

CHENGDU PUTIAN TELECOMMUNICATIONS
CABLE COMPANY LIMITED

Chengdu PUTIAN Telecommunications Cable Company Limited

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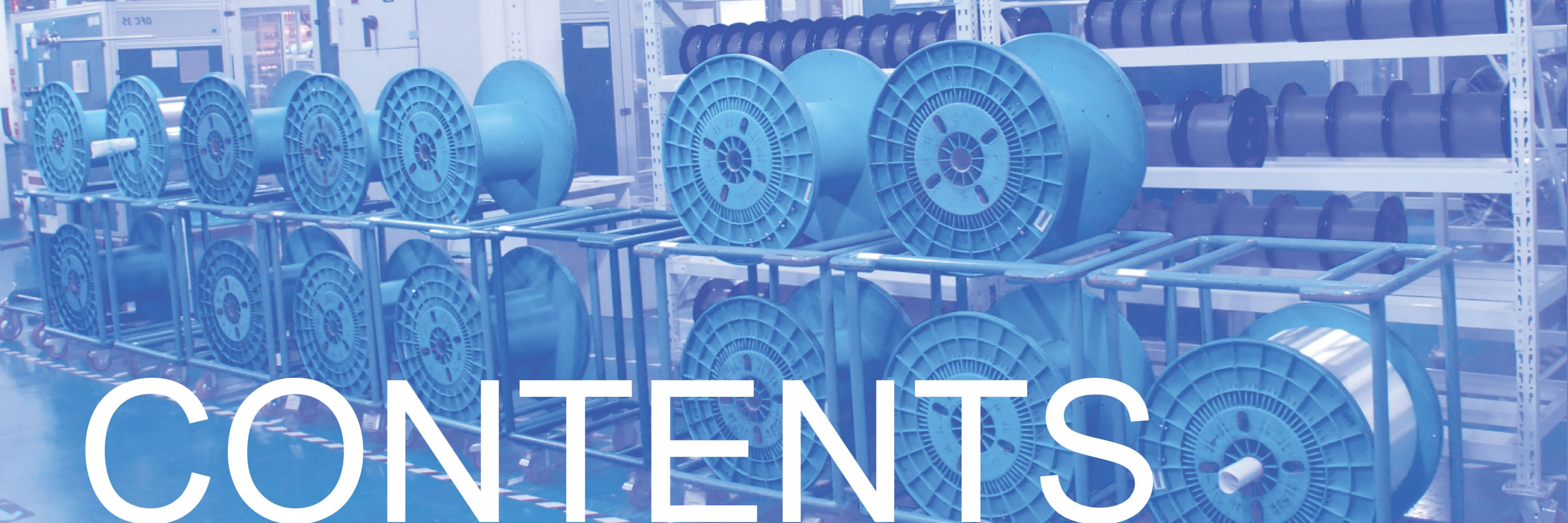
2020

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

CHENGDU PUTIAN



CHENGDU PUTIAN TELECOMMUNICATION CABLE CO.LTD.



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About the Report



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Description of Report Preparation

Reporting Period

This report covers the period from 1 January 2020 to 31 December 2020, partial content of which may be beyond such time range.

Publication Cycle

This report is the fifth environmental, social and governance report published by Chengdu PUTIAN Telecommunications Cable Company Limited with a view to disclosing to all the stakeholders the actions taken and the achievements made by the Company in the aspects of environment, society and governance during the reporting period.

Scope of the Report

The report covers Chengdu Putian Telecommunications Cable Company Limited and its controlling subsidiaries. Taking into account that optical fibre business, energy transmission cable business and park services business are the three major businesses of the Company, so the Company will continue to focus its data disclosure efforts on these three businesses. Unless otherwise mentioned, the environmental and social data disclosed in this report covers the Company's headquarters, Zhongling and SEI.

Conformance Statement

The methodology of this report is consistent with that of previous years.

Basis for Providing Data

This report is prepared in accordance with the Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities issued by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China ("SASAC") with reference to the Environmental, Social and Governance Reporting Guide of Hong Kong Exchanges and Clearing Limited ("HKEx") and the Guidance on Social Responsibility (ISO 26000) of the International Organization for Standardization (ISO). The financial figures in this report are denominated in Renminbi ("RMB").

Reference Description

"Chengdu PUTIAN", the "Company", "our" and "we" will be adopted instead for the expression of Chengdu PUTIAN Telecommunications Cable Company Limited. China PUTIAN Corporation Limited will be referred to as "PUTIAN Group".

Chengdu Zhongling Radio Communications Co., Ltd. will be referred to as "Zhongling".

Chengdu SEI Optical Fiber Co., Ltd. will be referred to as "SEI".

Chengdu Putian New Material Co., Ltd. will be referred to as "New Material".

The industrial park at No. 18, Xinhang Road, the West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, the People's Republic of China will be referred to as "Industrial Park".

Report Availability

This report is available in Chinese and English versions, which are in electronic format and can be downloaded on the following websites:

Website of HKEx at <http://sc.hkex.com.hk>

Website of Chengdu PUTIAN Telecommunications Cable Company Limited at <http://www.cdc.com.cn>

A Message from the Management

At the beginning of 2020, the outbreak of the novel coronavirus ("COVID-19") epidemic caused a panic among everyone, against the backdrop of which, the Company, under the leadership of the board (the "Board") of directors (the "Directors") and the supervisory committee (the "Supervisory Committee"), quickly set up the "Leading Group of Chengdu PUTIAN on Epidemic Prevention and Control" to coordinate the prevention and control and resumption of work, and established a work responsibility system and a daily reporting system. Over the past year, the Company had been focusing on both epidemic prevention and control and economic construction across the Company, with party building as the guidance and development as the goal, while adhering to the overall tone of working proactively and aggressively, and the development philosophy of quality first, economic benefit in priority, staying true and practical. With such efforts, the Company had made achievements in improving management service capabilities, continuing to reduce costs and enhance efficiency and optimizing and improving internal control.

The Company continuously improved the modern corporate system with characteristics specific to China, strengthened Board building, put into practice the functions and powers of the Board, and continued to improve the level of corporate governance of the Company. The Company adhered to the conduct of corporate governance according to law, strengthened risk classification, identification and management, and implemented risk management as a daily routine; optimized the Company's authorization management system, improved operating efficiency, and put in place preventive measures for operating risks to promote the continuous improvement of the comprehensive risk management system of the Company.

The Company strictly abided by environmental protection laws and regulations, attached great importance to safety production to strictly prevent accidents in production, and exerted great efforts on energy conservation and environmental protection, benefiting from which, the Company recorded zero work-related accident of serious injury or worse, zero fire accident, zero environmental pollution accident, zero public security or criminal case and zero penalty from the governments with jurisdiction throughout the year, marking its fulfillment of the management and control requirements under the overall goals and indicators.

Striving to build a harmonious and stable relationship between the Company and its employees, the Company continued to strengthen the construction of the talent team, took consideration of the characteristics of different types of talents to implement strategies in line with their specialties, continued to optimize the talent growth path and team structure, comprehensively improved the quality of the talent team, and clarified the promotion channel for the management and technical personnel. Besides, the Company strengthened the specific education and training of employees at all levels, and institutionalized and normalized the education and training of employees to promote the improvement of the comprehensive abilities and qualities of employees at all levels. The Company further improved the performance appraisal of all employees by continuously improving the performance appraisal methods for employees to stimulate and mobilize the enthusiasm and creativity of employees, consolidate competitive strengths and promote the sustained, stable and healthy development of the Company.

In 2021, the Company will still face an extremely difficult situation with arduous goals and tasks. We will stay true to our original aspirations and lay a solid foundation. With the courage to overcome difficulties, we will align ourselves with the top-ranking companies in the industry, face up to the risks and challenges, focus on the main business, reform and tackle tough problems to complete the three-year reform of state-owned enterprises, and make unremitting efforts for the survival and development of the Company.



the Company has won the highest award for corporate management

the Golden Horse Award

The Company's current railway passenger cable has obtained certification for railway products

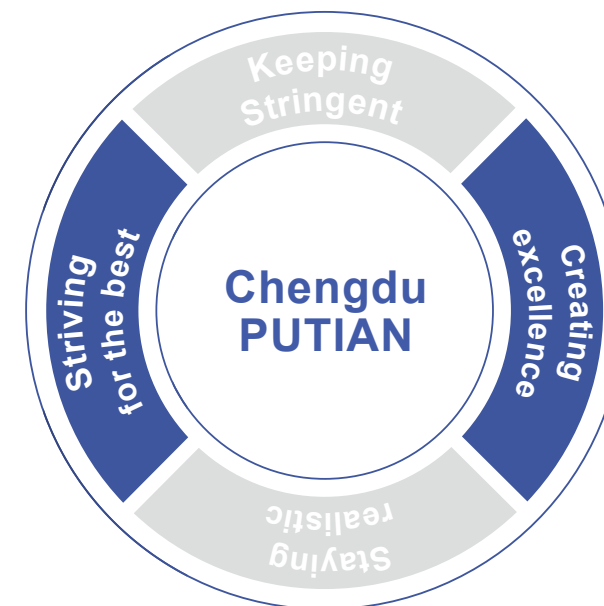
CRCC (China Railways Production Certification Center) certification

IRIS (International Railway Industry Standard) certification

Company Profile

Established in 1958 with a registered capital of RMB400 million, listed in Hong Kong in 1994 and with over 600 employees, Chengdu PUTIAN Telecommunications Cable Company Limited is a high-tech enterprise under China PUTIAN Corporation Limited ("China Putian"), focusing on research and development, manufacturing and related services of communication and energy transmission cables. Chengdu PUTIAN takes the dual drive of "industry and resources" as its guiding ideology, and focuses its business on industrial fields such as optical communications, energy transmission, and communication technology asset innovation.

Due to its outstanding management and effectiveness, the Company has won the Golden Horse Award, the highest award for corporate management, and has been awarded the titles of "Advanced Enterprises", "Top Ten Enterprises" and "Special Contribution Enterprises" by local governments and industries at all levels. All products of the Company are produced in strict accordance with national standards and industry standards, and have passed three-system certification. The Company's current railway passenger cable has obtained CRCC (China Railways Production Certification Center) certification for railway products and IRIS (International Railway Industry Standard) certification for international railway quality. The Company has won dozens of titles of "high-quality products", "golden awards", and "national customer satisfaction enterprises" in the country, ministry, province and city level for its excellent products.



Corporate vision

To be a safe and reliable expert in information and energy transmission



Corporate mission

Committed to the cable connection of information and energy to make society smarter



Core values

Innovation, professionalism, responsibility, learning, sharing



Corporate spirit

Keeping stringent, creating excellence, staying realistic and striving for the best



With the corporate spirit of "keeping stringent, creating excellence, staying realistic and striving for the best", Chengdu PUTIAN has maintained good cooperation with leading international strategic partners in the industry, introduced and digested advanced technologies, continued self-innovation and made great contributions to the development and growth of China's communications industry in different historical stages.



Standardized Operation



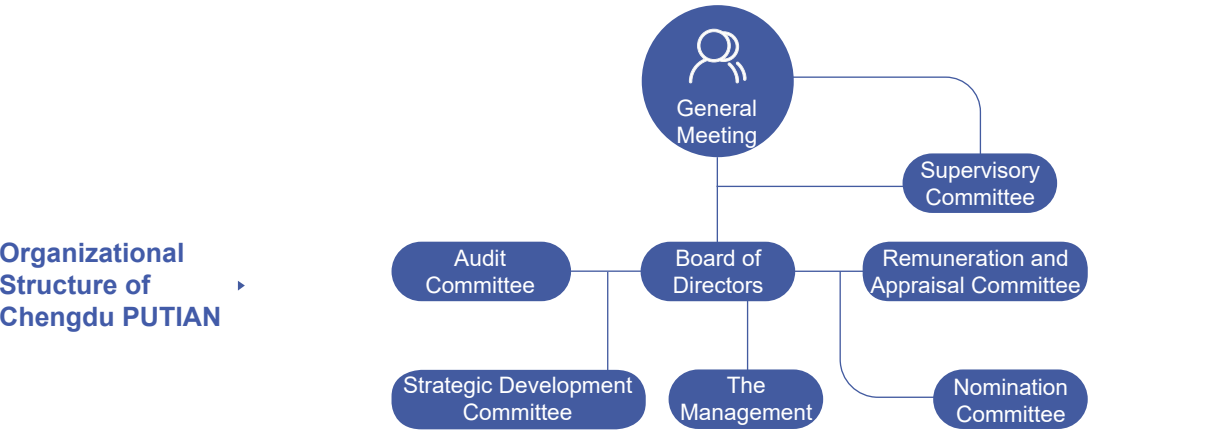
-
- Corporate Governance
 - ESG Management

Corporate Governance

Corporate governance is an important foundation for promoting the sustainable development of an enterprise. Chengdu PUTIAN attaches great importance to the principles of corporate governance, strictly complies with the relevant requirements of the Regulations on Supervision and Management of State-owned Assets of Enterprises promulgated by the State-owned Assets Supervision and Administration Commission (“SASAC”) of the State Council and the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), has established a clear and complete governance structure, and continuously improves risk management and internal control level to protect the interests of all shareholders and related stakeholders.

Governance Structure

In 2020, the Company continued to take the general meeting as the highest authority, with the Board mainly responsible for leading and managing the Company, and promoted the development of the Company through the standard operation of the general meeting, the Board and the Supervisory Committee).



The Company currently has six executive Directors and three independent non-executive Directors. In December 2020, a change occurred to the Company's executive director, where Mr. Jiang Jianping was appointed as a new executive Director and a new member of the Remuneration and Appraisal Committee, while the original executive Director Xu Liying resigned for personal reasons. The Board comprises four committees, and the positions held by each board member in the committees are as follows:

Director	Board committee	Remuneration and Appraisal Committee	Nomination Committee	Audit Committee	Strategic Development Committee
Wu Changlin					Chairman
Hu Jiangbing					Member
Wang Micheng			Member		
Han Shu	Member				
Jiang Jianping	Member				
Liu Yun			Member		
Mao Yaping	Member		Member	Chairman	Member
Xiao Xiaozhou	Member		Member	Member	Member
Feng Gang	Member		Chairman	Member	Member

According to PUTIAN Group's requirements for the special rectification of "headquarters institutionalization"¹, Chengdu PUTIAN clarified the list of decision-making matters of the Board and General Manager's Office, and specified the duties and powers of the party committee, the Board, and the General Manager's Office, with a view to providing system guarantees for improving the Company's decision-making efficiency.

In 2020, the Company convened the annual general meeting (“AGM”) and an extraordinary general meeting (“EGM”), during which the third round of enquiries by the Hong Kong Stock Exchange on the shareholder approval matters regarding the equity transfer of Putian Fasten completed to ensure the smooth convening of the EGM. The Board held five meetings in total to discuss the Company's operating performance, overall strategy, investment plans, and operational and financial performance. The committees under the Board convened five meetings in total, the details of which are as follows:

Committee	Number of meetings	Content
Remuneration and Appraisal Committee	Once	Reviewed the remuneration packages of senior management
Nomination Committee	Once	Discussed the candidates for executive directors
Audit Committee	Twice	Reviewed the annual results and related accounts for 2019, the interim results and related accounts for the six months ended 30 June 2020, and discussed the Company's internal control matters and other work as required in the Corporate Governance Code
Strategic Development Committee	Once	Reviewed the Company's three-year development plan and the ESG management goals for 2020.

The Supervisory Committee convened three meetings in total. All supervisors attended all board meetings as non-voting delegates to supervise the Company's finance and the performance of duties by directors and senior management on behalf of shareholders, and whether the Board of the Company had made decisions in compliance with laws and regulations.

For more information of Chengdu PUTIAN's corporate governance, please refer to the section headed Corporate Governance Report in Chengdu PUTIAN's 2020 Annual Report.

Information Communication

The Company fully respects the rights of shareholders, and fulfills its information disclosure obligations in strict accordance with regulatory requirements to improve corporate transparency. In 2020, Chengdu PUTIAN further strengthened information communication with various stakeholders. On the one hand, it issued notices of meetings and related matters to directors and shareholders in a timely and comprehensive manner and ensured to follow up to obtain feedback; on the other hand, it cleared the communication channels to reply to the enquiries of shareholders and investors in a timely manner, and actively introduced the Company's major decisions and development strategies through the intermediaries and professional associations in Hong Kong, which laid a solid foundation for obtaining independent shareholders' support for the equity transfer of Putian Fasten. As for regulatory response, Chengdu PUTIAN replied to the daily enquiries of the China Securities Regulatory Commission (“CSRC”) and the Hong Kong Stock Exchange on time, and actively absorbed the opinions of and the consultations with the Hong Kong Securities Clearing Company Limited (“HKSCC”), shareholders and fund managers, thus maintaining the sound image and reputation of the Company.

In 2020, the Company published a total of 32 announcements, 3 results reports (annual report, interim report and ESG report) and 3 releases on corporate governance.

In terms of internal management, the Company took advantage of information technologies and re-modified the Official Document Handling Measures, formulated the Meeting Management Measures and established an information sharing platform to strengthen the timeliness and convenience of internal information communication and improve overall operational efficiency.

¹ On 24 October 2019, the party committee of the SASAC of the State Council issued the "Notice on the Special Rectification Work of Central Enterprises on the Problem of 'Headquarters Institutionalization'", requiring central enterprises to solve the problems such as position mismatch and cross-over and excessively detailed management at headquarters.

