radiating the world. In addition, it gave play to the main role of regional companies in marketing practice, strengthened exchanges and visits with direct supply customers, collected customers' demands for semi-finished products, spare parts, variable shape products and other steel, and explored the value-added potential of direct supply deep processing services. Moreover, it strengthened industry development, and the sales functional departments coordinated direct supply industry planning and service value-added projects. It fully identified advantages and disadvantages of various categories and the direction of restructuring of product portfolio, kept track of the industry development front trends, coordinated product development strategy planning, carried out technical marketing and expanded the direct supply channels.

As for automobile steel products, the Company took the market as the orientation and adopted the effective marketing strategy to explore the market deeply. It vigorously developed the main engine factory and the high-quality auxiliary factory customers to increase the quantities of customer with long-term cooperation agreements and the sales volumes. In addition, it reinforced the development of market segments, increased the sales volume of high-efficiency materials such as cold-rolled ultra-high strong and high-quality requirements, and continuously increased the service premium capacity relying on the construction of Zhilian cloud platform. It boosted the development of commercial vehicles through the integrated operation of production, marketing, research and service. The user authentication gained new achievements. In 2020, it passed the certification of more than 60 brands of users, setting the best level in history. The Company won the “Best Purchasing Partner Award” and “Best Marketing Cooperation Award” of Dongfeng Nissan Passenger Car Co., Ltd. and various customer awards including “Supply Guarantee Award” of FAW Jiefang and “Win-win Cooperation Award” of JAC. China (Chongqing) automobile steel exhibition was held to show the advanced products, cutting-edge technology and senior service ability of Angang automobile steels, and the Company won the title of “Strength Pioneer Enterprise”.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES (CONTINUED)

1. Reformed Marketing Management Systems (Continued)

- (2) Continuously Improving Sales Channels to Enhance Brand Competitiveness (Continued)

As for the products of medium-to-thick plates, the Company took the contract and order processing as the main line to promote the efficient integration and orderly connection of various business processes such as research and development of product, technical quality, marketing management, production operation, logistics management and after-sales service, so as to provide customers with a package of solutions to meet their personalized service needs. It provided material support for the middle section of Sino Russian East pipeline (Anping-Taian), CNOOC Bohai Coast power offshore project, 23000 TEU Container Ship (including crack arrest steel), Hangzhou Xiaoshan Airport, Turkey ASB Group pipeline reconstruction project and other major projects, and its brand influence and popularity at home and abroad were increasing.

- (3) Adhering to the Principle of "Four High and One Low" to build up Hit Products

The Company insisted on the idea of high price, high quality, high added value, high market share and low-cost restructuring of product portfolio, strengthened the high coordination of production, marketing and research, reduced cost, stabilized quality and reduced the production cycle of new products. According to the promotion plan of hit products, led by the director of sales and marketing, the Company formulated a three-year variety structure adjustment plan by varieties and gradually promoted the plan. It allocated resources reasonably, turned the characteristics of large rolling lines and production lines into advantages and improved the ability of rapid response to the market to ensure the maximization of overall benefits. In terms of overseas, the Company focused on "One Belt and One Road", RCEP and other regions, optimized the structure of export products, and pursued the product export road of high quality, high added value and high technological content.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES (CONTINUED)

2. Reinforced the Construction of Marketing Service System

The Company centered on the customers and comprehensively improved the service level. It implemented customer hierarchical management, evaluated the customer value from multiple dimensions such as purchase volume, proportion, gross profit, industry status and fit degree, divided A, B, C and D into four categories according to value, and implemented differentiation strategy based on classification results. In addition, it established a three-level service system, designed the service process from the perspective of customers to provide them with convenient, high-quality and fast service. According to the needs of different types of customers, it provided services to customers in various aspects including technical service, price level, resource guarantee, order delivery period, quality objection handling, rapid response, cooperation and exchange, continuously improved service effectiveness and efficiency, and focused on expanding class A and class B customer groups. Daily problems (generalization) could be solved quickly by regional companies. All sales departments focused on industry (professionalization) solutions. The personalized solutions to complex, forward-looking and personalized problems were provided by expert teams.

For automobile steel products, an “expected order” model was established in conjunction with planned manufacturing, to plan production bottlenecks and logistics resources in advance, guide the allocation of production resources, and optimize the material preparation of steel processing center. It implemented “train timetable” management and control of supply guarantee, carried out the key customer service manager system, and established the whole process supply chain service system to ensure that orders were delivered according to the time required by users. With regards to medium and thick plates, the Company took the advantage of “integration of production, marketing and research”, established the “business division + regional company” after-sales service system, so as to respond quickly and shorten the handling cycle of customer complaints.

3. Fought the “COVID-19 Pandemic” with Users to Shoulder Enterprise Responsibility Bravely

During the outbreak of COVID-19 pandemic, the Company gave full play to the advantages of the system in dealing with the market, and forcefully deployed each steel processing center to resume work and production in a timely manner. In addition, it urgently provided Yutong and Dongfeng commercial vehicle users with the first batch of materials for 55 negative pressure ambulances and 1,800 anti-pandemic cannon foggers to protect the production of anti-pandemic vehicles, showing the enterprise's responsibility.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES (CONTINUED)

4. Strengthened the Management of Customer Profiles to Implement the Customer Information Protection System

The Company constantly improved the customer information protection mechanism via the establishment of information-based customer management system. It strictly observed the confidentiality system in accordance with the principle of "Person in charge responsible for confidentiality (業務誰主管・保密誰負責)". The Company strengthened the management of customer profiles and effectively protected customer information by adopting certain measures including limiting permission of customer management and disallowing the connection between the sales management system and the Internet. In 2020, no incidents in respect of leakage of customer information occurred.

5. Managed Customer Satisfaction, Addressed Complaints and Communicated with Customers

(1) Continuous enhancement in the quality and efficiency of complaints treatment

By closely centering on the goal of enhancing customer satisfaction and with the stress laid on the quality and efficiency of complaints treatment, the Company comprehensively utilised various management tools to efficiently improve the response speed for treatment of customer complaints and service quality.

In 2020, the Company received 2,000 customer complaints, which reduced by 14% year on year, of which 2,045 were addressed, realizing an addressing rate of 102%.

1) Improving customer complaint management system and improving service efficiency

In order to improve the service marketing level, the Company revised the Procedures for Management of Customer Complaints to further expand the limit and scope of business authorization and continuously improve the service efficiency.

