



# 北京京城机电股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

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

(H Share Stock Code: 0187; A Share Stock Code: 600860)



Environmental, Social and Governance Report 2021





# CONTENTS

## ABOUT THIS REPORT

Report Description	2
Introduction	2
Reporting Period and Scope	3
Reporting Principles	4
Feedback to this Report	4

## MESSAGE FROM THE GENERAL MANAGER 5

## ABOUT BEIJING JINGCHENG 9

Company Overview	9
Corporate Governance	10
Business Philosophy	10
ESG Management Mechanism	11
Promoting Industry Development	12
Honours and Awards	13

## ESG MANAGEMENT APPROACH 14

Engagement Stakeholder	14
Fulfilling Green Operational Responsibilities	16
The People-Oriented Principle for Creating Harmonious	
Labour Relations	28
Creating Value and Contributing to Society	36

## APPENDIX: CONTENT INDEX TO ESG REPORTING GUIDE 43

# ABOUT THIS REPORT



## 1. Report Description

This report is the Environmental, Social and Governance Report for the year 2021 issued by Beijing Jingcheng Machinery Electric Company Limited (北京京城機電股份有限公司) (“Beijing Jingcheng”, or the “Company”). The board of directors and all directors of the Company guarantee that there are no false records, misleading statements or material omissions in the contents of this report, and assume individual and joint responsibility for the authenticity, accuracy and completeness of its contents, and have reviewed and approved this report.

## 2. Introduction

Beijing Jingcheng Machinery Electric Limited (“Beijing Jingcheng”) is listed on the Shanghai Stock Exchange (A shares) and The Stock Exchange of Hong Kong Limited (H shares) with a registered capital of RMB485,000,000. Its subsidiaries include Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司) (“Tianhai Industry”) and Jingcheng Holding (Hong Kong) Company Limited (京城控股(香港)有限公司) (“Jingcheng HK”). The Company is committed to becoming a leading enterprise engaged in the manufacturing of storage and transportation equipment and provision of services for both industrial gas in the world and energy gas in China.







## ABOUT THIS REPORT

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG”) set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Board confirms that it has reviewed and approved this report. Beijing Jingcheng has always regarded sustainable development as its long-term direction. This report aims to present stakeholders with a description of the key issues and the management approach in respect to environmental, social and governance and the Company’s sustainable development, its compliance with the listing rules of both stock exchanges, and the relevant policies, regulations in the environmental, social and governance aspects of its business operations in the context of achieving sustainable development.

### 3. Reporting Period and Scope

This report covers the 2021 financial year from 1 January 2021 to 31 December 2021.

The scope of this report includes but not limited to the Company and its subsidiaries, being:

- (1) Beijing Jingcheng Machinery Electric Company Limited
- (2) Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司) (“Beijing Tianhai”)
- (3) Tianjin Tianhai High Pressure Container Co., Ltd. (天津天海高壓容器有限責任公司) (“Tianjin Tianhai”)
- (4) Kuancheng Tianhai High Pressure Container Co., Ltd. (寬城天海高壓容器有限公司) (“Kuancheng Tianhai”)
- (5) Shanghai Tianhai Composite Cylinders Co., Ltd. (上海天海複合氣瓶有限公司) (“Shanghai Tianhai”)
- (6) Beijing Tianhai Cryogenic Equipment Co., Ltd. (北京天海低溫設備有限公司) (“Tianhai Cryogenic”)





- (7) Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd. (北京明輝天海氣體儲運裝備銷售有限公司) (“Minghui Tianhai”)
- (8) Beijing Tianhai Hydrogen Energy Equipment Co., Ltd. (北京天海氫能裝備有限公司) (“Tianhai Hydrogen Energy”)
- (9) BTIC America Corporation (天海美洲公司) (“BAC”)
- (10) Jingcheng Holding (Hong Kong) Company Limited (“Jingcheng HK”)

## 4. Reporting Principles

### Materiality:

By gathering the feedback from various stakeholder groups about their concerns, interests and expectations in terms of the Company’s sustainable development, material ESG issues of the Group are identified and endorsed by its senior management for future strategy development.

### Quantitative:

The reporting principle of Quantitative was applied and demonstrated through the disclosure of measurable key performance indicators (“KPIs”) under both Environment and Social sections. To ensure that readers can grasp a better understanding of the Group’s sustainability performance, detailed disclosure in measurable format can be found in several performance tables.

### Balance:

Upholding the good practice of transparent disclosure, the Group conforms to the principle of Balance when preparing the ESG Report so as to portray and deliver to the readers both the outstanding achievements and room for improvement of the Group’s sustainability performance in FY2021.

### Consistency:

To facilitate meaningful self and lateral comparison, the Group has adopted consistent methodologies for data collation and reporting framework over years.

