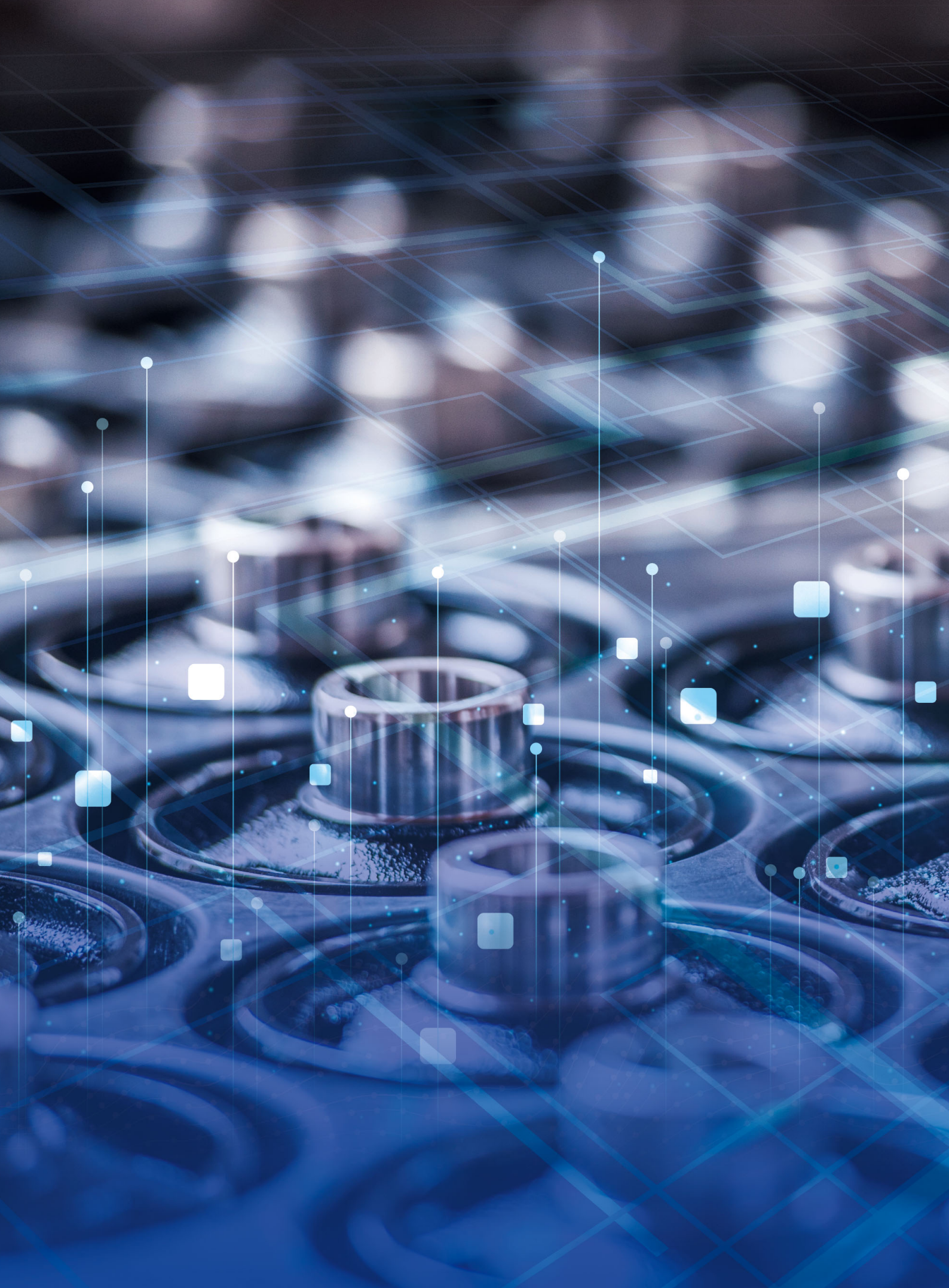




2020

ZHENGZHOU COAL MINING MACHINERY GROUP COMPANY LIMITED

**SOCIAL RESPONSIBILITY AND ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT**



About this Report

This report is prepared with reference to the provisions set out in the “Guidelines on Environmental Information Disclosure by Listed Companies” issued by the Shanghai Stock Exchange in May 2008 and the “Environmental, Social and Governance Reporting Guide” issued by The Stock Exchange of Hong Kong Limited in December 2015. For ease of presentation and reading, Zhengzhou Coal Mining Machinery Group Company Limited and its subsidiaries are referred to as the “Company” or “We” in this report. The Company presents its social responsibility performance for the year 2020, namely, from 1 January 2020 to 31 December 2020.

This report focuses on the activities carried out by Zhengzhou Coal Mining Machinery Group Company Limited. In consideration of a range of parameters such as sales values, business types, profits and asset values, the following entities are included in the reporting scope:

• Coal Mining Machinery Segment

Zhengzhou Coal Mining Machinery Group Company Limited, Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd., Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd., Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd. For ease of presentation and reading, these four companies are collectively referred to as the “coal mining machinery segment” in this report.

• Auto Parts Segment

ASIMCO Technology, Inc., ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., ASIMCO Camshaft (Yizheng) Co., Ltd., ASIMCO International Casting Co., Ltd. (Shanxi), Hubei Super Electric Auto Motor Co., Ltd. and ASIMCO NVH Technologies Co., Ltd. (Anhui). For ease of presentation and reading, these six companies are collectively referred to as “ASIMCO” in this report.

For ease of presentation and reading, SEG Automotive Germany GmbH is referred to as “SEG” in this report.

• Investment Segment

Zhengzhou Zhima Street Industrial Co., Ltd., a wholly-owned subsidiary of Zhengzhou Coal Mining Machinery Group Co., Ltd., is one of the three segments under the strategic planning of the ZMJ Group. Zhima Street 1958 Dual Innovation Park (芝麻街1958雙創園) officially opened in September 2020 and has been included in the scope of this report from 2020. For ease of presentation and reading, Zhengzhou Zhima Street Industrial Co., Ltd. is referred to as “Zhima Street” in this report.

This report is available for downloading at the website of the HKEx (www.hkexnews.hk), and the website of the Company (www.zmj.com).

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郑州煤矿机械集团股份有限公司
ZHENGZHOU COAL MINING MACHINERY GROUP CO., LTD.



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Message from the Company

Dear stakeholders,

In 2020, the Company guided itself under the development strategy of “international strategic positioning, market-based corporate governance, high-end industry layout and global human resources” and carried out the requirements of the “Campaign of Reforming Hundreds of SOEs” (雙百行動) to implement the SOE mixed-ownership reform, optimise the governance structure and boost technology and management innovation, so as to constantly promote the sustainable development, transformation and upgrade of the Company. Facing the abrupt assault from Covid-19 in a complex and severe situation, the Company conscientiously carried out the spirit of the important instructions from General Secretary Xi Jinping during his inspection of ZMJ. It confronted challenges head on and with strong determination. Equipped with the mind-set of starting afresh on another entrepreneurial adventure, ZMJ leveraged innovation as the key with faster transformation towards intelligence, striving to break new ground in the high-quality development of the manufacturing sector.

Over the past year, we paid close attention to the needs of stakeholders including shareholders, staff, suppliers, customers and communities, and made substantial progress in caring for our employees, ensuring their safety and health, reducing pollution emissions and enhancing resource efficiency. We have established mid to long-term incentive schemes such as the super profit incentive scheme and the share option incentive scheme, and continues to implement scientific talent cultivation and competitive employment systems to give staff hope and motivation. The Company continues to increase investments in the smart and environmentally-friendly transformation of production lines to reduce the workload of staff and strengthen the protection of their occupational health. In addition, each of our business segments continues to actively reduce water consumption through measures such as improving water reuse rate and equipment updating. In 2020, our overall utilisation rate of water reuse reached approximately 92%. All the major subsidiaries of the Company obtained the ISO9001/IATF16949 Quality Management System Certification, the OHSAS18001/ISO45001 Occupational Safety and Health Management System Certification and the ISO14001 Environmental Management System Certification.

The Company also performed well in independent innovation and the promotion of social benefits. Committed to promoting the integrated development of intelligent technology and the coal industry, we forged strategic ties with Huawei

and Siemens on digital intelligence. Our first set of intelligent workforce for comprehensive mining formally commenced operation in May 2020, and was rated by SASAC of the State Council as an exemplar of SOE digitisation in 2020. We strive to promote the application of electronic bidding platform and realise resource sharing with suppliers. Furthermore, dedicated to promoting social benefits, we continue to work on the “Zhima Street 1958 Dual Innovation Park Project” (芝麻街1958雙創園項目), a project mainly engaged in renovating and improving the Company’s old factories and with “Scientific Innovation and Cultural Innovation” as the theme to revitalise idle factory premises, and deliver the effect of industry clustering, and endeavour to become a leading entrepreneurial and cultural hub in the Central Plains of China.

In 2020, China and the whole world remained challenged by the COVID-19 epidemic. As an enterprise with global operations, the Company actively cooperated with local governments to take effective epidemic prevention and control measures, and made donations to domestic epidemic prevention and control institutions at the earliest opportunity. Meanwhile, we donated respirators, protective masks and other anti-epidemic supplies to Germany and Spain. In addition, we launched our relief initiative to waive two months of rent for small and micro enterprises and individual businesses in Zhima Street whose normal operations had been affected by the epidemic.

In 2021, we should maintain rigorous epidemic prevention and control, focus on production and operation, and steadfastly perform our social responsibilities, seeking to attain continuous improvement in sustainability areas such as market responsibility, responsibility toward staff, energy conservation and emissions reduction as well as giving back to communities. Going forward, we will take hold of the opportunities from the national policy of advancing intelligent coal mining, with continuous R&D and promotion of the intelligent workforce technology for comprehensive coal mining, the technological innovation and R&D mechanism relating to automobile energy saving, emissions reduction and lightweight, as well as the optimisation of our R&D platform. By doing so, we strive to become the largest comprehensive coal mining technology and equipment supplier and a leading auto parts manufacturer in the world.

—Zhengzhou Coal Mining Machinery Group Company Limited
27 March 2021



Corporate Introduction

Zhengzhou Coal Mining Machinery Group Company Limited was founded in 1958 and restructured into a limited company in 2008. It was listed on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange in 2010 and 2012, respectively, and became a A+H listed company. The current controlling shareholders of the Company are Hong Yi Investment Management (Henan) Partnership (Limited Partnership) (泓羿投资管理(河南)合伙企业(有限合伙)) and Henan Asset Management Co., Ltd., holding an aggregate 19.99% of the shares of the Company. For convenience of presentation and reading, Zhengzhou Coal Mining Machinery Group Company Limited and its subsidiaries are referred to as the "Company" or "We" in this report.

The Company started with its coal mining machinery business and has remained a leader in the hydraulic roof supports industry for years. The Company successively acquired the ASIMCO Group and SEG in 2016 and 2017, and entered the field of auto parts with a high starting point. In 2018, the Company established Zhima Street Industrial Co., Ltd. to develop the investment business. Currently, the Company has three business segments, namely, coal mining machinery, auto parts and investment, with 17,412 employees at 28 branches in 17 countries and regions around the world.

General Secretary Xi Jinping visited the Company in 2019 and made important instructions on the future development of the Company, which pointed the way forward for us. In recent years, we have actively respond to the national development strategy and the instructions of the General Secretary, constantly explored the paths of transformation and upgrading, strengthened independent innovation, developed high-end and intelligent manufacturing, and grown into the world's largest comprehensive coal mining technology and equipment supplier and the world's leading auto parts manufacturer.