The sales, finance, logistics, product technology and other departments were organised and coordinated to strengthen and intensify the quantized internal appraisal around the major concerns and key areas of customer complaints, thereby fulfilling the service commitments at full stretch.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES (CONTINUED)

5. Managed Customer Satisfaction, Addressed Complaints and Communicated with Customers (Continued)

(1) Continuous enhancement in the quality and efficiency of complaints treatment (Continued)

2) Establishing a coordinated and interactive working mechanism to respond to customer's requests

For customers' requests, the Company has established the mechanism for mutual cooperation and interaction among sales departments (including regional sales branches and processing lines), customer service department, plants, technical departments and logistics departments, and vigorously promoted the development of refined services by such means as setting up and improving customer profiles and enhancing identification of customer demands.

3) Paying attention to customers' concerns, and prioritizing service work

The Company provided on-site services for key clients in order to gain timely understanding of product quality, promptly respond to customers' requirements.

The objection handling was improved and conducted in a way following closer to the conditions of market and customers. In 2020, 862 customer complaint cases were handled by the regional branches within the reach of their authority.

To facilitate communication with customers, the senior management of the Company regularly visited certain strategic cooperative enterprises including GAC Group, CNPC, FAW Group, Zhuhai Gree, Midea Group and CIMC, and listened to clients' opinion.

4) Adopting a question-oriented approach to implement closed-loop management

Summarizing and concluding the representative issues and the orientation as reflected in customer complaints, the Company collected company-wide feedback messages on a daily, weekly, monthly and quarterly basis. Production and technology departments actively responded to all queries and requirements from customers, and examined, formulated and implemented corresponding corrective and preventive measures.

Chapter IV Responsible Business Operation and Protection of Suppliers and Customers' Rights (Continued)

IV. MANAGEMENT OF PRODUCT SALES SERVICES (CONTINUED)

5. Managed Customer Satisfaction, Addressed Complaints and Communicated with Customers (Continued)

(2) Management of customer satisfaction

The Company highly valued and continuously regulated the management of customer satisfaction, and the Customer Satisfaction Measurement Procedures (《顧客滿意度測量程序》) were carried out on a continuous and effective basis.

Initiated customer satisfaction surveys and evaluations on a regular basis. It conducted survey and evaluation of customer satisfaction twice a year by industries and categories of customers. The survey covered 507 customers in 14 key industries including petrochemical, automobile making, home appliances and shipping industries. The survey covers the following areas: physical quality of product, customer complaint handling, contract performance, product prices, commercial services and communication, product protection (labelling and packaging protection), provision of product quality certification documents, settlement services and communication, logistics services and communication and technical service and communication.

The survey indicated that the score of customer satisfaction has maintained over 90 for a number of years. In particular, the score of customer satisfaction for 2018, 2019 and 2020 was 93.21, 94.13 and 94.64, respectively.

Chapter V Environmental Protection and Green Development

I. ENVIRONMENTAL PROTECTION MANAGEMENT SYSTEM AND MECHANISM

1. Environmental Protection Management Principles

The Company upheld the “ecology first, green development” idea for environmental protection, carried forward the “eldest son style” of the new era, and fully explored the economic and social values of the steel mill in product manufacturing, energy conversion, waste utilization, greening and beautification. Guided by the principles of “clean production, benefiting the city, and harmony and symbiosis” and with the harmonious development of the Company and society in view, the Company built a green, low-carbon and eco-friendly forest-type plant to become a leader in green development and a model “urban steel mill”.

2. Construction of the Environmental Protection Management System and System construction

Angang Steel issued the Key Points of Environmental Protection Work in 2020 and the Pollutant Emission Limits and Total Pollutant Emission Control Indicators for Each Process, which broke down the total pollutant emissions and emission concentration indicators by unit, established a management mechanism for controlling both the total emission and concentration of pollutants.

Angang Steel organized a systematic revision to the contingency plans for heavily polluted weather to ensure that the emission reduction task was completed during the heavily polluted weather warning period.

Angang Steel organized the identification and evaluation of important environmental factors, carried out the identification of laws and regulations and compliance evaluation, and revised the environmental management procedures of Angang Steel, improved the environmental management responsibility system.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK

Angang Steel followed the environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China, revised and improved 5 procedural documents including the Procedures for Solid Waste Management, and achieved zero pollution accident in major or more serious environmental pollution accidents. The implementation rate of "Three Simultaneities" of environmental protection of construction projects, compliant disposal rate of hazardous wastes and safe utilization rate of radioactive sources and inspection pass rate of motor vehicles entering the plant were all 100%.

1. Improvement of Environmental Protection System, Implementing Ultra-Low Emission Upgrade

Angang Steel issued the Key Points of Environmental Protection Work in 2020 and the Pollutant Emission Limits and Total Pollutant Emission Control Indicators for Each Process, which broke down the total pollutant emissions and emission concentration indicators by unit, established a management mechanism for controlling both the total emission and concentration of pollutants.

Angang Steel invested RMB1.42 billion in the commencement and implementation of 40 environmental protection and renovation projects, including the renovation on ultra-low emissions of coal-fired boiler of the Energy Control Center.

2. Pollutants Discharge

The environmental protection facilities of Angang Steel operated stably and pollutants were discharged according to standards. The total emissions for nitrogen oxides, sulfur dioxide and chemical oxygen demand are 25,191.4 tonnes, 9,252.4 tonnes, and 75.89 tonnes, respectively.

3. Hazardous Wastes

In accordance with the requirements of relevant national laws and regulations, Angang Steel entrusted qualified units to dispose of hazardous wastes, and a total of about 4,964 tons of hazardous wastes are disposed of in compliance with regulations.

4. Solid Wastes

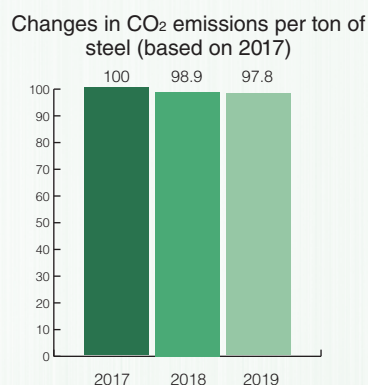
Angang Steel generated a total of approximately 12,092,000 tonnes of non-hazardous waste, including 8,290,000 tons of blast furnace slag, 3,770,000 tons of steel slag, 12,000 tons of coal ash, and 20,000 tons of sewage sludge from sewage treatment plants.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

5. Greenhouse Gas Emissions

In terms of carbon emissions management, the Company actively followed the national carbon trading policy, clarified carbon emission reduction targets and tasks, scientifically formulated carbon emission control plans, strengthened training and capacity building, and promoted major technological innovations, so as to achieve the 2030 carbon peak target and 2060 carbon neutral vision to promote the industry's acceleration and better development.