Internal Control Management

The Company conscientiously implemented the policy of corporate governance according to law, and continued to improve the internal control system with the three-step internal control management strategy of "prediction - control - supervision" to enhance the Company's ability for risk resistance. In 2020, in terms of organizational structure, the Company established a legal system construction leadership group, a compliance committee and a risk management committee headed by the general manager, which promoted the coordinated development of the legal system construction, compliance management and risk management of the Company. In terms of system protection, the Company revised a series of risk management and internal control rules and regulations, completed the revision of the Internal Control System - 2020 Edition, and newly formulated the Comprehensive Risk Management Measures, the Authorization Management Regulations (Trial) and other documents to further optimize the management system, and improve the Company's ability for risk resistance and operating efficiency.



Video Training Session on the Reporting System for Major Business Risk Events



Video Conference on Internal Audit Supervision and Accountability

Compliance Work in 2020



Related Party Transactions Management

At the beginning of the year, the Company organized its business units to identify related parties, compile a list of related parties and sign the Responsibility Letter for Related Party Transactions, prepare and publish related party transaction briefings every quarter, organize the preparation of annual plans for continuing related party transactions and complete related compliance procedures by the end of the year.



Listing Rules Training

The Company organized Listing Rules training for directors, Supervisors, management and leaders of related business units and business commissioners, and distributed compliance knowledge questionnaire, effectively enhancing the compliance awareness of relevant units and personnel.



Contract Review

The Company provided timely and precise compliance opinions during the contract review process to effectively avoid the non-compliance risks in the course of operation.



Consultation on Important Matters

The Company promptly consulted compliance consultants on important matters of the Company, and organized all units to earnestly complete various assignments in accordance with compliance requirements.

Anti-corruption

The Company attaches great importance to anti-corruption and anti-bribery work. The Audit Committee under the Board of the Company supervises and inspects the risk management and internal control systems, and is responsible for the communication and supervision of the Company and external auditors and the supervision of internal auditors; at the operational level, under the leadership of PUTIAN Group's disciplinary commission and Chengdu PUTIAN's party committee, it followed the lead of Chengdu PUTIAN's disciplinary commission to carry out discipline inspection, and both internal and external personnel can report violations of laws and disciplines to the Company through Chengdu PUTIAN's disciplinary commission. The Company strictly followed the rules and regulations to standardize the acceptance of letters and visits and the handling of problem clues, and reported to the party committee and PUTIAN Group's disciplinary commission on disciplinary inspection and reporting letters and visits and the investigation and handling of problem clues every month.

During the reporting period, the Company did not have any litigation related to corruption.

In 2020, the Company continued to put into practice the main responsibility for the construction of a party-style honest environment, and carried out disciplinary inspection and warning education and anti-corruption publicity to enhance the awareness of integrity and self-discipline of managers and employees, and shape a clean and honest corporate culture.

The main responsibility system for the construction of party-style honest environment.

At the Conference of Chengdu PUTIAN on Operation Bulletin and Leading Cadre's Debriefing, Hu Jiangbing, secretary to the Company's party committee, signed the 2020 Responsibility Letter for the Construction of a Party-style Honest Environment on behalf of the Company's party committee with the representatives of the two business units of Zhongling and the industrial park, and the representatives of the two branch secretaries of the technical enterprise management party branch and the human party building party branch, so as to decompose and define the "two responsibilities" (main responsibilities of party committee and supervisory responsibilities of disciplinary commission) for the construction of a party-style honest environment, and put in place the system of "one post, two responsibilities" (responsibilities for both working and integrity) for party members and leading cadres.

Disciplinary Inspection and Warning Education and Training

In May, the Company organized in-depth study on the spirits of the Nineteenth CPC National Congress, the Second, Third and Fourth Plenary Session of Nineteenth CPC National Congress and the four meetings of the Disciplinary Commission of the Nineteenth CPC National Congress, organizing leading cadres, members of disciplinary commission and heads of various units with a total of 21 persons to attend the warning and education conference for the construction of a party-style honest environment and anti-corruption work, and promoting the Company to extend strict party governance to the grassroots. In July, the Company organized 7 persons, including executive directors, supervisors, and senior managers, to study and watch the disciplinary warning and education film "Double Life", with a view to taking real corruption cases as examples to warn all leading cadres to maintain self-discipline and act honestly.

Anti-corruption and Integrity Publicity

On important festivals such as New Year's Day, Spring Festival, May 1st and National Day, the Company used various methods such as official documents and WeChat to strengthen the discipline and curb the "four winds" (formalism, bureaucracy, hedonism and luxury), strictly prohibiting illegal collection of gifts, money and other illegal behaviors.



Becoming a safe and reliable information and energy transmission expert

ESG Management

Statement of the Board

Chengdu PUTIAN follows the management goals of considering both the interests of the Company itself and stakeholders and pursuing the unification of commercial value and social value, assumes the missions of pursuing comprehensive economic, social, and environmental value contributions, and continuously promotes the integration of ESG management with daily operations, striving to realize the vision of "becoming a safe and reliable information and energy transmission expert".

In the next three years, the Company will strictly implement the "the three-year reform of state-owned enterprises", focus on the main business, promote the improvement of the corporate government; actively participate into the national ecological civilization construction, continue to promote energy conservation and emission reduction; gradually establish the ESG risk management system and ESG performance evaluation mechanism, and further improve the ESG governance.

Management Structure

According to the requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange and the relevant requirements of the provisions of the Listing Rules, the Board of the Company passed a resolution on 27 March 2020 to delegate the Company's Strategic Development Committee of the board to be responsible for determining the ESG management policies, strategies and objectives, assess the Company's ESG-related risks, establish the Company's ESG management system, formulate and supervise the implementation of such policies and strategies, and review and approve the Company's ESG Report.

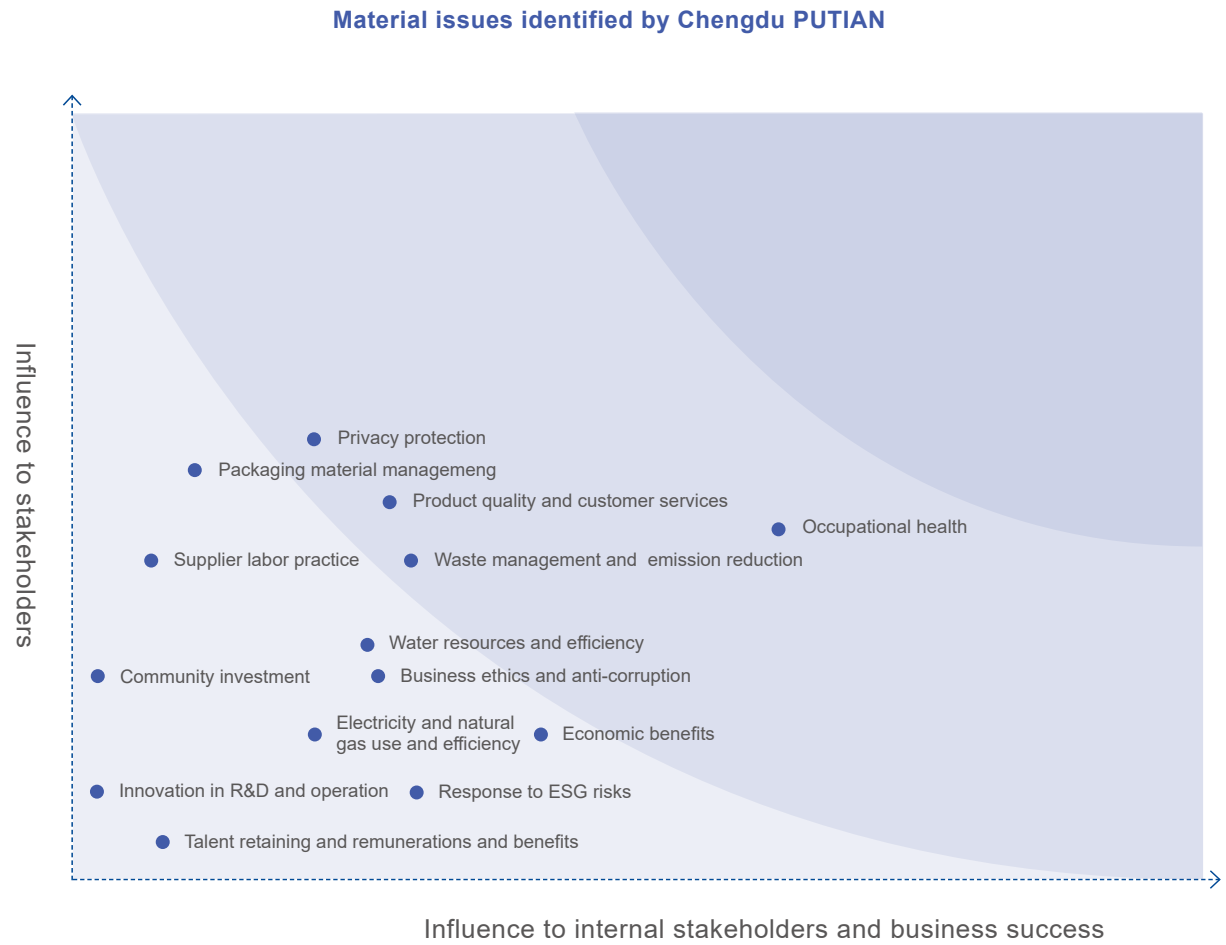
In order to fully integrate ESG management into the Company's strategic decision-making procedures and effectively control ESG risks, and fully consider the status of ESG governance, applicable laws and regulations, and the Company's corporate culture, Chengdu PUTIAN had, on the basis of establishing an ESG management structure led by the Board of the Company, established an ESG governance group. The ESG governance group is headed by the general manager as the group leader and deputy general manager as the deputy group leader, and ESG commissioners are set up in each department. The governance group is responsible for the implementation of ESG related work, the collection of ESG data and the preparation of reports, etc. It regularly reports the implementation of goals to the Company's management and the Strategic Development Committee of Board to support the Board of the Company to evaluate and determine whether the Company's ESG governance system is appropriate and effective.

**ESG Management
Structure of
Chengdu PUTIAN**



Materiality Assessment

During the reporting period, in accordance with the evaluation process of "identification - research - analysis - confirmation", the Company identified the ESG issues that have an important influence on the Company through various methods such as policy research, indicator analysis, industry benchmarking and stakeholder questionnaires. The assessment results are as follows:



Stakeholder Engagement

The Company has established multiple channels to engage with stakeholders, and actively understand the demands and expectations of stakeholders for the Company. Key stakeholders include governmental and regulatory authorities, investors, customers, employees, partners, communities and the public. The communications in 2020 are as follows:

Key stakeholders	Issue of concern	Ways of communication	Communication frequency
 Governmental and regulatory authorities	<ul style="list-style-type: none">Compliance with laws and regulationsLawful operationGreen and safe production	<ul style="list-style-type: none">Official documentsOn-site inspectionAttendance at meetings	<ul style="list-style-type: none">IrregularIrregularIrregular
 Investors	<ul style="list-style-type: none">Corporate governanceBusiness developmentRights Protection	<ul style="list-style-type: none">Board meetingsGeneral meetingsAnnouncements and reportsPhone calls and emails	<ul style="list-style-type: none">Five timesTwice38 copiesPermanent
 Customers	<ul style="list-style-type: none">Product qualityService qualityBusiness ethics	<ul style="list-style-type: none">Satisfaction survey	<ul style="list-style-type: none">Twice every quarter (once for Zhongling and once for SEI)
 Employees	<ul style="list-style-type: none">Employee rightsRemunerations and benefitsCareer DevelopmentOccupational health and safety	<ul style="list-style-type: none">Employee representative meetingsLabor union activities	<ul style="list-style-type: none">OncePermanent
 Partners	<ul style="list-style-type: none">Win-win cooperationFair purchase	<ul style="list-style-type: none">Formulating management measuresOn-site communication	<ul style="list-style-type: none">PermanentIrregular
 Communities and the public	<ul style="list-style-type: none">Precise poverty alleviationPublic welfareEnvironmental protection	<ul style="list-style-type: none">ESG reportsCharities	<ul style="list-style-type: none">OnceIrregular



Quality and Efficiency Improvement



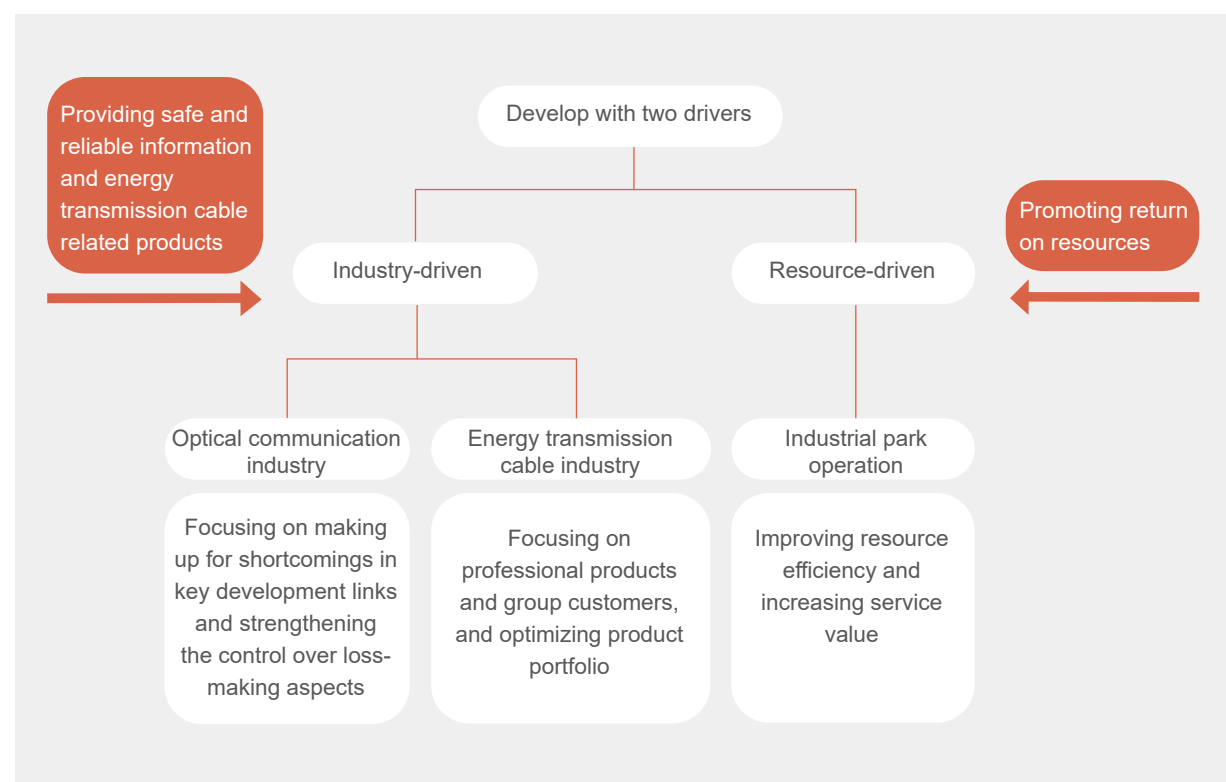
- Business Development
- Quality Products
- Customer Service

Business Development

Strategic Positioning

Chengdu PUTIAN caters to the demand of new infrastructure network construction, provides reliable optical communications and energy transmission cable related products, as well as high-quality electronic information industry park services; strengthens the physical industry through two drivers of industry and resources.

**Focusing on Main businesses: R&D and Sales of Optical Fiber and Cable Products;
Operation Services of Two Industrial Parks**



Optical communication industry

Take G657 and other featured optical fibers with brand influence as core profitable products, deeply cultivate FTTx indoor market segments, and increase sales volume of products with higher profits such as G657 A2 according to market conditions; make full use of the newly added capacity to enhance the profitability of optical fiber production and marketing; explore the optical fiber industry chain to extend to the upstream optical rod to enhance the expansion capacity of optical fiber products.

Energy transmission cable industry

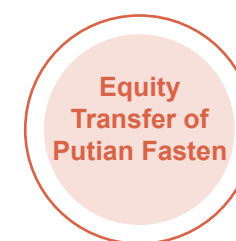
Focus on rail transit and other professional group customers and local construction market segments, strengthen technology development to promote the upgrading of copper cable products, deepen the development of rail transit cables and cultivate new energy cables and other products, and build core competitiveness around high-end electrical equipment cable to increase profits as soon as possible.

Industrial park services

Build a service guarantee platform for property, energy and safe production by improving the efficiency of resource utilization, and gain more benefits for the Company through the operation and management of houses and land assets of the Company and the holding company as well as the strict control of energy consumption. In accordance with the key industrial park plan for Chengdu hi-tech west district, we will introduce the high-tech enterprises from the communication information industry, the electronic information industry and the military-civil integration industry, and gradually upgrade the service of the industrial park.

Investment management

The Company has also strengthened investment management to gradually clear up businesses with weak development capabilities, low efficiency and losses, and not in line with the main businesses, and optimized resource allocation to focus on existing real industries to enhance the comprehensive competitiveness of the real industries.



