

CETC 中国电科

CHENGDU PUTIAN TELECOMMUNICATIONS CABLE CO.LTD.

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

Stock Code: 1202



2021

CHENGDU PUTIAN
TELECOMMUNICATIONS
CABLE CO.LTD.

2021 Environmental,
Social and Governance Report

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Description of Report Preparation

Reporting Period

This report covers the period from 1 January 2021 to 31 December 2021, partial content of which may be beyond such time range.

Publication Cycle

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

Scope of the Report

The report covers Chengdu Putian Telecommunications Cable Company Limited and its controlling subsidiaries, namely SEI and Zhongling. Taking into account that optical fibre business, rail transportation cable business and park operation business are the three major businesses of the Company, so the Company will continue to focus its data disclosure efforts on these three businesses.

Conformance Statement

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

Basis for Report Preparation

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

Reference Description

"Chengdu PUTIAN", the "Company", "our" and "we" will be adopted instead for the expression of Chengdu PUTIAN Telecommunications Cable Company Limited.

China PUTIAN Corporation Limited will be referred to as "China PUTIAN".

China Potevio Company Limited will be referred to as "China Potevio".

China Electronics Technology Group Corporation Limited will be referred to as "China Electronics Technology".

Chengdu Siwi Electronic Co., Ltd. Will be referred to as "Siwi Electronic".

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

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

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

Report Availability

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

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

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



A Message from the Management

2021 was a significant year for the Company. With SASAC steadily advancing in the strategic reorganization of central enterprises, China PUTIAN was integrated into China Electronics Technology as a whole, as such, the controlling shareholder of the Company was changed from China PUTIAN to SIWI electronics under China Electronics Technology. Over the past year, with party building as the guidance and development as the goal, the Company has been adhering to the overall tone of working proactively and aggressively, and the development philosophy of quality first, economic benefit in priority and staying true. With such efforts, the Company had made achievements in improving management service capabilities, continuing to reduce costs and enhance efficiency and optimizing and improving internal control, enhance the efficiency in implementing mechanisms and accelerate and deepen the integration into China Electronics Technology.

The Company continuously improved the modern corporate system with characteristics specific to China, established and ensured our scientific development, constantly improved the level of corporate governance of the Company and clearly defined the duty and responsibility of “Three Key and One Major” decision making matters. The Company adhered to the conduct of corporate governance according to law, maintained an indicator system for the quarterly monitoring of significant risks and risk classification and detection, and implemented risk management as a daily routine; optimized the Company's authorization management system, improved operating efficiency, and put in place preventive measures for operating risks to promote the continuous improvement of the comprehensive risk management system of the Company.

The Company strictly abided by environmental protection laws and regulations, attached great importance to safety production to strictly prevent accidents in production, exerted great efforts on energy conservation and environmental protection, and established a pandemic prevention and control management system, benefiting from which, the Company recorded zero work-related accident of serious injury or worse, zero fire accident, zero occupational disease, zero accident of minor injury, zero environmental pollution accident, zero criminal or public security case, zero illegal acts and penalty from the governments with jurisdiction, and zero COVID-19 positive case throughout the year. The Company was rated as “Reliable Enterprise” in the environmental credit evaluation and “Good” in the occupational health evaluation, marking its fulfillment of the management and control requirements under the overall goals and indicators.

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

Looking back on the past year, with the joint efforts of all management members and employees of the Company, we have accomplished a certain stage of tasks. Nevertheless, facing the future development, there are still many problems and uncertainties ahead. The next two years are the key period for the Company to plan for the future based on the present and strive for a turnaround. Let us advance hand in hand, face difficulties and challenges, and strive to drive the Company to achieve high-quality development!



Company Profile

Established in 1958, Chengdu PUTIAN Telecommunications Cable Company Limited, formerly the Chengdu Cable Plant of the Posts and Telecommunications Ministry of China, was restructured and listed in Hong Kong in 1994. The Company takes the dual drive of "industry and resources" as its guiding ideology, and focuses its business on industrial fields such as optical communications, energy transmission, and communication technology asset innovation. It has a registered capital of RMB400 million and over 600 employees.

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

Adhering to its core values of "innovation, professionalism, responsibility, learning, sharing", Chengdu PUTIAN is committed to becoming a safe and reliable expert in information and energy transmission. Due to its outstanding management and effectiveness, the Company has won the Golden Horse Award, the highest award for corporate management, and has been awarded the titles of "Advanced Enterprises", "Top Ten Enterprises" and "Special Contribution Enterprises" by local governments and industries at all levels.



ESG Management

Chengdu PUTIAN has been practicing the ideology of sustainable development. Combined with its own business development, it has been continuously optimising and improving the Company's ESG management in terms of corporate governance, environmental protection, employee development and social contribution. In the next two years, which are the critical period of development, the Company will keep on shouldering its social responsibility. While developing its business, we will continue to promote our ESG governance system and improve the Company's sustainable development ability in terms of environment, society and governance.

Governance Structure

The Company has established a top-down ESG management structure, in which the Board is responsible for decision-making, the Strategic Development Committee of the Board is responsible for coordinating ESG management, while the ESG governance group which comprises heads of each department is responsible for the implementation of specific work.

Board of Directors

- Responsible for accessing and determining the Company's ESG-related risks.
- Reviews and approves the relevant ESG policies.
- Reviews and approves the Company's ESG Report.

Strategic Development Committee

- Formulates the Company's ESG management policies, strategies and objectives.
- Monitors the Company's ESG performance on a regularly basis.
- Reviews and approves the Company's ESG Report.

ESG Governance Group

- Responsible for collecting the Company's relevant ESG information and preparing reports.
- Reports the implementation progress of the goals to the Company's management and the Strategic Development Committee of Board on a regularly basis.
- Proceeds with the relevant work in relation to the Company's ESG objectives.

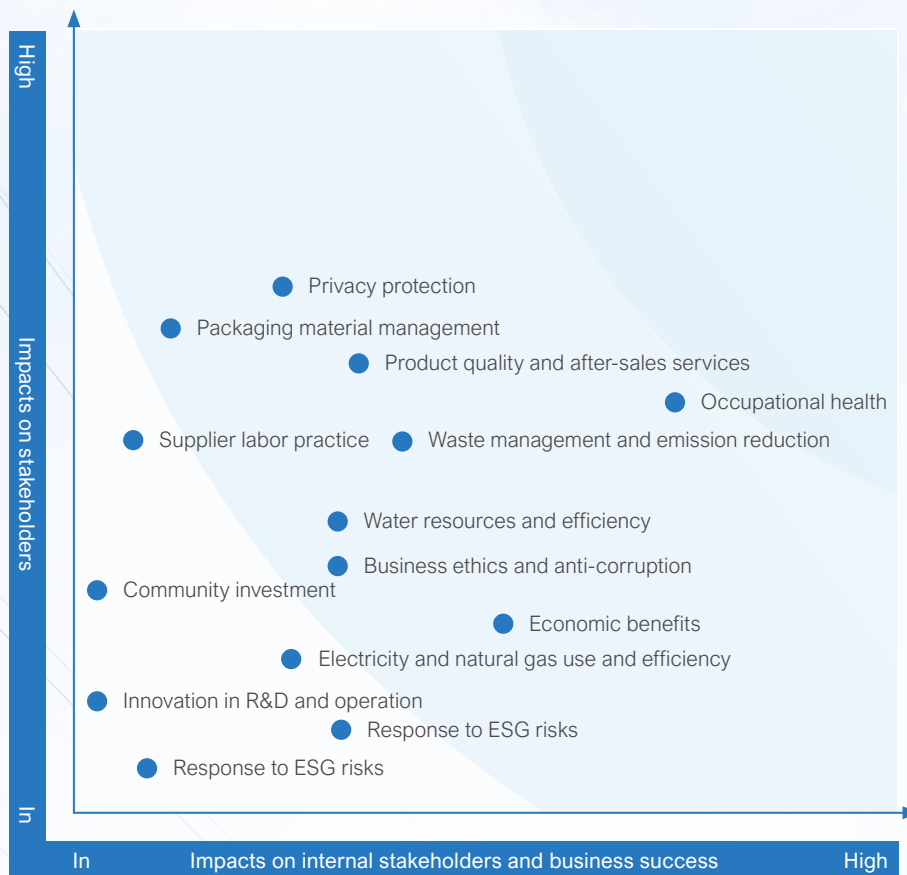


Materiality Assessment

The Company identify and select material issues in respect of "impacts on the Company and its business success" and "impacts on stakeholders" via questionnaires and interviews with stakeholders.







In 2021, there has been no changes in the Company's material issues, but it became more pressing to address the stakeholders' needs.

Material issues identified by Chengdu PUTIAN



Stakeholder Engagement

The Company attaches great importance to the communication and exchange with the stakeholders, including governmental and regulatory authorities, shareholders and investors, customers, employees, partners, communities and the public, and actively address their concerns.

Key stakeholders	Issues of concern	Address measures
 Governmental and regulatory authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Lawful operation • Safety and environmental protection 	<ul style="list-style-type: none"> • Comply with laws and regulations • Respond to national policies
 Shareholders and investors	<ul style="list-style-type: none"> • Economic benefits • Corporate governance • ESG Management • Anti-graft 	<ul style="list-style-type: none"> • Reduce costs and enhance efficiency • Govern the enterprise lawfully and incorruptible • Enhance information disclosure
 Customers	<ul style="list-style-type: none"> • Product quality • Service quality • Business ethics 	<ul style="list-style-type: none"> • Enhance quality management and control • Place importance on research and innovation • Adhere to Business Ethics
 Employees	<ul style="list-style-type: none"> • Employee interests • Remunerations and benefits • Career Development • Occupational health and safety 	<ul style="list-style-type: none"> • Employee representative meetings • Labour union activities • Occupational training • Performance management
 Partners	<ul style="list-style-type: none"> • Win-win cooperation • Fair purchase 	<ul style="list-style-type: none"> • Supply chain management
 Communities and the public	<ul style="list-style-type: none"> • Rural area revival • Community issues • Environmental protection 	<ul style="list-style-type: none"> • Perform social responsibilities • Protect environment

Capital market information communication

In 2021, the Company continued to answer stakeholders' inquiries through diversified communication channels, maintained sound relation with stakeholder, and deepened the stakeholders' understanding of the Company's operation, business, development strategy and investment value.

The Company responded to the inquiries of shareholders and investors in a timely and comprehensive manner, and reported to the Directors and Supervisors the revision of the listing rules and the Company's monthly key information, so as to protect the information rights of the stakeholders.

The Company responded to the daily inquiries of the CSRC, the Hong Kong Stock Exchange and other regulatory bodies on time, actively listened to the opinions and consultation of shareholders, securities companies and fund managers, by which we have maintained the good image and reputation of the Company.

Feature: New era, new standards, new challenges

Celebrating 100th anniversary of the Party and marching into new era

2021 marked the 100th anniversary of the founding of the Chinese Communist Party. Chengdu PUTIAN celebrated joyfully the Centennial birthday of the Party. While moving towards a new era and a new journey, it is also facing the opportunities and challenges brought by the great changes that have not been seen in a century.

Guided by Xi Jinping's thought of socialism with Chinese characteristics in the new era, the Company based on the new development stage to implement the new development concept and integrate into the new development pattern. The Company celebrated the 100th anniversary of the founding of the Party with practical actions, including carried out the study and education of Party history and Party construction with the theme of promoting high-quality development.

Learning the Party's history

The Company has been conducting the study and education works in relation to the Party's history throughout 2021. Focusing on the members of the Company's Party Committee, the Company carried out extensive and in-depth education for all branches and all Party members, highlighting studying Party's history, understanding ideologies, conducting practical things and opening up a new situation.

According to the "Implementation Plan for Chengdu PUTIAN's Study and Education Activities in relation to the Party's History, the Company actively monitored all branches to carry out learning with "Three Meetings, One Lecture" and theme day activities; organised and participated in a series of study and education activities in relation to the Party's history carried out by China PUTIAN, China Electronics Technology and Chengdu SASAC; invited experts and scholars to hold special learning and training courses on Party's history in the Company, and organized to watch films in relation to the Party's history, guided all Party members to study and understand the Party's history, and firmly established the confidence of adhering to the leadership of the Chinese Communist Party and the road of socialism with Chinese characteristics.

On the eve of the "1 July Festival", the Company held a celebration of the 100th anniversary of the founding of the Party and "1 July" commendation conference, in which the Company's outstanding communist members, outstanding Party workers and individuals and collectives of advanced Party branches from 2020 to 2021 were commended. On 1 July, the Party Committee of the Company organized all Party members, league members and employees to watch the 100th anniversary of the founding of the Chinese Communist Party conference and listen to the important speech of General Secretary Xi Jinping. From the spirit of General Secretary Xi Jinping's important speech, we have deeply learned from the experience of the Party's founding history in the past 100 years, and strengthened our belief in undertaking responsibility based on our own posts.

At the same time, the Company actively carried out innovation in education in relation to the Party's history. We carried out education in relation to the Party's history and promoted the deepening and implementation of education in relation to the Party's history with multimedia tools and various learning platforms. The "Chengdu PUTIAN" WeChat public account menu opened columns of "Learning Party's History" and "Party's History a Day", and added the link of the official website of the Party's history learning and education set up by People.cn for the Party members to study themselves; launched the "100 questions about the Party's History" series quiz column, and push 10 issues of questions and answers for all employees to learn; organised leading cadres to participate in the online learning activities of the "Party's 100-Year History" online special class of China Cadre Online College.

