



# 南京三寶科技股份有限公司 NANJING SAMPLE TECHNOLOGY CO., LTD.\*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock code : 1708



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT 2020

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# ABOUT THIS REPORT

This report is the fifth environmental, social and governance (ESG) report issued by Nanjing Sample Technology Co., Ltd. (together with its subsidiary as “the Group”, or “the Company”). The report covers the achievements of the Group in ESG objectives in 2020 and provides information on the policies and practices it has implemented.

## Report Scope

The period covered by this report is from 1 January 2020 to 31 December 2020 (the “Reporting Period”). For continuance of the information, this report may contain matters beyond the period covered by this report. The scope of disclosure covers the operations of the Company and its 13 subsidiaries (including 2 subsidiaries in Hong Kong).

## Report Guide

This report is prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide of the Listing Rules of The Stock Exchange of Hong Kong Limited (SEHK). The same interpretation is adopted in this report as that in the Group’s 2020 annual report. Should the data disclosed be different from 2020 annual report, the annual report shall prevail.

## Reporting principles

This report complies with the principles of materiality, quantitative, balance and consistency under the ESG Reporting Guide.

**Materiality:** The Group defined the content and scope of this report through stakeholders engagement and materiality identification and with reference to the result of such identification.

**Quantitative:** The scope and calculation of the data in this report are noted in this report

**Balance:** This report discloses objective and true information related to the ESG of the Group and ensures that the ESG performance during the Reporting Period is presented fairly without bias.

**Consistency:** Unless otherwise stated, the statistical methods and criteria used for data disclosure in this Report are consistent with those of previous years.

## Report Access

This report will be published on the website of SEHK and the official website of the Group. It is published with both Chinese and English versions. In case of difference between the two versions, the Chinese version shall prevail.

## Report Feedback

If you have any questions or suggestions about the report, please feel free to contact the Securities Department of the Company:

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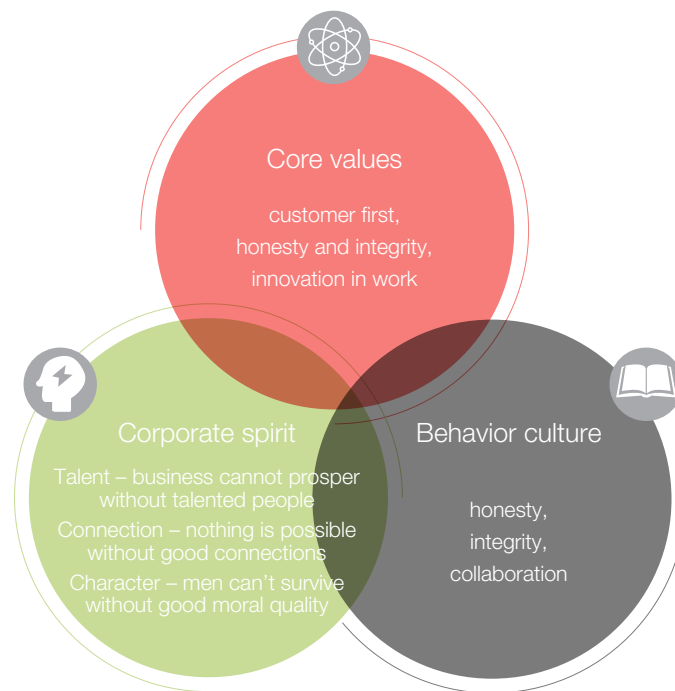
# ABOUT SAMPLE TECHNOLOGY

## Company Overview

The Group was established after the stockholding restructuring in 2000 and successfully listed on the Hong Kong Stock Exchange on 9 June 2004. As one of the leaders in the IOT information services, the Group is committed to building a new IOT technology supply chain service business portfolio based on “Internet + IOT” technology with in-depth development in the two major industrial eco-systems of “intelligent transportation” and “intelligent logistics” and enabling interconnection of supply chain data. Additionally, it cooperates gradually with the industrial and regional resource leaders to create an open resource-fusion platforms. Providing users with big data-based system integration, cloud supervision, customs clearance and financial supporting services, it synergizes and collaborates with ecological enterprises to co-build an industrial Internet platform, which delivers premium integrated services for SMEs.

## Corporate Values and Culture

Adhering to the core mission of “To create quality life with wisdom”, the Group takes creating value for the society and users as its own responsibility. It follows people-oriented principle and regards “talent, connection and character” as the “Three treasures” of the Company.



In early 2020, the sudden outbreak of the new coronavirus epidemic brought severe impact to social development, business operations and the normal life of the people. The crisis has allowed Sample people to review, think, identify, reach a new consensus, and consolidate on the enterprise’s original aspiration of “our quest for technology is for our customers”. In the face of difficulties, the Group continued to focus on its strategic positioning of “focusing on the main business, expanding its capacity and increasing its fission growth”. On the one hand, the Group improved its organization structure by revamping and aligning internal management system for long-term business development, with the aim to optimize assets, concentrate on main business, reinforce input in core segments, strengthen the coordination of market resources, product technology and other dimensions between business departments. On the other hand, the Group focused on improving the scientific and technological capabilities of front-line workers to build a core team that excels at learning and innovation, dares to take responsibility, strives to improve product and program development and standard, so as to create value for our customers and continue to create value.

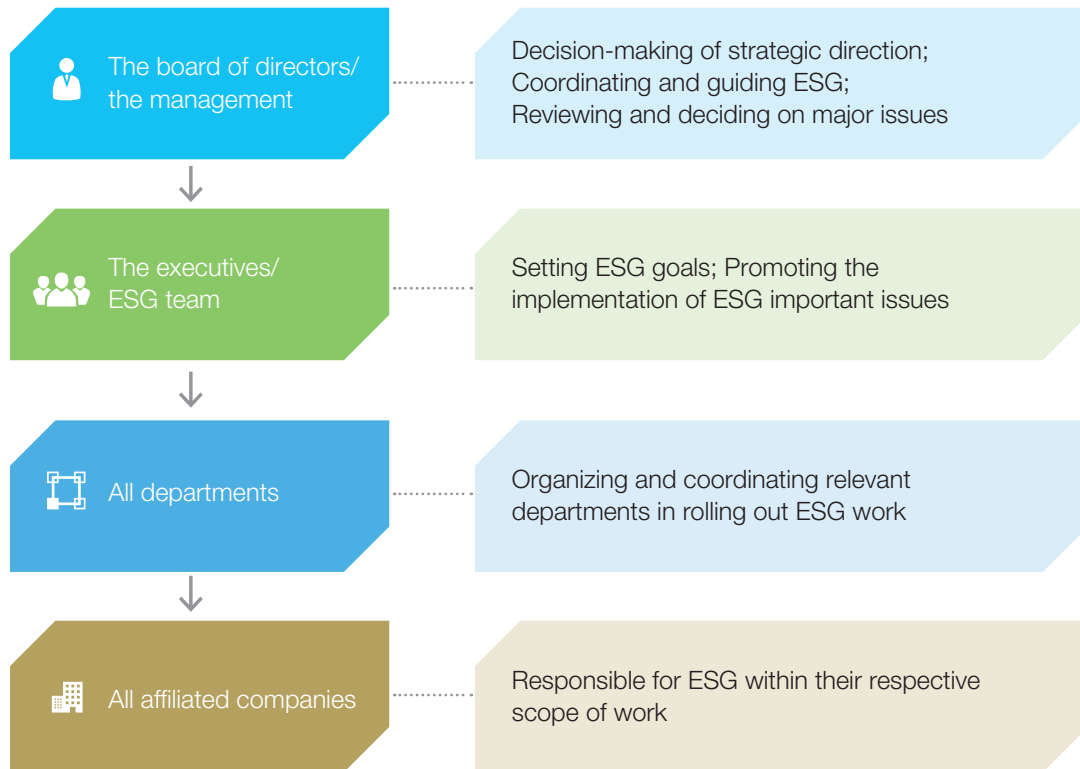
# ESG SYSTEM

## ESG Philosophy

The Group embraces the social responsibility concept of “business integrity, continuous innovation, serving and giving back to society”. It applies the sustainability into the enterprise strategy and business operation management, and actively assumes responsibility for the value-chain partners, environment and society. Persisting in returning shareholder value, it strives to alleviate the fallout of business on the environment, and dedicates itself to the sustainable advancement.