Note: The figures are percentage values. The state has not yet conducted carbon emissions verification for 2020, and there is no conclusive data for 2020, so carbon emissions data will be disclosed next year.

6. Emissions Reduction Measures and Achievements

Angang Steel has completed 54 environmental protection renovation projects including the renovation of the new sintered granulating and the finished electric dust removal of the Iron Making Plant, and the addition of fluorine removal facilities for the water treatment of the 3# caster of 4 Branch of the Iron Making Plant, further reducing pollutant emissions and continuing to improve plant environment.

7. Methods for Treatment of Hazardous and Non-Hazardous Wastes and Measures for and Achievements of Wastes Reduction

All hazardous wastes generated by the Company were subject to treatment by qualified units as engaged in accordance with national requirements. Valuable waste resources were recycled or sold according to regulations of the Company. All valueless industrial wastes were discharged into the Heiniuzhuang industrial waste dumping site in Liaoyang County. All domestic garbage was discharged to the designated garbage disposal plant in Anshan City.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

8. Clean Production

Angang Steel continuously implements clean production in the production and management process, rationally utilizes natural resources, and always adheres to the clean production process with low energy consumption, low material consumption and low pollutant production. It always adopts a strict management system to control the production process of products in a scientific and reasonable way to continuously improve the employees' awareness of clean production.

By equipping all sintering production line with waste heat recovery devices, equipping all the blast furnace top gas with TRT power generation devices and equipping blast furnace gas with CCPP generator sets, the Company achieved efficient utilization of waste heat and waste energy, with a 42% self-generation ratio, 98.5% production water recycling rate and 99.4% blast furnace gas utilization rate. The energy-saving indicators continue to improve.

9. Policies to Reduce the Company's Significant Impact on the Environment and Natural Resources and Actions to Manage the Impact to Achieve Environmental Protection and Sustainable Development

The year 2020 is the last year of building a well-off society in an all-round way and the "13th Five-Year" plan. It is also a year for the decisive victory in the defense of the battle for Blue Sky. Guided by Xi Jinping's thoughts on ecological civilization, Angang Steel has thoroughly studied and implemented the spirit of the party's 19 congress and the spirit of the 4 plenary session of the 19 central Committee, resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, adhered to the idea of ecological priority and green development. By continuously improving the environmental protection management system, vigorously promoting the implementation of environmental protection renovation projects, and strictly controlling environmental risks, the level of environmental protection management has been greatly improved, the total discharge of pollutants has further decreased year-on-year, the level of plant beautification and greening has been further improved, and environmental protection has achieved significant results.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

10. Causes of Major Environmental Pollution Incidents, Impact on the Company's Performance, Impact of Environmental Pollution, and Measures Taken

No major environmental pollution incidents occurred at Angang Steel.

11. Companies that have been designated as major dischargers by the environmental protection department or their subsidiaries shall disclose the following main environmental information in accordance with laws, regulations and departmental rules:

(1) Pollution discharge information

	Name of major pollutants and characteristic pollutants		Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m³)	Pollutant discharge standards executed (mg/m³)	Approved Total total discharge (tonnes)	Excessive discharge	
Name of company or subsidiary		Discharge method							
Angang Steel Company Limited (including Anshan area of Angang Steel, Bayuquan Branch Company and Chaoyang Iron and Steel)	COD	Discharged after being treated to acceptable standards	3	Main drain	<50mg/L	50mg/L	75.89	Not approved by the government department	None
	Ammonia nitrogen		3	Main drain	<5mg/L	5mg/L	4.44		None
	Particulates		540	Coking	<30mg/m³	30mg/m³	12,101.7		None
		Steelmaking		<50mg/m³	50mg/m³	9,252.4			
		Steel rolling		<20mg/m³	20mg/m³				
		Steel rolling		<30mg/m³	30mg/m³	25,191.4			
	Sulfur dioxide	201	Coking	<50mg/m³	50mg/m³		None		
			Sintering	<200mg/m³	200mg/m³				
			Steel rolling	<150mg/m³	150mg/m³				
	Nitrogen oxide	170	Coking	<500mg/m³	500mg/m³	None			
			Sintering	<300mg/m³	300mg/m³				
			Steel rolling	<200mg/m³	200mg/m³				

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

11. Companies that have been designated as major dischargers by the environmental protection department or their subsidiaries shall disclose the following main environmental information in accordance with laws, regulations and departmental rules: (Continued)

(2) Construction and operation of pollution prevention facilities

Angang Steel totally invested RMB1.42 billion in the commencement and implementation of 40 environmental protection and renovation projects. The existing environmental protection facilities of Angang Steel operated steadily, the exhaust gas emission met the discharge standards. The wastewater discharge of Chaoyang Iron and Steel and Bayuquan Branch Company met the standard, and the Anshan plant has achieved zero discharge of wastewater in non-rainy periods.

Due to the long history of the construction of the Anshan plant, the main area of the plant is large and the topography pipe network is complicated. Therefore, when concentrated rainfall occurs during the flood season, the flood control drainage will be discharged through the waste water outlet of Xidagou, causing its certain indicators of the external discharge pollutants to exceed the comprehensive sewage discharge standard limit value in Liaoning.

(3) Environmental impact assessment of construction projects and other administrative licenses for environmental protection

Angang Steel obtained the environmental impact assessment approval documents for 8 construction projects including the 28 water station capacity expansion and renovation project of the Energy Control Center, and completed the modification of the pollution discharge permit and the addition items to the radiation safety permit.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

11. Companies that have been designated as major dischargers by the environmental protection department or their subsidiaries shall disclose the following main environmental information in accordance with laws, regulations and departmental rules: (Continued)

(4) Emergency plan for environmental emergencies

In accordance with relevant environmental protection laws and regulations and the requirements of the environmental impact assessment approval of construction projects, Angang Steel entrusted a third-party organization to prepare the Contingency Plan for Environmental Events for five projects, including the cleaning unit engineering project of the first branch of cold rolling, the additional desulfurization device of the chemical business department, the newly added desulfurization tower of western recovery, and quality upgrade and variety structure adjustment of coal tar processing products, and new construction of the needle coke production line. After the review of the experts, it passed the record of environmental protection departments of the government, which further improved Angang Steel's emergency response capabilities for environmental emergencies.