17 countries

28 branches

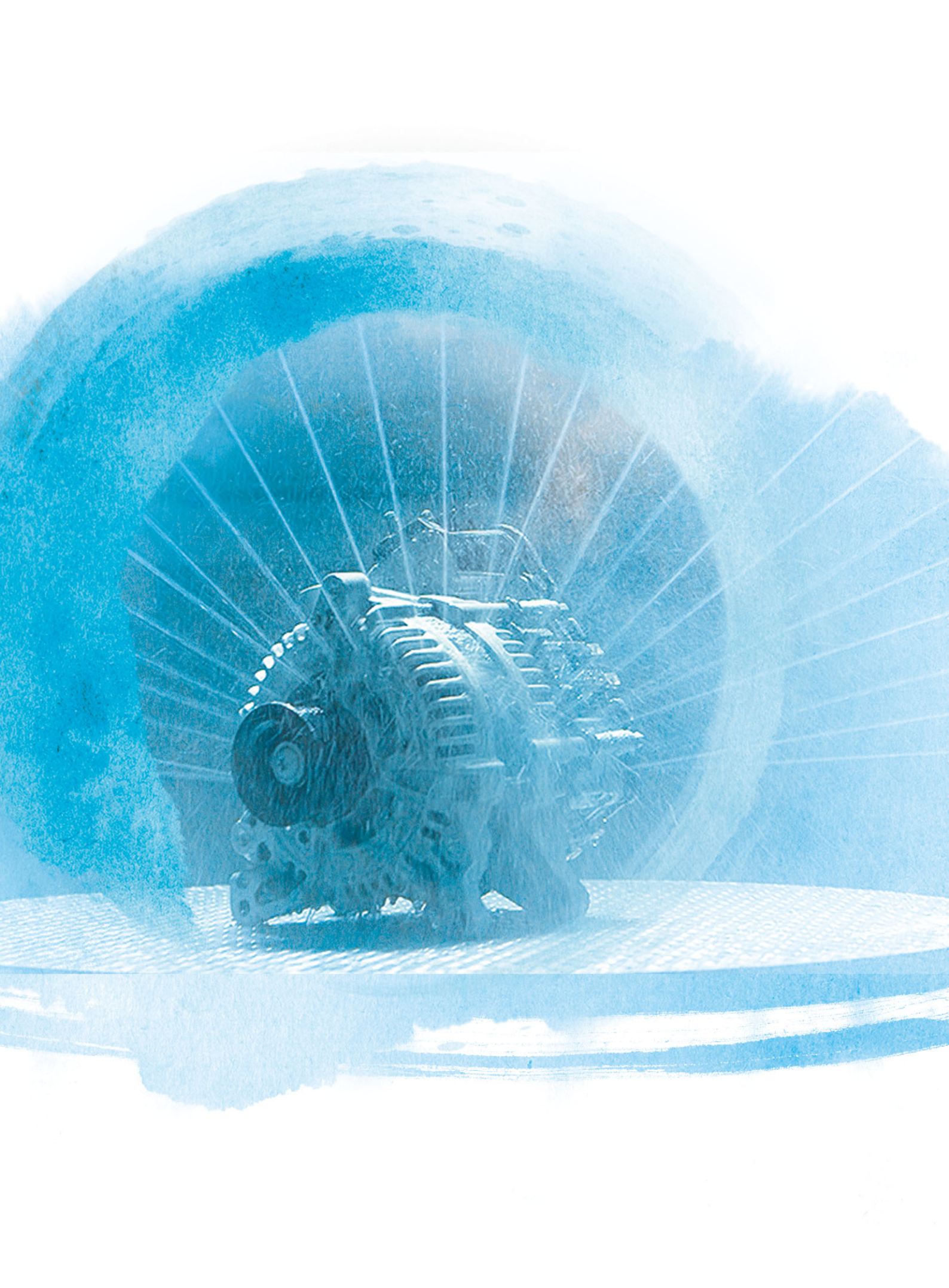
17,412 employees

Financial Performance in 2020

- Revenue amounted to RMB**26,519 million**, with a year-on-year increase of **3%**. Net profit attributable to the parent stood at RMB**1,239 million**, representing a year-on-year increase of **19%**.
- Net profit amounted to RMB**1,379 million**, with RMB**2,717 million** for various tax and fee payments.
- We have a total of **17,412 employees** worldwide, with remuneration payment amounting to RMB**3,097 million**.
- Our suppliers are mainly located in Asia and Europe, with RMB**15,839 million** paid to our suppliers.
- We distributed cash dividends of RMB**320,507,203.45** (tax inclusive), accounting for **30.81%** of the net profit attributable to shareholders of the listed company for the year 2019.

Major Honours and Events in 2020

- Advanced Unit of Henan Province for Combating COVID-19 Epidemic – Henan CPC Provincial Committee and the People's Government of Henan Province
- **Ranked 358th in the Fortune China 500** Companies in 2020 – Fortune (Chinese Version)
- **Ranked 20th in the Top 100** Auto Parts Suppliers of China in 2020 – China Automotive News
- **Ranked 17th in the Top 100 Companies of China in the Machinery Industry** in 2020 – The China Machinery Industry Federation
- **Ranked 7th in the 100 Best Enterprises of China in Sustainable Development** in 2020 – China Business Council for Sustainable Development
- Customs AEO Senior Certification Enterprise – Zhengzhou Customs, China
- On 21 July 2020, General Secretary Xi Jinping held a forum for entrepreneurs in Beijing and delivered an important speech. As one of the representatives of entrepreneurs, Mr. Jiao Chengyao, Chairman of the ZMJ Group, was invited to attend the meeting.
- ZMJ established strategic cooperation with Huawei and Siemens on digital intelligence in 2020
- The "Promotion and Application of the First Set of ZMJ Intelligent Workforce for Comprehensive Mining" was rated by SASAC of the State Council as an exemplar for SOE digital transformation in 2020.
- The "National Dissemination of ZMJ's Reform Experience" was written into the reform and opening up results of Henan Province during the 13th Five-Year Plan in the Government Work Report of Henan Province.



Management Approach

Social Responsibility Governance

Stakeholders' Engagement

Key Social Responsibility Issues

01





Social Responsibility Governance

The Board of Directors of the Company is responsible for our social responsibility report, including the assessment and identification of risks relating to social responsibility, and ensuring an appropriate and effective risk management and internal control system in place for social responsibility. The Company has appointed our business function departments to review the Company's operations and hold internal discussions to identify relevant social responsibility issues and assess the importance of such issues to our business and stakeholders. The management has confirmed the effectiveness of the risk management and internal control system for social responsibility to the Board. According to the general disclosure requirements provided in the Environmental, Social and Governance Reporting Guide, the identified major environmental, social and governance issues have been included in this social responsibility report, to provide balanced disclosure of the social responsibility performance of the Company during its operations.

Stakeholders' Engagement

While adhering to its commitment to creating a world-class brand and tirelessly pursuing its own development, the Company has due regard to the demands from stakeholders, including investors, government/regulatory authorities, staff, customers, suppliers, non-government organisations and the community. By establishing channels conducive to the engagement of stakeholders, the Company brings in the views of each party to its entire decision-making and operating process.

This report provides the stakeholders with the latest information about the Company's activities and performance in environmental, social and governance areas, conveying the Company's willingness to create the best value for its stakeholders.

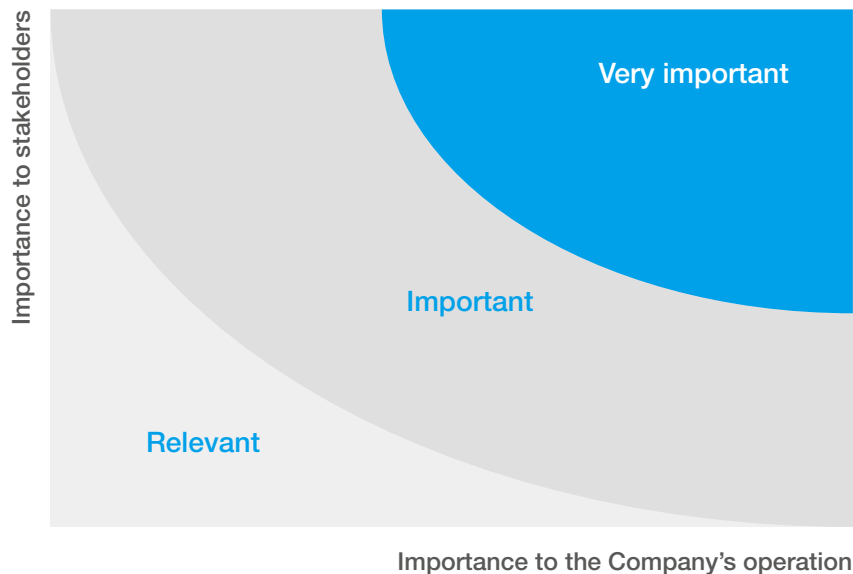
Stakeholders	Expectations on the Company	Channels of feedback
 Investors	Protection of Shareholders' rights and interests Timely and accurate disclosure of relevant information Improvement of the corporate governance Operation in compliance with laws	General meetings News releases and announcements External reports Release of news on the website of the Company Investment briefings
 Government/Regulatory authorities	Operation in compliance with laws Safe and healthy workplace Benefits to stakeholder communities	Compliance reports Supervision and Inspection Application for licensing documents Compliance conferences
 Staff	Competitive remuneration and benefits Safe and healthy workplace Training and capacity building	Trade unions/employee representative congress Collective negotiation agreements Safety and compliance conferences Training and career development Communication channels for employees
 Customers	Customer service Quality assurance Product liability	Seminars for key customers Systematic communication Visit to plants in operation Participation in industrial organisations Sustainability report

Stakeholders	Expectations on the Company	Channels of feedback
 Suppliers	Admittance management of suppliers Evaluation of suppliers Protection of suppliers' interests Cooperation with suppliers	Tendering, seminars Admittance and evaluation of suppliers On-site inspections Meetings with senior management
 Non-governmental organisations	Investments in local development Participation in local community projects Bearing environmental responsibility Human rights Sharing benefits fairly	Annual social responsibility report Direct communication Factory visit
 Communities	Local development Bearing environmental responsibility Promoting employment Providing opportunities for local goods and service providers	Convening community meetings Focusing on group meetings Procurement demand notices Recruitment notices

Key Social Responsibility Issues

Having communicated and conducted survey with the internal and external stakeholders of the Company, we have collected many suggestions. From the dimensions of both the impact on the Company's operations and the impact on our stakeholders, we have scored and ranked the social responsibility issues of the Company to reflect our material impacts on the environment and society and better respond to the expectations and demands from stakeholders.

Below sets out a matrix of our key issues:



Very important

Quality management
Supplier management
Labour interests
Safety and health of staff
Anti-corruption
Research innovation
Customer service

Important

Energy management
Career development
Staff caring
Community responsibility

Relevant

Emissions management
Water resources management



郑州煤机集团公司
Zhengzhou Coal Mining Machinery Group Co., Ltd.