## ESG Framework

The Group has established an ESG governance system in which the board of directors/the management manages, and the executives/ESG team lead, all functional departments cooperate and all affiliated companies act in synchronization. The establishment of ESG governance structure ensures that environmental and social risks associated with various businesses is properly managed, effectively putting ESG philosophy and strategies into actions.





The board of directors of the Company is responsible for evaluating and monitoring ESG’s yearly performance, taking accountability for ESG strategy and reporting of the Group. The board reviewed and approved the ESG Report for the year ended 31 December 2020 at the meeting held on 31 March 2021.



## Stakeholders

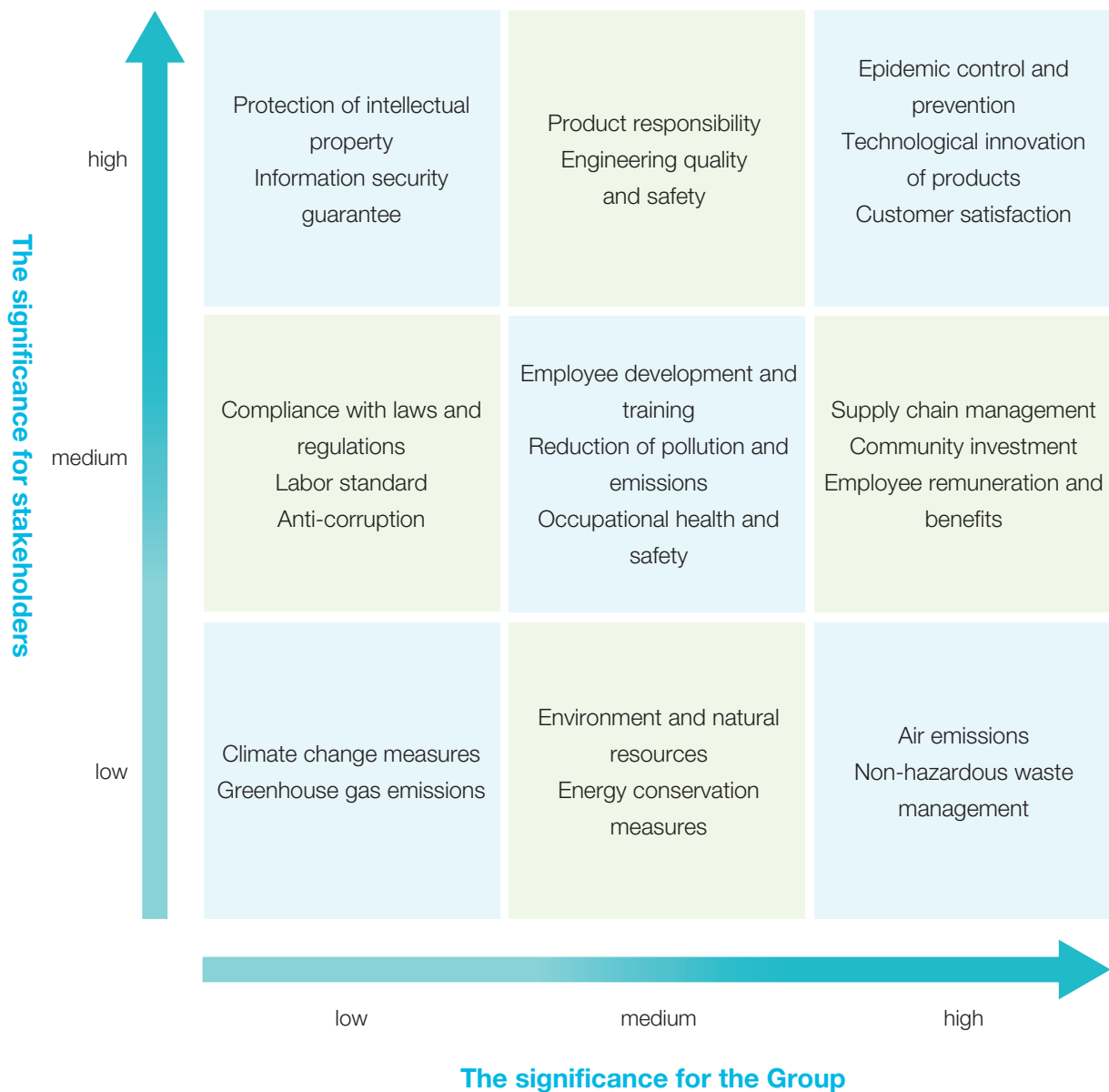
The Group attaches great importance to the opinions of stakeholders, and has established daily communication mechanism that is in line with the practices of various stakeholders. It improves the diversified, stable and effective communication channels and feedback mechanism between the Group and the stakeholders from year to year, and strengthens stakeholder management and balances the interests of various stakeholders, in order to win the respect and understanding of all parties, thereby reducing the social risks of the enterprise's operations. These efforts ensure that relevant risk management and internal control systems can be properly and effectively operated, thus determining the sustainability of the Company.

Stakeholders	Communication Channels	Communication Goals
 Customers	Daily communication, feedback, technical seminars, product exhibitions, customer visits and survey, customer service hotline, customer satisfaction survey, etc.	Product quality, business process, technological innovation, service quality
 Shareholders and investors	Shareholders' meeting, periodic report, corporate website, teleconferencing, etc.	Corporate operations, information disclosure, corporate governance, return on investment
 Partners	Daily communication, meetings, strategic cooperation, exchange and visit, etc.	Fair competition, mutual benefit, lawful management, mutual development
 Staff	Staff activities, staff training, corporate intranet, WeChat official subscription, staff representative conference and activity, regular survey, symposium, reporting channel, suggestion box	Compensation and benefits, protection of rights and interests, working environment, education and training, career development, physical, mental health and family care
 Government and Regulatory Authorities	Institutional inspection, correspondence, working conference reporting, project cooperation	Compliance-based operation, management transparency, tax-contribution, social yields, employment protection, resource conservation
 Suppliers	Quality certification, agreement fulfillment, inspection and testing, capacity building	Long-term cooperation, supplier certification, contract fulfillment and honesty, fair procurement, quality management, capacity improvement
 Community and Public	Community activities, public welfare activities, social support projects, etc.	Community development, social welfare, environmental protection, business integrity

## Materiality Identification

2020 is an extraordinary year, in which the COVID-19 pandemic caused huge impact to society and economy across the world and epidemic prevention and control has become the focus of the society. The impact brought by changes in the external environment is also manifested in the result of the ESG materiality identification of the Group. During the Reporting Period, the Group reviewed the potential ESG issues based on the latest social and economic changes, and identified the degree of influence, from and onto the Company, among the various stakeholders. It hence sorted out, assessed and determined the materiality matrix relating to ESG based on the needs and expectations of the stakeholders.