In October 2020, the Company completed the evaluation and filing of the equity transfer of Putian Fasten Cable Telecommunication Co., Ltd. ("Putian Fasten"), a company in which the Company is interested, and conducted a public bidding at the Beijing Equity Exchange. When the listing expired on 2 December, Jiangsu Fasten Optics Telecommunication Technology Limited was determined to be the transferee to acquire 12.5% equity of Putian Fasten equity from the Company and entered into a formal agreement on 11 December. According to the formal agreement, Jiangsu Fasten Optics Telecommunication Technology Limited will pay the consideration in installments. After the payment of the full consideration is completed, the Company's shareholding in Putian Fasten will be reduced from 22.5% to 10%.

Quality Products

Facing the fiercely competitive market environment, Chengdu PUTIAN relies on a sound quality management system to strictly control product quality, attaches importance to technology research and development, and continuously improves management capabilities to strive to create value for customers.

Quality Control

The Company adheres to the quality and safety policies of "safety first, quality-oriented; reliable quality, prevention first; continuous improvement, customer satisfaction", and continuously improves the QEHS management system (quality management system, environmental management system, occupational health and safety management system). In 2020, the Company conducted random inspections on the leaders of 12 departments and certain bran companies covered by the management system in accordance with GB/T 19001-2016, GB/T24001-2016, GB/T 28001-2011 management system standards, management system documents of the Company, implementation rules for compulsory certification of wire and cable products, and implementation rules for CRCC product certification, and completed the internal audit of the QEHS management system this year.

All business units also successfully passed the supervision and audit of quality management system transition certification and product certification. Among them, SEI accepted the supervision and audit of PUTIAN Group's QES management system sub-sites and the supervision and audit of four types of optical fiber products by the TLC, completed the supervision and audit of quality & environmental management system and the occupational health and safety management system version renewal certification by Great Wall (Tianjin) Quality Assurance Center; Zhongling passed the CRCC product (railway product) recertification audit of two products by China Railway Test & Certification Center.

Inspection processes

The Company has established protocols for the three major processes of finished product inspection, process control inspection and raw material inspection, and revised and improved the same in a timely manner according to the changes in product certification requirements to ensure product quality.

In 2020, Zhongling revised the Inspection Protocols for Finished Cables for Rail Transit Vehicles by adding the test item "non-flammability test", so as to meet the requirements of the CQC safety certification rules for wires and cables for rail transit vehicles; added the "F- value" test in the Inspection Protocols for Finished Products of PVC Insulated Cables, Wires and Flexible Cords with Rated Voltage of Not Higher than 450/750V, so as to meet the CCC certification requirements (rules) for factory quality assurance capabilities.

Inspection methods

The Company continued to adopt methods including internal inspection, external inspection and delivery inspection. In order to further improve the quality of internal inspections, the Company formulated the Measures for the Implementation of Evaluating Inspection Disciplines, pursuant to which, the Company supervised and evaluated the implementation of inspection disciplines by the material processing division and energy transmission cable division on a quarterly basis. The targets of discipline inspection evaluation involved raw material inspection, process product inspection, finished product inspection, product type test, monitoring and measurement equipment management, etc. During the implementation process, the evaluation team adopted a sampling method to conduct on-site review and verification of inspection documents, inspection records, inspection instrumentation management, inspection status management, and non-conforming product management. After the evaluation, the evaluation team summed up the problems found in the Quarterly Evaluation Report for Discipline Inspection and passed it to the relevant responsible units, and urged the relevant responsible departments to make continuous improvements.

Establishment of Product Testing Database by Zhongling

In order to comprehensively collect product performance data and improve product quality, Zhongling established a product database in 2020. The database contains the basic information of the products (including serial number, model, specification, length, item, date, etc.), as well as the indicators and test data of the various tested items of the products (including structure, size, appearance and labels, electrical performance, physical performance, fire protection performance, etc.), providing data support for subsequent quality statistical analysis and technical improvement.

In 2020, Zhongling inspected 28 batches of samples and found them to be all qualified. At the same time, Zhongling added the EN45545 test (mainly focusing on the fire resistance of the products, including indicators such as flame retardancy, smoke density and toxicity) to improve the safety performance of the products. SEI accepted the random inspections of the Optical Communication Product Quality Supervision and Inspection Center of MIIT (Wuhan Wangrui Testing Technology Co., Ltd.) on four types of products, which all passed the inspections.

Production Management

Chengdu PUTIAN believes that production management is a process of continuous improvement, and ensures the product qualification rate through continuous optimization of management systems, processes, and equipment.


Product Qualification Rate of the Company in 2018 - 2020			
Product category	2018	2019	2020
Bare (tinned) copper wire	100%	100%	100%
Electric cable for electrical equipment	98.74%	98.18%	98.14%
Fiber optic products	95.08%	94.05%	94.6%
Rail line	98.74%	98.86%	98.14%
Feeder cable ²	98.82%	-	-

In 2020, the Company's production units continued to promote the implementation of the "6S" management system and production line responsibility system at the production sites, and took new measures to address the weak links in production to improve production efficiency and product quality. In addition, the Company also carried out a series of process, technology and equipment upgrades and modifications.


CASE

"6S" Management Comprehensively Implemented by Zhongling

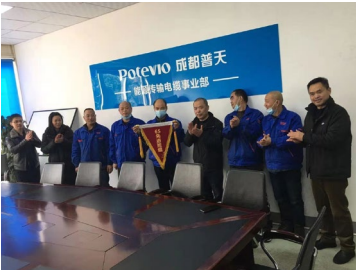
The idea of "6S" management originated in Japan, and includes six elements of seiri, seiton, seiso, seiketsu, shitsuke and security. From 2019, Zhongling continued to promote "6S" management, continuously educated employees on safety and quality, strengthened safety operation management, and improved the management system for production sites. In 2020, the Company established a reward system, pursuant to which, it conducted 6S management supervision, evaluation and inspection irregularly every week, and selected the teams outstanding in 6S management for rewards every quarter. With the continuous in-depth implementation of "6S" management, the on-site management level of each production post has been remarkably improved.



6S Inspection Every Week



Delimit the safety production line



Give commendation to the excellent team

² Chengdu PUTIAN has no feeder cable product since 2019

CASE

Shift-to-Shift Handover Inspection System Implemented by SEI

In order to reduce the problems arising from the handover process and ensure the stable, continuous and safe production, SEI implemented a production shift-to-shift handover inspection system in 2020, which clarified the method, details and specific steps of handover between shifts in writing, and clearly divided the responsibilities and rights of both shifts.

After the launch of the new system, the sense of responsibility of each production team was strengthened significantly. Especially in work handover, the situation of each line and the problems that arise can be passed to the next team in time, enabling the production lines to operate in a more efficient and healthy manner.

CASE

Optimization of Extrusion Process for Small-Diameter Products

In the past, when small-diameter products were produced, it was necessary to stop the machine and manually replace the reels. Manually splicing the core wires will cause a waste of raw materials on the one hand, and on the other hand, the core wire after the manual connection will easily break when the outer diameter is too large and exceed the mold. In order to solve this problem, Zhongling introduced a welding machine in 2020, which can quickly change the reel and connect the wire without stop, while ensure the regular diameter of the connected wire, thus greatly reducing the risk of disconnection, avoiding the waste of materials, reducing labor input, and improving product quality. Meanwhile, in order to further improve the employees' ability to operate the welding machine to promote the online connection without stopping or speeding down during the extrusion production process, the Company also held a welding skill competition to motivate the enthusiasm of the employees.



Welding Skill Competition

R&D Management

In the principle of "coming from the market and going to market", Chengdu PUTIAN established a market-oriented innovation system and built a technology development platform that caters to the Company's sales. After the Company clearly focused its energy transmission cable industry segment on the locomotive cable business, the Company established a product technology department in January 2020 to be responsible for the development of new products related to locomotive cables, the model selection and improvement of locomotive cable insulation materials and sheath materials, and assisting the energy transmission division to complete product upgrades and other tasks. During the year, the product technology department and Zhongling completed the research and development of a number of materials and products such as special polyethylene insulation inner-layer materials for locomotive cables and fire-resistant locomotive cables.

In terms of intellectual property management, the Company adopted policies such as R&D Project Management System, Intellectual Property Management System, and Science and Technology Award System to encourage innovation, and actively applied for various patents to protect R&D results.

In 2020, the Company and Zhongling jointly applied for 17 patents and obtained three utility model patents; SEI applied for 16 patents and obtained one utility model patent.

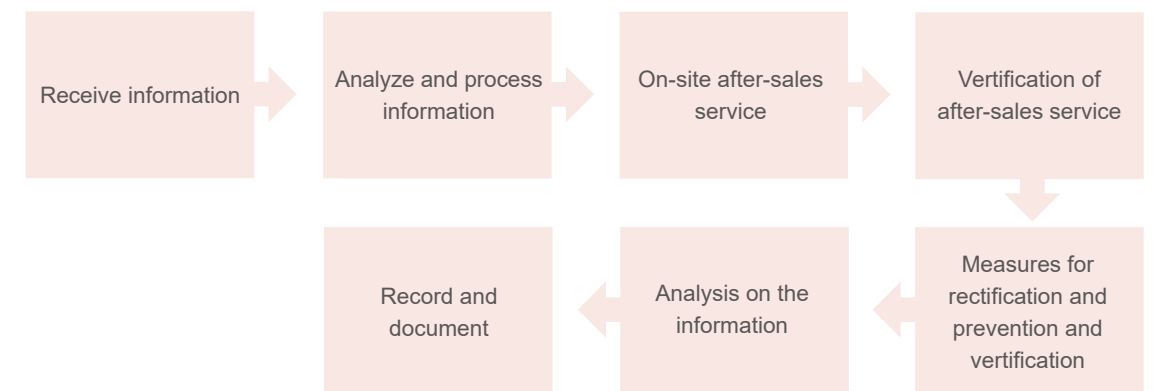


Three Patent Certificates

Customer Service

After-sales Service for Products

According to the standards for International Railway Quality IRIS Certification, the Company published and implemented the After-sales Service Control Procedures, which is fully applied to the management of the after-sales service process for the Company's products. In response to customer feedback, the relevant department will make first response to the customers within 24 hours, the specific work flow of which is as follows:



The Company attaches great importance to customers' opinions and regards them as an important basis for the Company to improve product quality and service quality. In response to product problems reported by customers, the Company will organize production inspections, quality analysis and logistics inspections, negotiate with customers to reach a consensus, and arrange returns, exchanges, compensations, and explanations, etc.



In 2020, the Company received 0 customer complaint about products and services.

CASE

Improving Product Performance to Satisfy Customers' Needs

In May 2019, SEI understood from a customer that some of the coating remained after the Company's optical fiber was stripped, and needed to be wiped off with alcohol. Given such, the Company began to experiment with the coatings of major manufacturers and design the corresponding internal and external coating diameters, coating materials, molds and process parameters, etc.

After nearly half a year of experimentation, the Company finally found a coating material that could not only meet customer expectations, but also meet the demand for high-speed wire drawing. As of June 2020, the new coating material had been applied to all production lines, which had eliminated the poor thermal stripping performance of the products.

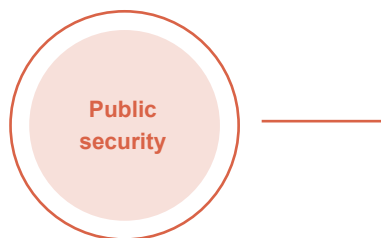
Usual as previous years, the Company's production units conducted customer satisfaction surveys through questionnaires and visits every quarter.

Customer Satisfaction Rate in 2018 - 2020			
Production unit	2018	2019	2020
SEI	96.11%	96.32%	96.69%
Zhongling	94.15%	94.2%	92.83%

Industrial Park Service

The Company actively builds a characteristic industrial park, continuously improves the operation and management level of the park, and provides a great production and operation environment for the enterprises that have settled therein. In 2020, 26 enterprises settled in the industrial park.

In 2020,
26 enterprises settled in the industrial park.



the Company checked and rectified the weak links in the human, material and technology protection measures in the park, eliminated 10 blind spots in monitoring, retrained the guards of the park, and strengthened night inspections. The Company performed the anti-theft responsibility as a main body, and inspected and provided remainders for the realizable materials of the enterprises that settled in. Through the introduction of the parking management system, and the entry and exit and classified parking of vehicles were standardized, thus reducing the occurrence of traffic accidents and financial losses and thefts.



the Company carried out repair and maintenance of energy supply equipment in an orderly manner, cooperated with settled enterprises in power energy distribution and transformation, and conducted monthly inspections on the energy metering devices in each unit, ensuring the continuous and normal supply of water, electricity and gas in each unit in the park. The Company maintained and repaired the buildings and ancillary facilities of the park in a timely and quality manner, and carried out the greening and cleaning of the park in an orderly manner to ensure that the park provides a beautiful and clean working environment.



the Company's labor union invited the enterprises that had settled in the park to participate in diversified activities such as dumpling-making competitions, badminton games and employee table tennis games, creating a harmonious and friendly atmosphere in the park.

“Welcoming A New Year with Healthy Walks and Skipping”

At the end of December 2020, Chengdu PUTIAN's labor union organized the "Welcoming A New Year with Healthy Walks and Jumps" activity in the park in response to the call of "Love Chengdu, Welcome the World University Games Summer" with practical actions to welcome the arrival of the new year.

The activity included two competitions, namely "Healthy Walks" and "Single Rope Skipping", and 90 employees in the park participated in the competitions. There was joy, with waves of cheers and shouts at the scene. The teams from Sushi Guangbo and Jiyitong, two companies that have settled in the park, achieved good results in the two competitions, respectively.



New Year Activities in the Park



Striving for Harmony Together



- Occupational Health and Safety Production
- Environmental Sustainability
- Supply Chain Management
- Contributions to Community

In terms of environmental protection and production safety, Chengdu PUTIAN has established the Internal Control System for Safety Production Management in accordance with the laws and regulations including the Safety Production Law, Fire Protection Law, Environmental Protection Law, Air Pollution Prevention Law, Water Pollution Prevention Law and Solid Waste Pollution Prevention Law, and set up the Safety Production Committee of Chengdu PUTIAN Telecommunications Cable Company Limited (hereinafter referred to as the "Safety Production Committee") comprising the Company's management and the heads of the subordinate business departments and production units.

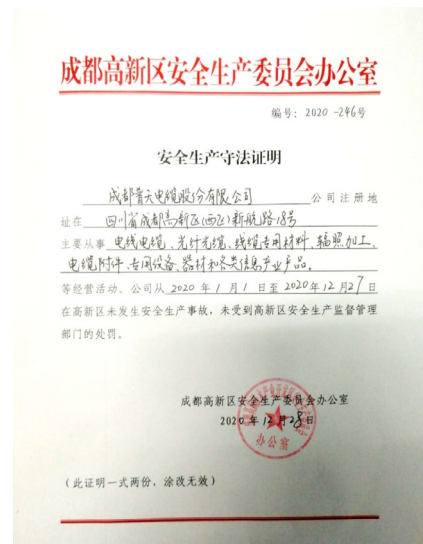
The Safety Production Committee implements comprehensive target management and assessment for the safety production of the Company's various departments, business divisions, funded enterprises and enterprises that have settled in the park, and is responsible for reviewing the formulation, and monitoring the implementation, and the year-end evaluation of the Company's safety production targets.

Occupational Health and Safety Production

Every year, the General Objectives, Indicators and Management Plan of Chengdu PUTIAN Telecommunications Cable Company Limited for Safety Production Management of the Safety Production Committee is formulated under the leadership of the Industrial Park Development Center, signed and issued by the Company's general manager, and implemented by various functional departments and production units.

In 2020, the Company set 19 targets, 51 specific indicators and 56 specific executable measures in 7 aspects, including "fire safety, environmental safety and occupational health and safety".

During the reporting period, the Company achieved the safety targets of zero work-related accident of serious injury or worse, zero fire accident, zero security or criminal case and zero penalty from the governments with jurisdiction, and obtained a legal compliance certificate on safety production issued by the safety production committee of Chengdu Hi-tech Industrial Development Zone. Sichuan Chengdu Ecological Environment Bureau conducted an environmental risk assessment on the Company and determined that the Company is a reliable company in ecological and environmental aspects.



The 2020 Safety and Legal Compliance Certificate issued by the Office of the Safety Production Committee of Chengdu Hi-tech Industrial Development Zone

Occupational Health

Standardization Administration of China officially released the GB/T 45001-2020/ISO 45001:2018 Requirements and Use Guide for Occupational Health and Safety Management System on 6 March 2020, and in order to meet the requirements thereof, the Company revised its systems and organized a series of trainings in that regard.

In 2020, the Company issued the Notice on Organizing Trainings on Occupational Health and Safety Management System Standards, and organized the middle-level managers, section leaders/team leaders, occupational health and safety related management personnel (designated by the persons in charge of the units), and employee representatives and internal auditors of all business units to attend the ISO 45001:2018 related trainings.

The Company took effective measures to protect the occupational health of its employees. In the past three years, the Company has not had any occupational disease case, and no employees have been injured or died at work. Part of the measures are as follows:

Employee health examination

Provide annual health examination for all employees and establish personal files.

Safety and health training

Organize 5 sessions of trainings with 420 attendees for safety management personnel of funded enterprises and enterprises that had settled in the park, and the safety management personnel and workers for special types of work all possess the certificates as required.