Communist film screening

On 14 May 2021, the Party Committee of Chengdu PUTIAN organized more than 120 Party and Youth League members to watch the Communist film "Above the Cliff". The Company took this opportunity to lead the Party and Youth League members to further strengthen their Communist faith, inherit the revolutionary spirit, concentrate on creating new achievements, and commemorate the 100th anniversary of the founding of the Party with excellent achievements with the fighting spirit of the revolutionary martyrs who were fearless of sacrifice and forged ahead.



"The Red Boat Spirit" – a lesson on the Party

On 27 September 2021, according to the deployment of quality education and training for new citizens in Chengdu High-tech Zone, Chengdu PUTIAN organized a special lesson on the Party - "The Red Boat Spirit", which focused on watching the documentary "The Red Boat". Employees were called on to practice the "Red Boat Spirit" and forge ahead bravely in the face of risks and challenges encountered in the integration and development of the Company in the new era. A total of 106 people participated in the special lesson on the Party.



Party building

In 2021, the Company continued to strengthen the implementation of the responsibility of Party building, promoted the integration of Party building and production and operation, gave full play to the fortress role of the Company's Party branches and the vanguard role of Party members, so as to promote the healthy development of the Company.

The Party Committee of the Company continued to promote the modernization of Company's corporate governance system and capability, to play an important role of "taking direction, managing the overall situation and promoting implementation". The Party Committee adhered to the principle of centralized democratic system, ensured scientific and democratic decision-making, and strictly controlled the advanced research and discussion. During the Reporting Period, the Company held 12 Party Committee meetings in total to discuss in advance 13 "Three Key and One Major" matters, so as to escort the Company to build and improve the modern enterprise system with Chinese characteristics.

According to the deployment of the "Implementation Plan for the Review of Implementation of the Spirit of the Conference on Party Construction in State-Owned Enterprises in China" by the Party group of China Electronics Technology, the Company actively cooperated with the inspection and supervision of Party Construction of the fifth tour steering group of China Electronics Technology in 2021, and submitted more than 20 review reporting materials to the steering group. While completing the patrol inspection, we checked the omissions and fill the gaps, learned from the experience of Party construction and improve the level of Party construction.

All branches of the Company earnestly implemented the main responsibility of Party building, timely held serious and diversified special democratic life meetings, carried out Party spirit analysis focusing on establishing a correct view of the Party's history, carried out in-depth talks and rectified problems in time. The sense of responsibility of each branch has been further strengthened. On the eve of "1 July", the Party branch visited and expressed regards to veteran Party members, veteran cadres and their families, and issued commemorative medals of "50 years of glory in the Party" to more than 70 veteran Party members in cooperation with the neighbourhood organization, conveying the Party's concern and care for veteran comrades.



Grasp the new opportunities of development brought by the completion of equity transfer

On 23 June 2021, SASAC officially announced that, with the approval of the State Council, the entire equity interests in China PUTIAN will be transferred into China Electronics Technology at nil consideration and China PUTIAN will become a wholly-owned subsidiary of China Electronics Technology. On 10 November 2021, China Potevio entered into an equity transfer agreement with Siwi Electronic for the transfer of 240,000,000 shares of the Company at nil consideration to Siwi Electronic. The controlling shareholder of the Company was changed from China Potevio to Siwi Electronic.

Subsequent to the transfer, the management members of the Company was increased from 5 to 8, with the general manager and chief financial officer newly appointed. The Board of Directors of the Company was also changed in November, by which the management capacity of the Company was further strengthened.

The Company benchmarked the "Three Positioning" of China Electronics Technology, namely the main force of military electronics industry, the national team of online information industry and the national strategic technological force, and the "Four Segments" of electronic equipment, online information system, industrial foundation and network security, investigated risk control loopholes, remedied management weaknesses, and studied and optimized industrial measures.

In the future, the Company plans to build a main business structure based on locomotive cable and fiber optic businesses, with high-frequency and low-frequency cable, digital manufacturing and military-civil integration industry supply chain development base as the core competence. First, aiming at the needs of scientific research and production of the industry, launch the military electronic cable component assembly business and extend to wire bundle manufacturing business. Second, focusing on the action of "building an industrial circle and strengthening the industrial chain" in Chengdu, and aiming at the upstream and downstream enterprises of the peripheral "military electronics" industrial chain, making use of the land advantages of the park, realize the intelligent and digital transformation of the park through the construction of digital infrastructure and public service system, and build a military electronics industrial chain development base. Third, relying on the resource advantages of the controlling shareholder, build the military electronic equipment component digital manufacturing capability through partial capability injection and training. Fourth, guided by the national "14th Five-Year Plan for the Development of Modern Comprehensive Transportation System", make efforts in the aspects of technology, team, capital and equipment support, improve our core business capabilities, so as to gradually and deeply expand the traditional locomotive cable business to the fields of motor car, high-speed railway cable market, tunnel cable and marine cable.





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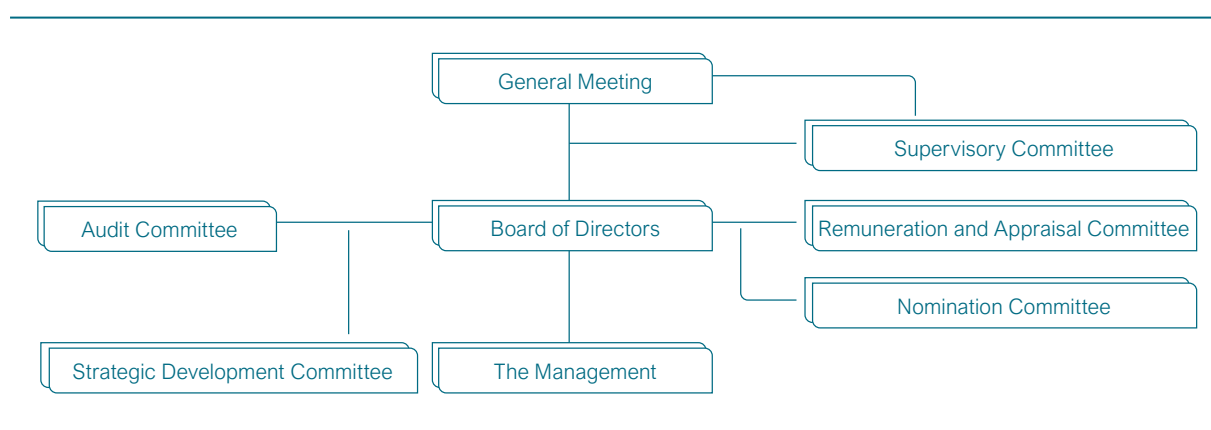
Governance: Solidify foundation of Management

Standardise Operation of the Three Meetings

Chengdu PUTIAN attaches great importance to the principles of corporate governance. While strictly complies with the relevant requirements of the Regulations on Supervision and Management of State-owned Assets of Enterprises promulgated by the SASAC of the State Council and the Rules Governing the Listing of Securities on Hong Kong Stock Exchange, it has established a clear and complete governance structure with focuses on effective internal control, stringent disclosure practices and transparency and accountability.

In 2021, the Company continued to take the general meeting as the highest authority, with the Board mainly responsible for leading and managing the Company, and promoted the development of the Company through the standard operation of the general meeting, the Board and the Supervisory Committee.

Corporate governance structure



In 2021, the Company convened two annual general meetings, nine Board meetings, two Remuneration and Appraisal Committee meetings, two Nomination Committee meetings, three Audit Committee meetings, one Strategic Development Committee meeting and four Supervisory Committee meetings. All votes were taken in accordance with legal procedures and the articles and association.

Details of the meetings of the Board and the committees thereunder in 2021 are as follows:

Committee	Number of meetings	Content
Board of Directors	9	Discussed the Company's operating results and financial performance, candidates for independent non-executive Directors and members of the new session of the Board, change of auditors, business development and continuing connected transactions etc.
Remuneration and Appraisal Committee	2	Reviewed the Company's salary and remuneration packages of senior management
Nomination Committee	2	Discussed the structure of the Board, candidates for independent non-executive Directors and management and members of the new session of the Board
Audit Committee	3	Reviewed the annual results and related accounts for 2020, the interim results and related accounts for the six months ended 30 June 2021, the Company's connected transactions and the Company's internal control matters and discussed other work as required in the Corporate Governance Code
Strategic Development Committee	1	Reviewed the Company's ESG management goals for 2021

The Company fully safeguards the information rights of shareholders and stakeholders, and strictly fulfills its information disclosure obligations. In 2021, the Company published a total of approximately 50 annual report, interim report, ESG report, circular in relation to change in Directors and Supervisors, and announcements in relation to appointment of Chairman, appointment of general manager, and continuing connected transactions.

Board Diversity

Diversification of the Board is conducive to improving the efficiency of the Board, bringing differentiated views to the Board and improving the overall performance of the Board.

The 10th session of the Board, which was elected by the first extraordinary general meeting in 2021, comprised a total of nine members, including two females, which accounted for 22% of all members. They have different backgrounds and have extensive experience in different industries, including information technology, securities and finance, communication industry, corporate management, financial accounting, project management and capital operation.

Members of the 10th session of the Board

Executive Directors

Ms. Li Tao (Chairman)
Mr. Li Jianyong

Mr. Hu Jiangbing
Mr. Wu Xiaodong

Mr. Zhu Rui
Mr. Jin Tao

Independent non-executive Directors

Ms. Fu Wenjie

Mr. Xiao Xiaozhou

Mr. Zhong Qishui

In order to further develop the Directors' professional knowledge and skills, the Company has arranged lawyers' training and in-house trainings in the form of seminar and reading materials, journals and newsletters for the Directors, as well as special training on connected transactions, corporate governance, director's securities transaction and information disclosures.

In the future, the Company will continue to provide the latest information and training to Directors in accordance with the regulatory regulations.

Strengthen Internal Control and Management

In 2021, in light of the three-year reform requirements for state-owned enterprises, the Company has continued to improve the risk management and internal control by benchmarking the management requirements of China Electronics Technology, so as to protect the interests of all shareholders and relevant stakeholders.

The Company's legal system construction leading group, compliance committee and risk management committee continued to coordinate the company's legal system construction, compliance management and risk management, and further optimized the management system and improved the Company's ability for risk resistance and operating efficiency based on the systems like Internal Control System, Comprehensive Risk Management Measures and the Authorization Management Regulations.

In 2021, the Company identified, evaluated and predicted the risks faced by the enterprise through the all level risk investigation. A total of 28 risk points have been identified. After being reviewed by the Company's risk management committee and the Company's office meeting, and approved by the Board of the Company, five major risks of the Company in 2021 were determined, and the Company's major risk report was prepared. According to the requirements of China PUTIAN and China Electronics Technology, the Company has conducted quarterly tracking and monitoring of major risks, so as to achieve the whole process tracking and monitoring, timely prediction and warning, resolutely prevent, control and resolve major business risks, and maintain the bottom line of risks.

Revision of risk compliance internal control review system

In 2021, the Company improved the risk prevention and control coordination mechanism and organically connected the major risk prevention and control tasks of the headquarters and various units in accordance with the principle of "headquarter to command and professionals to manage branches". A cross departmental sharing and communication mechanism for accountability information has been established, which has realized the exchange and sharing of risk information among departments and among departments and enterprises, the coordinated promotion of prevention and control, and the coordinated implementation of prevention and control measures, forming a coordinated working force.

In 2021, the Company comprehensively revised the risk compliance internal control review standards and carried out risk internal control with more stringent standards. Among them, in order to strengthen the Company's management and clarify the authority for approval, the Company has revised the Reimbursement and Payment Management System and the Travel Reimbursement System in 2021, and determined various expenses and reimbursement standards.

Review of construction of lawful operation system

In 2021, according to the requirements of SASAC, the Company has reviewed the construction of the accountability system, and formulated the Report of Chengdu PUTIAN on Review of Construction of Accountability System, and submitted the same to China PUTIAN. The report made a phased conclusion of the Company's construction of lawful operation system, identified the problems in the construction and put forward reasonable suggestions.

Compliance Work in 2021

Related party transactions management: prepared annual transaction plan, re-compiled the list of related parties, organized the signing of responsibility letters, and issued quarterly briefing.

Compliance supervision: participated in the review of major and related party transactions contracts, and review of important business matters and "Three Key and One Major" decision-making matters. Extended legal management to business management, implement the contract review system in accordance with the Rules for the Implementation of Contract Management, so as to ensure that the contract review rate reached 100%.

Legal support: actively provided legal professional support for the Company's major decisions and optimized legal consultation services to ensure the Company's major projects have been proceeded in a lawful and compliance manner.

Compliance training: in 2021, the Company's Directors, Supervisors, senior management, department heads and key employees participated in compliance training, and training on revised Listing Rules and new ESG indicators. All functional departments and holding enterprises participated in the SASAC lecture on rule of laws, SASACRCEP (Regional Comprehensive Economic Partnership) online training and other legal compliance and risk control training.



Anti-corruption and Anti-graft

The Company strictly follows the whistle-blowing system by means of letters and visits to collect and handle corruption complaints.

In 2021, the Company continued to make unremitting efforts to build a clean and honest Party and fight against corruption, thoroughly implemented the strategic policy of comprehensively and strictly administering the Party, strengthened the supervision of "key minorities", consolidated the achievements of anti-corruption work, and created a good corporate culture with clean and upright atmosphere. During the Reporting Period, the Company had no litigation cases related to corruption.