### Materiality matrix





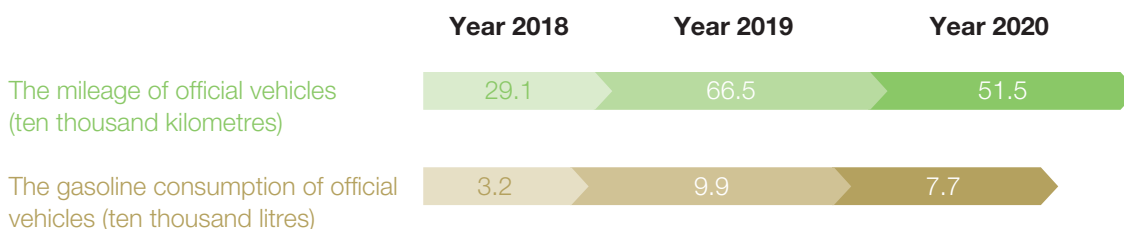


# ENVIRONMENTAL ASPECT REPORT

## Aspect A1: Emissions

### Air Emissions

The Group's direct air emissions mainly come from the fuel used by the Company's vehicles in the course of operation.



During the Reporting Period, the key type of the Group's air emissions and related emission data are as follows:



Note: The calculation of air emissions was based on the conversion factor provided by the Reporting Guidance on Environmental KPIs published by HKEX.

During the Reporting Period, the Group's air emissions decreased due to delay in the tender and work commencement of some projects, which resulted in decreased in the trips of the Company's vehicles. At the same time, in order to minimize environmental pollution, the Group encouraged employees to purchase environmental-friendly electric cars as their private cars and to prioritize taking public transport.

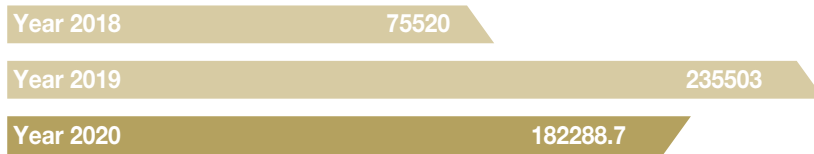
# ENVIRONMENTAL ASPECT REPORT

## Greenhouse Gas Emission

The Group's greenhouse gas emissions mainly come from the fuel used by the Company's vehicles in the course of operation and the electricity consumed by our offices. During the Reporting Period, the direct and indirect total greenhouse gas emission generated by the Group and its intensity (based on the Group's office of around 19,863 m<sup>2</sup>) are as follows:

### Scope of greenhouse gas emission and improvement measures

Scope-1 Direct emissions (kg): Business owned or controlled by the Group directly generates the combustion of mobile source fuel



**CO<sub>2</sub>** In the operation, the direct emissions generated by the Group mainly come from the burning of fuel by the Company's vehicles and minivans. The Group will strengthen the management of the monthly usage of all vehicles to optimise efficiency.

Scope-2 Indirect emissions (kg): Indirect emissions are caused by electricity consumption within the Group



**⚡** In the operation, indirect emissions mainly come from the office park electricity consumption. The Group is committed to finding more new ways to reduce energy consumption. It overhauls the power grid and central air conditioner in the office park from time to time to minimize energy consumption.

Scope-3 Other indirect emissions (CO<sub>2</sub> equivalent/kg)



**🗑️** Other greenhouse gas emissions generated by the Group mainly come from waste paper dump.

Total carbon dioxide emission (Ton)



Carbon dioxide emission intensity (ton CO<sub>2</sub> equivalent/ m<sup>2</sup>)

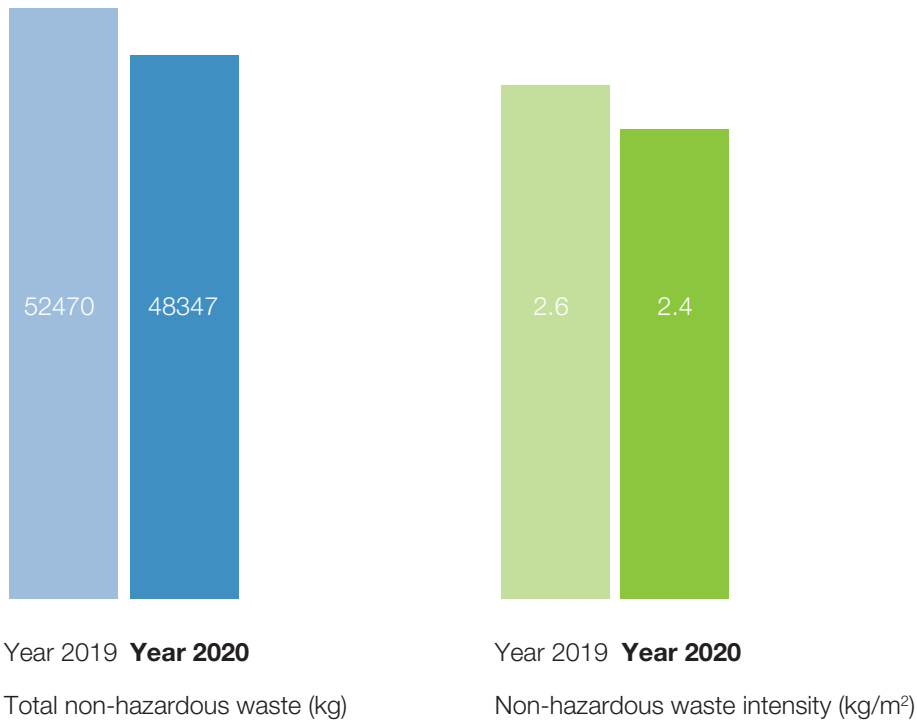


Note: The calculation of CO<sub>2</sub> equivalent is based on the scope of emission and emission factor provided by the Reporting Guidance on Environmental KPIs published by the HKEX.

## Waste Management

During the COVID-19 pandemic, the Group had dedicated waste bins for disposal of used surgical masks to prevent secondary pollution. The Group stored alcohol and disinfectants containing chlorine used for daily disinfection in designated area with good ventilation. The office park had dedicated waste bins for collecting used chlorinated disinfectant containers, which were sent to the repurchasing entities designated by the government for sorting and handling.