ZMJ

D区

芝麻街

公园
MIX
PARK

2020

Social Responsibility and Environmental, Social and Governance Report

Themes

Mixed Ownership Reform of SOE

Insisting on Independent Innovation

Pushing forward Factory Renovation to Enhance Social Benefits

02

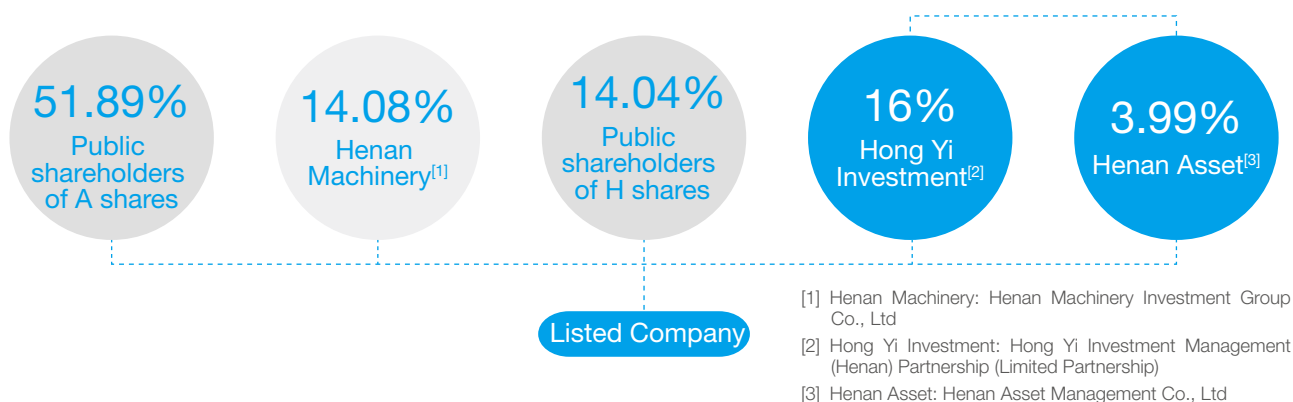
Theme One: Mixed Ownership Reform of SOE

In 2020, with the target of introducing strategic investors to ZMJ and further promoting mixed ownership reform on SOE, Henan Machinery Investment Group Co., Ltd. (河南機械裝備投資集團有限公司), the former controlling shareholder of the Company, transferred 16% of equity interests of the Company to Hong Yi Investment Management (Henan) Partnership (Limited Partnership) (泓羿投資管理(河南)合夥企業(有限合夥)) and completed

the share transfer on 25 February 2021. Upon this transfer, the controlling shareholders of the Company has changed to Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and Henan Asset Management Co., Ltd (河南資產管理有限公司), which held 19.99% of the equity interests of ZMJ in total upon signing the acting in concert agreement.

The latest shareholding structure of the Company is as follows:

Act as the controlling shareholders of ZMJ upon signing the acting in concert agreement.



Capital Contribution from Partners of Hong Yi Investment:

Name of Partner	Name of Partners	Committed capital contribution(RMB0,000)	Proportion of contribution
Hong Qian Business Management (Henan) Limited (泓謙企業管理(河南)有限公司)	General partner	100.00	0.05%
Henan Asset Funding Management Limited (河南資產基金管理有限公司)	General partner	100.00	0.05%
Henan Hong Pu Equity Interests Investment Funding (Limited Partnership) (河南泓樸股權投資基金(有限合夥))	Limited partner	48,965.88	24.91%
Yang Zhong City Xu Gong Industrial Investment Partnership (Limited Partnership) (揚中市徐工產業投資合夥企業(有限合夥))	Limited partner	2,937.95	1.50%
Shanghai Jing Shi Investment Management Centre (Limited Partnership) (上海經石投資管理中心(有限合夥))	Limited partner	46,027.93	23.41%
China Merchants Securities Asset Management Co., Ltd. (CMS Asset Management No. 3 Single Asset Management Scheme of Private Enterprise Development Support Series)	Limited partner	39,172.70	19.92%
Han's Holding Group Co., Ltd. (大族控股集團有限公司)	Limited partner	39,172.70	19.92%
Zhengzhou Qunxian Enterprise Management Consulting Partnership (Limited Partnership) (鄭州群賢企業管理諮詢合夥企業(有限合夥))	Limited partner	20,128.00	10.24%
Total	—	196,605.16	100.00%

New Governance Structure

The equity transfer represented a critical move for Henan Province to explore the transition of state-owned assets supervision from "Management of People, Affairs and Assets" to "Capital Management". It also constituted a major attempt for HNMIC and ZMJ to assume their responsibility as state-owned enterprises, transform their operating mechanism at a deeper level and explore the way of SOE reform in Henan. The new shareholder structure will tap into mixed ownership to propel ZMJ in its exploration of the

modern enterprise system with Chinese characteristics. Grounded on a diverse shareholding structure and market-oriented board composition after the reform, and based on the principle that all shareholders should not have de facto control over the listed company and are unable to control the board of the listed company through their nominated directors, ZMJ will develop a corporate governance structure with market-oriented operation to stimulate its vitality and promote its sustainable development.

Strong Synergy Effect

For this reform, strategic investors not only introduced to the Company Henan Asset, a top-notch local asset management company in China, and China Merchants Asset Management (招商资管), a leading financial institution in China, but also attracted Xu Gong and Han's Holding which are the first class industry leader in the world. By combining industry and finance, central and local strengths as well as diverse backgrounds, the strategic investors are set to introduce effective strategic incremental resources to ZMJ, such as capital, market, technology and industrial synergy, to assist

the listed company to enhance its industrial competitiveness, acquire new technologies and markets, enter strategic emerging fields and expedite industrial transformation and upgrade, thus amplifying the effect of marrying state-owned capital with strategic investment capital. At the same time, taking advantage of the location, population advantage and development potential of Henan, we will continue to explore new business opportunities and strengthen our local presence so as to make contribution to the local economy growth and society development in the long run.

Long-term Incentive System

The strategic investor introduced this time firstly co-established Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and invited ZMJ's backbone staff (who used Zhengzhou Qunxian Enterprise Management Consulting Partnership (Limited Partnership) as the platform for capital contribution) to jointly partook in such transfer after it was determined as the intended transferee. It

has established a long-term incentive and restriction scheme under the principle of "interest binding, risk sharing" to trigger organic momentum so that the middle-and-long term incentive system of the Company will be further improved and the mutual interest among the Company, shareholders and staff would be achieved.

Theme Two: Insisting on Independent Innovation

Adamantly following the trends of smart coal mining and the "new four modernizations" for auto industry, the Company insists on the principle of driven by innovation, promotes industrial transformation and upgrading, and relies on our 28 production and sales bases and R&D centres across the globe to continuously strengthen its independent innovation capability. In 2020, we have created an innovative atmosphere internally in the coal mining machinery segment and the auto parts segment, and have made progress and breakthroughs in technology integration, energy conservation and emission reduction, and product optimization, respectively, which are highly recognized by customers and partners.

Coal Mining Machinery Segment: Boost Working Efficiency by Promoting Technology Integration

Coal mining machinery segment actively responded to the Opinions in Accelerating the Intelligent Development for Coal Mine jointly issued in March 2020 by 8 ministries such as the National Development and Reform Commission to push forward the integrated development of artificial intelligent technology and coal mine industry. In 2020, we formed strategic cooperation with Huawei Technologies Company Limited (華為技術有限公司), Nanjing Bestway Intelligent Control Technology Co. Ltd. (南京北路智控科技股份有限公司), Siemens China Co., Ltd. (西門子(中國)有限公司) to jointly explore in-depth integration of state-of-art information technology such as 5G, Big Data, industry internet and IOT and research and development in a joint effort to attain new leapfrog progress in the construction of smart mining and intelligent factory.

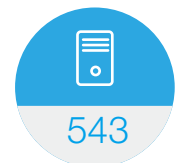
In May 2020, the first set of self-developed intelligent workforce for comprehensive mining of the coal mining machinery segment was formally put into operation. After the operation of the equipment, coal mine workers were able to work remotely under the instructions, and the number of workers in a single shift is reduced from 18 to 8, which greatly reduces the labour intensity of the workers and risk factor; meanwhile, the average number of feeds increased from 7 to 12 with the maximum number of feeds per day reaching 16, which improves coal mining efficiency. Such equipment was recognized as the typical example of digital transformation for state-owned enterprise in the year of 2020



Global production,
sales and R&D center



R&D team



R&D Patents

by the SASAC of the State Council. Thanks to its progress and breakthrough in R&D work, the mining machinery segment was awarded with the Second Prize for Innovation Achievement in Corporate Management Modernization of 2020 for its "Practice of value-oriented lean management in mining machinery enterprise."



▲ The Company, Huawei Technologies Company Limited and Nanjing Bestway Intelligent Control Technology Co. Ltd. (南京北路智控科技股份有限公司) hosted the ceremony for signing the cooperation agreement.

Auto Parts Segment: Continuous Innovation and R&D, Contributing to Energy Conservation and Emissions Reduction

ASIMCO segment continues to promote independent innovation and have recorded outstanding results in energy conservation and emissions reduction as well as product optimization.

- ASIMCO International Casting Co., Ltd. (Shanxi) has developed AICC's first V-shaped blocks made of vermicular iron;
- ASIMCO NVH Technologies Co., Ltd. (Anhui) has newly launched tri-channel front shock absorber without board bearing, stabilizer bar bushing retainer wrapped with teflon textolite and hydraulic pressure suspension structure, which reduced shock and noise by effectively mitigating the vibration transmission from motor to the car body so that the riding experience will be more comfortable;
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. has conducted comprehensive R&D and promoted such new technologies that meet the China 6 and T4 emission requirement, including EcoC, PVD coating and HPO. It also focused on improving the technology platform construction within the company, which has laid a solid foundation to expand the high-end market for the Company's products.

ASIMCO's excellent R&D capacities are unanimously recognized by customers. ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. was awarded "New Product Development Prize for 2020" (2020新品開發獎) by Foton Cummins and "Excellent Member Unit of Research and Development Union" (產品研發共同體優秀會員單位) by Weichai Power Co., Ltd. ASIMCO International Casting Co., Ltd. (Shanxi) was awarded "Best VPI Project Support Prize for 2020" by Foton Cummins.

SEG is committed to developing advanced starter motor and power generator to lead the development of the industry by efficient products with low-carbon emission.

- By integrating active rectification function and new semi-conductor technology, SEG launched a new type of power generator technology. This new type of technology could reduce the power loss of the power generator by 60%. In actual road condition, it could improve the efficiency of the power generator by 7% to 8% and reduce the emission of carbon-dioxide by 1.8 grams per kilometers at most;
- Targeting the two-wheel and three-wheel electro-mobile market, SEG has also developed new types of motors with higher efficiency and quicker response, namely EM1.5 and EM1.8, which have effectively increased the mileage and reduced the cost to use as well as optimized driving experience;
- SEG also launched a new EM1.25 motor with the effect of energy saving and reduction on emission reaching 26% at most, and meanwhile the power at 25KW enables the realization of the function of electric driving. SEG has further upgraded the 48V hybrid vehicle to 48V light electric vehicles, which significantly reduced carbon emission.

EM1.25 motor researched and developed by SEG



Theme Three: Pushing forward Factory Renovation to Enhance Social Benefits

In response to China's relevant policies to revitalize old industry bases, the Company embarked on the Zhima Street 1958 Dual Innovation Park Renovation Project in 2020, carried out the renovation of plants in ZMJ's old plant on the third ring road of Zhongyuan District, the core area of Zhengzhou. Through integrating industry and city, gathering regional talents, attracting foreign businesses and investments, enriching citizens' cultural and entertainment life, and investing in green buildings and construction of a smart park, the social benefits will be comprehensively promoted and corporate value will be realized.

Before the renovation of plants ▶



◀ After the renovation of plants

For city-industry integration, this project transformed old industrial plants into public places such as open landscape nodes, railway-themed parks and theme museums to realize the interflow among the plants and urban resources and thus becoming part of the urban public space.



▲ Opening Ceremony of Zhima Street 1958 Dual Innovation Park Project (芝麻街1958双创园项目)

In terms of attracting regional talents and investment, our Company has, coupled with the Central Cultural District (CCD), continuously improved industrial policies, training and education, industry-university-research system, and the living environment, forming a high concentration and return of talents from high-level industrial institutions in the region, and enhancing regional industrial vitality. At the same time, our Company provides high-quality supporting services for enterprises in the park, including "one-stop" government liaison and agency services. During 2020, the occupancy rate of the first phase of the developed area reached 50%, with representative businesses including Henan Didi Chuxing Technology Co, Ltd. (河南滴滴出行科技有限公司), IPPR International Design Valley (中原國際設計谷), Greetec Engineering Consulting Co., Ltd. (青矩工程顧問有限公司), LUBANZHANG (魯班張).