Works carried out by the Company in relation to anti-corruption and advocating honesty are as follows:

- Consolidate the main accountability for building a clean and honest Party. In January 2021, the leading cadres of the Company signed a total of 20 main accountability letters for building a clean and honest Party in 2021 with the principals of Zhongling, SEI, the Industrial Park business units and the Party branches of some departments, with an aim of consolidating the "double responsibilities for one post" (work responsibility and integrity responsibility) of Party members and leading cadres.
- Organize and carry out special self-inspection. According to the spirit of the eight provisions of the Central Committee, the relevant accounts of the Company since the 18th National Congress of the Party have been sorted and summarized, checked for problems, analyzed and rectified.
- Organize anti-corruption learning. The Company organized to learn the speech and the spirit of Lyu Weiping, Secretary of the Party Committee and chairman of China PUTIAN, at the work conference on building a clean and honest Party and anti-corruption, and the work report of Yang Jiamu, Secretary of China PUTIAN Discipline Committee, at the conference.
- Carry out publicity of anti-corruption and advocating integrity. On important festivals such as New Year's Day, Spring Festival, May 1st and National Day, the Company used various methods such as official documents and WeChat to strengthen integrity reminders on major holidays and carry out supervision and inspection on key nodes. WeChat public account opened a column of "Learning Party's History" to focus on the publicity of anti-corruption and advocating integrity.
- Training on improving cadres' ability and quality. In order to implement the principle of "Party to manage cadres", strengthen the construction of reserve cadres under the new situation and facilitate the growth of cadres, the Company launched the training on improving the comprehensive ability and quality of new (promoted) cadres and reserve cadres to further enhance the cadres' sense of responsibility.

In 2021, the Company was not aware of any corruption and money laundering legal cases against the Company and its employees.





02

Development:
Persist in High-quality requirements

All products of the Company are produced in strict accordance with national standards and industry standards, and have passed three-system certification. The Company's railway passenger cable has obtained CRCC (China Railway Production Certification Center) certification for railway products and IRIS (International Railway Industry Standard) certification for international railway quality. The Company has won dozens of titles of "high-quality products", "golden awards", and "national customer satisfaction enterprises" in the national, ministry, province and city level for its excellent products.

In 2021, the Company passed once again the IRIS certification for international railway quality and the renewed the CRCC certification for railway products.



IRIS and CRCC certifications

Persist in Lawful Production

In 2021, Chengdu PUTIAN continued to carry out production management with high standards and requirements, improved the quality control system, adhered to the philosophy of quality first, paid attention to improving quality and efficiency, and promoted the continuous improvement of the Company's product quality.

Production Management

Quality control

The Company adheres to the quality and safety policies of "safety first, quality-oriented; reliable quality, prevention first; continuous improvement, customer satisfaction", and continuously proceeds with quality control.

In 2021, the Company continued its quarterly inspection discipline evaluation. We adopted a sampling method to conduct on-site review and verification of raw material inspection, process product inspection, finished product inspection, product type test, monitoring and measurement equipment management, etc. The problems were summed up in the Quarterly Evaluation Report for Discipline Inspection, which was submitted to the Company's management and the relevant responsible units. We followed up and verified the rectification and urged the relevant responsible departments to solve the problems.

In order to further ensure the accuracy of product quality control, in June 2021, the Company transformed, rearranged and relocated the testing center, with lab tables and temporary storage area of hazardous materials and chemicals added and environmental laboratories, workshops, corridors and other places renovated, so as to provide a sound testing environment for the testing center.

All production enterprises also actively cooperated with the product quality supervision in accordance with the Company's requirements. Zhongling re-identified the production quality control points, added a substantial number of quality control points in the production process, and doubled the sampling frequency in the process. For key special processes, it specifically strengthened management and conducted high-frequency sampling inspection, which effectively improved the product quality control.

Product Qualification Rate

Product Qualification Rate of the Company in 2018 - 2021				
Product category	2018	2019	2020	2021
Bare (tinned) copper wire	100%	100%	100%	100%
Electric cable for electrical equipment	98.74%	98.18%	98.14%	98.20%
Fiber optic products	95.08%	94.05%	94.6%	94.33%
Rail line	98.74%	98.86%	98.14%	98.74%

Enhance 6S management

In 2021, the Company's production units continued to promote the implementation of the "6S" management system at the office area and production sites. We carried out problem identification, safe operation management and production management system enhancement, and continuously improved production quality and management quality through thorough management measures. The "6S" management team conducts weekly inspection on the production site, and selects and awards the "advanced 6S team" quarterly according to the inspection results.



Advanced 6S team

System certification

The Company continuously improves the QEHS management system (quality management system, environmental management system, occupational health and safety management system) in accordance with the Three-system Management Work Plan of the Company 2021.

In 2021, the Company completed the internal audit in relation to QEHS management system. The Company's quality control system, which complies with the ISO 9001: 2015 standard, has passed the renewal of certification audit by TLC and has been issued a new certification.



Quality Control System Certification
(valid until 8 October 2024)

Specific training on quality control

In view of the need to improve the knowledge of QC, the Company's technology and quality control department (reorganised into the technology department and quality department in January 2022) joined hands with the human resources department to arrange the members of each registered QC team, the personnel of each department of the Company and the funded companies to participate in the specific training on QC knowledge.

The specific training was conducted in four phases from June to early July. Adhering to the Activity Guidelines of the Quality Control Group, we conducted a comprehensive and systematic study on QC activity procedures, statistical methods and applications with the help of case study. A total of 34 personnel from the Company's registered QC team, departments and funded companies participated in the training.

With actual case study, vivid presentation and guidance, the personnel participated in the training have acquired in-depth understanding in how to conduct the QC procedures in different phases and steps, specific requirements and points to note, data collection, sorting and analysis, and the use of statistical methods and tools, by which they have accumulated knowledge in terms of improving QC activities and sorting QC results more effectively, improving the quality of QC result reports, and presenting the QC activity results more accurately and with high quality.



Accelerate the Driving Force of Innovation

While pursuing excellent product quality, the Company actively carries out technological innovation, continuously develops new products, stimulates enterprise innovation vitality and creates more value for customers.

Optimize systems

In order to improve the Company's R&D project management, promote the standardization, scientization and legalization of R&D project management, and improve the core competitiveness, the Company formulated the R&D Project Management System and Product Planning Management Measures in early 2021, which provided a systematic path for the Company's product R&D, and provides a whole life cycle management and control on product R&D projects from initiation, planning, implementation, review, monitoring to assessment, so as to further ensure the R&D standard and improve the efficiency of technological innovation.

Product innovation

In 2021, focusing on customer needs and market trends, the Company actively developed, tested and produced new products, optimized and updated the existing products to improve customer experience.

In 2021, the Company invested approximately RMB576,500 in total in product R&D, and actively developed and applied new products. The new products have the advantages of high resistance, small, light, high flexibility, high ampacity and environmental friendly (low smoke, fire resistance and non-toxic). The new product place importance on quality, efficiency and environmental protection, which can greatly improve the user experience.

- Locomotive bundled cables: It bundles the existing various multi-functional cables into one large cable, so that it can provide great convenience for laying and construction. At present, the production of first tranche of pilot samples of bundled cables, 39T bundled locomotive cable, has been completed, and most of the comprehensive performance tests and fire-resistance performance tests by third-party manufacturers have been completed.
- Fire-resistant integrated cables: The cable can maintain safe operation for a certain period of time in fire. At the beginning of 2021, the whole series fire-resistant locomotive cables have obtained a testing report by third-party manufacturers with all passed results. Mass production will soon be carried out.
- Improve technology of inner-layer materials: the Company has made technical improvement on the inner-layer materials of the whole line of products (especially the above two new products), enhanced the insulation performance and fire-resistance and reduced the amount smoke based on the existing technology. The batch test was under rapid progress.

In the future, the Company will continue to make unremitting efforts, adhere to the driving force of technology, constantly upgrade our products and create value for customers.



Technological improvement

In addition to upgrading the products, the Company also improves the equipment technology and process in the technical process, so as to preserve resources, reduce costs, enhance production efficiency and inject innovative vitality into the development of the Company.

- Improve the irradiation cable retrieving and setting out system by increase the retrieving and setting out speed per unit time by about 20%, which saves about RMB10,000 of electricity tariff per month with the output remains the same.
- Improve the deviation correction device of sheet irradiation system by increasing the production speed by about 20% and reducing the shutdown period by about 20%, which greatly improves the production efficiency.
- The 65/45 extruder and other equipment were reformed. Through technical improvement like parameter adjustment and renewal of the cable retrieving and setting out system, the 65 extruder can achieve production without a pause, which greatly enhances the motor power factor and the production efficiency by about 30% - 40%. Meanwhile, it greatly reduces the conductor and plastic loss caused by changing disc.

Achievement of innovation

In 2021, the Company actively applied for various patents based on the Intellectual Property Management System and Science and Technology Incentive System to protect our R&D achievements

During the Reporting Period, the Company obtained a total of 17 utility model patents. Among them, SEI applied for 10 patents in 2021, including 2 invention patents and 8 utility model patents, covering areas like optical fiber production process, optical fiber performance test and optical fiber production equipment. It has also obtained 12 utility model patents.

In addition, the Company has obtained the High-tech Enterprise Certificate jointly issued by the Department of Science and Technology of Sichuan Province, Department of Finance of Sichuan Province and the Sichuan Provincial Tax Service, , State Taxation Administration on 15 December 2021.



Improve After-sales Service

In 2021, the Company continued to follow the After-sales Service Control Procedures to strengthen the management and feedback of product after-sales service, and facilitate the feedback channels of customers. In response to customer feedback, the relevant department promises to make first response to the customers within 24 hours. The specific work flow of which is as follows:

After-sales service workflow



The Company has established an efficient customer communication channel and a mature customer feedback mechanism. After obtaining customer feedback, the Company arranges relevant departments in the whole production cycle to carry out production troubleshooting, quality analysis and logistics troubleshooting, and maintains communication with customers through customer visits, technical exchanges and other means. Based on the customers' suggestions, the Company implements preventive measures in production, quality inspection, logistics etc., analyzes common problems, and improves product performance and service quality after recording and documenting.

Due to the COVID-19 pandemic, most of the industry conferences have been cancelled. The Company communicated with its customers by means of online instead of onsite visit, and customer feedback and complaints were mostly made via telephone and online communication.

In addition to online communication, the Company conducted six themed exchange activities in 2021, covering product demonstration, technical training, technical exchange and resource matching. While maintaining a good relationship with our customers, the activities enhanced the customers' understanding of the Company's culture, technology and products.

Through the Company's quarterly customer satisfaction survey, it was found that the customer satisfaction of all production units of the Company in 2021 was at a high level.

Customer Satisfaction Rate in 2018 – 2021				
Production unit	2018	2019	2020	2021
SEI	96.11%	96.32%	96.69%	96.61%
Zhongling	94.15%	94.2%	92.83%	100%

In 2021, SEI received two complaints about products from customers, which were properly handled through compensation or rebates. After receiving the complaints, the Company immediately traced the production process, found out the reasons, strengthened the training of employees in production afterwards, and took stricter control measures in production control.



03

Environment: Protect the Beautiful Environment

The Company always adheres to the development principle of “beautiful environment is invaluable”. We integrate the responsibility of protecting the environment into every aspect of the enterprise, persist in green production and build an environmental friendly park.

Improve Environmental Management

The Company attaches great importance to environmental management. During the Reporting Period, according to GB/T24001-2016/ISO 14001:2015 (Requirements and Use Guidelines for Environmental Management System), the Company's environmental management system has been approved by the China Quality Certification Center once again and renewed its certification.

In order to further improve our environmental risk prevention ability, pursuant to the relevant laws and regulations, such as the Environmental Protection Law of the People's Republic of China and the Emergency Response Law of the People's Republic of China, the Company has identified major environmental factors, including waste water, waste gas, hazardous waste, resources and energy consumption, noise emission, X-ray radiation through measures such as risk identification, source phase analysis, risk calculation and evaluation and guided by industrial standards and technical specifications. The Company also issued the Risk Assessment Report of Environmental Emergencies, put forward risk mitigation measures and emergency plans, which provided solid data and basis for environmental management.

Through analyzing and screening the situation of the Industrial Park, the Company has established relevant environmental management systems for the production enterprises with certain environmental risks in the Industrial Park, such as factory inspection system, important environmental protection equipment maintenance and management system, key parts management system and information reporting system, so as to further strengthen the environmental management of the Industrial Park.



Environmental Management System Certification (valid until 4 March 2024)

Enhance Resource Effectiveness

Saving resources and improving energy efficiency is a long-term policy to advance in enterprise development. Every year, the Company formulates annual energy conservation and emission reduction targets according to the production energy demand and energy consumption in the last three years, and actively carries out energy management.



Total Energy Consumption

In accordance with the energy management policy of "compliance with laws and regulations, technological enhancement, energy conservation and efficiency enhancement, and continuous improvement", the Company continues to strengthen the regular maintenance and technical transformation of water, electricity and gas equipment and facilities. We also encourage all units to use water, electricity and gas in a reasonable and comprehensive manner.

Improve the power factor of substation and reduce power loss

Power factor is an important index to measure the efficiency of electrical equipment. Under a certain voltage and power, the higher the power factor of electrical equipment, the higher utility rate of the power generation equipment. On the contrary, the lower the power factor, the greater the reactive power of the circuit and the greater the power loss of the line.