The Group didn't directly generate any hazardous waste during its operations. Yet, the non-hazardous waste mainly came from office supplies such as toner cartridges, paper and domestic waste. During the Reporting Period, the total non-hazardous waste and the intensity generated by the Group (based on the Group's office of around 19,863 m<sup>2</sup>) are as follows:

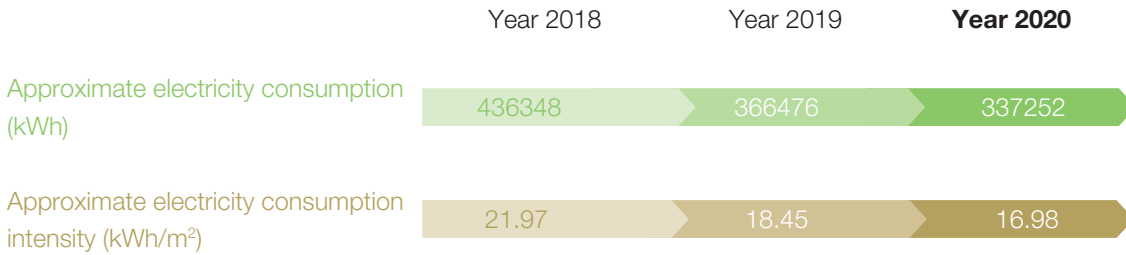


After classified collection, storage and recycling of solid non-hazardous wastes, the Group entrusted qualified companies to carry out waste recovery. In order to more effectively manage the wastes from office, the Company implemented various waste reduction measures, reducing waste from sources and facilitating recycling. We promote 2-sided print, require setting computer printers in power-saving and ink-saving mode, place boxes to collect single-sided paper in the office area, and use single-sided paper to print non-important documents.

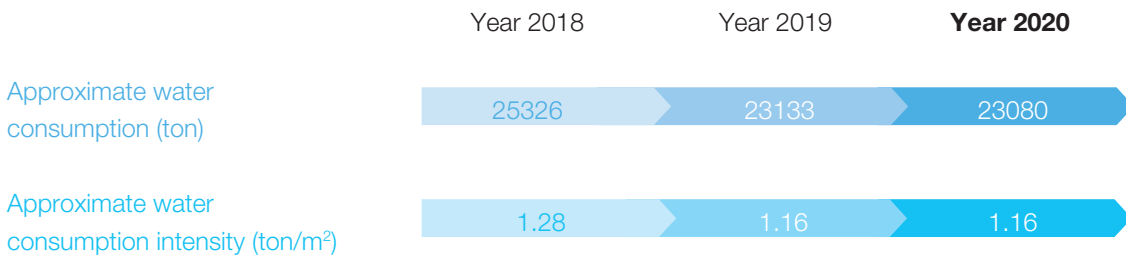
# ENVIRONMENTAL ASPECT REPORT

## Aspect A2: Use of Resource

The Group rigorously implements the Energy Conservation Law of the People's Republic of China and other relevant policies, regulations and standards issued by national, local and industrial authorities. It constantly rolls out policies for higher efficiency of use of energy and water resources, which is in a bid for long-term progress. In the Reporting Period, the electricity and water consumptions and the consumption intensities (based on the Group's office of around 19,863 m<sup>2</sup>) are as follows:



During the Reporting Period, the electricity consumption of the Group decreased, which was mainly attributable to the significant result of the continuous implementation of environmental protection measures and promotion of an energy conservation working environment by the Group. The Company stipulates the range of air-conditioning temperature control in its office to reduce the energy consumption of air-conditioning, and requires its employees to reduce the time of putting electronic and electrical office equipment in standby mode, and eliminate perpetual illumination by switching off unnecessary lights. The Company encourages employees to develop work habits that save energy and reduce consumption, and create a green and low-carbon office environment.



During the Reporting Period, the water consumption of the Group decreased, which was mainly due to the result of the Group's continuous implementation of environmental protection measures and enhancing employees' awareness of resource conservation. The Company regularly maintains and inspects water flow devices and timely replaces aging components to avoid waste due to leakage.

The Group is engaged in an industry of mainly obtaining value and profits through knowledge, innovation and intellectual work. There is no manufacturing process and thus no non-hazardous wastes such as packaging materials are produced. For the transportation of the equipment and raw materials used in the engineering projects, we may use certain packaging materials, paper packaging, cartons, etc. as provided by suppliers. The Company will continue to select quality suppliers which could reduce the use and waste in packaging materials.

# ENVIRONMENTAL ASPECT REPORT

## Aspect A3: Environment and Natural Resources

The Group believes that enterprise development should never be at the expense of the environment. In order to make all levels of the Group know more about the negative impacts of resource utilization habits and business activities to the environment, the Company, by means of various managements, measures and actions, persists in utilizing clean energy and low energy density raw materials so as to gear up the resource utilization rate and minimize the pollutants from the business. Continuously attending and protecting the nature, the Group will go hand in hand with the suppliers, customers, employee teams and other stakeholders to contribute to constructing the resource-saving and environment-friendly society.

### Environmental protection measures implemented





### Aspect A4: Climate Change Responses

The Group proactively responds to the call to address climate change by the country, and complies with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other key laws and regulations, the Comprehensive Work Plan for Saving and Emission Reduction during the 13th Five-Year Plan and other key laws and regulations. The Group constantly improves measures for green operation and mitigates and responds to climate change through implementing green low-carbon management concept in the Company's office and operation premises, requiring employees to save energy, and improving environmental protection measures continuously.

The Group has realized that climate change may have a negative impact on the price and quality of raw materials. For this reason, the Company has established a diversified list of suppliers to effectively address the risk of implementation interruption caused by regional extreme weather. Severe weather may also have potential impacts on project implementation, such as equipment transportation and failure of personnel to arrive in time. The Company actively strengthens the severe weather response measures, and continues to take measures such as emergency material storage and staffing. The Group will continue to pay attention to and actively respond to other impacts brought about by climate change, actively respond to relevant actions of the national government, and continuously enhance its own business's ability to adapt to and resist climate change.

# SOCIAL ASPECT REPORT

The Group proactively promotes the management of corporate social responsibility, and takes initiative to perform social responsibility. The Company has achieved outstanding performance in the practicing of new development concepts and fulfilment of social responsibilities, and was admitted to the “Model of Developing Corporate Social Responsibility in Jiangsu Province 2019”, with total score ranking 9th among 335 shortlisted enterprises of the Province, reflecting the corporate culture of the Group which is open to innovation and devotion. The Group will continue to enhance its social responsibility risk identification and management, prevent legal risks and enhance its core competitiveness and soft power. We will strive to further improve our corporate social responsibility construction work, so as to make greater contribution to high-quality development and sustainable development.



## Employment and Labor Practices

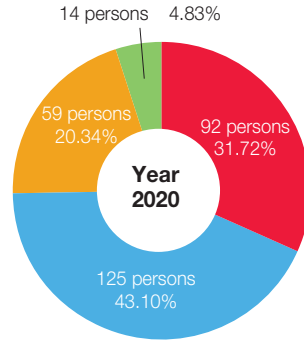
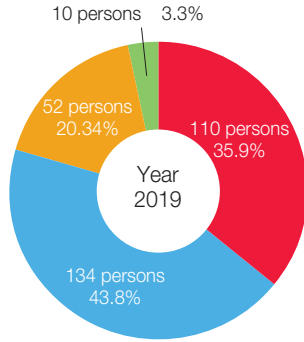
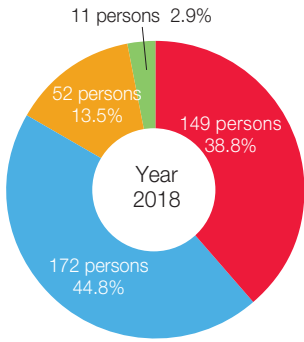
Employees are the determining factors for the healthy and sustainable development of the enterprise, and an important asset of the enterprise and the core competitiveness of the enterprise. The Group attaches great importance to the physical and mental health of its employees during the pandemic, and practiced the “people-oriented” philosophy. During the pandemic, the Group actively carried out various protection work and concretely cared for the employees, so as to create a safe and healthy working environment for the employees.