(5) Self-monitoring plan on environment

Angang Steel formulated a Plan on Environment in strict accordance with the requirements of the code for pollutant discharge permits, and carried out the implementation.

(6) Other environmental information that should be disclosed

None.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

- 12. Companies in heavy-polluting industries (including metallurgy, chemical, petrochemical, coal, thermal power, building materials, paper making, brewing, pharmaceuticals, fermentation, textiles, tanning and mining, etc.) should state whether their pollutant emissions meet national or local standards and environmental protection facility input and operation status, employee occupational disease prevention and control status; explain whether a major environmental protection accident occurred in the Company during the reporting period, the impact and damage caused, and the response measures and improvement measures taken.**

The environmental protection facilities of Angang Steel operated smoothly, the pollutants discharged met the discharge standards. It invested RMB1.42 billion to improve efficiency and meet standards, and no major environmental accidents occurred during the reporting period.

- 13. In the case of administrative penalties during the reporting period, the penalties, penalty measures, impact and rectification should be disclosed.**

The penalty:

In 2020, the Ecology and Environment Bureau of Anshan City carried out monitoring of flood control, drainage water and water pollutants of Angang Steel. The drainage pollutants outside the Xidagou exceeded the limit value of the comprehensive sewage discharge standard of Liaoning Province. On 19 June and 8 July 2020, it issued Environmental Protection Administrative Penalty Decisions (《環境保護行政處罰決定書》) three times, and a total of RMB400,000 was fined.

Rectification measures:

The sewage discharge outlet in Xidagou is the only exterior sewage discharge outlet in the main plant area of the Company in Anshan. Since September 2019, zero discharge of wastewater through the sewage discharge outlet in Xidagou during non-rainy periods was achieved. The three penalties against the excessive discharge in 2020 were caused by the flood control drainage during rainfall periods. When the flood prevention plan was launched due to the concentrated rainfall during the flood season, the flood control drainage was discharged through Xidagou wastewater discharge outlet, resulting in some pollutant indicators exceeding the limits of comprehensive wastewater discharge standards in Liaoning Province.

Chapter V Environmental Protection and Green Development (Continued)

II. PERFORMANCE OF ENVIRONMENTAL PROTECTION WORK (CONTINUED)

13. In the case of administrative penalties during the reporting period, the penalties, penalty measures, impact and rectification should be disclosed. (Continued)

During rainfall period, the Company used the production backup pond as a rainwater reservoir to increase the amount of water stored in the plant, and Xidagou Wastewater Treatment Plant was operated at maximum capacity to reduce the flood control drainage during rainfall, basically not draining water when light rain fell. At the same time, the Company immediately began to carry out the transformation project to separate the rain and sewage in the main plant area, and it has completed the feasibility study, and will finally achieve the goal of separation of rain and sewage in the main plant area.

III. STRENGTHENED ENERGY AND WATER RESOURCE MANAGEMENT

In 2020, the Company continued to improve its energy management system, and revised the Energy Management Procedures, Energy Benchmarks, Performance Parameters and Targets Management Program, Measures for Energy Conservation Management, Measures for Contract Energy Management and other management systems. Energy control centers were set up at the headquarters of Angang Steel, Bayuquan Iron & Steel Branch and Chaoyang Iron & Steel to improve the ability to know the situation of energy in the whole area, the dynamic analysis and risk management and control at the current time, and realise centralised control and intensive management of energy.

1. Policies on and Management Methods for Effective Utilization of Resources

The Company strengthened the management of energy use, and implemented energy-consuming systems of “focusing on treatment of dispersive gas, reducing loss, controlling consumption, adjusting structure and improving efficiency” for to reduce energy loss and improve energy utilization efficiency; while strengthening energy consumption management, the Company continued to adopt differential pricing for energy utilization and carry out “operation in power valley-value period instead of peak-value period” to effectively control energy consumption; the water system operation mode was optimized to enhance the management and control measures for water utilization and drainage at fixed time and quantity. The water quality and quantity balance management was intensified to improve water recycling rate. In 2020, the electricity consumption of the Company was 14,814.07 million kWh, with electricity consumption of 559 kWh/t per ton of steel. The consumption of coke oven gas, blast furnace gas and converter gas was 59954151GJ, 120153739GJ and 14284803GJ, respectively. Fresh water consumption was 49.25 million tons with 1.86 t/t per ton of steel. Recycled waste heat and surplus energy was 1.08GJ.

Chapter V Environmental Protection and Green Development (Continued)

III. STRENGTHENED ENERGY AND WATER RESOURCE MANAGEMENT (CONTINUED)

2. Energy Use Efficiency Plan and Energy Efficiency

Centering on the production and operation targets, the Company continued to increase efforts on basic management of energy conservation, refined energy indicators decomposition and grading management and control, strengthened special benchmarking of energy indicators, strengthened energy benchmarking with other advanced enterprises in the industry such as Baowu (寶武) and Minmetals (五礦), and implemented corresponding incentives mechanisms to promote the energy conservation and cost reduction in a systematic and thorough way. Energy utilization was fully optimized to ensure efficient energy operation and tiered, economic and adjustable supply by qualities. The Company broadened channels to increase sales of energy and enhanced the profitability of external sale of energy products such as heating with waste heat water, low-temperature liquid and gas. While optimizing systematic measures for energy cost reduction, it moved forward with the implementation of energy conservation and cost reduction projects and exploited potential for consumption reduction to promote obvious improvement and effective enhancement of energy indicators. Meanwhile, the Company strengthened its energy saving supervision and management, and encouraged all employees to participate in energy saving supervision and management, thereby facilitating the rational use of energy and genuine energy conservation in all units, and improving energy use efficiency. In 2020, considerable progress and improvement were made in respect of self-generated power, fresh water consumption per ton of steel and the cost of outsourcing energy as well as other energy indicators and some were their historical best. Fresh water consumption per ton of steel reduced by 4.35% year on year, representing the leading standards among key steel enterprises in China. Self-generated power increased by 1,300 million kWh as compared with last year; costs for external purchased energy for per ton of steel of the headquarters of Angang Steel decreased by 11.3%.