In order to promote the green development of the Industrial Park and reduce power loss, the Industrial Park Center of the Company studied and analyzed the power consumption of the Industrial Park and found that the power factor of 103 substation and 105 substation in the Industrial Park is far lower than the industry standard. As such, the Industrial Park Center set up a QC (quality control) team to deeply analyze the main reasons for the low power factor of the two substations, and modified their capacitor boxes to improve the power factor.

One month after the modification of the two substations, the total power loss was reduced by 3,542KW·h. It is estimated that the power loss can be reduced by 42,500KW·h in a year. Based on this successful experience, the Company can continue to upgrade the unmodified low-voltage stations in the Industrial Park in the future to build an environment friendly Park.

The Company actively encourages all employees to participate in energy conservation and emission reduction activities. In August 2021, coinciding with the 31st national energy conservation publicity week, the Company launched an energy conservation publicity week activity with the theme of "energy conservation and carbon reduction, green development; low-carbon life, green future". By encouraging all employees, we call on all employees to enhance their awareness of energy crisis and actively participate in energy conservation, environmental protection and resource recycling.

In 2021, due to the increase of enterprises in the Industrial Park and the expansion of production and capacity of some enterprises, the Company's water and power consumption has increased significantly for the year and exceeded the target set at the beginning of the year. In the meantime, due to the increase in the output of the Company's material processing business, the use of diesel has also increased to 3.94 tonnes.

Chengdu PUTIAN's energy consumption target in 2021

Water consumption ≤ 70,000 tonnes/year

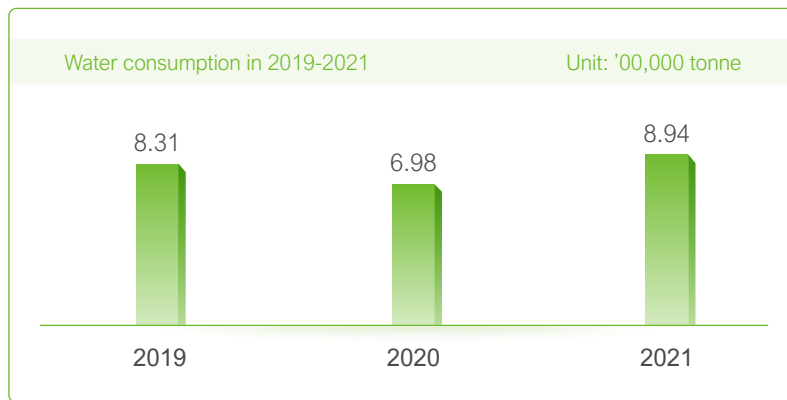
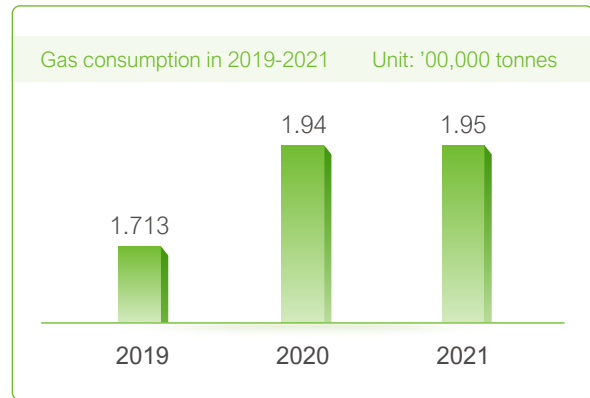
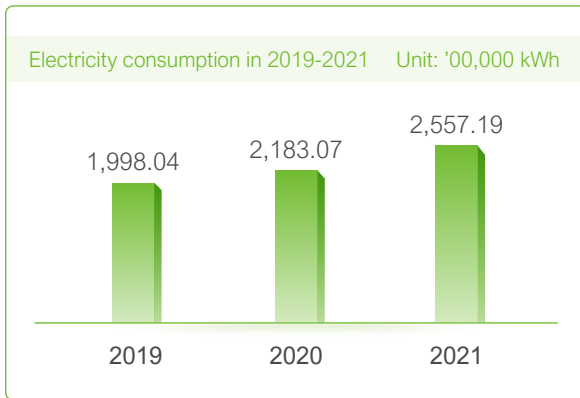
Electricity consumption ≤ 25,000,000 kwh/year

Natural gas consumption ≤ 30,000 m3/year

Petrol consumption ≤ 4.3 tonnes/year

Diesel consumption ≤ 30,000 tonnes/year





Resources usage in production

Water used by the Company comes from groundwater and tap water. We do not encounter any problem in obtaining suitable water sources. In order to preserve water resources, the Company has built a recycling water system for the production needs. The total amount of recycling water has been increasing every year.

Usage of recycled water by the Company

2019	2020	2021
Total amount of recycled water: 176,957 tonnes Recycle rate: 70.88%	Total amount of recycled water: 717,390 tonnes Recycle rate: 98.8%	Total amount of recycled water: 268,231 tonnes Recycle rate: 95.98%

SEI and Zhongling are the main production companies of Chengdu PUTIAN. In 2021, the two companies improved both the operation efficiency and the energy efficiency through measures such as updating energy-saving equipment and optimizing production technical process. The water intensity and power intensity per unit product decreased year by year.

- SEI: newly purchased grade 1 and 2 energy-saving equipment to replace high energy consumption equipment; adjusted the chiller to the combination of variable-frequency and constant-frequency to achieve the purpose of power saving
- Zhongling: newly purchased electric forklifts to replace the old diesel forklifts to save diesel.

Resources usage in production

Year	SEI				Zhongling			
	Water consumption (tonnes)	Water consumption intensity (tonnes/km cores)	Electricity consumption (kWh)	Electricity consumption intensity (kWh /km cores)	Water consumption (tonnes)	Water consumption intensity (tonnes/km cables)	Electricity consumption (kWh)	Electricity consumption intensity (kWh /km cables)
2019	10,461	19.20	8,819,898	16,180	1,901	0.49	729,957	140.02
2020	9,103	16.20	8,989,041	15,995	1,796	0.25	496,805	71.25
2021	8,923	14.45	9,525,034	15,271	1,792	0.13	662,379	49.88

Note: correction was made to the figure of water consumption of Zhongling in 2019-2020.

Packaging Materials Usage

The Company's products are mainly packaged with plates, which uses materials like wood and cartons. These materials are generally recycled by the customers. In order to better save resources, SEI has reached agreements with some of the customers, pursuant to which SEI has appointed a logistics company to recycle the optical fiber plates from the customers, which will be reused after disinfection and cleaning.

SEI	2018	2019	2020
Total amount of packaging materials used for finished products (tonnes)	152.1	2	2
Amount of packaging materials used per production unit (tonnes/km optical fiber)	0.24	1.5	1.5
Amount of recycled packaging materials used for finished products (tonnes)	18.95	0.5	0.5
Zhongling	2021	2020	2019
Total amount of packaging materials used for finished products (tonnes)	53	80	60
Amount of packaging materials used per production unit (tonnes/km cables)	0.0042	0.0115	0.0469

Strictly Control Pollution Emission

The Company strictly abides by the national laws and regulations, such as the Environmental Protection Law, Water Pollution Prevention Law, Noise Pollution Prevention Law and Solid Waste Pollution Prevention Law, and the requirements of ISO 14001 Environmental Management System when discharging and managing pollutants. We regularly appoint qualified third-party institutions to carry out environmental monitoring every year.

Emission

According to the monitoring report of the Chengdu Comprehensive Rock and Mineral Testing Center of the Sichuan Geological and Mineral Exploration and Development Bureau (Chengdu Mineral Resources Supervision and Testing Center of the Ministry of Land and Resources), the waste gas, wastewater and noise emission of Chengdu PUTIAN were all up to the standard during the reporting period.

Monitoring on waste gas, wastewater and noise

Type	Type of emission	Standards applied	Statutory standard	Average detection value in 2021	Emission in 2021	Emission in 2020	Emission in 2019
Wastewater	Chemical oxygen demand (COD)	Standards of the third level in Table 4 of the Integrated Wastewater Discharge Standard (GB8978-1996)	500mg/L	362mg/L	1.08tonnes	0.30tonne	0.29tonne
	Ammoniacal nitrogen	Grade B standards in Table 1 of the Standards for the Quality of Wastewater Discharged into Urban Sewers (GB/T31962-2015)	45mg/L	42.6mg/L	0.05tonne	0.01tonne	0.02tonne
Waste gas	Tin and its compounds	Standards of the second level in Table 2 of the Comprehensive Emission Standards for Air Pollutants (GB16297-1996)	8.5 mg/m ³	0.717 mg/m ³	0.33kg	0.23kg	0.54kg
Noise	Noise	Standards of the third class in Table 1 of the Standards for Noise Emission at the Boundaries of the Plants of Industrial Enterprises (GB12348-2008)	Noise in the daytime: 65dB (A); and noise at night: 55dB (A)	Noise monitoring value in the daytime: 57dB (A)	Noise monitoring value in the daytime: lower than the limit		

Note: No sulfur dioxide or nitrogen oxide was detected in the Company's emissions since 2019.

In addition to abiding by the regulations, all production units of Chengdu PUTIAN also actively reduce the emission of pollutants in the production process. In 2021, Zhongling added a new extruder tail gas collection equipment to collect the waste gas from plastic pyrolysis with the gas hood and discharge it into the atmosphere after activated carbon adsorption treatment, so as to reduce the pollution of volatile gas from plastic pyrolysis to the atmosphere.

Waste Management

Chengdu PUTIAN supervises and guides all production units of the Company and enterprises in the Industrial Park to classify and manage of waste. The Industrial Park Development Center of the Company (renamed as Comprehensive Security Department in January 2022) set up more waste storage sites and facilities as needed, and collected and disposed of the waste in time, by which the goals of classifying 100% of domestic waste and production waste and recycling 99% of recyclable waste have been achieved.

The non-hazardous waste of the Company mainly includes domestic waste, such as food waste. The total amount of non-hazardous waste of the Company in 2021 was 26.4 tonnes. Since the data included the enterprises in the park, whose production volume and value was not obtainable, the intensity of non-hazardous waste of the Company cannot be calculated for now.

Meanwhile, the Company has achieved the goals of 100% control of hazardous chemical raw materials, 100% control of the leakage of chemicals at the production sites and 100% control of the separation of rainwater and sewage pipelines by strengthening the designated-personnel management, closed management and safety inspection of hazardous chemicals.

In 2021, the hazardous wastes generated by all production units of the Company were collected and disposed of by qualified units. 100% of the hazardous wastes was controlled according to the laws. Both SEI and Zhongling have modified and upgraded their hazardous chemicals warehouse and hazardous waste warehouse, and installed leak-proof, explosion-proof and other facilities to improve safety.

In 2021, the total amount and intensity of hazardous waste of SEI were increased due to the addition of waste activated carbon. Meanwhile, the total amount and intensity of waste of Zhongling in 2021 have been reduced as compared to the two previous years due to the change in production resulted from the change in customers' needs.

Statistics on the Hazardous Waste of SEI

Types of hazardous waste	2021	2020	2019
Waste mineral oil (tonnes)	0.2	0.2	0.2
Waste packaging bottles (tonnes)	0.93	0.9	0.8
Waste organic solvent and waste liquid containing organic solvent (tonnes)	1.8	1.8	0.8
Waste activated carbon (tonnes)	0.43	0	0
Total (tonnes)	3.36	2.9	1.8
Intensity (tonnes/10,000km cores)	0.0053	0.0052	0.0033

Statistics on the Hazardous Waste of Zhongling

Types of hazardous waste	2021	2020	2019
Waste mineral oil (tonnes)	0.5	0.74	0.72
Waste emulsion (tonnes)	1.2	5.65	9
Coating fuel waste (tonnes)	0.103	0.0056	0.015
Waste packaging bottles (tonnes)	0.03	0.1	0.3
Other waste (tonnes)	0.15	0.133	0.137
Total (tonnes)	1.983	6.6286	10.172
Intensity (tonnes/10,000km cables)	1.6525	9.56	31.60