Environmental pollution detection

In May 2020, the Chengdu Comprehensive Rock and Mineral Testing Center of the Sichuan Geological and Mineral Exploration and Development Bureau (Chengdu Mineral Resources Supervision and Testing Center of the Ministry of Land and Resources) was commissioned to monitor and evaluate the Company's noise. The results and evaluation showed that the noise values of the Company at the 4 monitoring points were all up to the standard; In October 2020, Sichuan Yongkun Environmental Monitoring Co., Ltd. was entrusted to test the radiation environment. The report results showed that the radiation amount surrounding the employees was lower than the limit specified in the Basic Standards for Ionizing Radiation Protection and Radiation Source Safety (GB18871-2002).

Occupational disease hazard detection

In July 2020, SEI commissioned Sichuan Zhonghuan Kangyuan Health Technology Service Co., Ltd. to detect occupational disease hazard in the workplace. The results showed that the detection values of the indicators including acrylic acid, high workplace temperature and noise in the air in the production workshops of SEI were in line with the corresponding national occupational exposure restrictions.

Safety Responsibility

In 2020, the Safety Production Standardization Level III Enterprise Certificate obtained by the Company and its holding subsidiaries (Zhongling, SEI, New Materials) that was produced by the Ministry of Emergency Management and issued by Sichuan Chengdu Emergency Management Bureau was still valid (valid until 2022).

In order to implement safety responsibility as the main body, the Company mainly adopted the following measures for the safety management of the Company and the companies that leased properties in the park:

- Signed 11 copies of the Responsibility Letter for Implementing the Safety Production Responsibility System with the main persons in charge of internal production units, to specify the safety responsibilities.
- For enterprises that settled in the park, the Company, under the leadership of the Industrial Park Development Center and in accordance with the laws and regulations including the Safety Production Law of People's Republic of China, the Law of the People's Republic of China on Fire Prevention, and the Law of the People's Republic of China on the Safety of Special Equipment, signed 27 copies of the Safety Production Management Agreement with the companies that settled in, which clearly stipulated the safety management responsibilities of the Company and the settled enterprises, and is thus conducive to the safety management of the park.

Three-year Plan for Special Rectification on Production Safety

In 2020, in order to improve and implement the responsibility chain, system results, management methods, key projects and working mechanisms of "fundamentally eliminating hidden dangers of accidents", and promote the modernization of the safety production governance system and governance capabilities, the Company began to implement the Three-year (2020-2022) Plan for Special Rectification on Production Safety.

The plan will focus on promoting the implementation of special rectifications in **2** tasks and **4** areas within three years.

Two tasks

Task 1

Study, publicize and implement General Secretary Xi Jinping's important expositions on safety production

Organize safety management personnel and related personnel to carry out training by rotation, promote full coverage of learning and education, intensively study and systematically publicize General Secretary Xi Jinping's important expositions on safety production, and carry out disaster accident science popularization and education, and safety legal system publicity.

Take advantage of the Company's OA system publicity platform to establish an exposure platform for typical safety production issues, strengthen warning and education, and enhance employees' safety awareness.

Implement the Company's responsibility for production safety as the main body

Streamline the Company's existing systems, improve the meeting system for regularly studying and solving major production safety issues, and establish and improve the safety-related systems such as the identification, evaluation and management control systems of corporate safety risks, and the hidden danger inspection and management system. Regularly organize professional forces and all employees to identify risks in production technology, equipment and facilities, operating environment, personnel behavior and management system in an all-round and full process, so as to ensure that the systems are comprehensive and complete, and are continuously updated and improved.

Strengthen the prevention and control of safety risks from hazardous chemicals and special equipment. Attach high importance to the storage and use of hazardous chemicals, gas stations and other key parts, as well as the safety risk prevention and control of special equipment such as pressure vessels, elevators, forklifts, cranes, high-voltage power distribution equipment, stranding equipment, irradiation equipment, and other special equipment, and strengthen the implementation of safety responsibilities and measures in each link to ensure that safety risks are preventable and controllable.

Task 2

Exert great efforts on safety risk announcement and notification. With regard to the list of identified hazards and environmental factors and control measures in the year, make use of measures such as workshop display boards and team safety training to ensure that every employee keeps abreast of the basic situation of safety risks, prevention and emergency measures.

Establish and improve the hidden danger inspection and management system. Establish and improve hidden danger inspection and management system, develop a list of hidden danger inspection and management items, improve the procedures, methods and standards for hidden danger inspection, management, recording, reporting and other key aspects, clarify the items, content and frequency of hidden danger inspection, and delegate the responsibilities to specific persons one by one, and promote the participation of all employees in the independent inspection of hidden dangers.

Special rectifications in four areas



For special rectifications, take the principal measures such as fulfilling the safety responsibilities as the main body, establishing a hidden danger detection mechanism, realizing standardized and normalized management, and controlling from management methods to key management performance indicators, with a view to eventually achieving the target of full-time safety production across the whole park.

In 2020, the headquarters of the Company and its holding companies identified find



14 problems in total

4 problems were rectified in the process of inspection

10 problems were covered in the 2021 plan

During the reporting period, the four problems that had been completed included: repairing the changes or damages to the fire-fighting facilities and power facilities in the leased plants in the park in a timely manner, and urging the settled enterprises to complete the construction of centralized power charging facilities outside the plants.

Against the Epidemic

At the beginning of 2020, after the outbreak of the COVID-19 epidemic, the Company established an epidemic prevention and control leading group composed of "management team + heads of various units". The Industrial Park Development Center set up an epidemic prevention and control team, responsible for the preparation of prevention and control materials, and organization of epidemic monitoring, investigation, file establishment, declaration, etc., and formulation of a series of prevention and control measures for entry into the park, dining in canteen and disinfection in the park.

After the epidemic was stabilized, the Company formulated an emergency response plan for epidemic prevention and control and a work resumption plan to ensure the resumption of work and production of the Company and the enterprises in the park, as well as the normal production and operation of the park after the normalization of the epidemic prevention and control measures.

In December 2020, the epidemic rebounded in Pidu District of Chengdu. The Company responded quickly, formulated response measures in a timely manner, upgraded the normalized epidemic control measures, and carried out nucleic acid tests for all personnel of the enterprises in the park, providing a strong guarantee for the normal production and operation of the park.



Measures taken by the Company against the epidemic and for the enterprises:

- ◆ Distribution of anti-epidemic materials: Distribute anti-epidemic materials including **12,100** pieces of facial masks, **57** bottles of disinfectant, and **1,000** pieces of disinfectant tablets .
- ◆ Electricity price concessions: During the epidemic, the Company implemented the electricity prices according to the national tariff reduction policy (Notice of the NDRC on the Extension of the Policy to Reduce Electricity Costs of Enterprises in Stages [Fa Gai Jia Ge [2020] No. 994]) to extend the concessions to all settled enterprises in the park in time every months. From February to November 2020, the Company provided electricity concessions of RMB**728,300** in total for settled enterprises.
- ◆ Corporate rent relief: In response to the NDRC's Guiding Opinions on Further Helping and Supporting Small and Micro Enterprises and Individual Industrial and Commercial Households in Service Industry to Alleviate the Pressure on Housing Rents against the COVID-19 Epidemic (Fa Gai Tou Zi Gui [2020] No. 734), and the rent relief appeals from various tenant enterprises, the Company entered into Property Rent Relief during COVID-19 Epidemic with the enterprises that settled in the park, by which the Company provided rent relief of RMB**127.41** million in total for the enterprises that settled in the park, and completed the settlement of the rent relief of RMB**124.42** million during the year.

Measures Put in Place to Ensure the Security of the Park

In order to provide better services in the park and ensure the safety production of the Company and the settled enterprises, the Industrial Development Center conducted regular (before holidays) and irregular (daily inspections) security and epidemic prevention inspections (for the COVID-19 epidemic) in the park. After completing the inspection, the Company would urge the relevant enterprises to make timely rectifications for potential security hazards.

Targets of the security checks included, among others:



Storage, transportation and use of hazardous chemicals and hazardous waste management



Fire protection and production site safety



Epidemic prevention control files and material supply

Targets of the epidemic prevention inspections included, among others:



Epidemic prevention mechanism: Whether the enterprise had established a complete epidemic prevention mechanism, and had an emergency plan, etc.;



Employee investigation: The enterprise's understanding of the employees' health, etc.



Epidemic prevention materials and facilities: Whether the enterprise stocked enough facial masks, thermometers, etc.



Internal management: Whether the internal confined space was ventilated, disinfected, and whether sanitary management was carried out.

In addition to the above inspections and in order to more effectively control the potential insecure factors in the park, the Company carried out investigations of hazard sources on the settled enterprises, including: identification of hazard sources, facilities and materials (main products, auxiliary materials, fire-fighting equipment in the park), internal management (safety inspection management, implementation of labor protection equipment for employees), etc.

During the reporting period, the above-mentioned potential safety hazards were rectified on schedule, and no safety accident occurred in the park.

In 2020, through a combination of daily inspections and pre-holiday inspections



26 potential safety hazards of the Company's headquarters and holding companies were identified

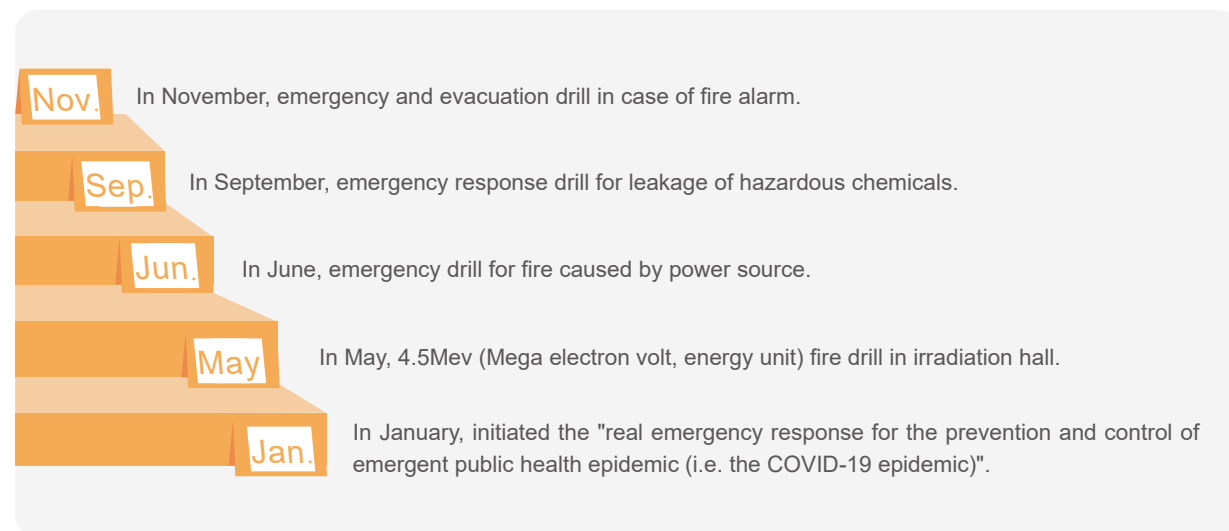
7 Safety Hazard Rectification Notices were issued

8 safety hazards of the enterprises that settled in the park were identified

6 Safety Hazard Notices were issued

Emergency Management

In accordance with the Management Measures for Emergency Plans for Production Safety Accidents issued by the State Administration of Work Safety and the Management Measures for Emergency Plans issued by the General Office of the State Council, the Company formulated the 2020 Plan for Emergency Drills, and carried out the practices and drills of emergency plan in 2020.



After the emergency drills were completed, the safety management department of the Industrial Park Development Center organized the completion of the Simulated Accident Emergency Plan Drill/Review Record, and the participating departments filled in the Registration Form for Simulated Accident Drill under Emergency Plan as drill feedback.



Fire Drill in 4.5Mev Irradiation Hall

Emergency Response to COVID-19 Epidemic

In January 2020, the COVID-19 epidemic broke out of blue, and the central government initiated a first-level response to the epidemic prevention and control. Chengdu PUTIAN initiated the Emergency Plan for the Prevention and Control of COVID-19 Epidemic until the date when the central government lifted the response to the epidemic prevention and control. This plan involved the Company as a whole and the enterprises that settled in the park.

Part of the measures taken were as follows:

- 1 Establish an epidemic prevention and control leading group and an epidemic prevention and control office;
- 2 Prepare epidemic prevention materials. Formulate work plans for epidemic prevention and control and resumption of work and production;
- 3 Deploy epidemic prevention and control measures in the Company and the industrial park;
- 4 Personnel investigation and registration, and establishment of an epidemic prevention and control standing book for all employees;
- 5 In the occurrence of a responsibility accident, follow the principle of "Four Don't Let Go" (don't let go of the unclear cause of accident, don't let go of the person responsible for the accident, don't let go of the education on the person responsible for the accident and the general public, and don't let go of feasible rectification measures for the accident) to investigate the cause of the accident.

During the reporting period, the Company's emergency response measures to the COVID-19 epidemic not only ensured the health and safety of employees, but also ensured the orderly production and operation of the Company and the enterprises in the park.



Environmental Sustainability

Chengdu PUTIAN's production and operation activities followed national and local laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and the Environmental Protection Regulations of Sichuan Province, and recorded zero violation and zero penalty during the reporting period.

According to GB/T24001-2016/ISO 14001 (Requirements and Use Guidelines for Environmental Management System) approved by the State Certification and Accreditation Administration, the Company and its holding subsidiaries have established corresponding environmental management systems, and passed the examinations of the certification centers such as TLC and Great Wall (Tianjin) Quality Assurance Center.

In December 2020, as shown in the Announcement on the Results of the Preliminary Evaluation on the Environmental Credit of Chengdu Municipal Enterprises in 2019 issued by Chengdu Ecological Environment Bureau, Chengdu PUTIAN was rated as Reliable Enterprise in Environmental Protection³ in the preliminary evaluation of the 2019 Chengdu Municipal Environmental Credit Evaluation, ranking among the top 2.44% of the 4,622 companies that participated in the evaluation this year.

Energy Use

Comparison of Productive Energy Usage

Year	Water				Electricity			
	Zhongling		SEI		Zhongling		SEI	
	Water consumption (Unit: tonnes)	Water consumption intensity (Tonnes/kilometer of cable)	Water consumption (Unit: tonnes)	Water consumption intensity (Tonnes/kilometer of cable)	Electricity consumption (Unit: kWh)	Electricity consumption intensity (kWh per kilometer of cable)	Electricity consumption (Unit: kWh)	Electricity consumption intensity (kWh per kilometer of cable)
2017	200	0.03	9, 221	17.0	811, 020	135.76	8, 610, 713	15, 841
2018	45	0.03	8, 343	14.88	225, 160	150.72	8, 161, 287	14, 557
2019	156	0.03	10, 461	19.20	729, 957	140.02	8, 819, 898	16, 180
2020	106	0.03	9, 103	16.20	496, 805	71.25	8, 989, 041	15, 995

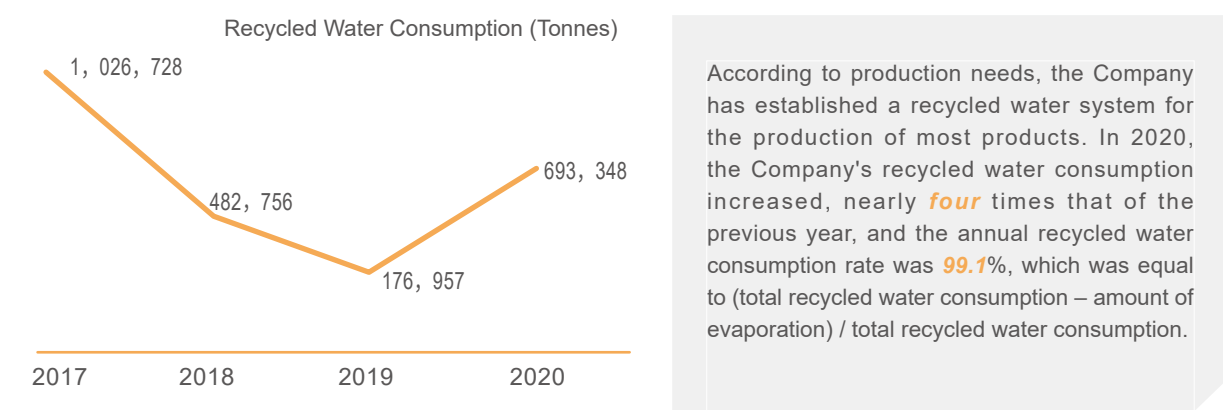
Note: The Company does not use natural gas in the production process, so natural gas statistics are not included in the above table. The water used by Zhongling during production is recycled water, and the water consumption is the amount of evaporation.

According to the statistical results in the above table:

- The electricity consumption and electricity consumption intensity of Zhongling are showing a downward trend, which is closely related to the Company's improvement of technological process.
- SEI's water consumption and water consumption intensity (energy consumption intensity) have decreased, and electricity consumption has increased but the electricity consumption intensity has decreased. Despite the impact of the COVID-19 epidemic on energy consumption efficiency, SEI's measures such as improvements to the production process after the resumption of production have reduced the water and electricity consumption intensity.