In terms of enriching the cultural and entertainment life of citizens, Zhima Street focuses on the construction of cultural facilities and holding of cultural activities. The Park has a soccer pitch, a basketball stadium, Sesame Star badminton court (芝麻之星羽毛球館), a smart track and other facilities. It adopts environmental protection and smart construction concepts to make fitness exercises scientific and considerate. In addition, the Park actively carries out cultural activities. During 2020, approximately 30 activities such as promotion, salons, sports activities and forums, were carried out in the Park throughout the year.



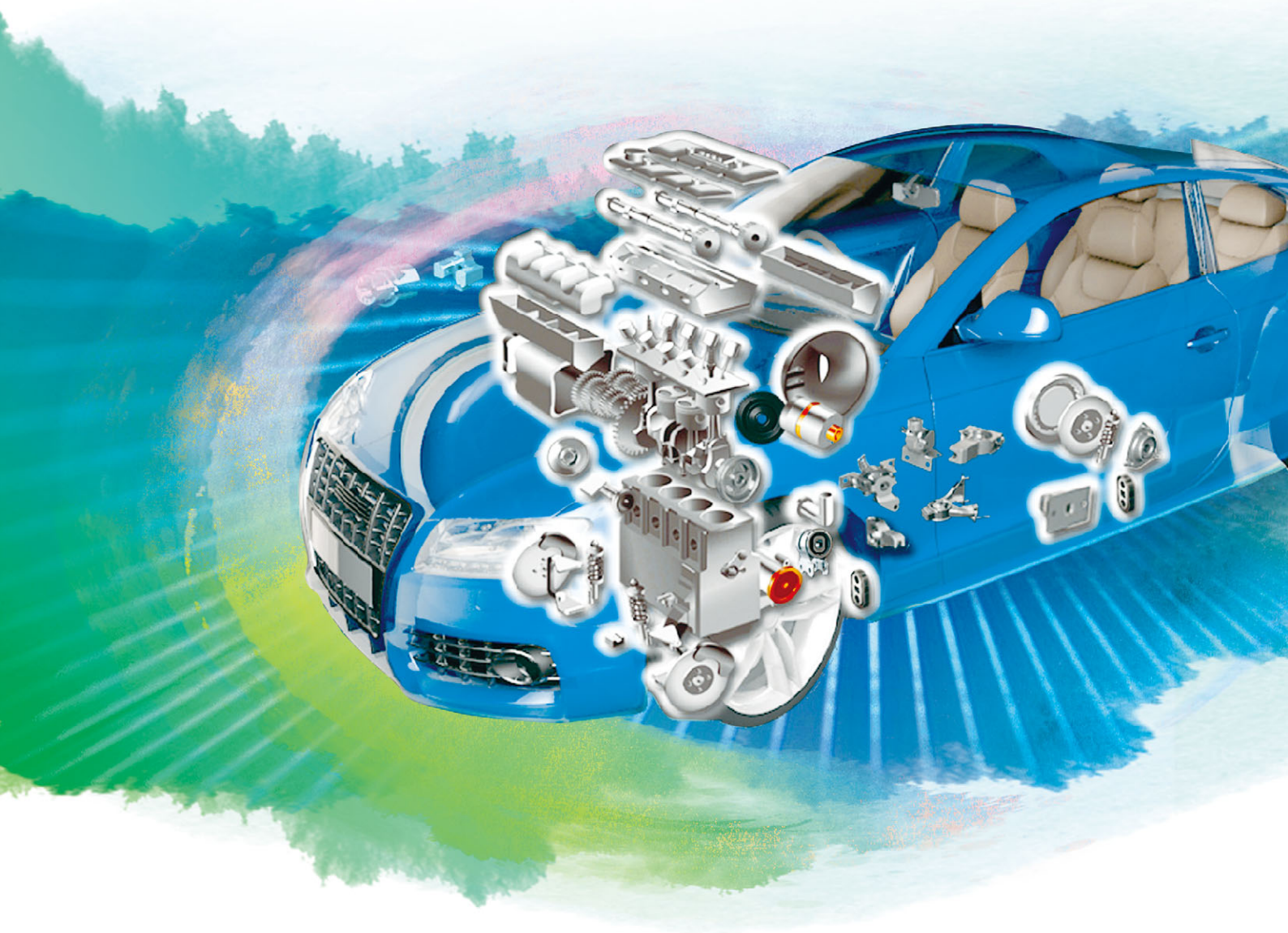
▲ The Park's Smart Track and Sesame Star Badminton Court
(芝麻之星羽毛球館)

In terms of green buildings, our Company was awarded LEED certification for our accomplishment on energy conservation, land conservation, water conservation and material conservation. The renovated buildings are characterized by the following green environmental protection features:

- For the external wall, internal wall insulation technology was adopted;
- For the roof, a new type of board was adopted featured with light weight, heat preservation, heat insulation, waterproof, and noise reduction, which is a patented space board technology;
- For the doors and windows, broken bridge aluminium alloy system windows were used, and the glass used was LOW-E energy-saving glass;
- For the electricity and water equipment of the HVAC system and fire protection system, either frequency conversion technology or low energy consumption equipment was used;
- For some old concrete components, they were crushed and recycled for re-use;
- For part of the hardened ground, it was replaced with landscape greening and gravel paving.

In terms of the construction of a smart park, our Company works together with solution providers, smart equipment manufacturers and industrial internet platform operators to follow the industry practice of collective and coordinated development and to

create a full range of smart manufacturing solutions. Through the construction and management of digital infrastructure, one-card in the Park (園區一卡通), data sharing platform, smart application scenarios and other aspects, a smart park will be built.



2020

Social Responsibility and Environmental, Social and Governance Report



Market Responsibility

Focusing on Product Quality

Provision of Satisfactory Services

Supplier Management

Anti-corruption

03

As an international enterprise with integrated development of dual principal businesses, coal machinery R&D and manufacturing and auto parts manufacturing, we are always committed to integrity operation by leveraging on our own advantages in technology R&D, craftsmanship and innovation, and operation management, etc. to provide customers with high-quality products and satisfactory services. We have established an advanced R&D experiment center, automated production lines, and a quality management

system covering the entire production process to continuously improve product quality; we have established a sound sales and after-sales service network to provide every customer with timely and quality services. In addition, we have strengthened the management of our suppliers. While paying attention to the quality of our suppliers' products, we also raised demand on environmental protection, business ethics and other aspects.

Focusing on Product Quality

As a global operating company, we stick to the concept of "high standards, delicacy, and zero defect" in terms of its quality, strictly abides by the laws and regulations relating to product quality of the locations where we operate, including the Law of the People's Republic of China on Product Quality and Product Safety Act, etc., and has taken various measures to ensure product quality. During 2020, the coal mining machinery segment and auto parts segment were committed to the building of quality system and quality appraisal incentive, and strictly controlled the product quality through authoritative certification.

We have established a sound quality control system and a full-process testing and inspection system, and have gained ISO9000 quality management system certification in respect of its coal mining machinery segment. During 2020, for the coal mining machinery segment, we formulated the "Product Monitoring and Measuring Equipment Control Procedures" (《產品監視和測量設備控制程序》), and carried out procurement acceptance control, periodic calibration control, deviation calibration status traceability control, and final product inspection control in accordance with its relevant regulations, to ensure the product quality. For products that experienced breakdown after the installation in the mine but are within the warranty period, they will be recalled after that the breakdown was certified by our technical department and the quality department.

ASIMCO has formulated strict quality management system standards and product quality standards in accordance with the internationally accepted automotive industry quality system standards, and has implemented quality control and assessment incentives along the entire process of procurement, production, and delivery, and receives strict assessment by customers and third-party certification agencies every year. All subsidiaries of ASIMCO have passed the IATF16949 quality management system certification. ASIMCO NVH Technologies Co., Ltd. (Anhui) has even received the ISO9001 quality management system certification.

Based on industry standards and customer needs, SEG has established a quality management system (QMS), and corresponding product quality control processes in accordance with the requirements of the system. All subsidiaries of SEG have received ISO9001 IATF16949 quality management system certification.

During 2020, the Company did not identify any recall of sold or shipped products for safety and health reasons.



Provision of Satisfactory Services

Customer satisfaction is the foundation for an enterprise's survival. We have always been active in protecting customers' rights and interests. We regard enhancing customers' satisfaction as our first priority. In 2020, we were committed in building systemic service systems and establishing cyclic services management. Facing the unexpected pandemic, we have adopted a series of contingency measures to continuously guarantee our service quality.

In terms of our coal mining machinery segment, we have established a management service model for the full life-cycle of coal mining machinery to address customers' production and operating needs at different stages. The scope of such services covers various cyclic stages including the operating and maintenance of equipment, supply management of substitutes and parts, maintenance and re-manufacturing, professional general contract covering full life-cycle, quick instalment, and so on. In 2020, our service team provided services for 264 times in mining areas, representing 33 mining areas being served per member on average, and performed underground guidance on installation for 59 times. In addition, the mining machinery segment has also improved its systemic market development and service systems, established a systemic inspection and acceptance system, and developed a cloud-based customer service platform, aiming at achieving standard services and improving customer satisfaction.

SEG has established a global marketing network to constantly provide high quality services to customers in Europe, America, Asia and other markets through fostering local talent teams and establishing international talent teams. SEG's sales department is responsible for the handling of issues faced by our clients in relation to products, logistics, techniques and others in a timely manner, and put forward targeted solutions based on the actual situations

In order to cope with the risk from the interruption of the supply chain of export parts caused by the pandemic, under the leadership with ASIMCO, ASIMCO (Europe), ASIMCO (U.S.) and the Operating Company jointly established an Emergency Response Taskforce, to coordinate the production schedule, and deploy land transportation, railway transportation, marine transportation and air transportation solutions based on clients' needs to ensure the supply of all export parts during the pandemic. Furthermore, ASIMCO monitors our clients' real-time needs, and has arranged dedicated staff to contact with departments including procurement, production site, logistics, warehousing, and planning of the clients on a daily basis, and report those information and clients' subsequent production plans back to its production department for timely adjustment of orders and to ensure the supply.

ASIMCO International Casting Co., Ltd. (Shanxi) was awarded the "Outstanding Enterprise in the Fight against the Pandemic in 2020" (2020年優秀抗疫獎) by Dongfeng Cummins (東風康明斯); and ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. was awarded "Supplier with Significant Contributions in the Fight Against the Pandemic in 2020" by Beijing Foton Cummins (北京福田康明斯).

of our clients. In terms of different product categories, our clients give feedback on their satisfaction, which will be proposed at the annual supplier conference and negotiated between relevant departments of the Company and our clients for improvements. As for the protection of clients' privacy, we will enter into confidentiality agreements upon their request in order to protect their privacy.

In 2020, we are recognized by a number of customers for our high-quality products and comprehensive customer services:

- The coal mining machinery segment passed the "AAA Credit Rank for Coal Machinery Industry Enterprises in 2020" (2020年煤炭機械行業企業AAA級信用等級認證);
- The coal mining machinery segment passed and obtained the "AEO Senior Certification" (AEO高級認證資質) of the Customs;
- The coal mining machinery segment was listed among "China's Top 50 Enterprises in the Coal Mining Machinery Industry in 2019" (2019年度中國煤炭機械工業50強企業);
- The coal mining machinery segment was awarded as "China's Quality Brand for the Coal Mining Machinery Industry" (中國煤炭機械工業優質品牌產品);
- ASIMCO obtained the 2020 "Best Support Award" (最佳支持獎) from PACCAR CHINA;
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. obtained the "Best Supplier of the Year" from Chongqing Cummins (康明斯重慶), the "Best Quality Award of the Year" from Xi'an Cummins (康明斯西安), the "Excellent Supplier of the Year" from Hanma Technology Group (漢馬科技集團), the "Outstanding Quality Award" from Anhui Jianghuai Automobile (安徽江淮汽車), the "Excellent Quality Award" from Chongqing Heavy Vehicle Group (重慶重型汽車集團) and the title of "Excellent Supplier" from Changchai (常柴) for 16 years in a row;
- ASIMCO International Casting Co., Ltd (Shanxi) obtained the annual "VPI Project Best Support Award" from Dongfeng Cummins;
- ASIMCO Camshaft (Yizheng) Co., Ltd. obtained the annual "Best Delivery Award" from Beijing Foton Cummins and Guangxi Cummins (廣西康明斯), and the annual "Best Quality Award" from Dongfang Cummins (東方康明斯);
- SEG India has obtained the "Best Supplier" award from ISUZU Motors INDIA, and a number of SEG's factories were also awarded "Excellent Quality Supplier Prize" (卓越質量供應商大獎) by General Motors (通用汽車).