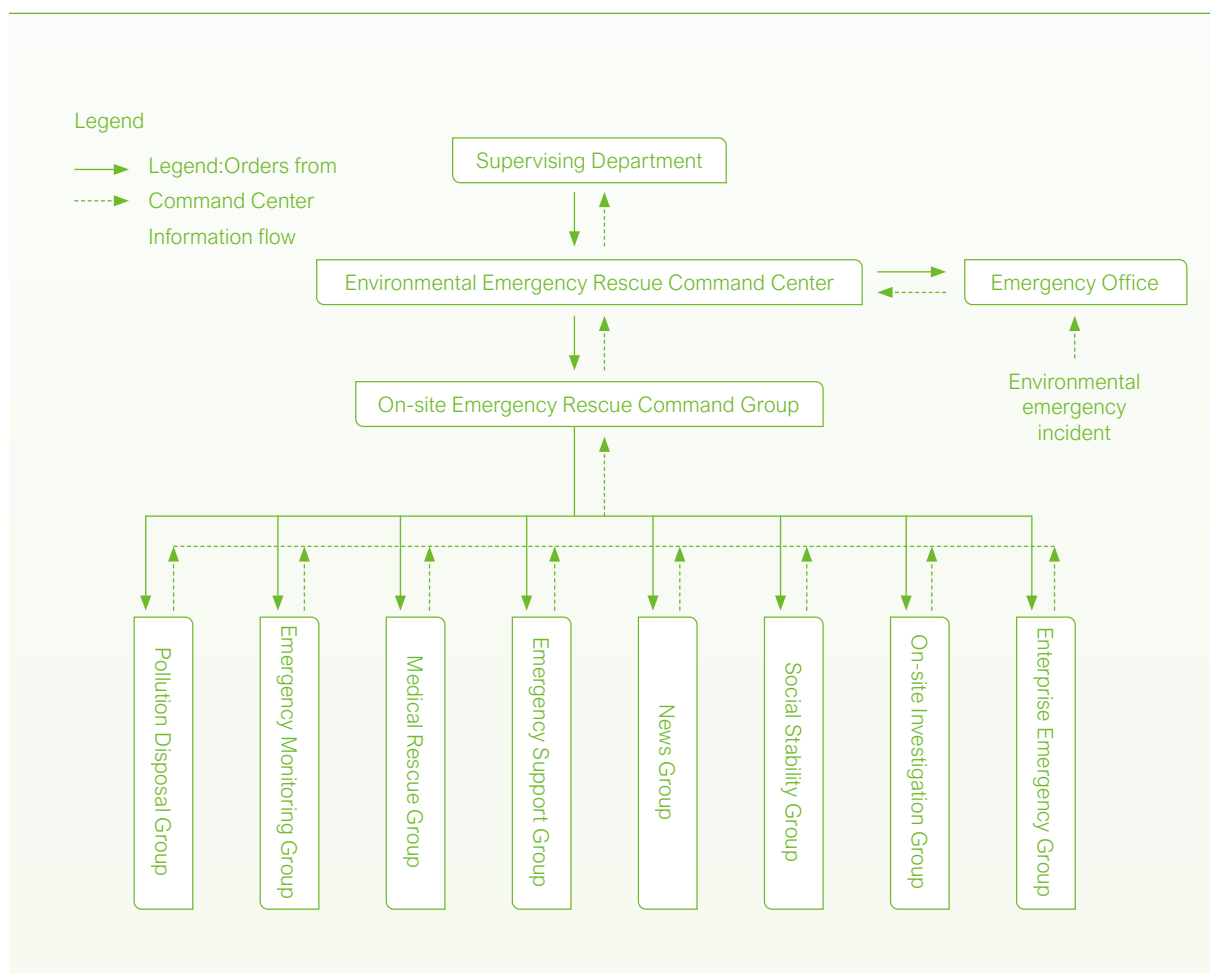
Emergency response

In order to effectively prevent and respond to environmental emergencies and minimize the impact of pollutants on the public environment, in 2021, the Company prepared the Emergency Plans for Environmental Emergencies in accordance with the relevant requirements of the Technical Guide for the Preparation of Emergency Plans for Environmental Pollution Incidents, and analyzed the possible environmental impact and environmental risks caused by the enterprise's production process. The risks of environmental pollution events and the relevant safeguard measures, prevention and alerts, emergency response and rescue measures, emergency monitoring, training and drills as well as safeguard measures have all been clearly established.

The Company has established an emergency rescue command center for environmental emergencies, and an on-site emergency rescue command group in the Industrial Park, which comprises pollution disposal group, emergency monitoring group, rescue group, emergency support group, stability group, investigation group, enterprise emergency group and news group. In case of major incidents, the on-site emergency rescue group in the Industrial Park will be responsible for the organization and command of the emergency rescue.

During the Reporting Period, the Company has not occurred any environmental pollution incidents.

Chengdu PUTIAN Emergency Organization Structure



Response to Climate Change

The major strategic decision of "achieving carbon peak by 2030 and carbon neutrality by 2060" is a solemn commitment made by China to deal with global climate change. Chengdu PUTIAN responded positively, where it has incorporated climate change as an important component of the Company's ESG management, which is regularly supervised and evaluated by the Strategic Development Committee of the Board of the Company.

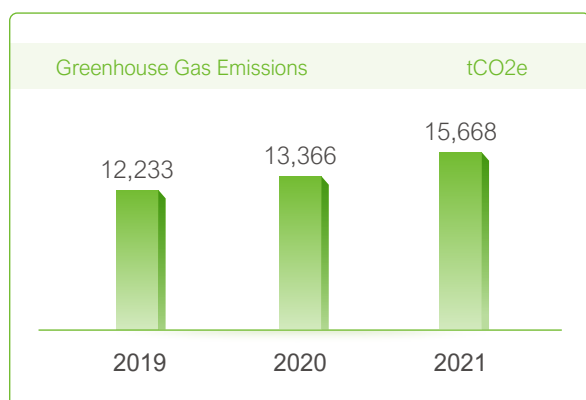
Greenhouse Gas Emissions

No greenhouse gas is emitted directly from the Company's daily production and business activities. Indirect greenhouse gas emissions is mainly generated from the power, natural gas, gasoline and diesel purchased by the Company from external sources. The Company sets energy conservation and emission reduction targets every year to control the consumption of electricity, natural gas and gasoline, so as to control the emission of greenhouse gas.

Indirect Greenhouse Gas Emissions of the Company in 2021

Types	Carbon emission coefficient ¹	Consumption	Carbon Dioxide Equivalent Emissions(tCO ₂ e)
Electricity	0.6101 kg-co ₂ /kwh	25,571,900kwh	15,601.42
Gasoline	2.9251 kg-co ₂ /kg	4,100kg	12.00
Diesel	3.0959 kg-co ₂ /kg	3,940kg	12.20
Natural Gas	2.1622 kg-co ₂ /m ³	19,500 m ³	42.16
Total			15,667.78

Note: carbon dioxide equivalent emissions of a type of energy = energy use × carbon emission coefficient/1000



The Company's greenhouse gas emissions has been increasing each year with the rise of energy consumption. While strengthening energy management, the Company also actively carries out energy conservation and emission reduction activities to offset the carbon dioxide emissions by planting trees. A total of 18 trees were be planted in 2021, which could offset 414kg of carbon dioxide a year.

Note: The figures for 2019 and 2020 did not include CO₂ generated from diesel.

¹ The carbon emission coefficients are extracted from the Guidelines for Provincial Greenhouse Gas Inventory Compilation (the China Development and Reform Commission, Gaiban Qihou [2011] No.1041)

Climate Change Risk Management

The Company discloses the total energy consumption and greenhouse gas emissions in the ESG Report every year to evaluate the management performance of the Company's response to climate change. In the future, the climate related risks and opportunities will be incorporated into the Company's overall risk management.

The Company believes that, through the identification, assessment and analysis of climate related risks and opportunities, the possible impacts of climate change on the Company may include physical risks, policy risks and market risks.

Risks	Response Measures
<p>Physical risks</p> <p>Extreme weather, such as rainstorms, earthquakes and high temperature may have an impact on the Company's production and increase the environmental risks.</p>	<ul style="list-style-type: none"> • Formulate and strictly implement the Emergency Plans for Environmental Emergencies and strengthen emergency drills. • Install new facilities and equipment to ensure the normal operation of equipment and the occupational health of employees under high temperature
<p>Policy risks</p> <p>More stringent environmental laws and regulations may be promulgated by the government.</p>	<ul style="list-style-type: none"> • Actively carry out energy conservation and emission reduction. • Use off-peak electricity. • Stop production in heavily polluted days.
<p>Market risks</p> <p>Customers may have higher requirements for product performance and environmental index.</p>	<ul style="list-style-type: none"> • Strictly abide by the environmental protection requirements of products • Actively develop new products





04

Talent Cultivation: Develop Together

Occupational Health and Safety Production

Chengdu PUTIAN always cares for the occupational health and safety of employees. It strictly abides by the national laws and regulations related to occupational health, including the Labor Law of the People's Republic of China and the Prevention and Control of Occupational Diseases Law of the People's Republic of China. In 2021, the Company has successfully renewed the certification of ISO 45001 Occupational Health and Safety Management System and the revised standard review. Moreover, the Safety Production Standardization Level III Enterprise Certificate obtained by the company was still valid.

In 2021, the Company carried out work on safety production, security, fire protection, environmental protection, occupational health and labor protection in an orderly manner. There has been no production accident during the Reporting Period.

Safety Production Management

2021 marked a key stage of the Company in relation to the Three-year Plan for Special Rectification on Production Safety (2020-2022). The Safety Production "1+N" System has been established based on the Plan, which has provided a system to ensure the standardization of the safety production management.

Safety Production "1+N" System



1: Basic system of safety production management

No.1: Management measures for safety production supervision, inspection and solving hidden problems

No.2: Management measures for reporting safety production information

No.3: Implementation measures for accountability of production safety incidents

Under the guidance of the Three-year Plan and the Safety Production "1+N" System, all enterprises in the Industrial Park have signed the Safety Production Management Agreement, while all functional departments of the Company's headquarter and funded enterprises have signed the Responsibility Letter for the Safety Production Management, so that the responsibility can be segmented for everyone at all levels. It could also further strengthen the awareness of safety responsibility of all departments of the Company, and ensure the achievement of safety management objectives.

In March 2021, the Company participated in the safety investigation activities organized by China Electronics Technology and China PUTIAN, by which we timely rectified the hidden danger spotted by the expert group on site, and completed the thorough arrangement of hazardous chemicals and explosives and the self-examination and self-improvement of typical hidden dangers according to the deployment of China Electronics Technology. In addition, the Company actively arranged safety management personnel to participate in the safety standardization training and special training for team leaders on hazardous chemicals management held by China Electronics Technology, where all participants have obtained the qualification certificates.

Safeguarding Safety Production

In 2021, in order to further ensure safety production and improve equipment efficiency, the Company launched the compilation of safety systems and established a series of standardized safety systems. For example, according to the safety production management system, the Company has established detailed equipment safety operation procedures, which specify the requirements of wearing labor protection equipment, preparations before operation, safety technical process during operation, wrapping up at the end of operation, precautions for safety and occupational disease and emergency handling measures, etc. The more well-defined equipment safety operation procedures would further ensure the safety of equipment operators.

In addition, the Company further increased investment in potential safety hazards and took a series of measures to improve safety protection measures.

Three in-depth protections against irradiation to safeguard employees' occupational safety

Safety protection against irradiation, a radioactive production process, has always been the top priority. In 2021, the Company carried out self-inspection on all of the key radiation safety of electron accelerator irradiation facilities according to the industrial standard of Radiation Safety and Protection on Electron Accelerator Irradiation Facilities [HJ979-2018] of China in 2019. Based on the self-inspection results, the Company has set up a special work leading group led by the general manager of the Company to promptly determine the sources of danger and formulate the rectification plans. Details of which are as follows:

- Install a dose monitor to the host control key
- Convert the two existing parallel photoelectric interlocks into three upper, middle and lower locks and three front, middle and right to form three in-depth protections.
- Improve the isolation door of irradiation channel from rolling shutter to electric sliding door.
- Improve all lightings, night lightings and evacuation signs
- Install smoke alarm, gas detection and interlocking device.

A total of RMB230,000 was invested in this special modification. With this modification, the irradiation process has expanded the scope and depth of safety protection in addition to the existing safety interlocking system, formed an in-depth protection, ensured the safety protection of employees on the production site, and improved the occupational, health and safety management.

Rectification of potential safety hazards

The Company has investigated the potential safety hazards in all areas of the Company through the monthly safety inspection and the safety spot checks by the local government and superior units, and rectified the potential safety hazards found, which focused on installing production equipment guardrails, covering rotating parts of equipment, installing warning signs in workshops, and constructing hazardous chemical and hazardous waste warehouse.

1. Production equipment guardrails

The Company installed guardrails or movable fences in the production area where personnel may cross or at the sinking positions of equipment, such as the retrieving areas of framed stranding machines and the setting out areas of cable coiling machines, so as to ensure personnel safety.

2. Covering up rotating parts of equipment

Protective covers were added to the rotating parts of the equipment to prevent cables from breaking or personnel being entangled during production and hence threatening the operators' safety.

3. Warning signs in workshops

As part of the workshop re-planning, the Company redrew all the identification lines in the workshops and posted warning signs at key areas, such as ground safety evacuation signs.

4. Constructing hazardous chemical and hazardous waste warehouse

In order to reduce the environmental damage caused by hazardous chemicals and hazardous wastes, the Company rectified the existing hazardous chemical warehouse and built a new hazardous waste warehouse in June 2021. At the new hazardous chemical warehouse and hazardous waste warehouse, emergency facilities such as anti-leakage trays and explosion-proof cabinets are placed in categories according to the requirements. In case of leakage, the strengthened protective measures can eliminate the leakage of hazardous waste on the ground and the leakage of organic matters outside. The alarm sensors can monitor and send alarm in time. Additional cameras were installed outside the warehouses to monitor the security situation 24 hours a day.

Safety emergency drill

In accordance with the Management Measures for Emergency Plans for Production Safety Accidents issued by the State Administration of Work Safety and the Management Measures for Emergency Plans issued by the General Office of the State Council, the Company formulated the 2021 Plan for Emergency Drills, and carried out the practices and drills of emergency plans.

- On 17 June, Zhongling carried out emergency drill for mechanical incident;
- On 11 October, the Company carried out emergency drill for radiation leakage;
- On 18 October, SEI carried out fire emergency evacuation drill.

All of the three drills have successfully achieved the expected purpose. Each of the teams had clear divisions of labor with high efficiency, and the employees' emergency response ability and safety awareness have been further enhanced.