Chapter V Environmental Protection and Green Development (Continued)

III. STRENGTHENED ENERGY AND WATER RESOURCE MANAGEMENT (CONTINUED)

3. Water Use Efficiency Plan and Water Use Efficiency Enhancement

The Company further implemented Xi Jinping thought of ecological development, practiced the idea that lucid waters and lush mountains are invaluable assets, and adhered to the water management concept of “water conservation first, spatial balance, systematic management and two-handed efforts”. In 2020, the Company continued to focus on water resource utilization, conservation and reduction, and systematic management to improve water use efficiency. The Company continued to optimize the structure of water resources, continued to reduce the total amount of water withdrawn underground with a year-on-year decrease of 23.7%; it continuously improved water treatment efficiency through technical innovation, recycled rainwater at an appropriate amount according to the water balance status, increased the ratio of reuse of reclaimed water to fresh water by 7.5% year-on-year; and basically achieved zero discharge during the non-flooding period for the external drainage in Xidagou. The Company have strengthened industry benchmarking and carried out research and evaluation of water consumption on a process-by-process basis in line with the quota standards of iron and steel industry issued by the Ministry of Water Resources, and promoted water conservation and emission reduction on a process-by-process basis; the Company vigorously promoted water conservation projects and new technologies for water treatment, and completed a number of projects such as two dry dusting projects for blast furnace gas, the optimisation and energy-saving renovation of pipe network for clean circulating water, and the self-cycling renovation of the water system at the air compression station in western district; continued to strengthen the management over concentration times of circulating water systems. The circulating utilization rate of water was over 98.5% and the amount of water withdrawn per ton of steel was 3.33m³/t, maintaining an advanced level in the industry. The Company continuously strengthened the support of science and technology and carried out scientific and technological innovation for water resources, and completed a number of scientific research projects such as Technical Research and Implementation for Reducing Salt Content in Water Systems in Main Plant Areas of Angang Steel (降低鞍鋼主廠區水系統含鹽量的技術研究與實施) and Technical Research for Resource Utilization of Concentrated Brine by Reverse Osmosis (反滲透濃鹽水資源化利用技術研究), and launched a research project titled Technical Research and Practice on Water Balance and Zero Discharge of Angang Steel Based on Water Quality Balance (基於水質平衡下的鞍鋼水量平衡及零排放技術研究與實踐), which has achieved remarkable results and provided technical reserve and support for the next step to improve water efficiency.

Chapter V Environmental Protection and Green Development (Continued)

III. STRENGTHENED ENERGY AND WATER RESOURCE MANAGEMENT (CONTINUED)

4. Energy Conservation and Emissions Reduction Projects and Green Manufacturing Projects

- (1) Research and development and results of energy conservation and emissions reduction and green manufacturing projects

The Company carried out more than 83 scientific research projects in the field of energy conservation and emissions reduction in 2020. For the project of “Integrated Technology and Application of resource recycling and clean utilization of Metallurgical Dust”, the Company conducted a series of research on the theory and application of resource recycling and clean utilization in metallurgical dust removal. Through the revolutionary combination of blast furnace smelting and melt reduction, the Company achieved the direct use of dust components in blast furnace spraying short process, which completely eliminated the chronic defect of recycled blocks and solved the key problems such as the cleaning, low cost and scientific use of 100% reduction during dust removal. The technology reached the international leading level, with a distinctive industry demonstration. The project was successively promoted and applied in Angang Steel's headquarters, Bayuquan Branch Company and Chaoyang Iron and Steel, effectively improving the production and living environment of the enterprise and its surrounding areas, with significant social benefits. The project was granted 8 invention patents and 12 utility model patents, with 19 publications published at the provincial level or above.

For the project of “Research on Technology for the Online Removal of Sludge from the Horizontal Sedimentation Tank of Angang Steel's 1,780 Production Line”, focusing on the problem of high oil content in the sludge from the horizontal sedimentation tank of Angang steel's 1780 production line and the stockpiling pollution on the environment, the Company adopted the stirring air flotation method to float the oil to the surface of the horizontal sedimentation tank to form waste oil, which was collected and sent to qualified manufacturers for use. The fine iron scales after oil removal were used as raw materials for sintering and recycling, achieving considerable environmental and social effects. The project solved the industry problems of large investment, high operation costs and secondary pollution caused by the traditional roasting and dosing cleaning methods, and was awarded 7 invention patents, 2 industry standards, 8 papers and 6 proprietary technologies. The project has been running smoothly on the hot rolling process of the 1,780 Production Line for nearly 3 years, and the technology has been applied to the hot rolling process of the 1,700 Production Line and the Beidagou sewage treatment system.

Chapter V Environmental Protection and Green Development (Continued)

III. STRENGTHENED ENERGY AND WATER RESOURCE MANAGEMENT (CONTINUED)

4. Energy Conservation and Emissions Reduction Projects and Green Manufacturing Projects (Continued)

(2) Energy conservation management measures and results

With efficient recycling utilization of resources as the core, under the goal of deeply tapping the energy conservation potential of processes and production lines and improving the use efficiency of energy media, and based on the main points of energy management in 2020, through formulating a checklist work plan, increasing investment in energy conservation, accelerating the application of energy conservation technology, promoting the implementation of energy conservation projects, strengthening the supervision of the energy conservation process and other measures, the Company firmly established the concept of saving and recycling utilization of resources, effectively practiced the concept of green and recycling and low carbon development, and carried out various energy conservation and emissions reduction work in an orderly manner, and achieved substantial results. In 2020, fresh water consumption was 1.86 t/t per ton of steel, representing a year-on-year decrease of 4.1%; converter gas recovery was 120m³/t per ton of steel, representing a year-on-year increase of 3.2%.

(3) Implementation and effects of energy conservation projects

In 2020, the Company accelerated the elimination of backward technologies and equipment, and vigorously promoted advanced, mature and applicable energy conservation technologies and equipment such as “energy-saving pumps and fans”, “high-frequency electromagnetic heat exchange”, “permanent magnetic speed regulation” and “low vacuum phase change”. Throughout the year, 32 energy conservation projects were implemented, with a planned investment of RMB130 million. In 2020, 180MW CCPP and other new energy conservation projects were put into operation.

Chapter VI Public Relations and Charity Activities

Being committed to becoming a responsible enterprise, the Company insists on protecting and improving people's livelihood in the course of development, contributing to community development and targeted poverty alleviation, and giving back to the society. 12 outstanding youth, accounting for 40% of the total number of appraisees, were awarded as "Angang Steel's Most Beautiful Young Volunteers" for their work such as fighting against pandemic, building a civilized city and dedication.