# SOCIAL ASPECT REPORT

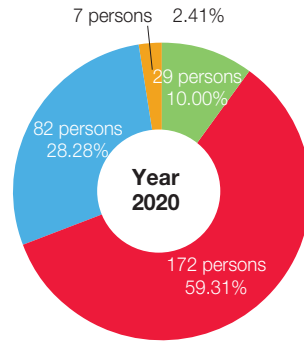
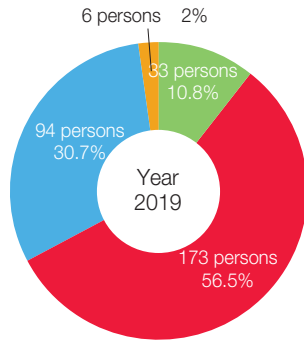
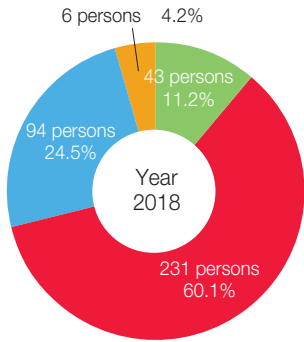
## Aspect B1: Employment

In the Reporting Period, the total number of employees of the Group was 290, of whom 79 were women and 211 were men.



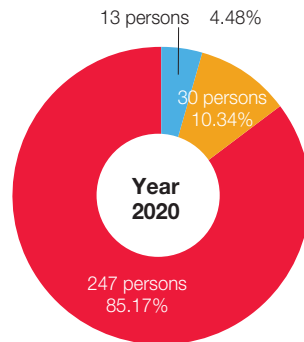
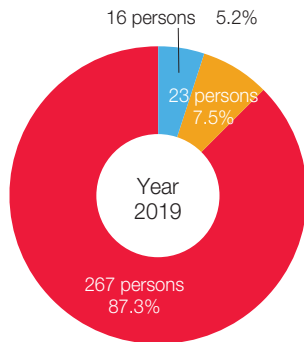
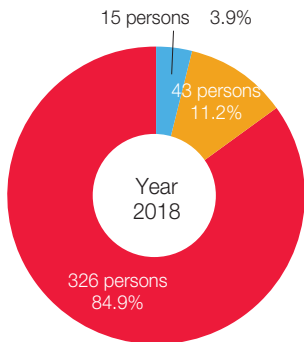
### By age

- 30 years old and below
- 31-40 years old
- 41-50 years old
- Above 50 years old



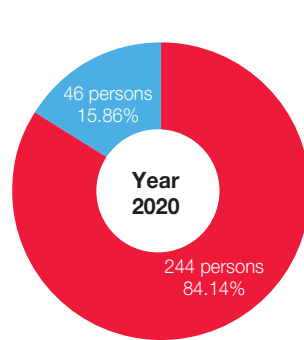
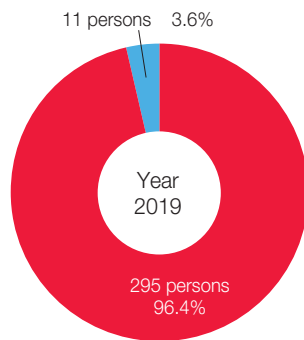
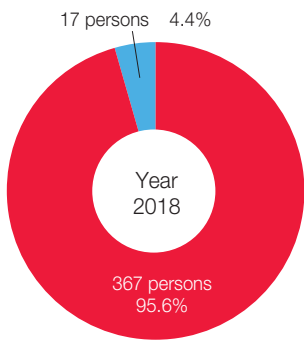
### By educational level

- Postgraduate and above
- Undergraduate
- College
- Others



### By management level

- Senior management
- Middle management
- General staff











### By region

- In Jiangsu Province
- Outside Jiangsu Province

# SOCIAL ASPECT REPORT

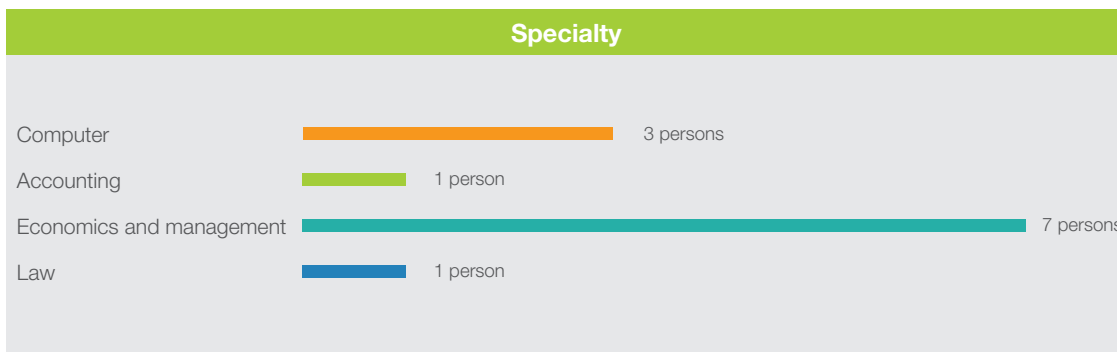
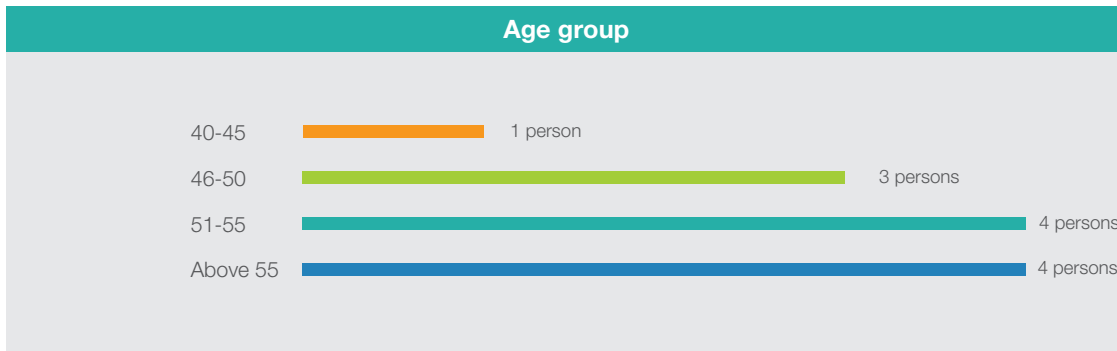
In the Reporting Period, the total number of staff turnover was 94, of which 24 were women and 70 were men.

		Year 2018	Year 2019	Year 2020
Overall turnover rate		19.83%	33.48%	25.34%
Overall turnover rate means the number of the employees in a category who left the Company voluntarily or due to retirement or dismissal during the period under review, divided by the total number of employees in that category.				
By gender		22.26%	29.65%	25.36%
	Male			
		14.57%	41.96%	25.26%
	Female			
By age		18.58%	42.41%	33.33%
	30 years old and below			
		21.46%	33.99%	26.75%
	31-40 years old			
		17.46%	5.45%	10.77%
	41-50 years old			
		21.43%	9.09%	0.00%
	Above 50 years old			
By region		19.16%	32.80%	23.20%
	In Jiangsu Province			
		32.00%	47.62%	38.46%
	Outside Jiangsu Province			

Note: Staff turnover rate = the number of staff turnover/(the number of staff at the beginning + the number of staff increased in this period) \*100%

# SOCIAL ASPECT REPORT

In the Reporting Period, the Group had 7 board directors, 3 supervisors and 2 senior executives, with a male-female ratio of 12:0.