Supplier Management

The Company regards “safe supply, timely supply, cost-effective supply” as its targets. We spare no effort in securing the stability of each part of the supply chain in order to pave the way for the smooth development of each project of the Company. Meanwhile, we understand that the relationship between our partners and us is not only to achieve win-win cooperation but also to establish mutual supervision. In 2020, we implemented the application of the Electronic Bidding Platform (電子化招投標平台), aiming at enhancing supplier management, continuously improve suppliers’ appraisal, and qualification review and other significant sections.

The coal mining machinery segment formulated the Measures for the Administration of the Classification, Grading and Dynamic Appraisal of Suppliers (provisional) (《供應商分類、分級及動態考核管理辦法(試行)》), in accordance to which, all departments associated, with the participation of the departments including research and development, technology, quality, warehousing are invited to conduct assessment on the aspects of basic information, staffing, quality management, environmental protection, safety production and system documents of our suppliers to compile a directory of qualified suppliers. In addition, the coal mining machinery segment also strictly complies with environmental requirements in the PRC, and it requires all suppliers to refrain from using the vehicles of National Emission Standard IV or below to transport supplies. In 2020, the coal mining machinery segment continued to facilitate the building of the Electric Bidding Platform, which was used by 8 subsidiaries, contributed to 1,109 project initiations, over 12,700 downloads of bundled software and information, and made additional new services like technology consultancy via QQ, initially achieving functions such as data digitalization and statistical analysis, and share of information.

In the procurement contracts signed with the supplier, ASIMCO requests the supplier to comply with the national and local environmental protection laws and regulations, and conducts Environment, Health and Safety (EHS) audits on some suppliers.

- ASIMCO NVH Technologies Co., Ltd. (Anhui) gives priority to the selection of suppliers with environmental system certification or with test reports approved by relevant departments, and stipulates the control standards of hazardous substances and the requirement that the test reports of third-party restricted substances for the supplied materials should be provided regularly in the annual contract of suppliers;
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. selects their supplier pursuant to “Management Procedures for Supply Chain” (《供應鏈管理程序》), and conducts performance evaluation in four aspects of quality, delivery, cost and service on a monthly basis;
- ASIMCO International Casting Co., Ltd. (Shanxi) takes ISO14001:2015 system certification as a priority for selecting suppliers.

SEG has established a sound suppliers’ risk management system, which evaluates suppliers according to their delivery date, product quality, product performance and other dimensions, and the purchasing personnel will be informed of the evaluation results in a timely manner, so as to facilitate him/her to make decisions. SEG has also monitored the environmental and social risks of suppliers through third-party companies to determine whether they have taken specific measures to deal with the associated risks.

When we are selecting suppliers, we priorities those who are in close proximity to where we operate. Through promoting local purchase, energy resource wastage and exhaust gas emissions during delivering process can be reduced on one hand. Work opportunities for local people can be provided while driving local economic development on the other.

8

The number of
subsidiaries have used
the platform

1,109

The number of project
initiations

12,700

The number of
downloads of
bundled software and
information

Anti-Corruption

We adhere to the principles of “integrity operation, legal operation and incorruptible management”. We respect the laws and regulations of the locations where we operate, including Criminal Law of the People’s Republic of China, Law on Anti-Unfair Competition, Law against Unfair Competition, Criminal Code and Money Laundering Act, etc. to build an operating environment of “integrity, justice and transparency”. In 2020, through the tasks of specifying the responsibility target, conducting system establishment, implementation of daily monitoring, and publicity and training of alertness education, we strive to ensure the implementation of each task related to anti-corruption and clean governance building.

The coal mining machinery segment has increased its efforts in the monitoring and inspecting, strictly implementing the discipline supervision and inspection, and collaborative working mechanism with supervisory committee, and internal audit, to form a synergy of anti-corruption and to practically supervise the proper performance of duties. Meanwhile, through regular carrying out “rectification by cases” alertness education and special seminars, it has enhanced the publicity and education of anti-corruption culture. In addition, it has signed a Letter of Integrity Commitment with leaders of middle – or above level to continuously improve the anti-corruption awareness among employees. Furthermore, it eliminates any way of bribery behaviour through strengthening the supplier management,

and has established a special reporting procedure and anonymous hotline to encourage employees to report any breaches of business ethics. In 2020, we had conducted two internal and external audits, and developed corresponding rectification measures.

ASIMCO continued to work on the education of employees and senior management in terms of anti-corruption, to strengthen the compliance awareness. For instance, ASIMCO NVH Technologies Co., Ltd. (Anhui) regularly provides the middle level or above personnel of the Company with special training on anti-corruption, and has set up whistleblowing reporting channels such as the general manager’s mailbox, the general manager office’s mailbox and a hotline. ASIMCO International Casting Co., Ltd (Shanxi) has developed the “anti-corruption policy” to carry out anti-corruption training on a regular basis.

For outside China, SEG has established compliance procedures, which include mandatory compliance training for all employees. A whistleblowing platform has also developed which is operated by an independent third party, to ensure the anonymity of reporting non-compliance matters.

In 2020, we did not identify any corruption litigation cases by or against the Company and its employees.





2020年“芝麻街杯”羽毛球联谊赛

麻理机集团 2020年10月



2020

Social Responsibility and Environmental, Social and Governance Report

Responsibility towards Staff

Labour Rights and Interests

Caring for Employees

Career Development

Safety and Health



04

We always regard employees as the most valuable assets of our Company. While actively safeguarding the basic rights and interests of employees, we offer competitive remuneration and keep improving our promotion system in line with relevant employment laws and regulations. Meanwhile, we create a harmonious and

open working environment, respect employees and offer a variety of systematic training to strengthen employees' capabilities and health and safety awareness, in a bid to deliver our grand vision of enabling employees to happily grow and make progress together with the Company.

Labour Rights and Interests

We strictly abide by local labour laws and regulations in all business segments around the world. In this regard, our corresponding systems have been established such as the Staff Manual and the Administrative Measures for Staff Recruitment and Admission. We strictly abide by the Labour Law of the PRC, the Social Insurance Law of the PRC and other laws in our coal mining machinery segment and ASIMCO. We insist on equal employment, prohibit the employment of child labour and compulsory labour, and enter into labour contracts with our employees. We also contributed to social security insurance for our employees, including medical, work injury insurance and maternity insurance. SEG has strictly complied with laws and regulations such as the General Information Equal Treatment Act (AGG), in terms of compensation and dismissal, recruitment and promotion, working hours, equal opportunity, anti-discrimination and other benefits. In 2020, we did not identify any employment of child labour or forced labour or discrimination behaviour.

We value two-way communication with employees. We collect opinions and requests from our employees on an irregular basis so as to better respond to their expectations toward the Company. Our coal mining machinery segment, ASIMCO and SEG have reached collective negotiation agreements with their respective labour unions or local employment committees where they operate. All their employees have the rights to associate freely and negotiate collectively.

We attach great importance to the diversity of our employee structure. In this regard, we recruit more employees from different backgrounds, and encourage our employees to bring diverse thoughts and values to bolster the vitality of the Company and employees. In 2020, we had 17,412 employees in 17 countries across the globe, approximately 23% of which were female employees and approximately 42% resided outside the PRC.



Caring for Employees

Employees' physical and mental health is the cornerstone of our Company's steady development. All along, we have made concrete action to fulfil the crucial responsibility of maintaining the healthy development of our employees. In 2020, we stressed on

enhancing staff happiness by organising a range of activities to help them achieve work-life balance, coupled with necessary assistance to needy employees as part of our efforts to care more about our employees.

Work-life Balance

To enrich the leisure life of our employees, the Company headquarters has renovated and upgraded the staff culture and sports centre. Covering an area of 712 square metres, the renovated centre is mainly divided into areas for sports and fitness, table tennis, as well as culture and sports association activities. Apart from work, we help our staff relieve their pressure and strike a balance between work and life with various activities. Internally, we have a total of seven culture and sports associations, namely, basketball association, badminton association, table tennis association, painting, calligraphy and photography association, dance association, music association, and reading and public speech association, to provide our staff with the same hobbies and interests with a platform for making friends. In 2020, the associations organised such events as Zhima Street Photo Exhibition (芝麻街摄影展) and the Painting, Calligraphy and Photography Contest Themed “Spring Flowers and Autumn Fruits” (“春华秋实”书画摄影大赛).

In addition, all our business segments have hosted different forms of team building activities. In 2020, the coal mining machinery segment launched the “Factory Open Day”, an activity participated by over 120 people from 39 families, which increased these families’ understanding of the employees’ working environment and content. ASIMCO International Casting Co., Ltd. (Shanxi)

“Factory Open Day” for Our Employees and their Families



Building the Employee Book Club by ASIMCO International Casting Co., Ltd. (Shanxi)

set up its employee book club and organised hiking to enrich its employees’ culture and sports life. ASIMCO Camshaft (Yizheng) Co., Ltd. staged a staff sports meet, to ramp up its staff cohesion. ASIMCO NVH Technologies Co., Ltd. (Anhui) organized badminton, table tennis and billiard contests as well as fishing to enrich its employees’ life in spare time.

Zhima Street Photo Exhibition by the Painting, Calligraphy and Photography Association



Hiking Activity by ASIMCO International Casting Co., Ltd. (Shanxi)



Helping Staff in Need

We have a consummate system in place to help staff in need. A staff mutual aid fund has also been established to subsidise the clinical visits and hospitalisation for staff members suffering from major illnesses and those in particular difficulties. We have also set up an emergency relief fund for our staff in particular difficulties, to assist them and their families who lead a difficult life by helping them improve their living and health conditions as well as enhance their qualities and abilities.

In 2020, the coal mining machinery segment supported its staff members suffering from major diseases. A total of 7 individuals received such aid with special relief funds totalling RMB50,000 for

major illnesses. ASIMCO International Casting Co., Ltd. (Shanxi) launched a fundraising activity at the management level, raising aid grant of RMB50,000 for major illnesses. ASIMCO Camshaft (Yizheng) Co., Ltd. called on its employees to make donations to staff families who suffered from fire disasters.

Since 2006, ASIMCO has set up Li Ke Ping Scholarship Fund which provides assistance to the qualified children of ASIMCO staff, to encourage them to study science and engineering majors at tertiary institutions and prepare for future technology development. As of the end of 2020, the Scholarship Fund provided subsidies for a total of 171 children of the staff members.

Career Development

We have established a consummate career development system, with career development paths and training plans designed for different positions. A career development platform has also been established for employees to grow together with the Company. In

addition, we have devised our Remuneration Management System, with a scientific performance appraisal and evaluation system in place.

Talent Cultivation

We have implemented an all-rounded talent cultivation plan to build a talent team featuring diverse categories, a reasonable structure and excellent quality, to offer robust support to the Company's reform and development and accelerate its international innovation process.