1. GUO MINGYI LOVE TEAM

- (1) Guo Mingyi Love Team was extensively mobilised to participate in voluntary services to fight against pandemic and targeted poverty alleviation, and donated funds and materials in the total amount of over RMB1.1 million to the infected areas such as Wuhan and Hubei. In 2020, it donated to a total of 1,527 households with national targeted poverty alleviation cards in the amount of nearly RMB3 million. Tian Yu from Angang Steel was awarded the honorary title of "model of learning Lei Feng and Guo Mingyi's Spirit at Work in Liaoning Province". Li Chao and Lin Xuebin from Angang Steel were awarded the honorary title of "Mengtai Heirs" by Anshan Municipal Committee of CPC and municipal government.
- (2) Organisations at different levels of the Company proactively conducted activities under the theme of "Learning Lei Feng's Spirit from Guo Mingyi (跟著郭明義學雷鋒)", conducted 513 dedication activities centering on environmental governance, protecting production and ensuring supply, and cost reduction and efficiency improvement with 4,609 participants; organized more than 80 youth volunteers to form a youth volunteer team to provide volunteer services at the 2nd Metallurgical Artificial Intelligence Forum, the 2nd Automotive Culture Festival under the theme of "Integrating Dreams, Creating the Future (融合夢想創領未來)", and the FAW Hongqi brand settling in the Angang Steel Quality Exhibition Hall; and donated 1,565 books to the secondary school in Pianling Town and the primary school in Baojiabao, Xiuyan Manchu Autonomous County.

Chapter VI Public Relations and Charity Activities (Continued)

2 · ENHANCING THE CONSTRUCTION OF COMMUNITY RELATIONS

- (1) Angang Steel organized 3 Liaoning provincial civilised units and 4 Anshan municipal civilised units, totaling 7 ground-level units, to offer pairing assistance to some of the poverty-stricken villages and towns in Anshan City. Focusing on the prevention and control of the pandemic in the community, the Company carried out a wide range of voluntary services such as inspection of people and vehicles entering and leaving the control points, disinfection in public areas and distribution of pandemic prevention materials. The Company strengthened the construction of the Angang Group Museum to better serve the public, restored the “Three Major Iron Tools”, including the Old No. 1 Blast Furnace, the 2300mm three-roller Lauter rolling mill and the seamless steel pipe sizing machine, which were Grade I cultural relics in the collection, and was awarded the honorary title of the National Advanced Group for Science Popularization.
- (2) With active dedication to building “Anshan” as a civilized city, the Youth League Committee of the Company recruited more than 380 youth volunteers to set up a youth volunteer team for the review of building the civilized city, and arranged them to participate in the volunteer service work of reviewing the civilized city. They were responsible for directing pedestrians to cross the road in a civilized manner at 12 zebra crossings without traffic lights along Shengli Road from Martyrs’ Mountain in the south to Lishan Third Hospital Road in the north, and served for more than 7,800 hours in total, demonstrating the good image of employees of Angang Steel.
- (3) Organisations at different levels earnestly implemented the the important instructions of General Secretary Xi Jinping that “as life is more important than Mount Taishan, pandemic means an order, and its prevention and control represents a responsibility”. 34 youth strike teams were set up for the pandemic prevention and control, and more than 150 activities were carried out in public areas such as working areas, accommodation apartments, railway stations and communities focusing on four aspects, namely “prevention and control of the pandemic”, “resumption of work and production”, “fighting against pandemic with love” and “promotion and guidance”, with more than 1,860 participants. Among them, 2 pandemic prevention and control youth strike teams were awarded as the advanced groups of pandemic prevention and control and resumption of work and production in Anshan City, Liaoning Province; Sha Kaizhi was listed on the Heroes of Pioneering Warriors in China Metallurgical News; 42 articles were published in columns such as “Everyone learns from Lei Feng – Youth fights against the pandemic” to publicise typical matters of fighting against the pandemic and intensified positive propaganda and guidance.

Chapter VI Public Relations and Charity Activities (Continued)

3. JINQIU EDUCATION

The Company provided Jinqiu Education grants of RMB36,000 to 26 students from poverty-stricken families with members working via the “Jinqiu Education” activities. The Company cares about the lives of its employees and organized pragmatic activities including celebrating birthdays for employees, competitions for high-quality service in the canteen, and giving of coolness to build a brand image for labour union.

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION

In 2020, Angang Steel undertook the poverty alleviation projects in Taxkorgan Tajik Autonomous County, Xinjiang (the “Taxkorgan County”), and Shangtao Village in Chaoyang City, Liaoning Province. During the special period of pandemic prevention and control, the leaders and poverty alleviation cadres of Angang Steel, especially the aid cadres on the front line of the frontier, by virtue of staying true to their original aspiration, keeping their mission firmly in mind, strengthening their confidence and working tenaciously, completed the poverty alleviation tasks in the counterpart poverty alleviation sites in 2020. Taxkorgan County eliminated poverty in January 2020. In 2020, Anshan Group was awarded the “Innovation Prize for Poverty Alleviation Organization in Autonomous Region” by Xinjiang Uyghur Autonomous Region, and Comrade Ma Rongcai, the aid cadre, was awarded as an outstanding cadre by Kashgar Region.

- (1) Targeted poverty alleviation plan: the Company effectively fulfilled the political responsibility and mission as an enterprise, gave play to the advantages of corporate resources, helped poverty alleviation sites achieve poverty elimination, and achieved a “zero” poverty population. The Company implemented the targeted poverty alleviation that combined various types of assistance such as poverty alleviation through industrial development, poverty alleviation through projects on people’s livelihood, poverty alleviation through education, poverty alleviation through consumption, poverty alleviation through e-commerce and talent support, and established a long-term mechanism for steady poverty alleviation.