In terms of safety emergency training, the Company invited fire protection experts in Sichuan to the Company in May 2021 for fire protection knowledge training. Members of the Company's safety committee, main leaders, department managers and representatives have participated in the training to learn about the Fire Protection Law and the Measures for the Implementation of Fire Safety Responsibility System, etc., and conducted special training on "four abilities" in relation to fire protection.



Emergency drill



Safety training

Occupational Health of Employees

Management and protection of employees' health

The Company standardizes the occupational health management of employees in strict accordance with the requirements of relevant laws, regulations and system standards, and works with its employees to create a safe, healthy and comfortable working environment.

In 2021, the Company completed the health check for all employees and specific physical examination for personnel in special types of work, with the personal health monitoring files updated. For employees with occupational disease risks, the Company has taken a number of occupational health prevention, control and protection measures, and regularly appointed third-party organizations to test all occupational disease hazard factors. The proportion of occupational disease hazard factor test reached 100%, with no occupational disease occurred.

Normalized prevention and control against COVID-19 pandemic

In 2021, the Company established the 1+N Management System for Epidemic Prevention and Control, which made detailed provisions on activities like resumption of work, emergency plans, park management, meetings and dining during the epidemic period. All departments are urged to strictly abide by it. No confirmed COVID-19 cases were found in the Company and the Industrial Park during the Reporting Period.

Under the normalized management and when the epidemic rebounded, the Company dynamically managed the investigation, control and reporting of personnel in risk in accordance with the requirements of the epidemic prevention and control office of the superior units and Chengdu Epidemic Prevention Command Center. All 50 enterprises in the Industrial Park have signed the letter of responsibility for epidemic prevention and control. The designated supervisors of all enterprises have been trained on epidemic prevention and control knowledge and dynamic management measures. All enterprises in the Industrial Park have established a ledger for the screening reports of personnel involved in risks. 100% of the personnel have conducted nucleic acid tests, and negative results for 1,100 people. The vaccination rate of the Company reached 98%, and 96% for the enterprises in the Industrial Park.

Talent Management and Team Building

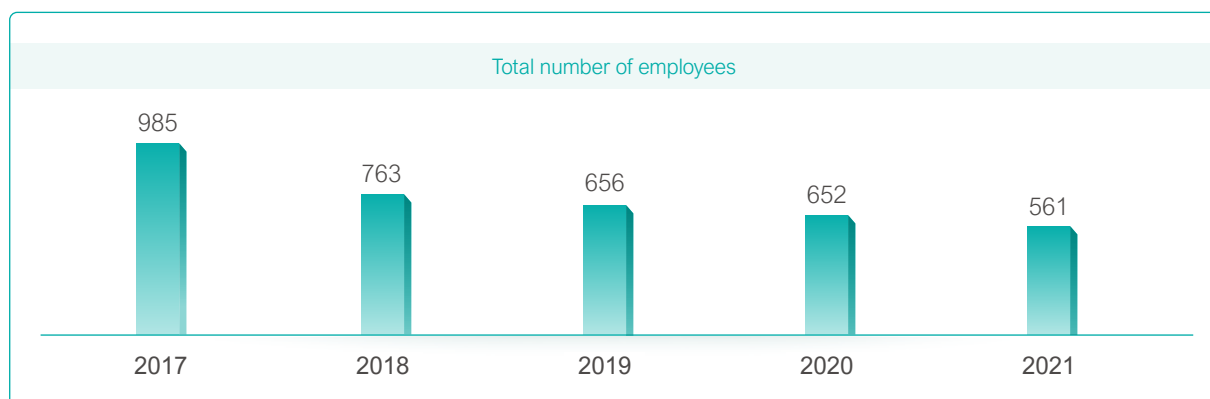
Talents are the strong force driving Chengdu PUTIAN forward. The Company makes every effort to protect the legitimate rights and interests of its employees from infringement. We grow together with its employees, and integrate the realization of their personal value into the Company's value, and create social value at the same time.

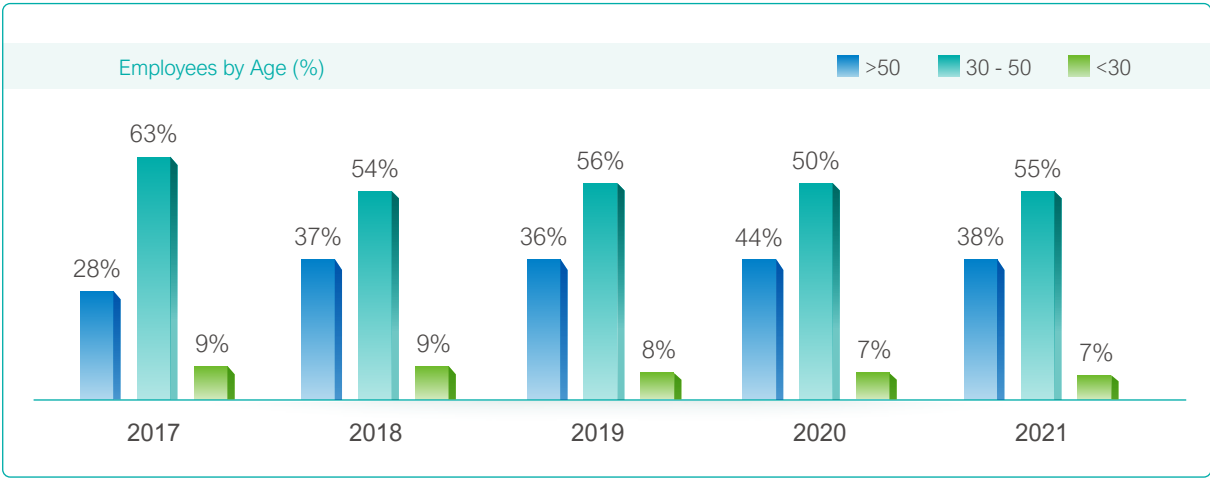
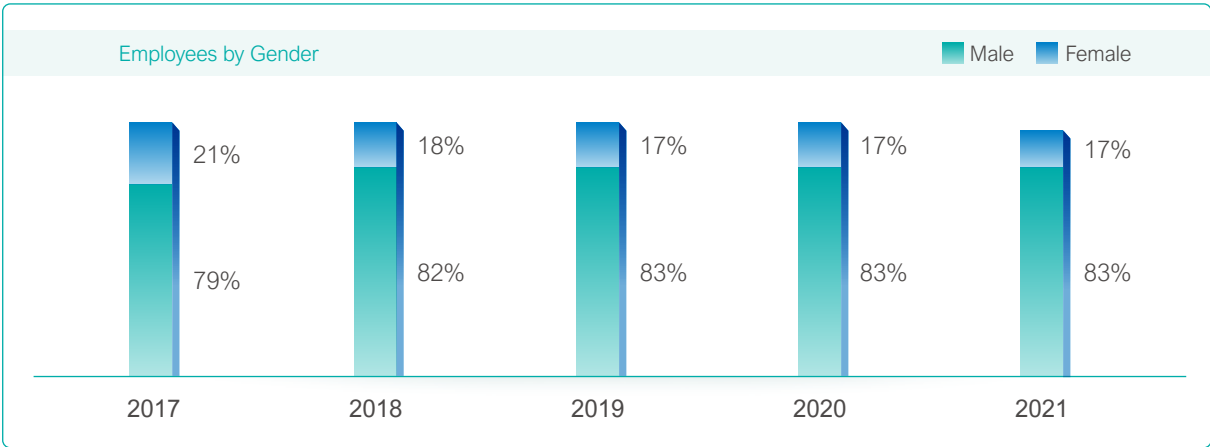
Equal and legal employment

In the process of recruitment and employment, the Company strictly abides by the relevant laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. We uphold the principle of fairness, impartiality and transparency, prohibit discrimination against any applicants and employees in employment in terms of gender, ethnicity, religion, age, family status or other factors. In addition, the Company strictly prohibits any department, holding company and subsidiary from employing child labor and forced labor. Incidents of child labor and forced labor have never been found in the Company.

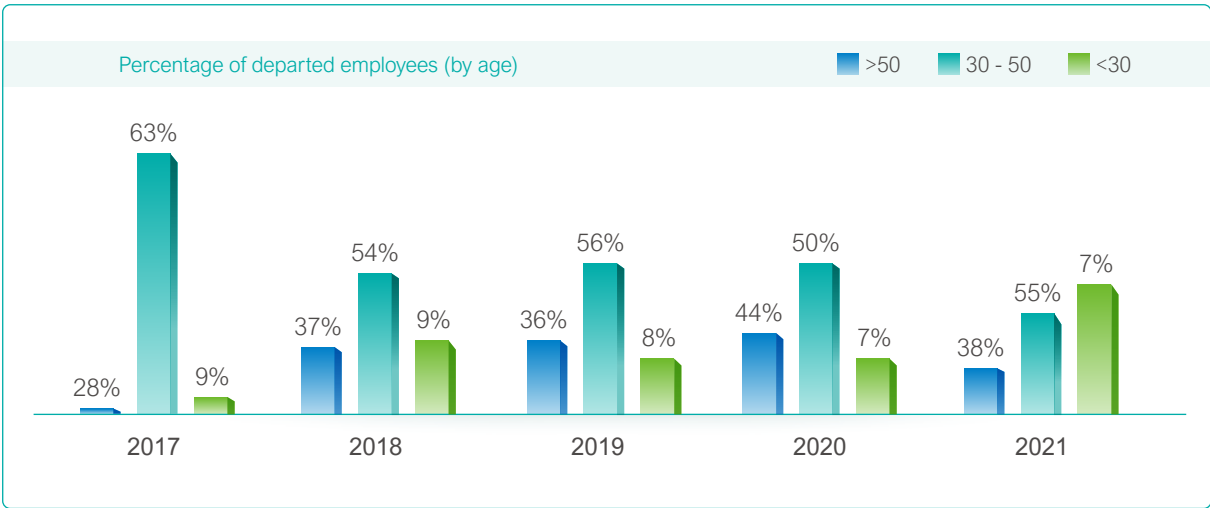
In 2021, the 561 employees of Chengdu PUTIAN were all employees in Mainland China. Among them, 3 were employed under the labor dispatch system, while all of the rest were under labor contract system. During the Reporting Period, no labor dispute incident has occurred. Harmonious labor relationship is the safeguard for the Company's regular operation.

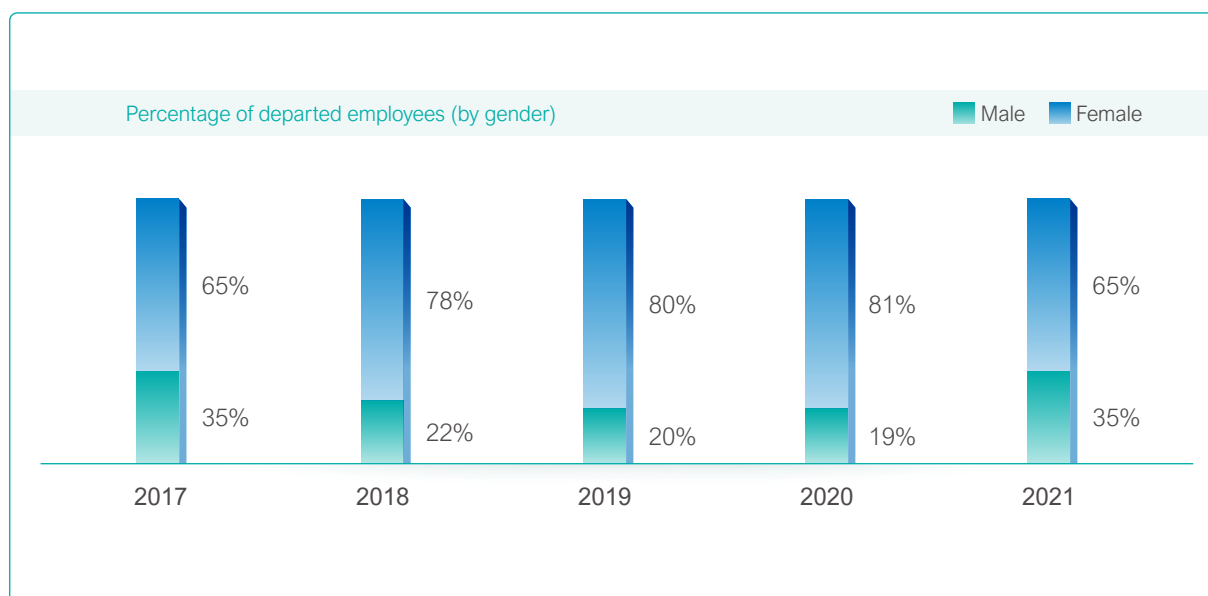
In recent years, the number of employees of the Company has shown a streamlining trend in general, but the gender ratio remained stable. More than half of the Company's employees are aged 30-50, which is the backbone of the Company's development.





Among the departed employees in the year, the percentage of male and female employees has decreased and increased to 65% and 35% respectively comparing to the previous year. In terms of age, the majority of the departed employees were aged below 30, which accounted for almost 50%.





Safeguard employees' rights

The Company fully respects and protects the basic rights of every employee. The rights of employees in terms of labor, work, study, rest, participate in the democratic management of the Company and the paid leaves, such as marriage leave, maternity leave, bereavement leave, family visit leave and annual leave enjoyed by employees, are clearly stipulated in the Staff Manual.