In 2020, all segments continued to develop echelons of talents in preparation for future succession. The coal mining machinery segment provided its middle and senior management with the McKinsey management training series, the Mini-MBA training series and the 4R execution management and control training

(4R執行管控培訓), to enhance the management concepts of such management members. ASIMCO further upgraded its High Potential Elites Development Programme of ASIMCO (《亞新科精英高潛發展項目》) to accelerate the growth of its trainees with high-end courses that impart management knowledge, strategic projects which train leadership ability, as well as mentor guidance to ramp up their professionalism. SEG mainly provided leadership and soft power training to further strengthen the development of its talent teams.



▲ High Potential Elites Development Programme of ASIMCO (《亞新科精英高潛人才發展項目》)



▲ “4R Enterprise Execution Capacity Training” (4R企業執行力訓練) for middle and senior management by Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd.

Staff Training

We have formulated the Staff Training Management Measures, built a team of experienced internal training specialists, and established a multilevel education and training system that involves a range of categories, employs multiple channels and forms, stresses on practical results, and engages the entire staff with great vitality. To effectively develop our talent team, we have amplified our employee training for all our segments worldwide.

We remain committed to developing into a learning-oriented organisation by lifting the competency requirements for employees and covering all our employees with training. Such training has taken place at both the company and the department levels, ranging from Upskill Training for Primary-level Management Personnel (《基層管理人員技能提升培訓》), Valuable Project Training (《價值工程培訓》) and Tendering Training (《招標培訓》). The coal mining machinery segment invested RMB320,000 in developing a mobile training platform to provide on-going recording, uploading and training of the courses on management knowledge, operational skills and essential knowhow, to elevate the staff's capabilities. ASIMCO and SEG designed customised upskill activities for different posts, in an aim to improve the professional knowledge and practical operation ability of each post.

In 2020, our coal mining machinery segment was awarded the qualification for enterprise vocational skill evaluation, which granted

it the right to evaluate the qualification for 13 work positions ranging from junior workers to senior workers. Efforts were also made to ramp up our Company's training system for highly skilled talents. This has equipped the Company with the qualification for recognising highly skilled talents with the characteristics of ZMJ production technology, and provided the prerequisite conditions for our Company to build an industry benchmark for skilled talent cultivation and strengthen its foothold in the industry.



▲ Our Staff Receiving Skills Training

Safety and Health

With staff health and safety as our top priority, we have established rules and regulations such as the Operation Environmental Inspection System for Production Safety and the Staff Health and Safety Management System, and developed a consummate management system for occupational health and safety. Our principal subsidiaries in China, including Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd., Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd., Zhengzhou

Coal Mining Machinery Group Material Trading Co., Ltd., ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., ASIMCO International Casting Co., Ltd. (Shanxi), Hubei Super Electric Auto Motor Co., Ltd and ASIMCO NVH Technologies Co., Ltd. (Anhui), have passed the OHSAS18001 Occupational Health and Safety Management System Certification. SEG, our overseas subsidiary, has also passed the ISO45001 Occupational Health and Safety Management System Certification.

Health and Safety Education

To reduce the occurrence of safety incidents and occupational diseases, we first need to enhance the health and safety awareness of our staff members. In 2020, we continued to provide health and safety-related education, training and emergency drills to improve employees' health and safety awareness across our global business segments.

The coal mining machinery segment and ASIMCO formulated plans for education and training about health and safety. By way of experiential training, pre-work meetings, training videos and professional training courses, we actively launched a variety of training, including safety standardisation as well as prevention and protection from occupational diseases, to effectively implement the production safety philosophy at workplace and achieve "zero injury" in production safety.

In 2020, the coal mining machinery segment prepared an updated operational guidance, and invited the Health and Education Centre of Henan Province to provide training on public health and safety and occupational health knowledge. ASIMCO International Casting Co., Ltd. (Shanxi) organised a total of 124 training sessions on safety education, covering special safety training on dust explosion, crane operation and operation of the exhaust processing system, as well as factory-level safety education. In 2020, ASIMCO NVH Technologies Co., Ltd. (Anhui) provided a total of 221 training sessions on risk prediction, 17 safety seminars and 8 case studies to improve the staff members' safety awareness.



- ▲ In 2020, we invested RMB450,000 to build the “Safety Motion-Sensing Centre” (體感中心), which allow the trainees to obtain a better understanding of the risks and consequences of safety accidents through simulated falling objects, injuries caused by machinery, attack by physical objects and electric shock, to stimulate the awareness of the importance of safety from a perceptual perspective.

SEG was committed to creating an HSE atmosphere. It holds regular annual HSE briefings and conducts HSE training, monitors and manages the production environment in real time through the SEG Hildesheim information system, and displays HSE-related information to employees at factory entrances, important intersections, indoor office areas and other premises. Each year, SEG also holds 4 HSE committee meetings to discuss health, safety and environmental risks and corresponding measures.

Safety Training for Our Employees ▶



Safety Precaution

To effectively protect the safety of our employees, we have established a consummate safety precaution mechanism for our business segments worldwide. In 2020, we optimised the safety precaution mechanism and incorporated digital technology to make the accident hazards screening more scientifically.

In 2020, the coal mining machinery segment continued to improve the dual prevention mechanism, the accident hazards screening mechanism and the major risk sources management and control mechanism. We conduct regular assessment on safety risk identification to identify the safety risks from production technology, equipment and facilities, operational environment and staff behaviour, with on-going updates of the risk list. We also formulate an accident hazards screening and treatment list, while strengthening the accident hazards screening led by our mid-level leaders to deliver a leadership effect. We have designed an inspection sheet for major risk sources in line with the standards, and posted them at the sites of major risk sources. Our personnel at all levels conduct standard inspection based on frequency and strictly implement approval and regulation for dangerous operation.

In 2020, we continued to intensify the development of the dual prevention information platform and fully integrate the system into our daily management. ▶



ASIMCO also continued to strengthen the safety management of employees. For example, our ASIMCO International Casting Co., Ltd. (Shanxi) continued to add new robotic grinding operating units to replace manual operations, to reduce employees who operated directly and ensuring safe production. Hubei Super Electric Auto Motor Co., Ltd. of ASIMCO regulated the storage conditions of argon for production use, to improve operational safety.

SEG also adopted a series of measures to ensure safe production, including distributing personal protective equipment amongst employees, regularly supervising whether employees use protective equipment in compliance with the standards, regularly checking the storage equipment of chemicals, strictly supervising and controlling the environment of dangerous operation such as high altitude, airtightness and high temperature, and promote the special safety inspection and improvement for special equipment, hazardous areas and special operations.

Health Assurance

We stress on protecting not only the lives of our employees, but also their physical health.

In China, according to the requirements of laws and regulations such as the Law on Prevention and Control of Occupational Diseases and the Provisions on the Supervision and Administration of Occupational Health at Workplace, our coal mining machinery segment and ASIMCO have formulated the Occupational Hazard Management System, and have taken a series of measures such as annual health check-up for staff members, detection of occupational hazard factors, purchase of protective equipment and health training seminars, to effectively prevent the harm of occupation diseases and create a healthy workplace for staff members.

For overseas, SEG strictly abided by laws and regulations such as the Health and Safety Act, the Industrial Safety Regulation, the Hazardous Substances Ordinance, the Workplaces Regulation and the Maternity Protection Act, and actively adopted measures to reduce hazards of occupational diseases and improve employees' health. SEG provided employees with consultations on health issues, ergonomics, toxic and hazardous substances, etc. They were offered fitness classes and membership of mutual aid associations to stop smoke. Staff members are offered physical examinations, which cover blood tests, urine tests, vision, height, weight, blood pressure, etc. For the employees at posts with risk factors, SEG regularly conducted detection of occupational hazard factors and conducted occupational disease inspections for them each month.

In 2020, against the backdrop of the global epidemic spread, all segments of our Company put employees' safety in the first place. We set up an epidemic prevention and control team, with weekly communication with various segments, formulation of epidemic prevention and control plans, and proper epidemic prevention for both domestic and overseas employees. ASIMCO International Casting Co., Ltd. (Shanxi) spent nearly RMB1.5 million to purchase various anti-epidemic supplies such as disinfectants, temperature guns and infrared thermometers. It disinfected and sterilised its indoor office areas on a daily basis and provided accommodation for employees from villages in lockdown, thus effectively controlling the flow of people. SEG China donated a total of 130,000 masks to SEG branches in Germany, Brazil and India to protect the employees' personal safety.

In 2020, we also continued to invest in the improvement of production processes and devices, to reduce the impact of occupational hazard factors on employees' health. Currently, our major occupational hazard factors are the dust and soot generated in the production process. In order to reduce the harmful dust and soot in our manufacturing workshops as well as the density and frequency of contact by our operators, we continued to modify dust removal equipment. For example, ASIMCO Camshaft (Yizheng) Co., Ltd. updated the dust removal fixture of shakeout machines in its foundries. ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. transformed 2 manual lines of its chrome plating workshops into automatic lines. ASIMCO NVH Technologies Co., Ltd. (Anhui) installed organic waste gas collection and treatment devices in all its waste workshops to significantly reduce the density of occupational hazardous gases on the operation sites.



2020

Social Responsibility and Environmental, Social and Governance Report

Environmental Responsibility

Energy Management

Emissions Management

Water Resources Management



05

We attach great importance to environmental protection, with a robust environmental management system in place for each business segment. We have also passed the ISO14001 Environmental Management System certification. We strictly complied with environmental protection laws and regulations in the places where we operated, and formulated systems such as “Environmental Protection Management System”, “Operations Management and Supervision System of Pollution Prevention Facilities”, and “Emergency Plans of Environmental Pollution Incidents”.

We make great effort to create a corporate culture that values resources, raise employees' environmental awareness, and encourage them to actively participate in and fulfil their environmental commitments. Moreover, we require suppliers and partners to follow the local laws and regulations and environmental protection requirements of the places where they operate, and follow the concept of environmental protection in the production process. In 2020, we continued to invest considerable capital in energy conservation and emission reduction, paid attention to resource recycling, and attained higher operational efficiency at lower costs. Meanwhile, we focused on enhancing environmental protection with our innovation capacity, sought technological breakthroughs to innovate emission pre-treatment methods, and realised the common progress of innovation and environmental protection.

In 2020, we did not incur any material incident of environmental pollution or ecological destruction.

Energy Management

The energy we consumed in our business operation process mainly comprised electricity, natural gas, and a small amount of diesel and gasoline. We keep enhancing our energy efficiency and adopting more clean energy, to reduce fossil fuel consumption and greenhouse gas emissions.

In 2020, we continued to adopt a series of measures for lowering energy consumption. For the coal mining machinery segment, power consumption was reduced effectively through measures such as transforming split air conditioners, using air pump water heaters, reducing the standby time of devices and staggering power consumption.

ASIMCO International Casting Co., Ltd. (Shanxi), a subsidiary of ASIMCO, has transformed its operation mode to use the waste heat from its neighbouring plant for heating, in place of its original natural gas boilers, thus saving about 400,500 cubic metres of natural gas in 2020. ASIMCO NVH Technologies Co., Ltd. (Anhui) analysed the power consumption of environmental protection equipment for rubber mixing, pre-treatment and VOCs, and adjusted the operation parameters of frequency converters according to the production situation, so as to effectively reduce the power consumption.

SEG implemented a cost reduction and efficiency enhancement plan, and encouraged its employees to propose sustainable carbon dioxide emission reduction measures, including setting electric lamps and fans to standby mode, using LED energy-saving lamps in all areas, automatically adjusting the switches of air conditioners through smart controllers, and establishing internet of things monitoring system to detect energy efficiency in real time.

In 2020, we consumed a total of 623,392.57 MWh of energy, of which electricity consumption accounted for approximately 80%. Compared with that in last year, energy consumption increased by 5%, which was mainly due to the engine tests carried out by ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., and the increase in business volume of ASIMCO Camshaft (Yizheng) Co., Ltd and ASIMCO International Casting Co., Ltd. (Shanxi).