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

- (2) Summary of the implementation of targeted poverty alleviation: Firstly, the leadership had a high political stance and never let up in thinking, attached great importance to poverty alleviation work, and carried out in-depth research on poverty alleviation points. They visited Taxkorgan County in Xinjiang, Jianchang County in Liaoning, Lime Kiln Town (village) in Xiuyan County, Shangtao Village in Chaoyang City successively, to carry out poverty alleviation research, visit and express solicitude for registered poverty-stricken households, held talks and exchanges with local cadres and people, solved difficulties and problems encountered in poverty alleviation work, helped poverty alleviation points to be lifted out of poverty and the poverty population was reduced to “zero”. Secondly, in the course of implementation of the “Help the Poor and Benefit People’s Livelihood” project, tour and inspection was made to identify and solve problems, based on that practice, poverty alleviation projects were monitored closely. The leaders personally visited the poverty alleviation points to investigate and supervise the implementation of poverty alleviation projects, and the relevant departments jointly supervised and inspected the poverty alleviation projects, and reported timely to the local government on the problems identified, to draw the attention of local government to these problems, which played a positive role in promoting the effective implementation of Angang’s poverty alleviation projects. Thirdly, we fully exceeded all the poverty alleviation target indicators issued by Angang Group. Fourthly, we selected outstanding cadres to carry out assistance to Xinjiang and poverty alleviation work in villages, assisted enterprises to establish safety, production and equipment management systems and carried out continuous training, which helped the relevant enterprises and departments in Taxkorgan County significantly to improve their own operational control ability. Fifthly, we actively carried out the introduction of external funds and helped sell agricultural products, helping Taxkorgan County sell agricultural products with an amount of RMB226,000 and exceeding the target for poverty alleviation through consumption.

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Effectiveness of targeted poverty alleviation:

Angang Steel completed the disbursement of poverty alleviation funds in Taxkorgan County, Xinjiang in May 2020, creating favorable conditions for the early construction of poverty alleviation projects in Taxkorgan County, fully completing the poverty alleviation tasks and indicators issued by Angang Group. RMB14.8 million of poverty alleviation funds were invested in 2020, of which: RMB14.5 million for Taxkorgan County and RMB300,000 for Shangtao Village, Chaoyang City, which helped Taxkorgan County to introduce poverty alleviation funds amounting to RMB370,000, with a completion rate of 617%; 527 ground-level cadres were trained, with a completion rate of 878%; 129 technicians were trained, with a completion rate of 258%; the Company purchased agricultural products from poor areas amounting to RMB5.77 million, with a completion rate of 2,309%; and helped to sell agricultural products for poor areas amounting to RMB226,000, with a completion rate of 113%; 1 enterprise was introduced, obtaining actual investment with an amount of RMB498,000; the Company conducted supervision and inspection 2 times.

In 2020, there were 8 capital input projects to help Taxkorgan County, 7 of which have been completed and 1 is being implemented. Due to the impact of the COVID-19 pandemic, the progress of the yak beef deep processing project was affected, for the bid opening of such project could not be carried out for the rebound of the pandemic in July, although the project has been submitted to the online tendering system for tendering for construction in the end of June. After the active efforts of the poverty alleviation working group residing in Taxkorgan County, with its coordination with and supervision of the competent authorities of the local government, over half of the construction work of the yak meat deep processing project has been completed, and it is planned to be put into operation at the end of June 2021.

Through concerted effort with the local government, Taxkorgan County has achieved “zero” poverty population by the end of 2019 and was delisted from the national poverty county list in January 2020. Through the assistance, the per capita disposable income of rural residents in Taxkorgan County increased from RMB4,201 in 2013 to RMB8,537 in 2019, representing an increase of 103.21%. The people’s sense of access, happiness, security and identity has been increasing.

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Effectiveness of targeted poverty alleviation: (Continued)

Indicator	Unit	Number/ progress
I. Overview	—	—
Including: 1. Capital	RMB'0,000	1,480.02
2. Supplies converted into cash	RMB'0,000	
3. Number of archive impoverished population casting off poverty	Person	16,605
II. Subentry	—	
1. Poverty alleviation through industrial development	—	—
		Poverty alleviation through development of agriculture and forestry industry
Including: 1.1 Type of industrial development projects for poverty alleviation	—	
1.2 Number of industrial development projects for poverty alleviation	Item	6
1.3 Capital invested in industrial development projects for poverty alleviation	RMB'0,000	1,046.33
1.4 Number of archive impoverished population casting off poverty	Person	16,605
2. Poverty alleviation through allopatric employment	—	—
Including: 2.1 Capital invested in occupational skill trainings	RMB'0,000	—
2.2 People attending occupational skill trainings	Person次	153
2.3 Employment of archive impoverished population	Person	24
3. Poverty alleviation through resettlement	—	—
Including: Employment of relocated households	Person	—

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Effectiveness of targeted poverty alleviation: (Continued)

Indicator	Unit	Number/ progress
4. Poverty alleviation through education	—	—
Including: 4.1 Capital contributed for aiding impoverished students	RMB'0,000	2
4.2 Number of students receiving financial aid	Person	50
4.3 Capital contributed for improving educational resources in poverty-stricken areas	RMB'0,000	147.69
5. Poverty alleviation from the perspective of hygiene	—	—
Including: 5.1 Capital invested in medical and health resources in poverty-stricken areas	RMB'0,000	282
6. Poverty alleviation from the perspective of ecological protection	—	—
Including: 6.1 Type of project	—	—
6.2 Capital contributed	RMB'0,000	—
7. Bottomlined guarantee	—	—
Including: 7.1 Capital for “staybehind” children, elderly and women	RMB'0,000	—
7.2 Number of “staybehind” children, elderly and women getting help	Person	—
7.3 Capital for the disabled in difficulties	RMB'0,000	—
7.4 Number of the disabled in difficulties getting help	Person	—

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Effectiveness of targeted poverty alleviation: (Continued)

Indicator	Unit	Number/ progress
8. Social poverty alleviation	—	—
Including: 8.1 Capital contributed for collaborative poverty alleviation in eastern and western regions	RMB'0,000	—
8.2 Capital for targeted poverty alleviation work	RMB'0,000	2
8.3 Capital donated to poverty alleviation-related charity funds	RMB'0,000	—
9. Others	—	—
Including: 9.1 Number of projects	Item	—
9.2 Capital contributed	RMB'0,000	—
9.3 Number of archive impoverished population casting off poverty	Person	—
III. Awards (nature and class)	Provincial level	Xinjiang Uygur Autonomous Region Poverty Alleviation Organisation and Innovation Award (新疆自治區脫貧攻堅組織創新獎)
—		

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Targeted Poverty Alleviation Plan for the Next Year

Guiding Ideology

Guided by General Secretary Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, we will thoroughly study and implement the spirit of the 19th CPC National Congress, the 2021 Central Economic Working Conference and the 2021 Rural Working Conference, and do a good job in assistance during the transition period in the next five years, and continue to implement the policy of removing poverty without taking off responsibility, policy, assistance and regulation. Following the requirements of Angang Group, we will do a good job in targeted poverty alleviation that combines various types of assistance such as poverty alleviation through industrial development, poverty alleviation through projects on people's livelihood, poverty alleviation through education, poverty alleviation through consumption, poverty alleviation through e-commerce and talent support, leverage our advantage in corporate resources, mobilize various forces, make an all-out effort, carry out targeted poverty alleviation throughout the process of poverty alleviation, conscientiously fulfill the political responsibility and mission of central enterprises, help poverty alleviation points consolidate the results of poverty alleviation, establish a long-term mechanism for steady poverty alleviation, address the risk of return to poverty and poverty among those who have escaped poverty and those at risk, and prevent it from happening.