The third meeting of the 14th session of employee representative meeting

On 16 April 2021, the Company held the third meeting of the 14th session of employee representative meeting. More than 60 employee representatives and non-voting representatives attended the meeting.

At the meeting, the General Manager and the chairman of the labor union gave an operation report and the report on the work of the labor union respectively, and reported the supervision and assessment of the collective contracts. Hu Jiangbing, the then General Manager, and Xiong Ting, the then chairman of the labor union, signed the new sets of Collective Wage Agreements on behalf of the administration and the labor union respectively. The two reports and the proposals collected from employees have been thoroughly discussed at the meeting, in which the employee representatives have expressed their concerns about the Company's industry development, product R&D and employee structure, and made many suggestions and recommendations according to the real situation.

In addition, the advanced groups and individuals of the Company for 2020 and the winning QC teams in the China PUTIAN quality control activity in 2020 were commended at the meeting, and the winning units, individuals and teams were presented medals and certificates.

Sound assessment system

In order to boost the employees' enthusiasm, self-motivation and planning of employees, the Company revised and issued the Measures for Performance Appraisal for All Employees to strengthen the correlation among the interests of employees, departments and the Company so as to improve the efficiency and effect of the Company's management.

According to the Measures for Performance Appraisal for All Employees, the Company reasonably sets assessment elements according to the post responsibilities and qualifications, and evaluates and assesses employees in different posts in a fair, impartial and objective manner.

The Company's all employee appraisal is divided into two divisions, which are applicable to managers of level three and above, and general staff respectively. The appraisal for managers of level three and above covers two aspects, namely performance assessment and comprehensive quality assessment. The general staff appraisal covers two aspects, namely quantitative and qualitative aspects, with seven indicators. The appraisal results are linked to the employee's salary and post adjustment. We aim to gradually form a constraint mechanism under which employees can be employed and dismissed, so as to promote the healthy development of the Company. According to the Company's performance appraisal measures, 116 people were assessed this year with performance bonus paid.

Talent Development and Cultivation

The Company adopts a combination of hierarchical training (department level and company level) and special training for employees to improve their comprehensive ability. We facilitate employees' career development by evaluating the middle and senior levels of professional titles of technical talents and arranging employees to participate in vocational skill competitions. In 2021, two employees of the Company, Xiang Yong and Li Bao'an, were named as the "high tech craftsman" of Chengdu High-tech Zone in 2021.

In terms of talent cultivation, the Company ensures the continuous human resources supply for the long-term development of the Company by revising the cadre management measures, establishing a sound cadre management mechanism, and training reserve cadres and middle-level managers.

Talent training

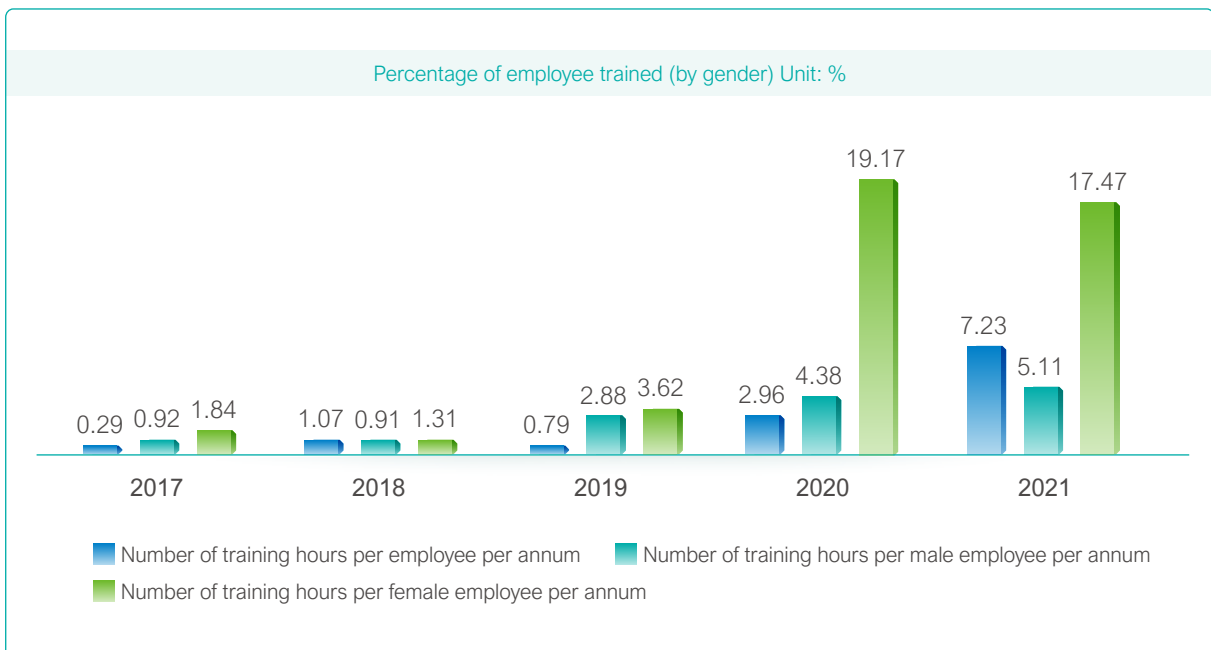
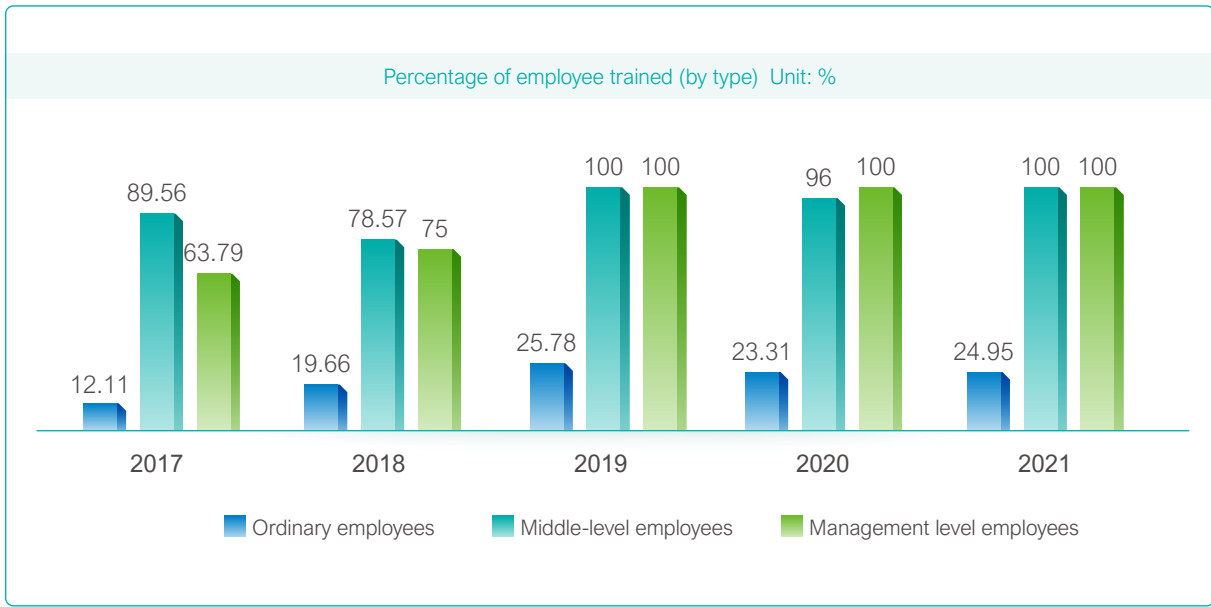
In 2021, the Company further optimized its training system by revising and publishing the Management System for Labor Education and Training and the Management Measures for Chengdu PUTIAN Online Training Academy, so as to continuously build a learning-oriented organization and comprehensively uplift our employees' quality.

The Company's trainings are principally divided into first-level training, second-level training and orientation training.

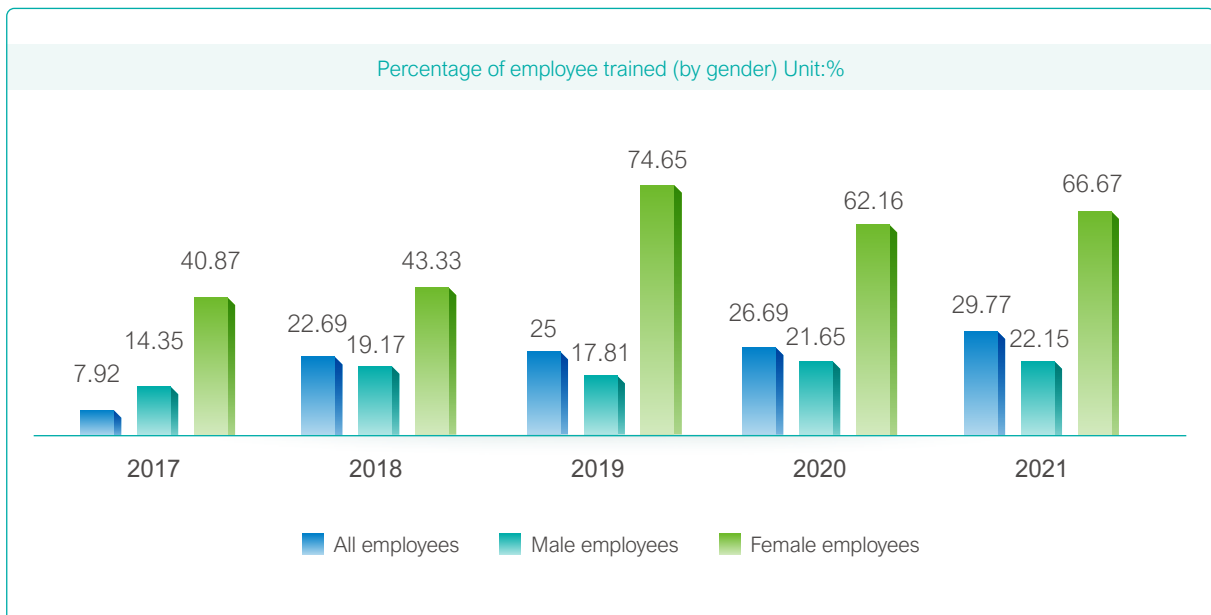
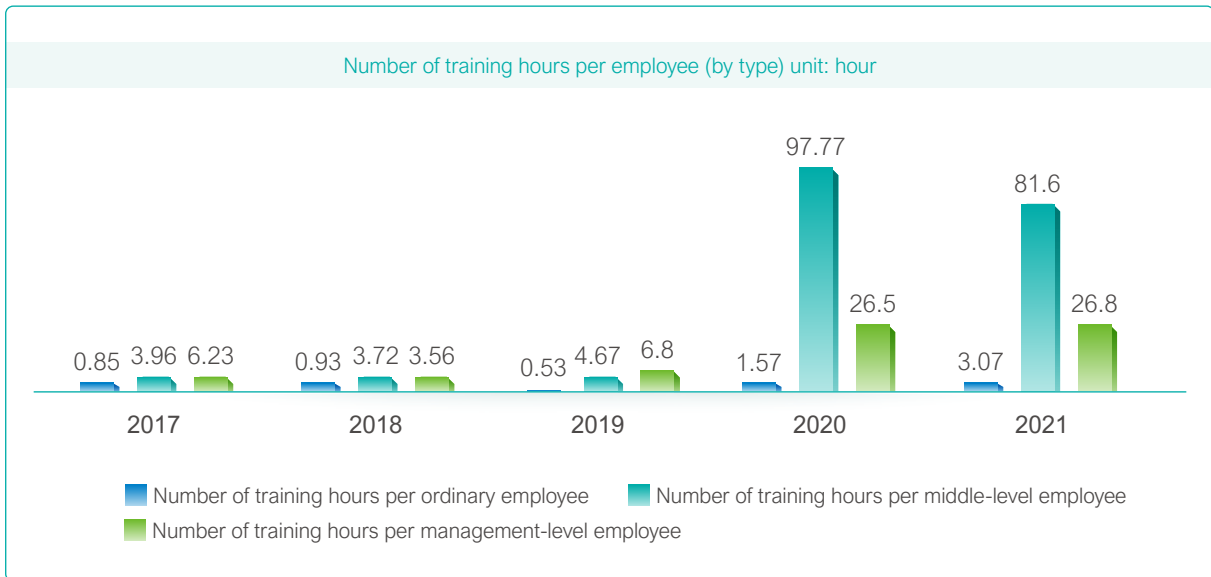
- First-level training: the training is organized and carried out by the human resources department, which is based on the Company's development needs to implement the Company's strategic deployment. It focuses on improving the leadership of the management team and the professional quality and ability of employees and advocating the Company's corporate culture.
- Second-level training: the training is carried out by the departments based on its own development needs and the employee's career development needs, with an aim of improving the employee's working ability for the post and professional standard.
- Orientation training: the training comprises general training and job rotation training.

In addition, the Company encourages the employees to actively participate in the learning activities of the Company's Online Training Academy to cultivate their learning initiative. In 2021, Chengdu PUTIAN Online Training Academy provided 35 hours of compulsory courses, covering management, finance, security, Party construction and other aspects.

Throughout the year, 2,135 employees of the Company were trained. The training coverage of middle-level employees and management was 100%. Since ordinary employees are mainly the employees in the first-line production workshops, the training coverage rate was at a similar of around 20% as the previous year. The training coverage of both female and male employees has slightly increased as compared to the previous year.