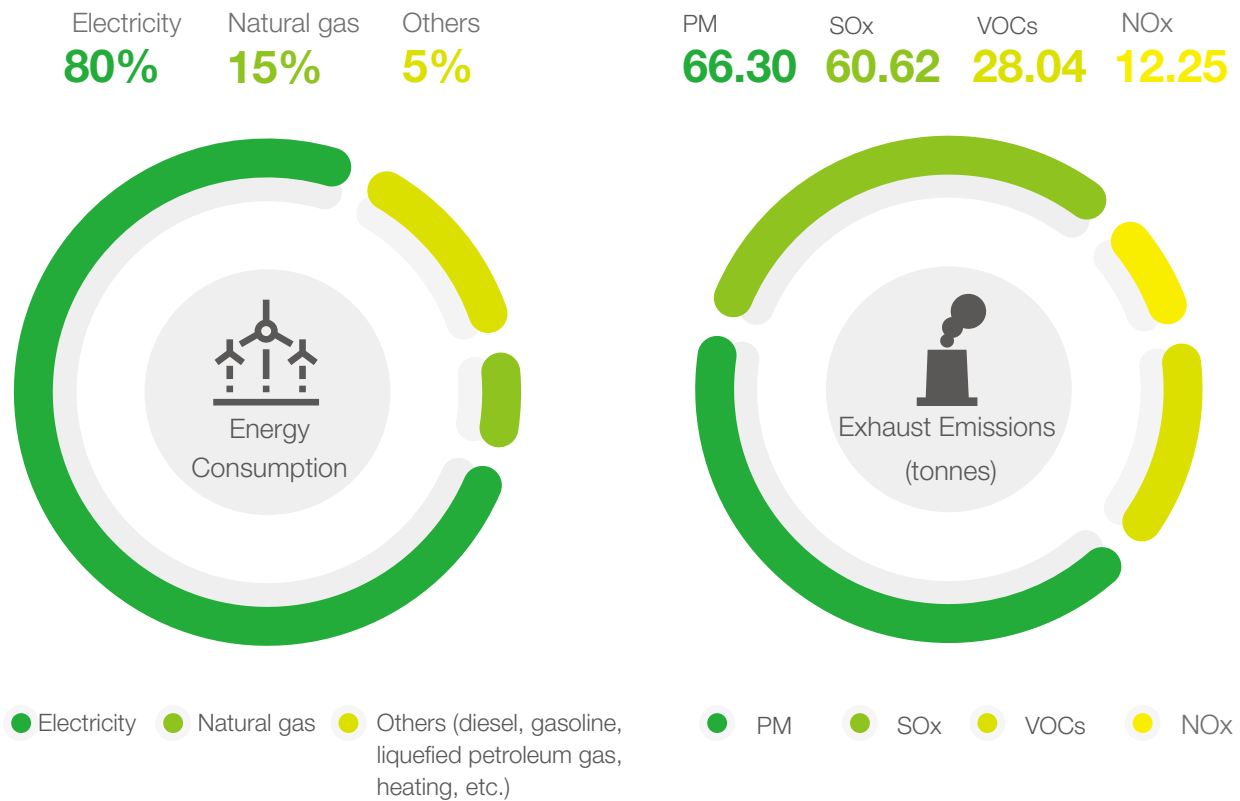
In 2020, our total greenhouse gas emissions equivalent amounted to 378,319.18 tonnes, representing an increase from 2019, which was consistent with the reasons for the above-mentioned energy consumption growth. Our scope 1 direct greenhouse gas emissions were mainly generated from burning natural gas, gasoline, diesel, etc., while scope 2 indirect greenhouse gas emissions were mainly from purchased power.



623,392.57_{MWh}



378,319.18_{tonnes}



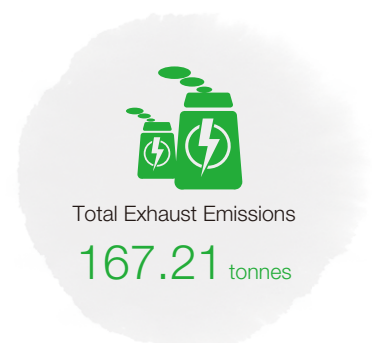
Emissions Management

We strictly comply with the laws and regulations related to emissions management in the places where we operate, carefully identify the sources of various pollutants during our operation, and strictly monitor the management and discharge of exhaust and wastes.

Exhaust

Our main sources of exhaust include the exhaust from fossil fuel combustion, paint, dust and soot during the production process. The main pollutants in our exhaust include NOx, SOx, PM and VOCs. In 2020, our main exhaust emissions totalled 167.21 tonnes.

In China, the coal mining machinery segment and ASIMCO strictly comply with the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中华人民共和国大气污染防治法》). Overseas, SEG strictly complies with the Federal Immission Control Act. Our subsidiaries actively improve their process flows and employ different measures to target exhaust emissions from production procedures, so as to minimise the waste gas emission.



The coal mining machinery segment took the following measures:

- replacing the activated carbon adsorption and UV photolysis in the dust removal equipment of the paint spray booth with activated carbon adsorption and RCO catalytic combustion;
- replacing the original bag filters of the welding dust removal equipment with membrane filter cartridges, which greatly reduced the exhaust and smoke emission of spray painting.

The auto parts segment also took the following measures accordingly:

- ASIMCO NVH Technologies Co. Ltd. (Anhui) implemented comprehensive measures and was newly equipped with VOCs collection and treatment facilities. The annual VOCs emission reduction reached 1.07 tonnes, effectively reducing the VOCs emission of organic waste gas;
- ASIMCO Hubei Super Electric Auto Motor Co., Ltd. installed activated carbon adsorption equipment for paint soaked exhaust emissions from eight starter rotors, and combined the discharge pipes of six heat treatment equipment to the new fire-resistant heat treatment waste gas purification equipment, realizing a lower third-party environmental protection detection data of all exhaust emissions than the national second class emission standard.

In China, we also took emergency measures of exhaust emissions reduction for special situations such as heavily polluted weather conditions in 2020. For instance, from 26 December to the morning of 29 December, 2020, the coal mining machinery segment positively responded to the urge of the government and shut down the production to protect the air quality. ASIMCO International Casting Co., Ltd. (Shanxi) prepared the implementation plan of "One Policy for One Plant" for emergency emissions reduction in heavily polluted weather conditions, which enabled an annual emissions reduction of approximately 0.107 tonnes of NOx, approximately 0.225 tonnes of SOx, approximately 0.657 tonnes of PM and approximately 0.03 tonnes of VOCs. Overseas, SEG reduced carbon dioxide emissions by 433.19 tonnes through the use of renewable energy.

Wastes

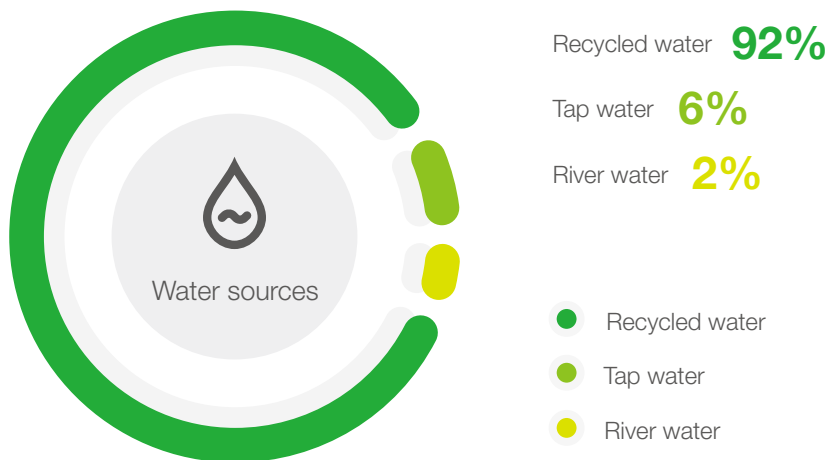
Wastes from our operation process are categorised as hazardous and non-hazardous wastes. We have engaged a qualified third-party professional treatment firm to carry out centralised treatment of hazardous wastes which mainly comprised emulsion, paint slag and chromium slag. Our non-hazardous wastes mainly include scrap mixed steel, scrap steel and household waste. Based on the nature of the wastes, we landfill or reuse them, or entrust a garbage power plant for waste treatment. In 2020, we generated 1,811.81 tonnes of hazardous wastes and 97,506.58 tonnes of non-hazardous wastes.

In China, the coal mining machinery segment and ASIMCO strictly comply with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, with systems such as Hazardous Waste Management formulated and a dynamic management mechanism established for hazardous wastes, to monitor the clean-up, storage and transport of hazardous wastes on a real time basis. Overseas, SEG strictly complies with laws such as the Soil Protection Act, with collection, storage and centralised processing of hazardous wastes taking place.

In order to reduce waste emissions, our business segments took a series of measures in 2020. For instance, ASIMCO NVH Technologies Co., Ltd. (Anhui) adopted environment friendly cleaning agent to replace trichloroethylene for pre-treatment of the hazardous wastes such as phosphine slag and phosphine sludge. Through the application of non-phosphorus converter and water-saving control of wastewater, the amount of internal agent dosage and phosphate sludge was effectively reduced. In 2020, the amount of phosphate sludge was 23.37 tonnes, representing a decrease of 16.39 tonnes from 2020. ASIMCO Camshaft (Yizheng) Co., Ltd. recycled the waste oil into cutting oil, reducing the discharge of such oil by approximately 19 tonnes.

Water Resources Management

We attach importance to the management of water resources and take measures to minimise its consumption. Our water supply is mainly from tap water and river water. In 2020, we used a total of 15.10 million cubic metres of water resources, of which 13.93 million cubic metres comprised recycled water with a recycling rate of approximately 92%.



Total consumption
of water resources

15.10

million cubic metres

Recycled water

13.93

million cubic metres

In 2020, our business segments across the globe continued to actively reduce water consumption through measures such as improving water recycling rate and upgrade the equipment:

- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. replaced the belt filter press for phosphate wastewater with stacked screw filter press to improve the automation level of the wastewater treatment;
- ASIMCO International Casting Co., Ltd. (Shanxi) optimised the cooling water circulation system to realise a utilisation rate of recycled water of 95%;
- ASIMCO NVH Technologies Co., Ltd. (Anhui) continued to enhance its leakage and wastage management and arouse the awareness on water saving among the staff, resulting in achieving a 20% reduction in the consumption of water resources compared with that in 2019;
- SEG optimised the temperature monitoring device of cooling tower and reduced the consumption of cooling water efficiently. It has been actively using the recycled water in the last two years to achieve approximately 25% reduction in the consumption of water resources.

Our wastewater mainly comprises domestic and production wastewater. The former mainly comes from the water discharged by office restrooms and kitchens, without poisonous, hazardous and special substances. Industrial wastewater mainly includes the wastewater from electroplating and paint. We adopt different treatment systems for the wastewater from electroplating that contains different heavy metals, to ultimately recycle all the heavy metal wastewater. In terms of wastewater from paint, we process and discharge such water in strict accordance with local environmental protection requirements, by installing integrated industrial wastewater processors. SEG strictly controls the wastewater discharge by continuous IT monitoring and regular tests performed by a third-party.



2020

Social Responsibility and Environmental, Social and Governance Report



Community Responsibility

Combatting the Epidemic

Livelihood Support

Volunteer Activities

06

While pursuing our own growth, we never forget to give back to the community. We actively devote ourselves to public welfare undertakings, insist on sharing our development achievement with society, and take corporate social responsibility as one of the core strategies for our sustainable development. In 2020, in response to the call of our nation, we actively engaged in poverty alleviation

activities and implemented targeted poverty alleviation. During the epidemic of COVID-19, we assumed our social responsibilities without delay by promptly allocating human resources and distributing supplies, and joining the force to fight against the epidemic across the nation.