Note: Please refer to the 2020 Annual Report for the information of board directors, supervisors and senior executives of the Group.



# SOCIAL ASPECT REPORT

## Aspect B2: Health and Safety

The Group strictly complies with relevant laws and regulations such as the Work Safety Law of the People's Republic of China, Fire Protection Law of the People's Republic of China and Company Law of the People's Republic of China, and incorporated health and safety standards into its Sample Science and Technology Safety Production Responsibility Management. All employees are required to comply with the regulation so as to improve the management level of health and safety.

Following the outbreak of the pandemic, the Group quickly set up a epidemic prevention and control team, and fully planned, fully mobilized and comprehensively strengthened the epidemic prevention and control work, insisting on "making the lives and health of the employees a top priority". The Group continuously implemented epidemic prevention and control, arranged resumption of work and production with epidemic prevention and control measures applied routinely, thereby ensuring that all employees are healthy and safe and free from infection.



## SOCIAL ASPECT REPORT

The Group has continuously strengthened its daily management on occupational health and safety, formulated and implemented its “Fire Safety Management Regulation”, actively carried out full inspection on safety production, enhanced the fire safety awareness of office staff and regulated the Group’s fire safety management. Any potential hazards and problems identified must be addressed and rectified, and any violation of rules and regulations and departments not inspecting and addressing potential hazards properly will be punished. The Company has dedicated safety officers to check potential safety hazards such as plugs, computers and water dispenser and whether windows and doors are closed after work. Warning will be given to the parties concerned if any violation is found and require them to rectify. The offending person will be subject to punishment on any further violation.



In the Reporting Period, the number of working days lost due to work injury of all employees of the Group was 0, and the Group did not violate or fail to comply with laws and regulations on occupational health and safety.

### Number and rate of work-related fatalities in the past three years

Year	Number and rate of work-related fatalities in the past three years	
	Number of fatalities	Rate
2020	0	0
2019	0	0
2018	0	0

# SOCIAL ASPECT REPORT

## Aspect B3: Development and Training

In the Reporting Period, the Group provided training courses of around 86 times or 3,784 hours in total, and the average training hours per employee was approximately 17.4 hours. (For 2019, training courses of around 128 times or 4,096 hours in total provided, and average training hours per employee of 15.8 hours.)

**Average training hours per employee and percentage of training received by employees (%)**

	Year 2019		Year 2020	
<b>By Gender</b>				
Male	15.5	89%	14.6	78.2%
Female	16.8	73%	26	67.09%
<b>By Employee Category</b>				
Senior Management	40	100%	43	92.31%
Middle Management	34.9	96%	33.1	86.67%
General staff	11.8	85%	11.4	85.43%

# SOCIAL ASPECT REPORT

Valuing the career development of each employee, the Group formulates personal development plan and customizes training for each employee. To ensure the staff promotion space, it introduces three different tracks of career development including functional management, technological innovation and integrated production, which allows employees to align their own professional advancement plan to the Company's development trajectory.

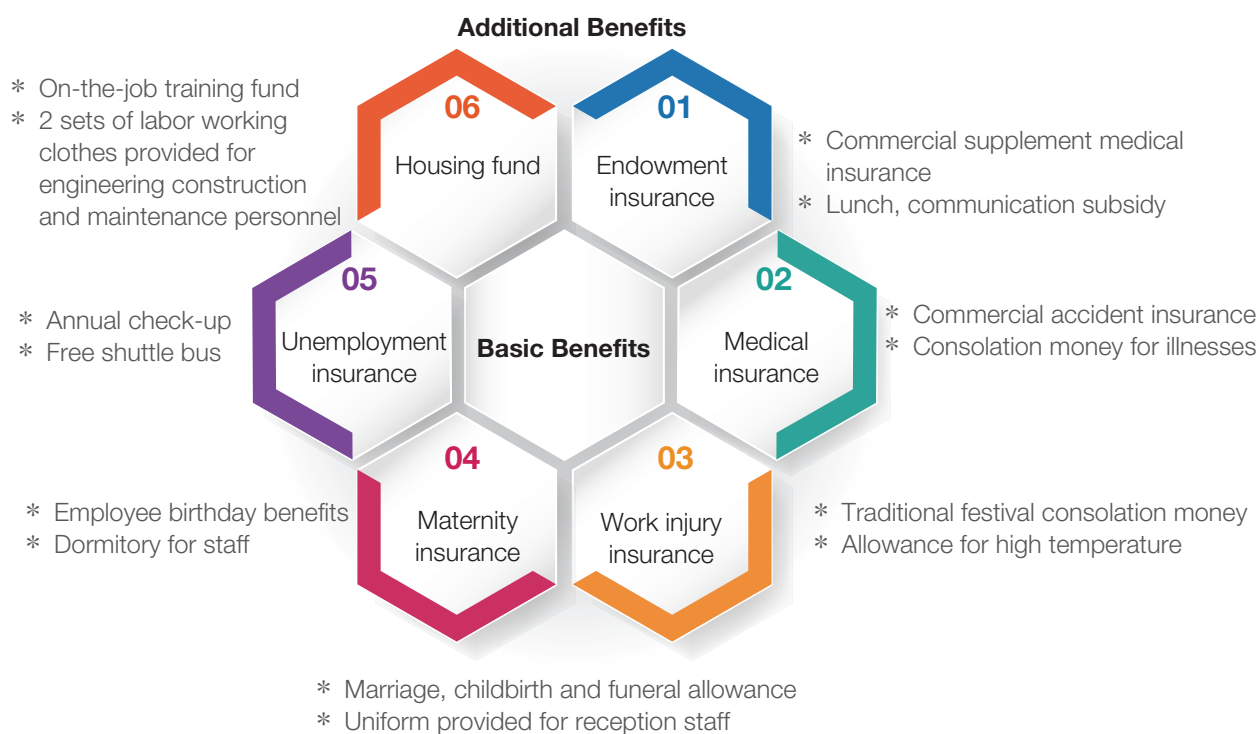


# SOCIAL ASPECT REPORT

## Aspect B4: Labor Standard

The Group has always persevered in the recruitment policy of two-way selection, integrated talent and appointed people by merit. All applicants regardless of gender, race, religion and age have access to equal opportunity to be employed. The Group supplies employees with competitive compensation and benefits, continuously constructs the healthy and safe working environment, and actively perfects the promotion channel and training system. It rigorously abides by the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Regulation on Work-Related Injury Insurance and other relevant laws and regulations as well as national policies in recruitment, promotion, employment, compensation and benefits and other procedures. In the Reporting Period, the Group didn't commit any violation of employment, child labor and forced labor.

The Group will timely adjust the level and structure of compensation based on the local economic development, business situation and value orientation. In addition to linking compensation to the employee's performance, academic qualifications, workload, work title and position, it also offers additional benefits to the employees on the basis of compensation satisfaction.





### **Operating Practice**

The Group strictly implements epidemic prevention and control measures, promotes cost-cutting and quality improvement, strengthens the capability of technology innovation, enhances the quality of management, and fully secures safe production and operation, practices green and low carbon concept and unceasingly promotes sustainable development. The Group pushes forward all management from four perspectives of strategic planning, organizational structure, essential system and performance mechanism. It strictly abides by the Work Safety Law of the People's Republic of China, the Product Quality Law of the People's Republic of China and laws and regulations related to the health and safety of products and services in various businesses.