³ See the website of Chengdu Ecological Environment Bureau at <http://sthj.chengdu.gov.cn/>

Statistics on the Company's use of recycled water



Statistics on the Company's total energy usage

Year	Water (Unit: ten thousand tonnes)	Electricity (Unit: ten thousand kWh)	Natural gas (Unit: ten thousand cubic meters)
2017	5.70	1764.44	3.87
2018	6.87	1921.15	1.13
2019	8.31	1998.04	1.71
2020	6.98	2183.07	1.94

Note: All natural gas consumption of the Company came from domestic gas consumption in the park; the changes in the Company's total energy statistics compared with previous years (mainly on water and electricity consumption from 2018 to 2020) are mainly due to changes in statistical calibers:

- Statistics on water consumption: the consumption of both tap water and groundwater is included, and the water consumption of enterprises that settled in the park is also included;
- Statistics on electricity consumption: the electricity consumption of the Company and the enterprises in the park are also included.

According to the statistical results above,

due to the increase in the number of enterprises that settled in the park, the annual water, electricity, and (natural) gas consumption is gradually increasing. The decrease in total water consumption in 2020 was partly related to the decrease in productive water consumption brought about by the improvement of the Company's production technology.

In addition, the Company has no problem in obtaining suitable water sources.

Since the statistics on the above resources included the enterprises that settled in the park, and the statistics on their production and revenue were not available, this report is temporarily unable to disclose the overall water, electricity, and gas consumption intensity in addition to the disclosure of the total consumption and intensity of productive energy (see "Comparison of Productive Energy Usage").

Packaging Materials

Statistics on packaging materials used by Zhongling for finished products	Packaging statistics	2018	2019	2020
	Total amount of packaging materials used for finished products (Unit: tonnes)	72	60	80
	Amount of packaging materi-als used per production unit (Unit: tonnes/kilometer of cable)	0.0481	0.0469	0.0115
	Amount of recycled packag-ing materials used in finished products (Unit: tonnes)	4.96	0	0

Statistics on packaging materials used by SEI for finished products	Packaging statistics	2018	2019	2020
	Total amount of packaging materials used for finished products (Unit: tonnes)	54	2	2
	Amount of packaging materi-als used per production unit (Unit: tonnes/kilometer of cable)	0.01	0.01	0.01
	Amount of recycled packag-ing materials used in finished products (Unit: tonnes)	12	0.5	0.5

The packaging materials required for the finished products such as cables and optical fibers produced by the Company include wood and cartons. Since most customers are located in different regions across the country, such packaging materials are generally handled by customers themselves based on factors such as geographical location and recycling costs.

Lawful Emission

According to the system requirements of the GB/T24001-2016/ISO 14001 and in consideration of the actual situation, Chengdu PUTIAN has formulated a series of process management documents in terms of waste water, waste gas, and factory noise emissions, such as List of Important Environmental Factors of Chengdu PUTIAN Telecommunications Cable Company Limited and the Table of Identification and Evaluation of Environmental Factors. Waste gas, waste water and noise generated in all production and business activities are discharged or controlled under the premise of compliance.

On 28 May 2020, the Company commissioned a third-party testing organization Chengdu Comprehensive Rock and Mineral Testing Center of the Sichuan Geological and Mineral Exploration and Development Bureau (Chengdu Mineral Resources Supervision and Testing Center of the Ministry of Land and Resources) to monitor waste water, waste gas and noise emissions, and the test report showed that the three types of emissions were all lower than the national legal standards.

On 22 August 2020, the Company commissioned Sichuan Zhonghuan Kangyuan Health Technology Service Co., Ltd. to monitor waste water, waste gas and noise emissions, and the test report showed that the three types of emissions were all lower than the national legal standards.

Table of Detection Results for Waste Gas, Waste water and Noise

Type of emission	Standards applied	Statutory standard	Average detection value in 2020	Emission in 2020	Emission in 2019	Emission in 2018	Description
Chemical oxygen demand (COD)	Standards of the third level in Table 4 of the Integrated Waste water Discharge Standard (GB8978-1996)	500mg/L	278mg/L	0.30 tonnes	0.29 tonnes	6.84 tonnes	Wastewater emission index
Ammoniacal nitrogen	Grade B standards in Table 1 of the Standards for the Quality of Waste water Discharged into Urban Sewers (GB/T31962-2015)	45mg/L	36.1mg/L	0.01 tonnes	0.02 tonnes	0.65 tonnes	
Tin and its compounds	Standards of the second level in Table 2 of the Comprehen-sive Emission Standards for Air Pollutants (GB16297-1996)	8.5 mg/m³	0.00034 mg/m³	0.23 kg	0.54 kg	Null	Waste gas emission index
Sulfur dioxide (SO₂)	Emission standards in Table 3 of the Standards for the Emission of Air Pollu-tants by Boil-ers (GB13271-2014)	50mg/m³	Null	Null	Nul	0.00562 tonnes	
Nitrogen oxide	Emission standards in Table 3 of the Standards for the Emission of Air Pollu-tants by Boil-ers (GB13271-2014)	150mg/m³	Null	Null	Nul	0.05873 tonnes	
Noise	Standards of the third class in Table 1 of the Standards for Noise Emission at the Bounda-ries of the Plants of In-dustrial En-terprises (GB12348-2008)	Noise in the day-time: 65dB (A); and noise at night: 55dB (A)	Noise moni-toring value in the day-time is 58dB (A)	Noise moni-toring value in the day-time is lower than the limit	Noise moni-toring value in the day-time is lower than the limit	Noise moni-toring value in the day-time is lower than the limit	Noise emission index

In 2020, the Company's annual emissions under wastewater indicators (chemical oxygen demand, and ammoniacal nitrogen) remained the same as last year, and the emissions of tin and its compounds continued to be less than 1 kilogram and declined. At the same time, it has been null for the waste gas indicators such as sulfur dioxide and nitrogen oxide for two consecutive years.

In terms of noise detection, for three consecutive years, the noise monitoring value in the daytime has been lower than the limit set out in the standards of the third class in Table 1 of the Standards for Noise Emission at the Boundaries of the Plants of Industrial Enterprises (GB12348-2008).

Waste Management

In accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Regulations on the Prevention and Control of Environmental Pollution by Solid Waste in Sichuan Province and other laws and regulations, the Company's production and operating units have formulated the systems such as the Hazardous Waste Management Plan and the Production Waste Management System for the implementation of management and control.

For the enterprises in the park, in accordance with the Safety Production Management Agreement signed with the Company, the Industrial Park Development Center will lead the supervision and guidance of the production enterprises in the park, classify and manage the solid waste according to the National List of Hazardous Waste, establish special temporary storage warehouse for those classified as hazardous waste, and follow the Administrative Measures for the Transfer of Hazardous Wastes to declare and fill in the relevant documents, entrust a qualified unit for disposal, and each enterprise performs the responsibility of environmental protection as the main body.

Statistics on the Waste of Industrial Park Development Center (Unit: tonnes)

Type of waste	2017	2018	2019	2020
Hazardous waste	0	5.679	21.355	6.93
Non-hazardous waste	0	0	0	0.23

Note: Hazardous waste refers to the productive hazardous waste disposed of by the industrial park on behalf of the material processing division and the energy transmission cable division. Since the Industrial Park Development Center is not a production unit, it is impossible to calculate the amount of (non-) hazardous waste generated per unit output.

Statistics on the Waste of Zhongling in the Past Four Years:

Type of waste	2017	2018	2019	2020
Other waste(Unit: tonnes)	2.431	0	0.137	0.133
Hazardous Waste(Unit: tonnes)	1.165	7.165	10.172	6.286
Amount of hazardous waste generated per unit output (Unit: tonnes / 10,000 kilometers of ca-ble)	1.95	28.40	31.60	9.56

Statistics on the Waste of SEI in the Past Four Years

Type of waste	2017	2018	2019	2020
Hazardous waste (Unit: tonnes)	0.85	0.85	1.8	2.9
Amount of hazardous waste generated per unit output (Unit: tonnes / 10,000 kilometers of core)	0.0015	0.0015	0.0033	0.0052

Descriptions:

- While improving the production process at all times, the finished products produced by Zhongling are mostly produced according to the specific and different needs of customers, so the amount of hazardous waste generated per unit output will fluctuate every year;
- Before 2019, the optical fiber and other products produced by SEI were relatively stable, so the production parameters including the amount of hazardous waste generated per unit output were relatively stable; after 2019, due to market changes and increased customer requirements for products, SEI began to adjust various production parameters to meet customer needs, so the amount of hazardous waste generated per unit output also fluctuated accordingly.

Greenhouse Gas Emissions

During the reporting period, according to the results of the environmental monitoring conducted by the Chengdu Comprehensive Rock and Mineral Testing Center of the Sichuan Geological and Mineral Exploration and Development Bureau (Chengdu Mineral Resources Supervision and Testing Center of the Ministry of Land and Resources) and Sichuan Zhonghuan Kangyuan Health Technology Service Co., Ltd. on the Company's production units in May and August 2020, respectively (see the section headed Lawful Emission for details), the Company's production units do not directly emit greenhouse gases (that is, they do not directly generate emissions under "Scope 1: GHG emissions directly generated by the business that a company should have or control"; for a description of the scope of greenhouse gases, see Appendix II: Reporting Guidelines for Environmental Key Performance Indicators⁴ on the website of HKEx, the same below).

The greenhouse gases mentioned in the report belong to "Scope 2: including 'indirect energy' greenhouse gas emissions from internal consumption (purchased or acquired) of electricity, heat, refrigeration and steam." This part of greenhouse gas is mainly from the carbon emissions caused by the energy (electricity and natural gas) purchased by the Company.

Calculation Explanations for Carbon Emissions

According to the Appendix II: Reporting Guidelines for Environmental Key Performance Indicators on the website of HKEx, the calculation formula of the carbon dioxide equivalent of an energy is: carbon dioxide equivalent emissions = energy use × carbon emission coefficient; and the total carbon emission equals to the sum of the carbon dioxide equivalents of the energy sources consumed in the year.

When calculating carbon emissions, unless otherwise specified, the carbon emission coefficients all come from the Guidelines for Provincial Greenhouse Gas Inventory

Compilation (Trial) (issued by the China Development and Reform Commission, Gaiban Qihou [2011] No.1041):

Type of energy	Carbon emission coefficient	Unit
Electricity	0.6101	kg-co ₂ /kwh
Petrol	2.9251	kg-co ₂ /kg
Natural gas	2.1622	kg-co ₂ /m ³

⁴ ESG Guidelines of the Stock Exchange at https://www.hkex.com.hk/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG?sc_lang=zh-HK

Productive Carbon Emissions

Carbon Emissions and Intensity of Zhongling in Recent Years:					
Statistics	Unit	2017	2018	2019	2020
Electricity consumption	kwh	811,020	225,160	729,957	496,805
Carbon dioxide emission	Tonnes	495	137	445	303
Carbon emission intensity	Tonnes of carbon dioxide/kilometer of cable	0.08	0.05	0.09	0.04

Carbon Emissions and Intensity of SEI in Recent Years:					
Statistics	Unit	2017	2018	2019	2020
Electricity consumption	kwh	6,688,613	8,610,713	8,161,287	8,819,898
Carbon dioxide emission	Tonnes	5,253	4,979	5,381	5,484
Carbon emission intensity	Tonnes of carbon dioxide / ten thousand kilometers of core	9.07	9.55	9.05	9.87

Note:

- In the Company's production activities, carbon emissions are mainly related to those caused by the purchase of electricity, so the carbon emissions from natural gas are not included.

Total Greenhouse Gas Emissions of the Company

In recent years, the statistics on greenhouse gas emissions involved in the energy used by the Company (including enterprises that settled in the park) are as follows:

Energy	Unit	2017	2018	2019	2020
Electricity	kwh	17,644,359	19,211,474	19,980,440	21,830,737
Petrol	kg	27,946.68	20,151.59	1,950.00	1,826.00
Natural gas	m³	8,725	11,321	17,129	19,364
Carbon emissions	tCO ₂ e	10,930	11,804	12,233	13,366

- Since the statistics on the above resources included the enterprises that settled in the park, and the statistics on their production and revenue were not available, this report is temporarily unable to disclose the overall carbon emission intensity in addition to the disclosure of the total consumption and intensity of productive energy (see "Productive Carbon Emissions").

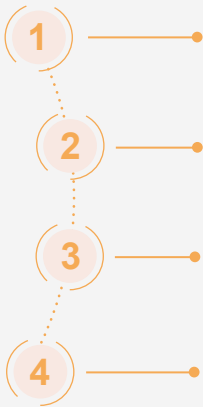
Energy and Emission Target Management

Energy Use Target Management

In order to achieve the targets of reducing costs, energy saving and emission reduction, and improving production efficiency, the Company has formulated the Energy Management System, which contains the provisions like "new projects with water equipment must use recycled water ", "for investment projects for fixed assets, the 'Energy Conservation' section must be included in the feasibility research report".

The energy target management in production is led by the production units (SEI and Zhongling), and the Company provided corresponding support for manpower and materials when necessary.

The measures taken for the management of productive energy targets include:



Production units generally have independent departments to manage the energy consumption in production. For example, such responsibility is assumed by the R&D department in SEI, and the manufacturing department in Zhongling; these departments are responsible for the control of energy consumption levels and the improvement of energy consumption efficiency.

According to the production data in previous years, and with consideration of existing orders and demand, the above-mentioned departments estimates the water and electricity consumed in production, and formulates energy target management documents such as the 2020 Implementation Plan for Water and Electricity-Related Targets.

The production department continuously optimizes and improves the production techniques and processes, and provides feedback on the total energy consumption (including water and electricity) and efficiency.

After a certain period, the energy management department updates its energy target management documents.

In 2020, the energy consumption targets set by SEI and the eventual achievement thereof are as follows:

- The electricity consumption efficiency target was 16,000 kWh/10,000 kilometers of core, and the result was 15,955 kWh/10,000 kilometers of core, which was in line with the target set under the plan;
- The water consumption efficiency target was 16 tonnes/10,000 kilometers of core, and the result was 16.2 tonnes/10,000 kilometers of core, slightly higher than expectation, which was due to the great impact of the epidemic on the production and the market, eventually leading the production lines to fail to operate at full capacity.

In addition, in the production process of Zhongling, water consumption mainly comes from the recycling system, the function of which is cooling, and the application level had stabilized, so the annual water consumption efficiency also stabilized over a period of time. In terms of electricity consumption, Zhongling reduced electricity consumption by introducing production equipment of higher efficiency, switching off unused equipment in time, and promoting continuous production. The annual electricity consumption was 496,800 kWh, meeting the annual target of less than 800,000 kWh.

The measures taken for the management of operational energy management targets include:

- Water consumption

Formulate annual water consumption targets based on the annual tap water consumption of the park and the number of people in the park in the past three years, and with consideration of the number of people in the park in 2020 (including tenant companies), and the annual water consumption indicators issued by the Chengdu Water Conservation Office.
- Electricity consumption

Formulate electricity consumption targets according to the electricity consumption of the park and the electricity load of each unit in the past three years, and with consideration of whether any unit will conduct production expansion and capacity expansion in 2020, and the specific power expansion capacity.
- Gas consumption

Formulate gas consumption targets according to the statistics on the number of people dining and the consumption of natural gas in each unit (including tenant companies) in the previous year in the park, and the changes in the number of people with consideration of whether there are expired or new leases in 2020.

After the production energy management targets and operational energy management targets are summed up, the Company prepared the annual Energy Pre-control Indicator System, which was supervised and implemented by the Industrial Park Development Center.

In 2020, the Company satisfied all the energy pre-control indicators, including:



The water consumption target was $\leq 70,000$ tonnes/year, the actual consumption was 69,847 million tonnes.

The power consumption target was $\leq 25,000,000$ kwh/year, and the actual consumption was 21,830,700 kwh/ year.

The gas consumption target was $\leq 30,000$ m3/year, the actual consumption was 19,400 M³.

Greenhouse Gas Emission Target Management

Since the Company's production and business activities do not directly emit (produce) greenhouse gases (for details, see the previous section: Greenhouse Gas Emissions), the greenhouse gas emissions involved all come from the purchased electricity, natural gas and petrol. Therefore, when setting greenhouse gas emission reduction targets, it is equivalent to setting targets for electricity, natural gas and petrol consumption reduction.

The main steps and measures taken by the Company in setting targets for natural gas and petrol (see above for the use of electricity) consumption reduction are as follows:

- Natural gas

The Company's natural gas consumption is mainly for the domestic gas used in the canteen. On the one hand, the industrial park strengthened the inspection of the canteen's natural gas system to prevent gas leakage and timely maintenance. On the other hand, the Company learned more about the stove supply market and recommended the canteen contractor (Chengdu Messhall Catering Management Co., Ltd.) to select energy-saving stoves.
- Petrol

According to statistics, the petrol used by the Company comes from the fuel consumption of business vehicles. In order to reduce petrol consumption, the Company encouraged employees to use public transportation by providing transportation subsidies for them; in addition, it reduced the use of business vehicles by optimizing business vehicle dispatch methods, such as joint use of business vehicles.