From the perspective of the training hours, the average training hours of all employees was 7.32 hours in 2021, representing a significant increase as compared to the previous year. In particular, the average training hours of male employees has increased to a certain extent, yet the average training hours of female employees was over three times than that of male employees; the average training hours for management-level employees remained stable at 26 hours as compared with the previous year, while that of the middle-level employees has slightly decreased.



Talent reserve and cultivation

In 2021, the Company revised and issued the Interim Measures for the Management of Middle-level Cadres and the Interim Measures for the Management of Reserve Cadres to strengthen the management of middle-level cadres and the construction of reserve cadres, establish and improve the promotion and demotion management mechanism of cadres, and provide support for the Company's sustainable development in terms of human resources.

Organizing vocational skill competition

In the preliminary competition of the fourth national wire and cable manufacturer (inspector) vocational skill competition, the "National Cable Inspection Cup", part of the national industrial vocational skill competition, held in September 2021, Chengdu PuPUTIAN was responsible for the organization of the technical operation examination of "optical fiber and optical cable inspection group" and "electrical equipment wire inspection group". A total of 12 skilled talents from different units of the Company participated in the competition. Through the competition, employees not only learned practical inspection skills and enriched their theoretical knowledge, but also honed their ability through practice.



Throughout the year, the Company organized two sessions of comprehensive quality training for new (promoted) cadres and reserve cadres, and included 10 new employees into the Company's reserve talent pool.

Development training for new (promoted) cadres and reserve cadres

In September 2021, the Company arranged a total of 24 new (promoted) cadres and reserve cadres to participate in a one-day comprehensive ability and quality training, which strengthened the communication between the cadres, cultivated their team spirit of mutual care and enhanced the cohesion of the cadre team.

The training was carried out in the form of outbound training. Tasks with enriched contents, like "Heroes of Heaven and Earth", "Rainbow Bridge", "Attacking and Defending Arrows" gave the participants an opportunity to challenge themselves and cooperate as a team. Under the careful guidance of the instructor, in the process of cooperating to complete the tasks, the cadres deepened their understanding of each other, demonstrated their leadership, creativity, execution and teamwork, deeply felt the strength of a team and the importance of cooperation, and effectively improved their psychological tolerance, organization and coordination ability and teamwork awareness.

After the training, all of the participants said they had further understood their responsibilities at their posts, and that they would make progress together with the Company in the future and contribute to the sustainable and healthy development of the Company.



Care for Employees' Lives

The Company pays much attention to the needs of employees, and cares for the balance between their works and lives. As such, we have carried out diversified employee activities.

In 2021, the Company carried out the "warmth in Spring Festival", "cooler in summer", Women's Day and other general activities, and distributed gifts in festivals like Dragon Boat Festival and Mid-Autumn Festival, so as to adding a joyful spirit to the employees' lives. The Company also actively provided supports in employees' medical treatment and children's education. We have contributed RMB42,600 to support all employees to join the Chengdu On-job Employee Hospitalization Comprehensive Mutual Assistance Guarantee Scheme. Besides, we continued to pay "autumn student grants" to employees' children, which amounted to RMB10,400 this year.

During the Reporting Period, the labor union of the Company held a variety of employee activities, such as Spring Festival Park Tour in the year of the Ox, a reading activity, the 11th "Chengdu PUTIAN Cup" badminton friendly competition, the 6th "Chengdu Cable Group Cup" employee table tennis competition, to help employees relax and enhance their sense of belonging and cohesion, and bring along passion and vitality to the Company.



Friendly badminton competition



Reading activity

“Youth Exchange, Meet 853” young staff social activity

On 26 November, Chengdu PUTIEN was invited to participate in the "Youth Exchange, Meet 853" young employee social activity organized by Chengdu Siwei High-tech Industrial Park Co., Ltd.* (成都四威高科技产业有限公司) (hereinafter referred to as "Siwei Industrial Park").

Through the visit, they learnt about how the older scientific researchers adhered to the principle of "national interests is prior to everything", overcame difficulties, made innovation and achieved great contributions to the national defense scientific research under the extremely difficult environment. They were also given a chance to appreciate the "853" spirit of "unity, dedication, pragmatism and innovation" in their outstanding completion of the mission and responsibility entrusted by the country repeatedly.

The event focused on the "demand points" of young employees for future career planning, strengthened the exchange of skilled personnel in the same type of enterprises, and built a platform for young people to know, communicate and develop friendship with each other.





05

Society:
Create Shared Values

Creating value together is the only way for enterprises to transform and upgrade. Chengdu PUTIAN always pays attention to the needs of stakeholders and create, progress and win together in the process of matching the value chains.

Build a Harmonious Park

In 2021, there were 28 enterprises in the Industrial Park, representing an occupancy rate of 82.2% of the rentable plants.

The Company constantly improves the management of the Industrial Park, and builds a service guarantee platform for property, energy and safety production. We have a series of measures in place through refined management to create a harmonious environment for the enterprises in the Industrial Park.

- We are committed to upgrading the quality of the Industrial Park. We have adjusted the positioning of the Industrial Park according to the requirements of China Electronics Technology, actively introduced supporting enterprises of electronic information and aviation industries, and conducted standardized and integrated adjustment to the Industrial Park. Enterprises that do not conform to the Industrial Park's operating strategy or have hidden dangers are gradually eliminated. The operation of the Industrial Park is evaluated by third parties so as to further improve the quality of the Industrial Park.
- Enterprises in the Industrial Park have been included into the Company's safety responsibility management system to further safeguard the park's security. During the flood season, the Company organized the inspection and maintenance of power distribution system, property flood prevention facilities and emergency materials to keep the park in sound operation. During the safety production month, the Company joined hands with the cooperative district offices of the High-tech Zone to hold Safety Month activities, and carried out advocacy and training to more than 30 enterprises in the park and adjacent area in the same industry through WeChat groups, bulletin boards and banners.
- We repair and maintain the energy supply equipment on a regular basis, and completed the distribution and transformation of electricity meters and the maintenance of box-type substations in PUTIAN community. We inspect the energy consumption meters of each unit on a monthly basis to ensure the continuous and normal supply of water, electricity and gas of each unit in the park. We also carry out cleaning and greening work in an orderly manner to ensure that the environment of the park is beautiful and evergreen.

Together we keep the park green

In March 2021, Chengdu PUTIAN launched a tree planting activity with the theme of "practicing the concept of green development and embracing a fresh and beautiful home". Led by the Company, our employees participated in the tree planting activity and planted 6 ginkgo trees and 12 crabapple trees. At the tree planting site, everybody worked together to plant the saplings into the soil pit, carefully completed the steps of backfilling, banding, fixing and watering, fully implemented the beautiful concept of "green development and jointly building a home", and beautified the environment of the park.



Build a Responsible Supply Chain

In 2021, Chengdu PUTIAN continued to be earnest about centralized procurement, bidding and supplier management in strict accordance with the Internal Control System, the Internal Control System for Procurement and Payment Management, the Centralized Procurement Management Measures and the Customer/Supplier Information Management Measures. The Procurement Center (reorganized as the Material Department in January 2022) continues to implement centralized procurement, and standardize and improve the bidding process, as well as further improve the centralized procurement and supplier management informatization. In 2021, the Company completed 3 tendering processes, 15 centralized procurement comparison and selection, 2 competitive negotiations, 349 review and registration of procurement contracts, and issued 149 temporary supplier codes. At present, the Material Department is revising the bidding management system in accordance with the publicity and implementation training on tender system of China Electronics Technology in 2021 and the requirements of the Company's leaders, so as to continuously improve the suppliers' standard.

Due to the epidemic, the price of raw materials (including copper, tin and other metal materials) rose significantly in 2021. In order to ensure the sound operation of suppliers, Chengdu PUTIAN implemented a series of relief measures to tide over the difficulties with the suppliers. Firstly, after multi-party coordination, the Company shifted and procured the main raw materials domestically instead so as to create development opportunities for domestic raw material suppliers. Secondly, the Company strengthened the guidance for suppliers and took measures to speed up payment and improve turnover rate in order to relieve the capital pressure of upstream enterprises. With the joint efforts of the Company and the suppliers, Chengdu PUTIAN safeguarded the stability of the supply chain despite the raising price of the raw materials, with a 100% passing rate in the raw material sampling.

In 2021, the total number of suppliers of the Company reached 1,844, including 1,827 domestic suppliers and 17 foreign suppliers.

Devote to Rural Area Revival

The Company resolutely implemented the important instructing spirit of General Secretary Xi Jinping, fully implemented the national requirements. We have actively participated in the Rural Revitalization of Dari County, Golog Prefecture, Qinghai Province.

In 2021, the Company donated RMB30,000 to the short-term skill training of labor force in pastoral areas of Dari County and the key training of rural revitalization, so as to help the local people increase their labor income, and consolidate and expand the achievements of poverty alleviation and effectively connect with rural revitalization.

After an earthquake struck Dari County, Golog Prefecture, Qinghai Province in May 2021, the Party members and Youth League members of the Company responded to the call and actively participated in material preparation to donate materials of RMB150,000 to the earthquake-stricken areas.



Distribute materials to earthquake-stricken area

Appendix I: ESG Reporting Guide Index

Indicator		In this report	
Mandatory disclosure requirements			
Governance structure		ESG Management	
Reporting principle		Description of Report Preparation, ESG Management	
Reporting scope		Description of Report Preparation	
"Comply or Explain" provision			
A. Environmental			
Aspect A1: Emission			
General Disclosures		Improve Environmental Management	
KPIs	A1.1	The types of emissions and respective emissions data	Response to Climate Change
	A1.2	Greenhouse gas emissions in total and intensity	Response to Climate Change
	A1.3	Total hazardous waste produced and intensity	Strictly Control Pollution Emission
	A1.4	Total non-hazardous waste produced and intensity	
	A1.5	Description of measures to mitigate emissions and results achieved	
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of waste reduction goals set and steps taken to achieve these goals	
Aspect A2: Use of Resources			
General Disclosures		Improve Environmental Management	
KPIs	A2.1	Direct and/or indirect energy consumption by type and intensity	Enhance Resource Effectiveness
	A2.2	Water consumption in total and intensity	
	A2.3	Description of energy use efficiency goals and steps taken to achieve these goals	
	A2.4	Description of any problems that may arise in determining the use of water sources, as well as the water efficiency established and the steps taken to achieve these goals	
	A2.5	The total amount of packaging materials used in the finished products and the amount of each production unit	
Aspect A3: The Environment and Natural Resources			
General Disclosures		Improve Environmental Management	
KPIs	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Improve Environmental Management
Aspect A4 Climate Change			
General Disclosures		Response to Climate Change	
KPIs	A4.1	Description of major climate-related issues that have and may have an impact on the issuer, and the response actions.	Response to Climate Change
B. Society			
Aspect B1: Employment			
General Disclosures		Talent Management and Team Building	
KPIs	B1.1	Total workforce by gender, employment type, age group and geographical region	Talent Management and Team Building
	B1.2	Employee turnover rate by gender, age group and geographical	
Aspect B2: Health and Safety			

Indicator		In this report	
General Disclosures			
KPIs	B2.1	The number and rate of work -related fatalities in each of the past three years (including the reporting year)	Occupational Health and Safety Production
	B2.2	Lost days due to work injury	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	
Aspect B3: Development and Training			
General Disclosures			
KPIs	B3.1	The percentage of employees trained by gender and employee category	Talent Development and Cultivation
	B3.2	The average training hours completed per employee by gender and employee category	
Aspect B4: Labour Standards			
General Disclosures			
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labor	Talent Management and Team Building
	B4.2	Description of steps taken to eliminate such practices when discovered	
Aspect B5: Supply Chain Management			
General Disclosures			
KPIs	B5.1	Number of suppliers by geographical region	Build a Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	
	B5.3	Description of the practice of identifying environmental and social risks in each link of the supply chain, as well as related implementation and monitoring methods	
	B5.4	Description of the management that promotes the use of environmentally friendly products and services when selecting suppliers, as well as related implementation and monitoring methods	
Aspect B6: Product Responsibility			
General Disclosures			
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to our products
	B6.2	Number of products and service related complaints received and how they are dealt with	After-sales Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Drive Innovation
	B6.4	Description of quality assurance process and recall procedures	Lawful Production
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not applicable to our products
Aspect B7: Anti-corruption			
General Disclosures			
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-corruption and Anti-graft
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	
	B7.3	Description of the anti-corruption training provided to directors and employees	
Aspect B8: Community Investment			
General Disclosures			
KPIs	B8.1	Focus areas of contribution	Devote to Rural Area Revival
	B8.2	Resources contributed to the focus area	

Appendix II: Reader Feedback Form

Dear Sir/Madam,

Thank you very much for reading the 2021 ESG Report of Chengdu PUTIAN. In order to give full play to the communication function of the Report, and effectively improve the level of environmental, social and governance of Chengdu PUTIAN, we sincerely look forward to your comments and suggestions.

1.What's your role against Chengdu PUTIAN?

- Government Shareholder Employee Partner Supplier
 Media Community/Public Others (please indicate)

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

- Excellent Good Common Poor Bad

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

- Excellent Good Common Poor Bad

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

- Excellent Good Common Poor Bad

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

- Excellent Good Common Poor Bad

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

- Excellent Good Common Poor Bad

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

- Excellent Good Common Poor Bad

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

- Yes No

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



CETC 中国电科

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