In the Reporting Period, the Group did not violate any of these laws and regulations and did not receive any complaints about products and services.

# SOCIAL ASPECT REPORT

## Aspect B5: Supply Chain Management

Supply chain management has always been integral to the quality control system. In order to build an intensive, efficient, standardized and transparent procurement supply chain system, the Group has formulated Supplier Management Measures to further improve the process of supplier acceptance review and dynamic management and regulate supplier development, evaluation process and basis, ordering and procurement, supplier evaluation, etc. Periodically evaluating suppliers on quality, price, service and other items, it compiles List of Qualified Suppliers for regular supplier team, long-term beneficial supply-demand relations, and stable quality and materials.

The Group places emphasis on sustainability of the supply chain and includes the supply chain environment, social risks and supply continuity into key issues of supply chain management to ensure the stability of the engineering projects and product supply. The Company maintains good and efficient communication with suppliers and frequently communicates various improvement requirements relating to environmental and social risks, and requires them to obtain relevant certifications for quality, environmental and social management systems, and undertake to meet local environment and social-related laws and regulations, so as to ensure the competitiveness of the suppliers and their provision of high quality products and services.

In addition, the Group has integrated environmental protection elements into the supply chain management. For the transportation of project equipment, the Company will arrange professional and qualified transportation companies to carry out transportation to ensure reduction of emissions from transportation and implementation of green and environmental protection supply chain services from the source. In daily operation, we also support environmentally-friendly procurement, and our business department will select green products with high efficiency, and will consider whether the products are easy to recycle, durable, low-pollution, clean and easily decomposed.

Due to the impact of the COVID-19 pandemic, the Group's supply chain was also affected to a certain extent by the measures adopted by the State, including suspension of work and limited transportation services. During the pandemic, the Group closely monitored the changes in market prices and the ratio of deposits and ensured timely follow up on contract performance by upstream and downstream suppliers. For certain customers with good credit standing and sound performance, the Group will, after assessing risk tolerance, grant a grace period for a certain limit to support the supplier to resume production, overcoming the difficult time with them. In addition, the Group managed the supply chain in a flexible manner and communicated with its business partners through conference call and video conferences, so as to prevent the normal operation of the business from being affected by the pandemic.

In the Reporting Period, the Group had approximately 500 qualified suppliers of raw materials, engineering project equipment and product accessories. Due to the pandemic, the Group mainly worked with approximately 200 suppliers during the Reporting Period, all of which were located in mainland China.

Region	Number of suppliers in 2020	Number of suppliers in 2019
North China	17	38
Northeast region	1	3
East China	166	339
Central China	1	4
Northwest region	4	11
South China	26	54
Southwest region	1	6

## Aspect B6: Product Responsibility

Resolutely following the Work Safety Law of the People's Republic of China and other relevant laws and regulations, the Group has also formulated internal system documents such as Production Safety Management Regulations and Comprehensive Emergency Plan for Safety Accidents. In this way, the production safety system of Company is further perfected, and that of subsidiaries is provided with references, which preserves the top-notch service.

## Quality Management Systems

The Group has established a quality system in respect of its operating segments, such as corporate management, product design and development, marketing services and quality of works strictly in accordance with the GB/T19000-ISO9000 quality management and quality assurance standards, and obtained certification of the ISO9000 quality management system. The success of certification of its quality management system has comprehensively enhanced the Company's product design, production organization, sales and user services, and enhanced the Company's market competitiveness.

The Group fully implements the ISO9000 quality management system standards of procurement from suppliers, operation and final product control processes, strictly follows the "Substandard Product Control Procedures" for various segments that may lead to substandard products. Through systematic data analysis, the Group identifies the root causes for the occurrence of substandard products and prevents the occurrence or recurrence of substandard products in accordance with the rectification or preventive measures. The Group carries out standardised handling for the control and disposal of substandard products, so as to reduce the failure rate of the production and operation segments and achieve the objective of reducing the material consumption and costs.

In the Reporting Period, the acceptance rate of project in progress and passing rate of equipment and products of the Group are all 100%, and the Group did not have any sold/shipped products that need to be recalled due to safety and health reasons, and did not receive any complaints about violations of product and service safety.



## Technology and Innovation Capability

IOT is a new round of IT revolution following computer, Internet and mobile communications, and is the core driving force for the future competition in the information industry. In 2020, the Jiangsu Internet of Things Standardized Technology Committee (JS/TC46) was established, and the Group, as an important unit leading and drafting standards, participated in the formulation and promulgation of 16 standards, including 6 national standards, 3 industry standards, 4 local standards and 3 organisation standards, positively promoting the development of Jiangsu's IOT technology and IOT related industries.

Scientific and technological innovation is the first productive force of enterprises. Invariably viewing “scientific and technological innovation” as the source power during the development, the Group has been staging in-depth implementation of the innovation-driven advancement strategy, gearing up the construction of scientific and technological talent team, and boosting the brand value and market competitiveness via quality, innovation and service. The Company was ranked among “Top 100 Hi-Tech Enterprises in Nanjing 2019”, which is a recognition and encouragement of its innovation and research capabilities. Meanwhile, the Company has passed the CMMI Level 3 Certification (integrated software capability maturity model) and documented and standardised the processes of software management and engineering. All projects use approved and tailored standard software processes to develop and maintain software, and the production of software products is visible throughout the formation process.



## Customer Satisfaction

Service standardization is a prerequisite for the commercialization of services, the commercialization of services is a prerequisite for the industrialization of services, and the ITSS standards enable products and services to achieve scale. Through continuous quantification and monitoring of the level of customer satisfaction, and implementing ITSS customer service standardization, the Company obtained the ITSS Level 3 certification (IT service operation and maintenance standard compliance certificate). In the future, the Company will continue to enhance the quality of its IT services through ITSS to earn customers' continuous recognition of our service quality, directly translating it into economic benefits and comprehensively enhancing service quality.

Centering on customer requirements, the Group lays emphasis on customer experience and after-sales service. It sets up various online and offline complaint channels, establishes the customer report management, records each complaint and conducts the whole follow-up management. The regional project manager in each business region helps handle and address customers' comments and questions and provides customer with face-to-face tracking and response experience. In the event of a customer's complaint, the business department will collect and record the complaint and assist in investigating the cause of the complaint, reply to the complainant in respect of the investigation process, follow-up handling and results to ensure that the customer is satisfied and maintain a just, fair and open complaint handling process. The Group checks customer's satisfaction by means of questionnaire, phone call, on-site visit, etc., so as to grasp the customer demand and provide comprehensive services timely. The Company's reputation and quality management can also be propped up.





## Information Security Guarantee

In accordance with the international standards of ISO27000 information security management system, the Group has established a comprehensive information security management system with clear planning, accurate objectives and complete organisation, and has achieved dynamic, systematic, all employees participated, institutionalised and prevention-based information security management. We seek to ensure a reasonable standard of information security with a minimum cost, thereby ensuring the effectiveness and continuity of the Group's operations.

At the same time, the Group continued to enhance the availability, reliability and security of its business services. Through the establishment of an optimized and transparent management process with defined authorisation and responsibilities, the Group integrated the existing management system and business process, regulated the service standards of its business departments, regulated the work process and provided effective services to meet the needs of customers and businesses in accordance with the international standards of ISO20000 Information Technology Service Management System. In 2020, the Company obtained the ISO20000 Information Technology Service Management System certificate, which means that the Company has attained world-recognized leading service management standards, and its service management objectives and quality of services are recognized unanimously by the stakeholders.