Combating the Epidemic

The COVID-19 epidemic broke out globally in 2020, while focusing on epidemic prevention and control, the Company immediately pushed for the idea of resumption of work and production, worked hard to complete our annual business target. We also donated RMB2 million to the institutions which were responsible for epidemic prevention and control. Party cadres in our staff voluntarily donated RMB580,000 to medical institutions. Commercial tenants on Zhima Street received rental concessions of RMB1.14 million. At the same time, we also donated ventilators, protective masks and other anti-epidemic materials to Germany, Spain and other countries, earnestly fulfilling our social responsibilities as a corporate.

After receiving the relevant notice from the Department of Industry and Information Technology of Henan Province, the Company quickly responded to national epidemic prevention by organizing a team comprising engineers, electricians and fitters to support the installation of anti-epidemic production equipment of Changyuan Esound Medical Device Co., Ltd. After more than ten days of hard work, we successfully cooperated with Changyuan Esound Medical Device Co., Ltd. to assemble 40 masks production lines with a full production capacity of up to 2 million pieces of masks per day, the largest newly built mask production line during the epidemic prevention and control period in Henan Province. The production line has effectively alleviated the problem of mask shortage.

In February 2020, on behalf of the Company, Jiao Chengyao, our Chairman donated RMB2 million to the First Affiliated Hospital

of Zhengzhou University which had sent their medical staff to Wuhan for the national medical emergency rescue assignment and the important task of fighting against the COVID-19 epidemic in Henan Province. In addition, the Company also organized all staff members for a charitable donation. As of the mid-February, donations totalling approximately RMB580,000 were received from about 4,000 members of the Company.



▲ Jiao Chengyao, Our Chairman, Making a Donation to the First Affiliated Hospital of Zhengzhou University on behalf of the Company.

Each segment of the Company actively mobilized all kinds of resources to participate in the fight against the epidemic. Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. donated RMB130,000 to Xingyang Charity Federation (滎陽慈善總會) to help prevent and control the epidemic. SEG China and the Administrative Committee of Changsha Economic Development Zone jointly donated a batch of medical masks to the nurseries in Stuttgart, Germany. The Company donated 100,000 pcs of medical masks and 10 units of ventilators to the Health Department of Cantabria Municipality, Spain. Employees of ASIMCO NVH Technologies Co., Ltd. (Anhui) actively participated in the anti-epidemic fund-raising activities, and a total of RMB10,390 was raised.



▲ The Company Donating 10 Ventilators to the Health Department of Cantabria Municipality, Spain.



▲ SEG China and the Administrative Committee of Changsha Economic Development Zone jointly Donating a Batch of Medical Masks to the Nurseries in Stuttgart, Germany.

In addition to monetary and supplies donations, the Company also responded to the call of Henan Provincial Government, rentals for two months were waived for small and micro enterprises and individual businesses of Zhima Street that had leased the premises

but could not operate normally due to the epidemic, so as to help alleviate their pressure on operations, and face the hard times together. A total of approximately RMB1.14 million was practically waived.

Livelihood Support

We have actively shouldered up social responsibilities and taken alleviating and supportive measures to help those areas and people in poverty improve their lives, promoting economic development of the areas under poverty.

Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has been helping Huaixi Village for 12 consecutive years. In 2020, a sum of RMB32,000 was donated to the neighbouring Huaixi Village, 60 packs of rice and edible oil were given away to rural households with living difficulties, and bought agricultural products such as sweet potatoes and garlic from the villagers to share among our employees as Mid-Autumn Festival welfare, so as to help the villagers improve their livelihood.

Villagers from Huaixi Village, Yulong Town Offered Comfort
Supplies by Our Coal Mining Machinery Segment. ▶



Volunteer Activities

Our staff members are encouraged to actively participate in various voluntary activities. We have arranged them to go to nursing homes, children's welfare homes and other places to carry out a series of activities to show their care.

In 2020, the staff of ASIMCO NVH Technologies Co., Ltd. (Anhui) re-visited the Nursing Home of Zhongxi Town with fruit and food for the elderly, as well as a donation of RMB20,000 to the Nursing Home. This activity has been conducted for 10 years.

In 2020, the staff of ASIMCO Camshaft (Yizheng) Co., Ltd. helped clear the snow on the roads near the Company, which alleviated the impact of snow on road traffic and opened a green channel for employees going home and coming to work.

Our Staff Clearing Snow on the Roads to Open a Green Channel
for Employees Heading Home and Coming to Work. ▶



Overview of Social Responsibility Data

Environmental indicators	2020	2019	2018	2017
Emission				
Total greenhouse gas emissions equivalent (scopes 1&2) (tonnes)	378,319.18	321,924.94 ¹	292,625.50 ¹	238,027.60 ¹
Emissions under scope 1	20,760.48	17,554.26	21,217.52	10,617.77
Emissions under scope 2	357,558.70	304,370.68 ¹	271,407.98 ¹	227,409.83 ¹
Greenhouse gas emissions equivalent per RMB million in revenue (tonnes/RMB million)	14.27	12.52 ¹	11.25 ¹	31.54 ¹
Total exhaust emissions (tonnes)	167.21	153.47	238.24	166.75
Total disposal of hazardous wastes (tonnes)	1,811.81	1,721.29	2,046.81	1,887.57
Hazardous waste disposal per RMB million in revenue (tonnes/RMB million)	0.07	0.07	0.17	0.25
Total non-hazardous waste disposal (tonnes)	97,506.58	98,632.34	88,529.06	73,013.66
Non-hazardous waste disposal per RMB million in revenue (tonnes/RMB million)	3.68	3.83	3.40	9.67
Water Resources				
Total water consumption (million cubic meters)	15.10	14.28	16.44	15.68
Fresh water	1.17	1.31	1.88	2.27
Recycled water	13.93	12.97	14.56	13.41
Water consumption per RMB million in revenue (million cubic meters/RMB million)	0.0006	0.0006	0.0006	0.0021

Environmental indicators	2020	2019	2018	2017
Energy				
Total energy consumption (MWh)	623,392.57	595,869.67 ¹	461,157.57 ¹	356,737.22 ¹
Electricity	496,418.79	464,193.28 ¹	363,820.37 ¹	309,085.99 ¹
Natural gas	94,343.82	110,025.18	66,595.12	41,520.36
Diesel and gasoline	8,843.16	4,573.95	3,498.84	2,076.82
Liquefied petroleum gas	19,971.24	17,077.26	27,243.24	4,054.05
Heat supply	3,815.56			
Energy consumption per RMB million in revenue (MWh/RMB million)	23.51	23.17 ¹	17.73 ¹	47.27 ¹
Packaging Materials				
Total consumption of packing materials (tonnes)	16,638.87	7,392.00	854.22	1,268.73

Social indicators	2020	2019	2018	2017
Employment				
Total workforce	17,412	16,368	8,657	9,056
By gender				
Male	13,332	12,287	6,421	6,871
Female	4,080	4,081	2,236	2,185
By type of staff				
Full-time	17,326			
Part-time	86			
By age group				
Below 30	3,687	3,820	2,194	2,713
30 to 50	10,834	9,947	5,491	5,422
Above 50	2,891	2,601	972	921
Staff turnover ratio	14%	14%	15%	13%

- ¹ The electricity consumption data for 2017, 2018 and 2019 were adjusted, and corresponding adjustments were made to the greenhouse gas emissions equivalent (scope 2), the total greenhouse gas emissions equivalent and intensity, and the total energy consumption and intensity, so as to reflect the actual situation.

Appendix I - Content Index Based on the ESG Reporting Guide

Aspect	Description	Location/Remarks
A. Environment		
A1 Aspect: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Responsibility
A1.1	Types of emissions and relevant emissions information	Emissions Management
A1.2	Total greenhouse gas emissions (in tonnes) and (if applicable) intensity (e.g. per unit of production volume, per facility)	Energy Management Overview of Social Responsibility Data
A1.3	Total amount of hazardous waste produced (in tonnes) and (if applicable) intensity (e.g. per unit of production volume, per facility)	Emissions Management Overview of Social Responsibility Data
A1.4	Total amount of non-hazardous waste produced (in tonnes) and (if applicable) intensity (e.g. per unit of production volume, per facility)	Emissions Management Overview of Social Responsibility Data
A1.5	Description of measures for emissions reduction and the results achieved	Emissions Management
A1.6	Description of measures for hazardous and non-hazardous waste treatment, reduction initiatives and the results achieved	Emissions Management
A2 Aspect: Resource utilization		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Environmental Responsibility
A2.1	Total consumption of direct and/or indirect energy (in 000'kWh) by type (e.g. electricity, gas or oil) and intensity (e.g. per unit of production volume, per facility)	Energy Management Overview of Social Responsibility Data
A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility)	Water Resources Management Overview of Social Responsibility Data
A2.3	Description of energy usage efficiency initiatives and the results achieved	Energy Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Water Resources Management
A2.5	Total consumption of packaging materials for finished goods (in tonnes) and (if applicable) volume attributable to per production unit	Overview of Social Responsibility Data

Aspect	Description	Location/Remarks
A3 Aspect: Environment and natural resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Environmental Responsibility
A3.1	Description of the significant impact on the environment and natural resources due to business activities, and the actions adopted to manage such impact	Environmental Responsibility
B. Society		
B1 Aspect: Recruitment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Responsibility towards Staff
B1.1	Total number of staff by gender, employment type, age group and region	Labor Rights and Interests Overview of Social Responsibility Data
B1.2	The turnover ratio of employees by gender, age group and region	Overview of Social Responsibility Data
B2 Aspect: Health and safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Responsibility towards Staff
B2.1	Number and ratio of work-related fatalities	Not Disclosed
B2.2	Lost working days due to work injury	Not Disclosed
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Safety and Health
B3 Aspect: Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Responsibility towards Staff
B3.1	Percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.)	Not Disclosed
B3.2	Average training hours completed per employee by gender and employee category	Not Disclosed
B4 Aspect: Labor standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Responsibility towards Staff
B4.1	Description of measures for reviewing recruitment practices to avoid child and forced labor	Labour Rights and Interests
B4.2	Description of steps taken to eliminate the relevant violations when discovered	Not Applicable

Aspect	Description	Location/Remarks
B5 Aspect: Supply chain management		
General disclosure	Policies on managing environmental and social risks of the supply chain	Supplier Management
B5.1	Number of suppliers by region	Not Disclosed
B5.2	Description of practices relating to the engagement of suppliers, the number of suppliers to which the practices are implemented, and how they are implemented and monitored	Supplier Management
B5.3	Description of practices for identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored	Supplier Management
B5.4	Description of practices of promoting the use of environmental-friendly products and services in selecting suppliers, and how they are implemented and monitored	Supplier Management
B6 Aspect: Product responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters of products and services provided and methods of redress	Focus on Product Quality
B6.1	Percentage of products recalled for safety and health reasons among the total products sold or delivered	Focus on Product Quality
B6.2	Number of complaints received for products and service and relevant solutions	Provision of Satisfactory Services
B6.3	Description of practices relating to maintenance and protection of intellectual property	Insisting on Independent Innovation
B6.4	Description of quality inspection process and product recall procedure	Focus on Product Quality
B6.5	Description of consumer data protection and privacy policy, and how they are implemented and monitored	Provision of Satisfactory Services
B7 Aspect: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7.1	Number and outcomes of concluded legal cases regarding corruption practices brought against the issuer or its employees during the Reporting Period	Anti-corruption
B7.2	Description of precautions and whistle-blowing procedures and how they are implemented and monitored	Anti-corruption
B7.3	Description of anti-corruption trainings provided to directors and employees	Anti-corruption
B8 Aspect: Community		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Community Responsibility
B8.1	Focus areas of contribution (e.g. education, environmental matters, labor demands, health, culture, sports)	Community Responsibility
B8.2	Resources (e.g. money or time) contributed to the focus areas	Community Responsibility



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