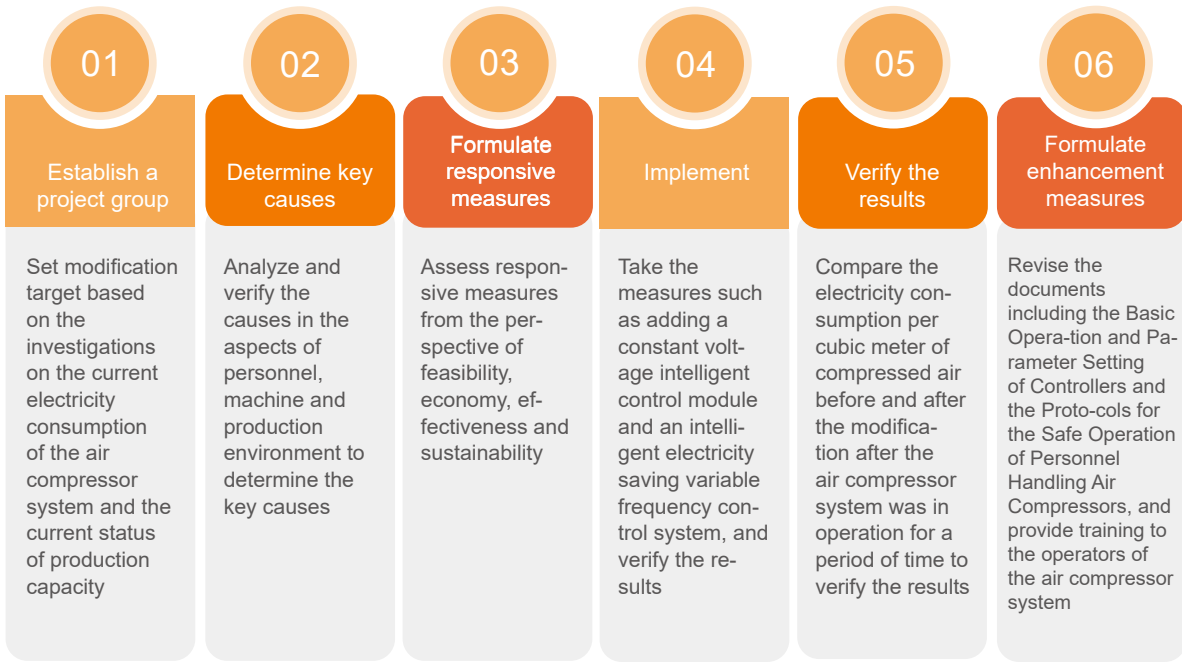
case

Modifying Air Compressors to Save Energy Consumption in the Park

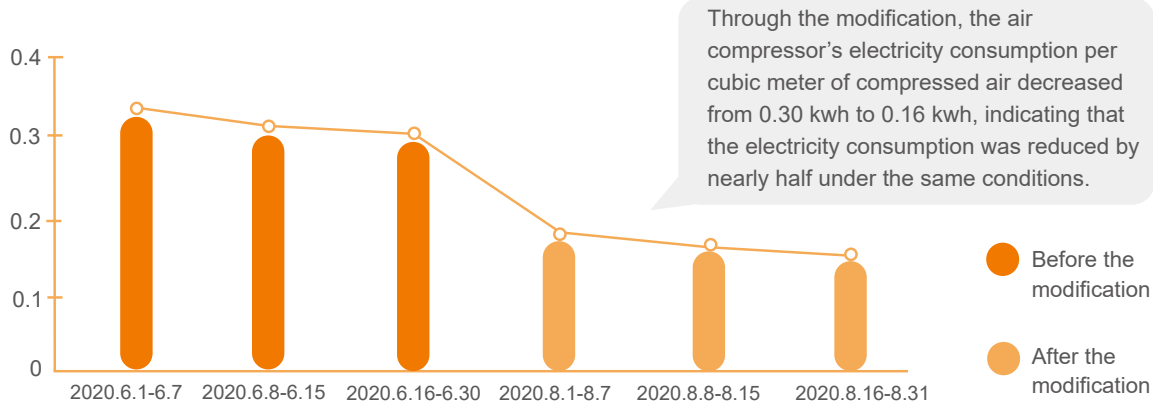
Air compressor (a machine that compresses air to increase gas pressure) can provide power for different tools, transportation equipment, lifting equipment and snatch equipment, and is an indispensable system in the Company's production and operation. Due to the high energy consumption of the air compressor system, under the current application scale and to ensure that the system operates reasonably and guarantees supply, the Company needs to modify the system to improve its energy consumption efficiency.

The Industrial Park Development Center established the QC Group for the Energy-Saving Modification of Air Compressors in the Park in March 2020, which raised the effective operation range of the compressor system to effectively reduce the air compressor system's electricity consumption per cubic meter of compressed air (i.e. the unit electricity consumption of the air compressor system), to eventually achieve energy saving.

By summarizing and comparing the maintenance and tracking data of the air compressor manufacturer, the electricity consumption of the system during effective operation under high saturation over the years, the group decided to set the modification target for the system's electricity consumption per cubic meter of compressed air at 0.2 kw.h/m³.



Flow Chart of Air Compressor Modification Project



Line Chart of Air Compressor System's Electricity Consumption per Cubic Meter of Compressed Air Before and After the Modification

Response to Climate Change

According to the 2010 Statistical Report for National Economic and Social Development, the six major energy-intensive industries are: the chemical raw materials and chemical products manufacturing industry, the non-metallic mineral product industry, the ferrous metal smelting and rolling processing industry, the non-ferrous metal smelting and rolling processing industry, the petroleum processing, coking and nuclear fuel processing industry, and the power and heat generation and supply industry.

Since Chengdu PUTIAN is in an industry that is not a high-energy-consuming industry, it has not been affected by the policies of the government and regulatory authorities in terms of energy consumption reduction. For the pursuit of production efficiency and low energy consumption, the Company has adopted various measures according to the requirements of the Working Plan for Controlling Greenhouse Gas Emissions in Sichuan Province, the Planning for Addressing Climate Changes in Sichuan Province (2014-2020) and other documents and with consideration of the production and operation of the Company, including:

- Production process improvement, production process optimization and technological advancement led by the production units with the ultimate goals to reduce energy consumption and improve energy efficiency.
- Introduce the concept of environmental protection to the newly designed production lines or newly purchased equipment to achieve both efficiency and environmental protection, such as the purchase of variable frequency air conditioners.
- Gradually replace the equipment that does not meet the energy-saving standards in public facilities, such as gradually replacing the street lights in the park with LED lights.
- Basically realize paperless office, with declining paper consumption year by year. For example, the amount spent by the Company on the purchase of paper in 2020 (RMB3,800) was only 13% of that in 2016 (RMB29,210).

The weather conditions caused by climate changes, including the increasing frequency and the longer duration of extreme weather, etc., have major impacts on the Company's production and business activities, including:

- Extreme weather conditions caused by climate changes, such as heavy rain, will cause the Company's sewers to accumulate water and affect the normal use of the park's public infrastructure.
- High temperature caused by extreme weather conditions will affect the production and working environment of employees, and may result in additional equipment maintenance costs, thus affecting production rate and output.
- Under extreme weather conditions, the lifespan of the Company's main products, i.e. optical fibers and cables, will be affected, which will, in turn, affect the Company's product design and production, and put forward higher requirements for research and development; but at the same time, the demand for these products may also increase.

Based on these possible impacts, the responsive measures taken by the Company mainly include:



- Establish the "Emergency Response Plan for Flood Control in the Park" according to Chengdu PUTIAN's Emergency Rescue Plan, work together with the production units and the enterprises that settled in the park to define clear grouping (rescuing group, logistics group and repair group) and work division, and reserve emergency supplies. In recent years, the park has not been affected by heavy rainfall, and the drainage facilities in the park have been running in good condition.
- In response to high temperature weather, the Company strictly follows the Labor Law and the Management Regulations on Heatstroke Prevention and Cooling Measures to protect the occupational health of employees.
- With the increasing extreme weather (cold, high temperature), customers put forward higher requirements for the product performance in cold and high temperature, and the Company actively meet those needs. For example, the 90°C Class 30-year life (i.e. a 30-year life under 90°C environment) materials newly developed by the product technology research and development department newly established will gradually be applied.

Supply Chain Management

In accordance with the Procurement Practices of State-owned Enterprises and the Interpretation on Procurement Practices of State-owned Enterprises, the Company has established the Internal Control System for Procurement and Payment Management in the Internal Control Systems, and formulated the Administrative Measures for Centralized Procurement, the Customer/Supplier Information Management Measures and other procurement systems.

The Company's centralized procurement system is managed by the Procurement Center. Different methods are adopted according to the subject of purchase:

1

The centralized procurement system is responsible for the bidding and procurement of office supplies, low-value consumables and other items, as well as production materials that can be centrally purchased in large quantities.

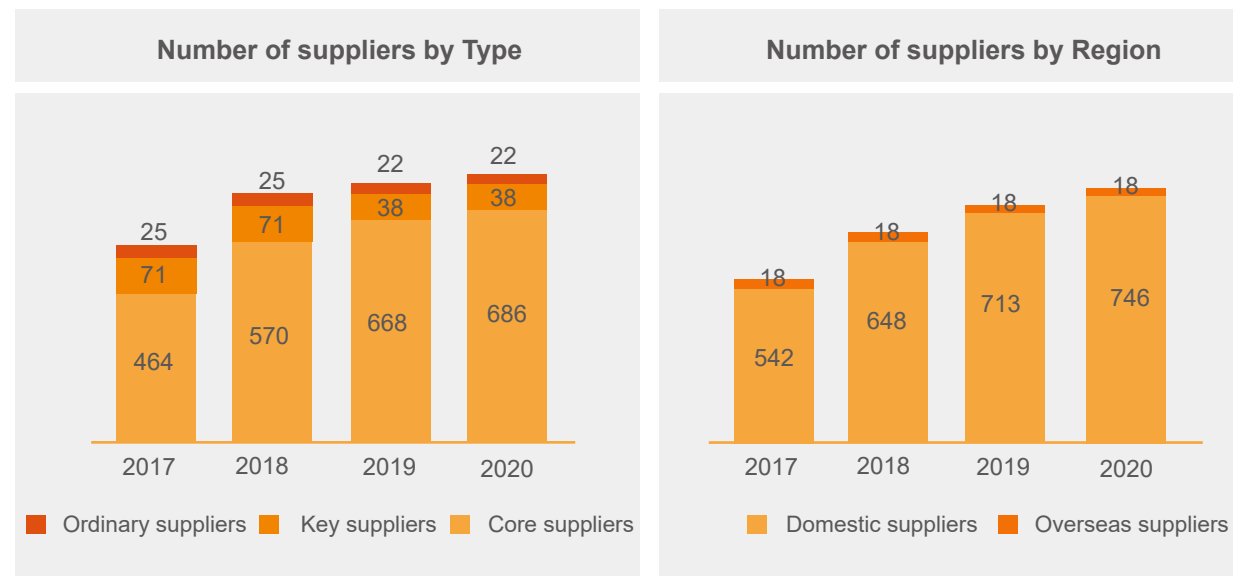
2

The production materials are purchased by the holding subsidiaries themselves and the contract shall be filed in the Procurement Center.

When selecting suppliers, the Company follow the Notice of the State Council on Issuing the Comprehensive Work Plan for Energy Conservation and Emission Reduction (Guo Fa [2007] No. 15), the Opinions of the Ministry of Finance and the State Environmental Protection Administration on the Implementation of Government Procurement of Environmental Labeling Products (Cai Ku [2006] No. 90) and other documents, and under the same conditions, the Company will prefer the products with China Environmental Labelling Certification⁵ when conducting centralized procurement.

⁵ The China Environmental Labelling is a certification mark in the environmental protection field registered by the former State Environmental Protection Administration with the former Trademark Office of the State Administration for Industry and Commerce, and represents the country's recognition of product environmental behavior. As an official mark, it indicates that the products approved to use the mark are not only qualified in quality, but also meet environmental protection requirements in the process of production, use and disposal. Compared with similar products, these products have environmental advantages such as low toxicity, low emission, and resource saving.

In 2020, the Procurement Center organized 14 procurement comparisons, including measurement and calibration outsourcing services, smart meter procurement, and multiple testing equipment procurement, with more than 340 procurement contracts approved and filed, and nearly 160 supplier codes reviewed and issued .



On the whole, the Company's core suppliers, key suppliers and overseas suppliers remained stable in terms of number, while the number of ordinary suppliers and domestic suppliers recorded a small increase.

Contributions to Community

Poverty Alleviation and Charity

Continuing the poverty alleviation and co-construction work in the previous year, the Company continued to adopt the method of "purchasing instead of donations and buying instead of help" to carry out consumption poverty alleviation activities in Dari County, Guoluo State, Qinghai Province. In September 2020, the Company spent approximately RMB50,000 to purchase the characteristic products in Dari County for the benefit of over 340 employees, to help the farmers in Dari County to resolve the sluggish sales problem of the products caused by the incapability of sales and transportation in remote poor areas.

In terms of social charitable donations, SEI continued to donate RMB30,000 to the Charity Association of Chengdu Hi-tech Industrial Development Zone, which is designated to be used to support education and purchase teaching equipment for schools in poor areas.

The Company rewarded and assisted the families of the current employees whose children are studying in public high schools, junior colleges and secondary schools, or employees with difficult family life, or employees whose family member obtain admission notices from colleges and universities in the same year according to the rules of "golden autumn student aid" and "golden autumn scholarship" under Chengdu PUTIAN Labor Union Employee Assistance System. The families of the on-the-job employees in the admission notices of institutions of higher learning provide rewards and assistance. In 2020, the labor union of the Company granted RMB18,000 in total to 105 persons under the "golden autumn student aid" and "golden autumn scholarship".

Party Building

In 2020, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Company's party committee thoroughly implemented the spirits of the Nineteenth CPC National Congress, the Second, Third and Fourth Plenary Session of Nineteenth CPC National Congress and put in practice the requirements of the Party Constitution to promote the Company's party building work.

Part of the party building work carried out by the Company this year includes:

In April, in accordance with the united deployment of the SASAC and the Group, in order to give full play to the unique advantages and roles of the people not in the party, promote the Company's epidemic prevention and control and achieve both production and operation targets, the Party Committee of Chengdu PUTIAN organized a meeting for non-party people themed "Love enterprises, Propose constructive strategies and Make contributions". Staff from the party-masses management department (united office) and more than 10 representatives of non-party people from various units of the Company attended the meeting. More than 20 suggestions were put forward at the meeting, including customer communication, cost reduction, product delivery and product optimization.

In May, in order to implement the long-term mechanism of "Remain True to Our Original Aspiration and Keep Our Mission Firmly in Mind", the Company insisted on the theme education "never stop working after retirement", and exerted solid efforts on the basic work of party building. According to the deployment of the Company's party committee, five members of the Company's leading cadre went to the contact points of each branch to carry out thematic education inspections and rectification under the special supervision work of "look back". This inspection has promoted the change of cadres' style of work and laid the foundation for the Company to seek for development and advance its work.

On 30 June, Chengdu PUTIAN held a celebration of the 99th anniversary of the founding of the party and commendation conference for advanced representatives. A total of over 50 persons attended the meeting, including members of the Company's leading cadre, party branch secretaries, branch members, main heads of various departments, representatives of retired party members, party activists and advanced individuals who were commended.

In July, in memory of revolutionary martyrs, inherit the red gene, and carry forward the spirit of Red Rock, Chengdu PUTIAN's party committee and Xi'an Putian's party committee jointly organized branch secretaries, party members and cadres with a total number of 40 persons to go to Chongqing to carry out a vivid red theme education party day activity . The Company's party members and cadres expressed their respect, mourning, and grief for the revolutionary martyrs through ceremonies such as laying wreaths, collective silence, and reviewing the oath taken when joining the party.



Meeting of Non-Party People Themed "Love enterprises, Propose constructive strategies and Make contributions"



Red Theme Education Party Day Activity



Talent Cultivation



- Workforce
- Talent Management
- Talent Development

Talents are one of the most important driving forces for Chengdu PUTIAN. By providing employees with a safe and comfortable working environment, cultivating and supporting their growth and development and enabling employees to create value, the Company also creates value for the society.

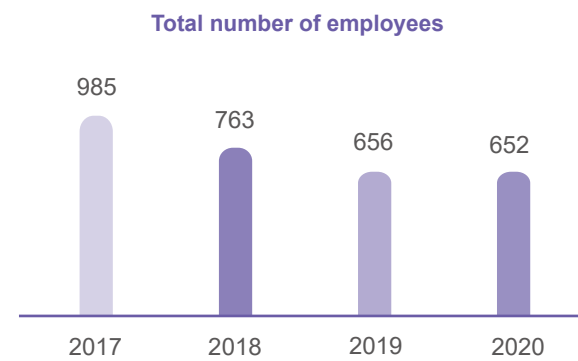
In the process of recruitment and employment, the Company strictly abides by the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China and relevant laws and regulations of the province and city where it is located, prohibits discriminates against any applicants and employees in employment in terms of gender, ethnicity, religion, age, family status or other factors, and has not formulated any employment discrimination policy.

In the Staff Manual of Chengdu PUTIAN Telecommunications Cable Company Limited, the Company clearly stipulates that employees have the rights to labor, work, study, rest, and participate in the Company's democratic management; at the same time, all employees enjoy marriage leave, maternity leave, funeral leave, family visit leave and annual leave and other paid holidays.