Objectives

Taking into account the actual situation of the poverty-alleviation points, in 2021, Angang Steel arranged RMB15.7 million in poverty alleviation (donation) funds, including: RMB15.3 million in poverty alleviation funds for Taxkorgan County, an increase of RMB0.8 million or 5.5% over 2020; RMB0.3 million in poverty alleviation funds for Shangtao Village in Chaoyang City, maintaining the previous year's level; and a new donation of RMB100,000 to Bayuquan Experimental School of Yingkou City.

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Targeted Poverty Alleviation Plan for the Next Year (Continued)

Key poverty alleviation projects and funding plan for 2021

- a) Key poverty alleviation project and poverty alleviation funding plan of Taxkorgan County, Xinjiang

RMB15.3 million was allocated for poverty alleviation in Taxkorgan County, Xinjiang. The main poverty alleviation projects are as follows:

Firstly, we invested RMB13.1 million or 85.62% of the funds in poverty alleviation project through industrial development. Among which, RMB4.15 million was invested in the expansion project of chicken farms, RMB3 million was invested in the project of deep processing and perfect supporting facilities of yak meat, and RMB1.1 million was invested in the project of agricultural planting and the purchase of fertilisers and seeds. The projects of livestock breeding, snow chrysanthemum cultivation and further processing need to be further investigated, with a provisional funding of RMB4.85 million.

Secondly, we invested RMB2.2 million, accounting for 14.37% of the funds, in poverty alleviation project through education. The main purpose of the project is to improve the remote education of primary schools in villages and towns and to achieve full coverage of remote education in primary schools in Taxkorgan County.

- b) Poverty alleviation projects and poverty alleviation funding plan in Liaoning province

Firstly, RMB300,000 of poverty alleviation funds was allocated to Shangtao Village for the construction of a village-level photovoltaic power station.

Secondly, we donated RMB100,000 to Bayuquan Experimental School of Yingkou City to improve the teaching conditions.

Chapter VI Public Relations and Charity Activities (Continued)

4. PROCEEDING WITH TARGETED POVERTY ALLEVIATION (CONTINUED)

(3) Targeted Poverty Alleviation Plan for the Next Year (Continued)

Summary of specific implementation measures:

Firstly, we will continue to do a good job in the implementation of poverty alleviation projects, especially industrial projects shall be the first, and we will do a sound job in the verification and funding of the poverty alleviation projects to be verified in Taxkorgan County, the carry-over cashmere goat farm project and oil extraction project in Shihuiyao Village, and the photovoltaic power generation project in Shangtao Village. Secondly, we will appropriately carry out rectification of the problems raised by the special audit on poverty alleviation, formulate a rectification plan and implement it promptly. We will carry out monthly surveys, supervision and inspection, and service plans in poverty alleviation points to ensure the optimum efficiency of Angang Steel's assistance funds. We will undertake the decomposition and implementation of the poverty alleviation tasks assigned by Angang Group to ensure that they are completed on schedule. Thirdly, we will link up the selection and appointment of temporary cadres well in Taxkorgan County. According to the needs of Taxkorgan County, we will continue to do a good job in personnel training and other work, love, caring and concern for cadres, and do a good job in party building, party class and other organizational revitalization work. Fourthly, we will continue to do a good job in the publicity and cultural revitalization of the central group's study and assistance, and summarise and write cases of assistance to further enhance the social image of Angang. Fifthly, we will study and formulate a good work plan for poverty alleviation through consumption in 2021 and implement it as planned.

Conclusion

OUTLOOK OF 2021

The year from 2021 is the first five years during the “14th Five-Year Plan” period when China has embarked on and marched in a new journey towards the second centenary goal of building a modern socialist country in an all-round way. Since 2008, Angang Steel has been continuously publishing annual social responsibility reports, which put the fulfillment of social responsibilities in a prominent position, and continuously promoting the sustainable development of enterprises, society and the environment. We are taking steps to address some of the issues disclosed by the Company in the report.

The Company will promote the implementation of strategic planning, accelerate the layout of industrial planning, expand the main steel industry, build a steel ecosphere with coordinated industrial development, and build a resource-saving and environment-friendly enterprise. Focusing on the development of businesses such as hydrogen energy, industrial gas and water resources, Angang Steel will open the way for the development of a new energy economy and become a leader in the domestic new energy industry. We will continue to carry out responsible procurement and strive to achieve mutual benefits and win-win situation with our partners. We will promote the development of intelligent management, smart manufacturing and digital industrialisation. We will promote the strategy of strengthening the enterprise with science and technology to enhance the driving force of innovation, promote the implementation of cost reform to enhance operational control. We will promote Angang Steel's brand building to enhance its market influence. We will continue to build a harmonious and happy Angang Steel together with its employees by adhering to the people-oriented philosophy. We will intensify efforts in targeted poverty alleviation, continue to implement the principle of “Four Don'ts”, and to promote the organic link between comprehensive poverty alleviation and rural revitalization.

In 2021, the Company will be more closely united with the Party Central Committee with Comrade Xi Jinping at its core, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, continue to work hard and forge ahead, adhere to the “Two Consistent Principles”, deepen reform and innovation, improve quality and efficiency, ensure that the “14th Five-Year Plan” starts on a high note and make new contributions to the Company's goal of achieving the first year of high-quality development and welcome the 100th anniversary of the founding of the Party with outstanding achievements!

Angang Steel Company Limited
Board of Directors

30 March 2021



鞍 鋼 股 份 有 限 公 司
ANGANG STEEL COMPANY LIMITED*