Stringently abiding by the Cybersecurity Law of the People's Republic of China, and the Administrative Measures for the Graded Protection of Information Security and other relevant laws and regulations, the Group carries out data management in accordance with national ministry and commission requirements and national standards such as the Guidelines for the Administration of Big Data Security and the Guidelines for the Implementation of Big Data Risk Control. It aims to further intensify the maintenance of information security and prevent and deal with various risks. During the Reporting Period, the Group did not receive any complaints about customer privacy disclosure.



### Protection of Intellectual Property Rights

Intellectual property rights are core competitiveness of technology and industry. Intellectual property management system is one of the most important components of the high-tech enterprise management system, and the establishment of the system plays an important role in enhancing the value of an enterprise's intangible assets, core competitiveness and reducing the risk of production and operation. As early as 2016, the Company has obtained the certification of the GB/T29490-2013 Intellectual Property Management System and established a sound intellectual property management system. The passing of the annual audit of the certification of the Company's intellectual property management system in 2020 is not only a recognition of the Company's intellectual property management and the results of the operation of the system, but also a recognition of the standardisation of the work of various departments on intellectual property rights, as well as the Company's technological strategy.

While boosting its main business, the Group attaches great importance to the protection of intellectual property rights and manages intellectual property owned and used in the related projects in strict accordance with laws, regulations and rules such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and the Copyright Law of the People's Republic of China. In the Reporting Period, the Group did not have any disputes regarding infringement of intellectual property rights.

### Aspect B7: Anti-corruption

The Group is convinced that fairness, honesty and integrity are important commercial assets. Adhering to the professionalism and ethic integrity, it rejects any form of bribery, extortion, fraud and money laundering. The Company is adamant in cracking down corruption, and calls for honesty, with zero tolerance of illegitimate behavior. All employees and administrators are required to abide by the relevant legal norms and ethical standards of laws and regulations such as the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China and the Code of Integrity and Self-discipline of the Communist Party of China. It also regulates the code of conduct for employees in the Employee Manual, so as to collectively prevent commercial bribery, safeguard the legitimate rights and interests and maintain good business discipline.

The Group actively guides employees to identify relevant risks in business and take preventive measures. All partners are prohibited from bribing employees in any way. Simultaneously, employees are encouraged to timely report if there is any suspected violation of regulations or unethical business behaviors. The Group provides clear reporting channels such as e-mail, telephone and mailbox, and has an Audit Department to supervise the compliance record management. The Company is committed to promptly investigate and follow-up with the most rigorous attitude to safeguard the integrity and image of the enterprise.

In the Reporting Period, the Group and its employees were not involved in any illegal cases such as corruption, bribery, extortion, money laundering and fraud.

## Aspect B8: Community Investment

The COVID-19 pandemic is of great concern to every national, and prevention and control of the pandemic, cut off the spread of the virus and winning the fight against the pandemic has become the common goal of the society. In the face of the unexpected outbreak, the Group has actively responded to the epidemic prevention and control requirements of governments and authorities at all levels. Fully leveraging its advantages in the research and development and application of IOT technology, the Group actively launched technological innovations in various frontlines of epidemic prevention and control such as safety supervision of operation vehicles, global procurement and customs clearance of epidemic prevention supplies. The Company's technological capabilities and contribution in epidemic prevention and control have been fully recognized by governments and authorities at all levels, and the Company was successfully admitted to the national "List of Key Secured Enterprises for the Prevention and Control of Novel Coronavirus Pneumonia Epidemic".

附件  
新冠肺炎疫情重点保障企业名单（第...）

序号	地区	企业名称	主要产品
全国性名单（52家企业）			
1	江苏	南京先声东元制药有限公司	药品：扎那米韦粉雾吸入剂、注射用比阿培南、咳喘宁口服液
2	江苏	南京舒普思达医疗设备有限公司	医疗器械：无创呼吸机
3	江苏	南京金陵塑胶化工有限公司	防护用品主要原辅材料：聚丙烯产品
4	江苏	南京国业科技有限公司	全自动红外体温监测仪
5	江苏	药大制药有限公司	药品：利巴韦林颗粒、消毒用品：免洗消毒凝胶等
6	江苏	南京巨鲨显示科技有限公司	医疗器械及电子仪器仪表：医用专业显示器、医用数字X线设备、感控清洗系列产品、感控灭菌监测系列产品、医用无纺布包装材料
7	江苏	南京三宝科技股份有限公司	信息服务：防疫用政府监管平台-江苏省车辆主动安全防护系统、进出口综合服务平台-口罩和防护服等各类医疗器械的全球采购及服务、防疫物资快速交付平台、海关进出口掌上物流平台卡口系统及智慧高速公路机电系统
8	江苏	南京普助医疗设备有限公司	医疗器械：血气生化分析仪及其配套试剂
9	江苏	江苏鸿运汽车科技有限公司	车辆装备：负压救护车
10	江苏	南京英德利汽车有限公司	车辆装备：救护车

At the time when the pandemic was most severe, the Group's front-line staff adhered to the corporate value of providing good services to customers, standbyed at the sites of our projects and stood fast at their posts. They effectively coped with the various demands raised by the customers, effectively supported the smooth operation of the customers, and contributed their own strength to help Wuhan and the fight against the virus.



The general Party branch of the Group supported epidemic prevention and control with concrete actions by calling on all Party members to work together, give full play to their strength and provide full support. During the period, a volunteered donation of over RMB10,000 was made which represented their effort and care in fighting the pandemic. As the battle against the pandemic continues, the Group will live up to the expectations of governments and authorities at all levels, and with their support, the Group will increase its investment in research and development in technology, nurture and enhance the core competitiveness of the enterprise and continue to help win the battle against the pandemic.

Looking back at 2020, the Company did not yield to difficulties and obstacles and maintained its pace of progress. Sample Technology remained resolute in its principal business by keeping its hard work to uphold the concept of using scientific and technological capabilities to benefit our customers, increasing investment in scientific and technological research and development, strengthening the capabilities of Internet of Things solutions and enhancing its competitiveness in various business segments such as intelligent transportation and intelligent logistics, to make “achieving steady and fission growth” a reality.

Looking forward, Sample Technology will continue to focus on two core segments, namely the expressway intelligent transportation and customs intelligent logistics. Supported by the in-depth integration of Internet + Internet of Things technology, Sample Technology, with technology and innovation as the key drivers, will continue to provide customers with new intelligent services like “intelligent hardware + platform system + data service” in the two core segments through the 2-wheeled development model of “technology + market”. In respect of the expressway intelligent transportation segment, the Group will focus on projects that can make use of intelligent expressway application to facilitate technology upgrades, implement pilot projects of intelligent roads and develop monitoring cloud platforms. In respect of the customs intelligent logistics segment, the Group will continue to focus on product differentiation development and explore potential expansion of application, strengthen its research and development efforts and further upgrade the solutions centered on core customers.

“Our quest for technology is for our customers”. Sample Technology will keep increasing effort in driving development with innovation, deliver output of high quality and efficiency, constantly cultivate capabilities facing customers, and strive to offer satisfactory solutions to every customer.





**SAMPLE**  
智慧创造品质生活

南京三寶科技股份有限公司  
Nanjing Sample Technology Co., Ltd.  
(Stock code : 1708)