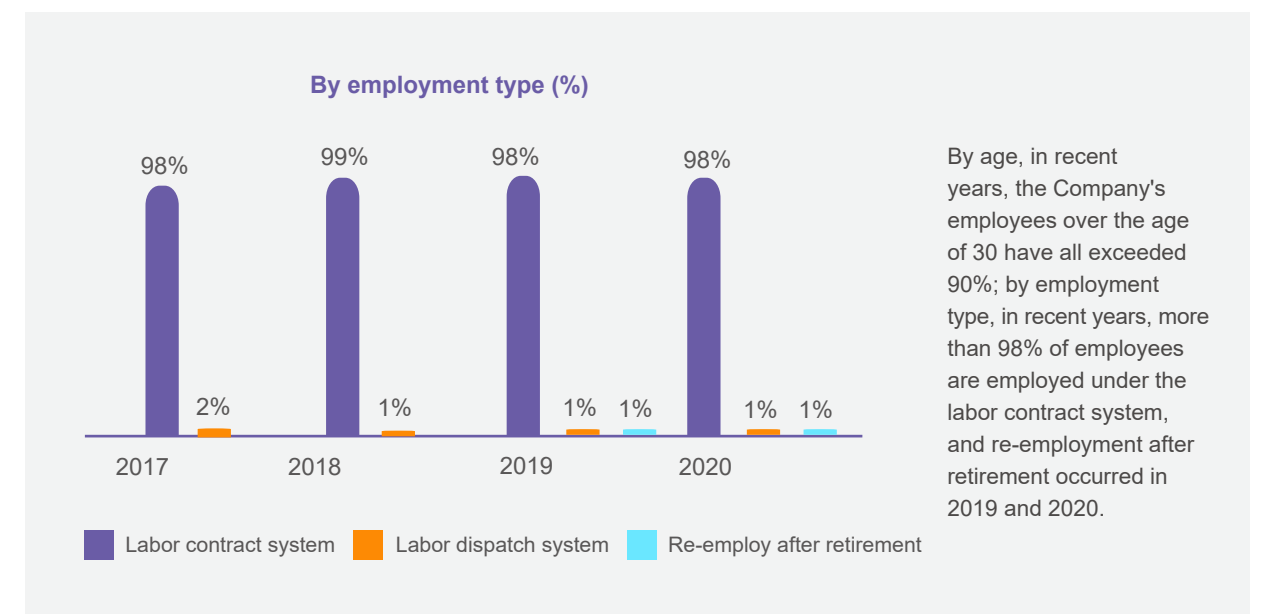
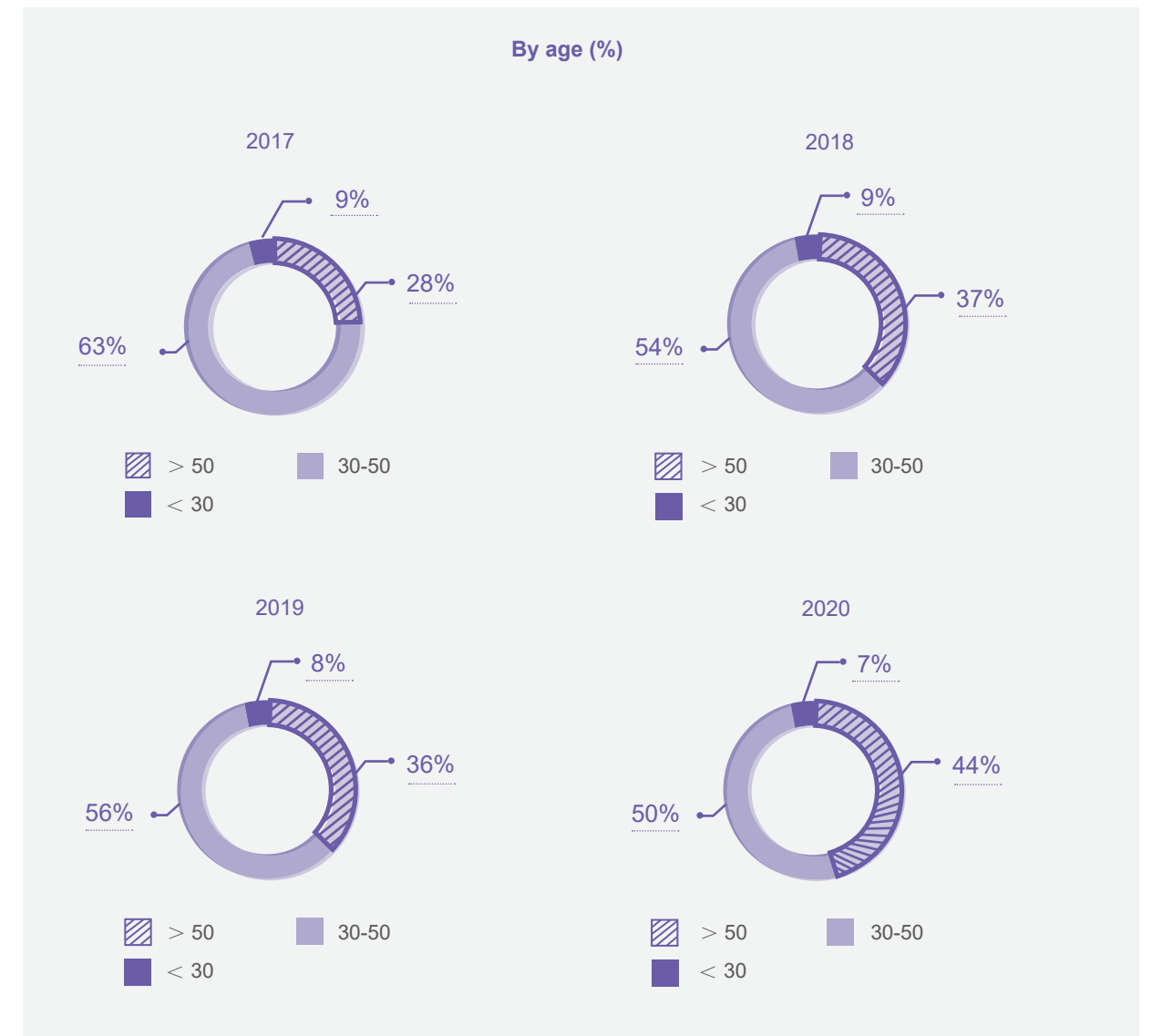
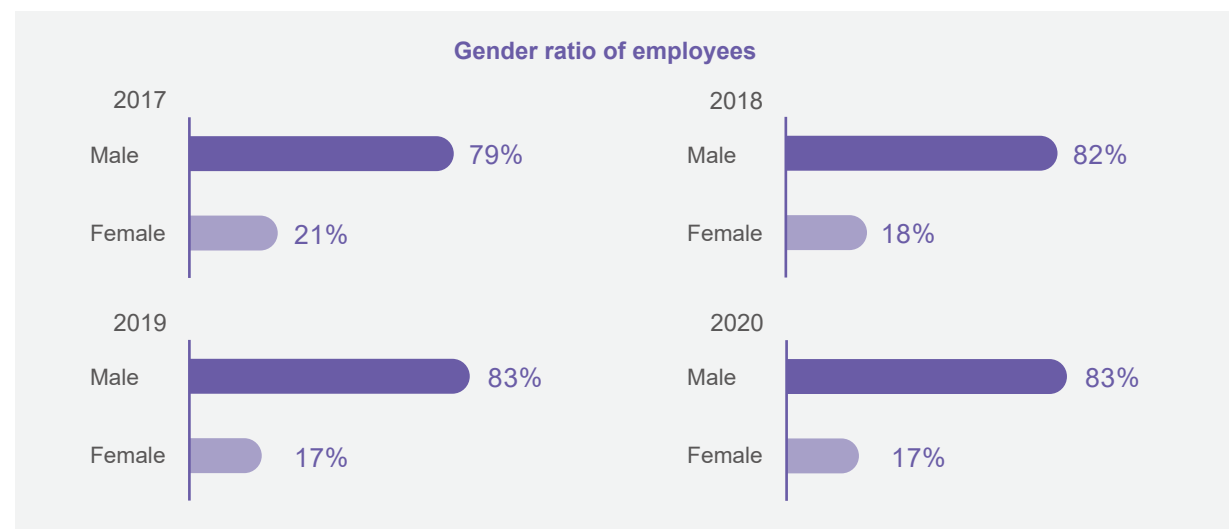
The Company prohibits any department, holding company and subsidiary from employing child labor and forced labor. Once found, it will be reported to the law enforcement authority and subject to internal punishment of the Company.

During the reporting period, there was no child labor or forced labor in the Company or any of its subsidiaries, departments or holding companies.

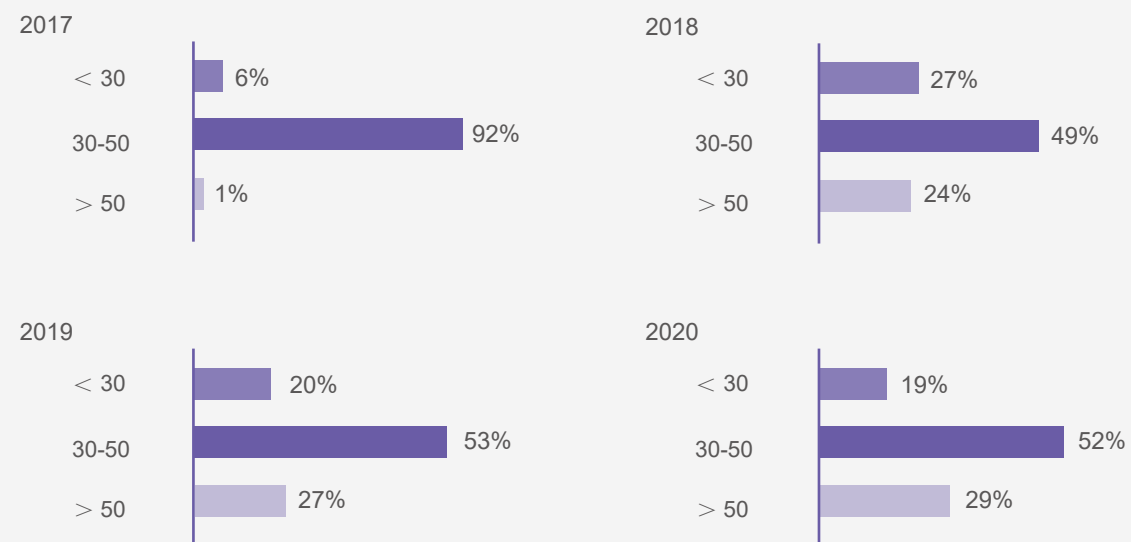
Workforce



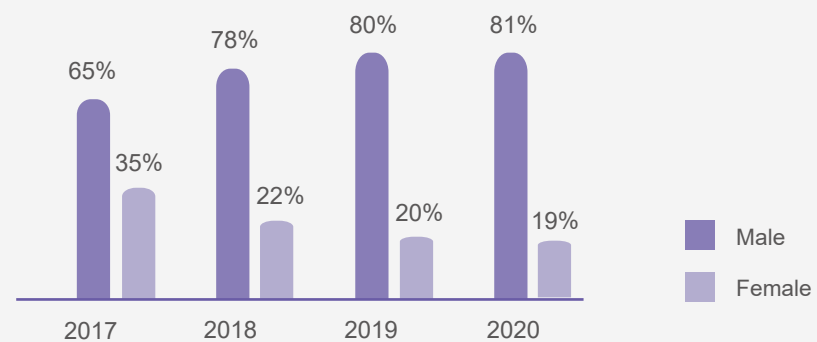
After several consecutive years of streamlining, the total number of employees in the Company has stabilized, so does the gender ratio of employees. In 2020, the 652 employees of Chengdu PUTIAN were all full-time employees in Mainland China, and the contract signing rate and social insurance payment rate are both 100% with no labor dispute.



percentage of departing employees (By age)



percentage of departing employees in the Company (By gender)



Among the departing employees in recent years, male employees have gradually accounted for 80%, and the percentage of female employees has gradually decreased; in terms of age, the majority of the departing employees are 30 to 50 years old, and departing employees that are over 50 years old account for the second largest percentage.

Talent Management

Employee Representative Meeting

On 24 April 2020, the Company held the second meeting of 14th session of employee (member) representative meeting. More than 50 employee representatives and 13 non-voting representatives attended the meeting.

At the meeting, General Manager Hu Jiangbing gave an operation report to the attendees. The report reviewed the main work in 2019, analyzed the operation of the Company's main businesses, and put forward the operating and production targets for 2020. The report also responded to certain hot issues of concern to employees. Subsequently, Xiong Ting, chairman of the labor union, made a summary report on the work of the labor union to the attendees.

According to the requirements of the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Labor Union Law of the People's Republic of China, Company Law, Regulations on Collective Contracts and relevant laws, regulations and rules, General Manager Hu Jiangbing, as the chief representative on the administration side, and Xiong Ting, chairman of the labor union and as the chief representative on the labor union side, signed the new sets of Collective Contracts and Collective Wage Agreements.

The various employee representatives groups (teams) discussed the operation report, the labor union report and the proposals collected from employees, and also put forward their opinions and suggestions on the Company's industrial development, product innovation and research and development, talent training and management, park operation improvement, and employee rights protection.

At the employee representative meeting, the Company awarded the advanced groups and individuals for 2019 and the advanced groups and individuals in the labor union for the home construction activity in 2018-2019.



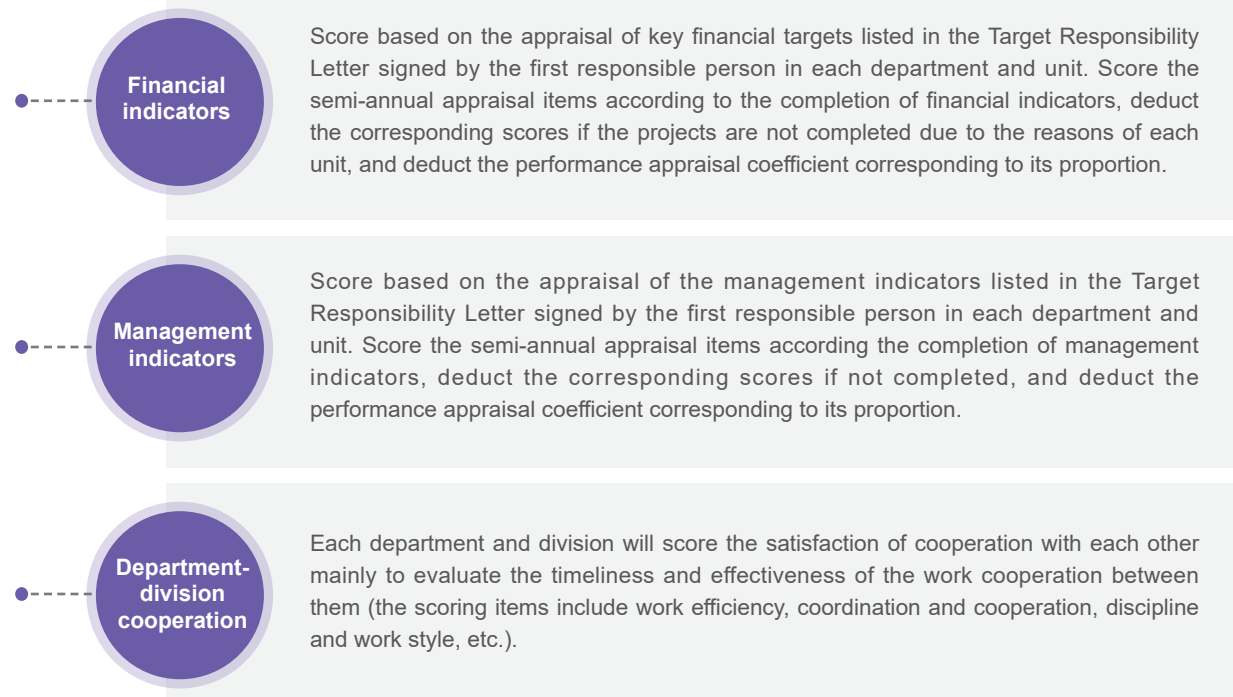
Employee Representative Meeting



Performance Appraisal

According to the Company's Appraisal Management Measures, each of the Company's departments and holding companies is subject to the appraisal of the three indicators set out in Target Responsibility Letter (signed by the first responsible person of each department and unit, and the target varies according to different departments and units), namely the financial indicators and management indicators and department-division cooperation indicators.

For different departments and holding companies, the percentages of financial indicators, management indicators and department-division cooperation indicators subject to appraisal will vary.



Employee Care and Activities

In terms of caring for employees, based on the Chengdu PUTIAN Labor Union Employee Assistance System, the Company's labor union carried out the program of "cooler in summer, scholarships in autumn and warmth in winter". In 2020, the Company spent approximately RMB229,500 in employee benefits, including employee birthday benefits, and the "Chengdu On-job Employee Hospitalization Comprehensive Mutual Assistance Guarantee Scheme (a scheme initiated by the Chengdu Federation of Labor Unions with an aim to "alleviate the economic difficulties caused by hospitalization because of illness and major diseases", and employees who meet the conditions can be reimbursed part of the medical expenses or receive part of the subsidies) for the employees, processing hospitalization mutual insurance reimbursement for in-service employees, and granting condolences to hospitalized employees because of illness, condolences for in-service female employees on Women's Day, and "cooler in summer" condolences to the on-duty employees in summer and other activities.

In 2020, the Company's labor union held various activities:

- On 19 January, it organized the 2020 Spring Festival activities, including Dumpling-making Competition and the Spring Festival Park Tour. Twelve teams from the Company's branch labor unions and enterprises that settled in the park participated in the Dumpling-making Competition and the park tour. The Company's labor union prepared corresponding lotteries and prizes for the activities.
- On 19 January, the Company's labor union carried out the once-in-a-year activity of "Extending Warmth in Two Festivals", and granted consolation money to 19 on-duty workers and 1 worker that has lost the only child. On the same day, the leaders of the Company visited a 100-year-old party member and employees in difficulties, and expressed the Company's care and regards.
- On 8 March, the 100th anniversary of the International Women's Day, the Company's labor union thoughtfully prepared a practical holiday gift for the female workers.
- On 18 September, the Company held the 10th Chengdu PUTIAN Cup Badminton Tournament. For the first time, enterprises in the park were invited to participate in the tournament, which enhanced the understanding and friendship between the enterprises in the park.
- On 30 October, the Company held the fifth Employee Table Tennis Competition, and enterprises in the park were invited to participate in the competition, which enhanced the communication and mutual understanding between the enterprises in the park.



Chengdu PUTIAN Spring Festival Park Tour Activity in January 2020



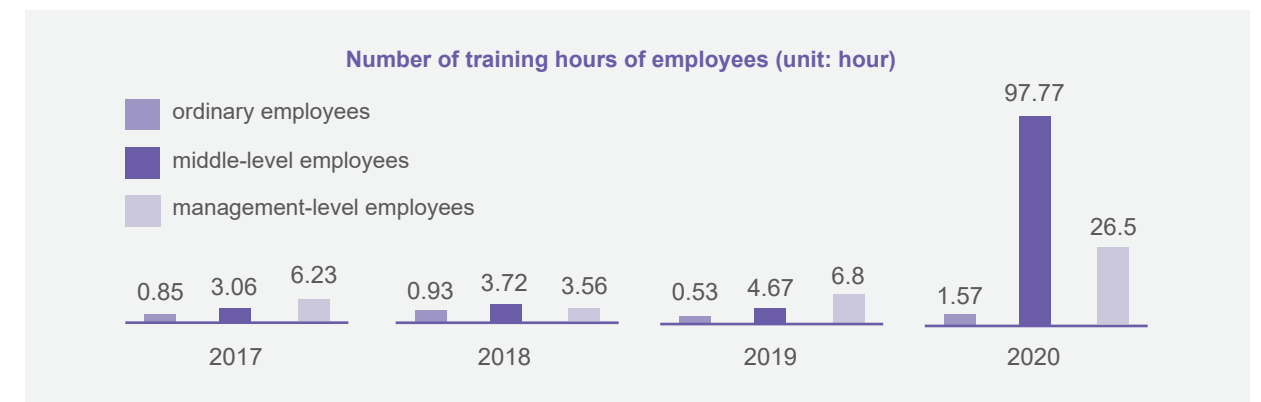
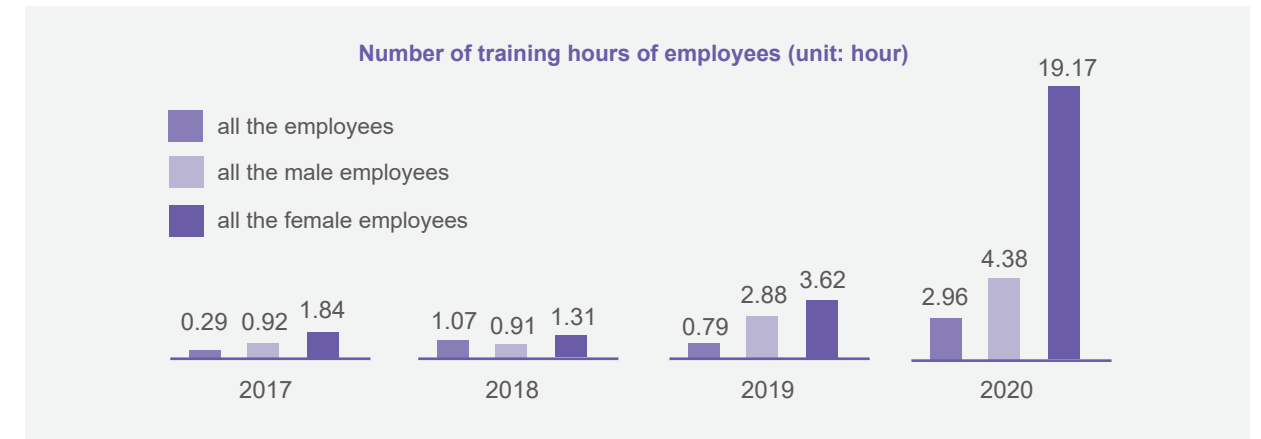
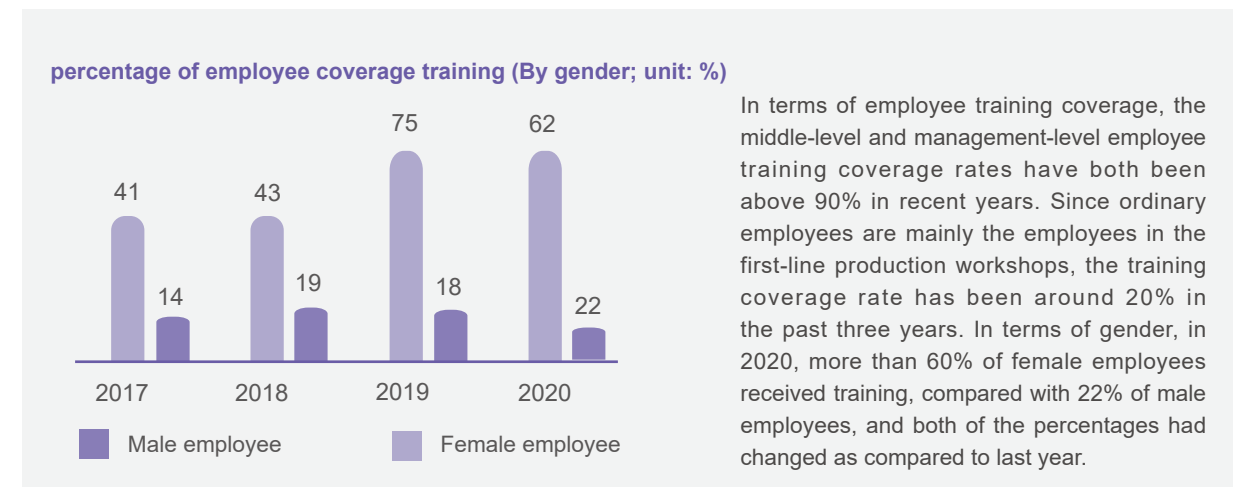
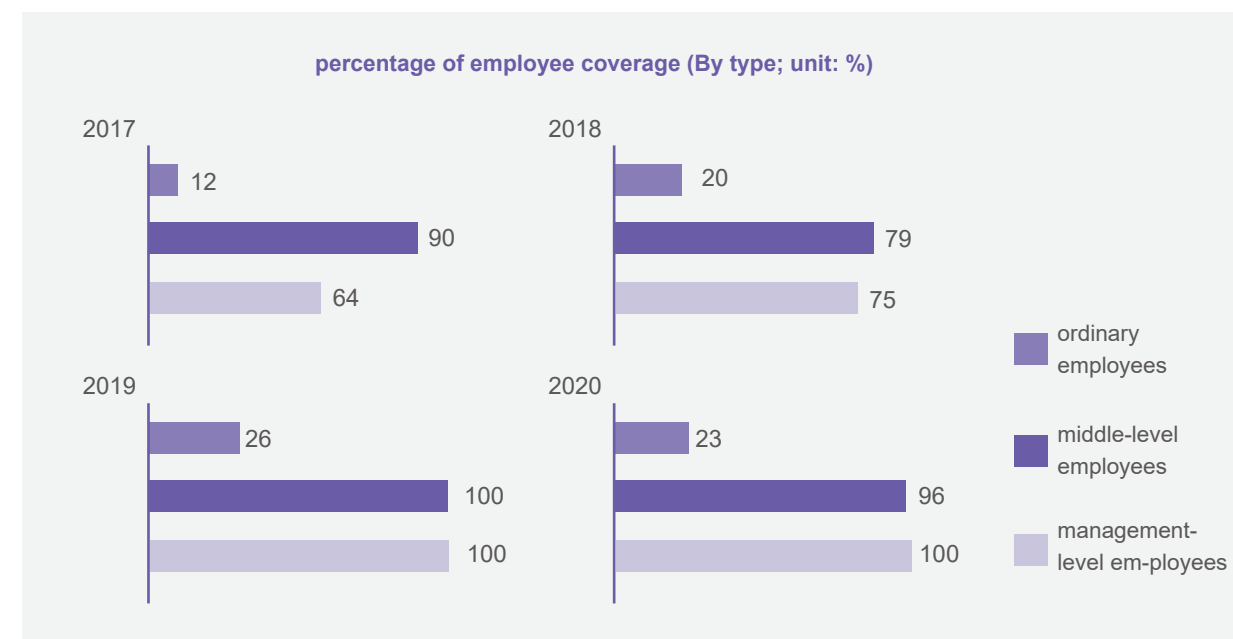
Badminton Tournament in September 2020

Talent Development

In terms of supporting employees, the Company adopts a combination of hierarchical training (department level and company level) and special training. In terms of career development, the Company conducts middle and senior title evaluations for technical talents.

In accordance with the Company's requirements for strengthening the management of middle-level cadres and the construction of reserve cadres, establish and improve the management mechanism of cadres, and provide support for the Company's sustainable development in terms of human resources, and in accordance with the Interim Administrative Measures for the Resignation of Middle-level Management of the Company and the Interim Administrative Measures for the Reserve Cadres of the Company, the Company made dynamic adjustments to the middle-level managers this year, with 3 middle-level managers exiting from middle-level management positions, and 6 talents included in the inspection scope for the Company's reserve talent pool.

According to the Administrative Measures for Qualification Evaluation of Professional and Technical Positions and the planning for human resources, the Company completed the evaluation of senior engineering titles in 2020. The Company completed the data review, thesis defense, and review work for 16 persons who applied for senior titles.



From the perspective of the training hours of employees, the average training hours of all employees was 2.96 hours in 2020, and the average training hours of female employees was over four times that of male employees; the training hours for ordinary employees, middle-level employees and management-level employees increased as compared with the previous year. Among them, the average training hours of middle-level employees increased rapidly, which was more than 20 times that of the previous year, mainly due to the operation of Chengdu PUTIAN Online Academy.

During the reporting period, the Company organized 745.5 hours of first-level training (i.e. company-level training), with a total of 314 participants. The training mainly involved Civil Code and production safety, etc.



case

Chengdu PUTIAN Online Academy Started Official Operation to Facilitate Employee Growth

In August 2019, in order to further strengthen the education and training of cadres, improve their qualities and abilities, and enhance the market concept and service awareness of cadres and employees to meet the new market requirements, Chengdu PUTIAN Online Academy, in the main form of an online learning platform, was put into trial operation.

In April 2020, the Management Measures for Chengdu PUTIAN Online Training Academy was officially released, marking the official operation of Chengdu PUTIAN Online Academy (the "Academy").

The Academy aims to become an effective carrier for the Company to build a learning-oriented organization. Participating students must complete learning tasks of not less than 100 hours each year, including compulsory courses and optional courses of 50 hours each.

The content of compulsory courses

The content of compulsory courses is fed by the training administrator (for which the Company's human resources department is responsible), focusing on implementing the Company's business strategy, general business knowledge and improving leadership quality;

Optional courses

Optional courses can be selected by the students themselves, focusing on the development of professional quality and professional skills, with a view to improving the students' abilities on their posts.

By the end of 2020, the Academy provided 32 compulsory courses in the sections of "personal development", "comprehensive management", "production management", "human resources" and "financial management", etc. The Academy is still gradually expanding and enriching the content of the courses.

According to the Management Measures for Chengdu PUTIAN Online Training Academy, within one evaluation cycle, the students must complete the corresponding courses as required, and their completion of the courses will be connected to personal remuneration and performance appraisal, and will also be regarded as one of the considerations for the appointment and removal of cadres.

Appendix I: ESG reporting Guide Index

Indicator		In this report	
Mandatory disclosure requirements			
Governance structure		ESG management	
Reporting principle		Description of report preparation, environmental sustainability	
Reporting scope		Description of report preparation	
“Comply or Explain” provision			
A. Environmental			
Aspect A1: Emission			
General Disclosures			Environmental Sustainability
KPIs	A1.1	The types of emissions and respective emissions data	Greenhouse Gas Emissions
	A1.2	Greenhouse gas emissions in total and intensity	Greenhouse Gas Emissions
	A1.3	Total hazardous waste produced and intensity	Waste Management
	A1.4	Total non-hazardous waste produced and intensity	
	A1.5	Description of measures to mitigate emissions and results achieved	
	A1.6	Description of how hazardous and non-hazardous wastes are andled, and description of waste reduction goals set and steps taken to achieve these goals	Energy and Emission Target Management
Aspect A2: Use of Resources			
General Disclosures			Environmental Sustainability
KPIs	A2.1	Direct and/or indirect energy consumption by type and intensity	Use of Resource
	A2.2	Water consumption in total and intensity	
	A2.3	Description of energy use efficiency goals and steps taken to achieve these goals	Energy and Emission Goal Management
	A2.4	Description of any problems that may arise in determining the use of water sources, as well as the water efficiency established and the steps taken to achieve these goals	Energy and Emission Goal Management
	A2.5	Total packaging material used and per unit produced	Packaging Materials
Aspect A3: The Environment and Natural Resources			
General Disclosures			
KPIs	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Sustainability
Aspect A1: Emission			
General Disclo-sures			
KPIs	A4.1	Description of major climate-related issues that have and may have an impact on the issuer, and the response actions.	Response to Cli-mate Change
B. Society			

Aspect B1: Employment			
General Disclosures			
KPIs	B1.1	Total workforce by gender, employment type, age group and eo-graphical region	Talent team
	B1.2	Employee turnover rate by gender, age group and geographical	
Aspect B2: Health and Safety			
General Disclosures			
KPIs	B2.1	The number and rate of work -related fatalities in each of the past three years (including the reporting year)	Occupational Health
	B2.2	Lost days due to work injury	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	
Aspect B3: Development and Training			
General Disclosures			
KPIs	B3.1	The percentage of employees trained by gender and employee ate-gory	Talent Cultivation
	B3.2	The average training hours completed per employee by gender and mployee category	
Aspect B4: Labour Standards			
General Disclosures			
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labor	Talent Cultivation
	B4.2	Description of steps taken to eliminate such practices when dis-covered	
Aspect B5: Supply Chain Management			
General Disclosures			
KPIs	B5.1	Number of suppliers by geographical region	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	
	B5.3	Description of the practice of identifying environmental and social risks in each link of the supply chain, as well as related implemen-tation and monitoring methods	
	B5.4	Description of the management that promotes the use of environ-mentally friendly products and services when selecting suppliers, as well as related implementation and monitoring methods	
Aspect B6: Product Responsibility			
General Disclosures			
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable for our products
	B6.2	Number of products and service related complaints received and how they are dealt with	Customer Service
	B6.3	Description of practices relating to observing and protecting intel-lectual property rights	Quality Product
	B6.4	Description of quality assurance process and recall procedures	Quality Product
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not Applicable for our products
Aspect B7: Anti-corruption			
General Disclosures			
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	
	B7.3	Description of the anti-corruption training provided to directors and employees	
Aspect B8: Community Investment			
General Disclosures			
KPIs	B8.1	Focus areas of contribution	Community Contribution
	B8.2	Resources contributed to the focus area	

Appendix II: Reader Feedback Form

Dear Sir/Madam,

Thank you very much for reading the 2020 ESG Report of Chengdu PUTIAN. In order to give full play to the communication function of the Report, and effectively improve the level of environmental, social and governance of Chengdu PUTIAN, we sincerely look forward to your comments and suggestions.

1.What's your role against Chengdu PUTIAN?

- ☐ Government
- ☐ Employee
- ☐ Partner
- ☐ Environmental Organization
- ☐ Media
- ☐ Community/Public
- ☐ Others (please indicate)

2.What's your general comment on this Report?

- ☐ Excellent
- ☐ Good
- ☐ Common
- ☐ Poor
- ☐ Bad

3. What do you think about Chengdu PUTIAN in terms of stakeholder communication?

- ☐ Excellent
- ☐ Good
- ☐ Common
- ☐ Poor
- ☐ Bad

4. What do you think about Chengdu PUTIAN in terms of product responsibilities?

- ☐ Excellent
- ☐ Good
- ☐ Common
- ☐ Poor
- ☐ Bad

5. What do you think about Chengdu PUTIAN in terms of environment, safety and occupational health?

- ☐ Excellent
- ☐ Good
- ☐ Common
- ☐ Poor
- ☐ Bad

6. What do you think about Chengdu PUTIAN in terms of responsibilities to employees?

- ☐ Excellent
- ☐ Good
- ☐ Common
- ☐ Poor
- ☐ Bad

7. What do you think about Chengdu PUTIAN in terms of responsibilities to society?

- ☐ Excellent
- ☐ Good
- ☐ Common
- ☐ Poor
- ☐ Bad

8. Do you think the content arrangement and layout design of this Report is easy to read?

- ☐ Yes
- ☐ No

9. What are your comments and suggestions on ESG of Chengdu PUTIAN and this report?