## 5. Feedback to this Report

The interests and needs of different stakeholders have been taken into consideration to the fullest extent possible while preparing this report. The Company will continue to improve the content of future reports. For enquiries and opinions, please contact us at:

Beijing Jingcheng Machinery Electric Company Limited  
Address: No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing  
Telephone: (010) 58761949  
Fax: (010) 58766735  
Website: [www.jingchenggf.com.cn](http://www.jingchenggf.com.cn)  
E-mail: [jcgf@btic.com.cn](mailto:jcgf@btic.com.cn)





# MESSAGE FROM THE GENERAL MANAGER

Dear stakeholders:

We are pleased to present our 2021 Environmental, Social and Governance Report for the year ended 31 December 2021. We regard this report as one of the most important, direct and effective communication channels between the Company and its investors and stakeholders, and use this channel to deliver our ongoing plans and initiatives to our stakeholders every year.

2021 marked the onset of China's implementation of the "14th Five-Year Plan". Under the leadership of the Board and the efforts of the management, the Company has responded to the challenges by improving the weaknesses, adjusting the directions, and enhancing and optimizing the enterprise environment through various means. Faced with complex and changing market situation and arduous development task, the Company made a concerted effort to overcome difficulties and advanced in the work in a steady and orderly manner. The Company always adheres to the enterprise spirit of "integrity, dedication, learning, innovation and determination to be first-class" and implements the operation philosophy of "abiding by laws

and regulations, safety and health, and green operation". We unswervingly promote the sustainable development strategy, actively construct and improve the strategic plan of "high-end, precise and advanced" industrial structure, and advance in the equipment business to the direction of being high-end and intelligent and to solve the core basic technology.

During the year, the relevant national industrial policies and the strategic plan of Jingcheng Machinery to build a "high-end, precise and advanced" industrial structure have provided a favourable external environment for the Company to advance in the industrial transformation and upgrading, and also laid a realistic policy foundation for the Company to actively arrange the smart manufacturing industry layout. The Company further accelerated the industrial transformation and upgrading, and comprehensively implemented various measures according to the "14th Five-Year Plan" strategic plans and the three-year reform action of state-owned enterprises. We have completed the tasks and objectives for the year with high quality. As of the end of the reporting period, the Company realized operating income of approximately





RMB108.82965 billion, representing a decrease of approximately RM10.75506 billion, or 8.99% as compared with the corresponding period of the previous year. While committed to developing its main business, the Company has significantly improved various emission, energy conservation and environmental protection indicators, and gradually improved our ESG management level. We have also actively assumed our social responsibility, better realized the allocation of resources and talents, aiming to comprehensively build the industry-leading position of “world’s leading industrial gas and the domestic leading energy gas storage and transportation equipment manufacturing and service enterprise”.

Persist in technological innovation, break through industrial bottlenecks, facilitate smart manufacturing of the powerful nation, accelerate transformation and upgrading, advance in the implementation of major scientific research projects, and drive the Company to enter the intelligent production line industry with merger and acquisition projects approved by the China Securities Regulatory Commission; actively respond to the national call for carbon neutrality, continue to lead the industry in upgrading emissions, contribute to the construction of a beautiful China, and firmly execute and practice the national strategies and social responsibility.

In 2021, the Company made great efforts to maintain its operating efficiency. While developing its principal business, we have never forgotten to take into account the Company’s impact on the environment, its obligations to the society and its responsibilities to its stakeholders:

### 1. Focus on high-quality development to build a “high-end, precise and advanced” industry

For the gas storage and transportation business, the Company, oriented by clients, has invested considerable amount of resources in the gas storage and transportation industry. Strived to solve the problems of the industry, the Company is committed to promoting the new energy storage and transportation which is environmental friendly and low carbon, and comprehensively building the

industry-leading position of “world’s leading industrial gas and the domestic leading energy gas storage and transportation equipment manufacturing and service enterprise”. We have realized a new leap in quality development. The Company launched the independently developed type IV cylinders, the new generation of vehicle-mounted hydrogen cylinder with full independent intellectual property rights. We have obtained the manufacturing permit for the product, which has laid a foundation for subsequent product seriation development and market exploration. We have completed all the research objectives of “key technology research for the design and manufacturing of plastic carbon fiber full-winding compound gas cylinders”, a major sub-project of the Ministry of Science and Technology, which has been successfully accepted. We have also completed two sub-tasks of the new energy vehicle major project of the Ministry of Science and Technology – the development of large-volume 70MPa vehicle gas cylinders for fuel cell road buses and public buses. 70MPa Type III hydrogen storage cylinders have been applied in batches to the hydrogen buses in the 2022 Winter Olympics Games, helping the Games to launch a journey of “Green Winter Olympics”.







## MESSAGE FROM THE GENERAL MANAGER

For the smart manufacturing business, the Company's merger and acquisition reorganization project was approved by the Merger and Reorganization Vetting Committee of the CSRC, which realized the Company's new breakthrough in expanding the field of smart home appliance production line and laid a solid foundation for the development of robot system integration business. The Company made use of Beiyang Tianqing's accumulated technology and advantageous resources in the field of smart manufacturing and smart factory construction to deploy the smart manufacturing industry and form a diversified pattern of equipment manufacturing industry, so as to advance in smart manufacturing and information construction, accelerate the Company's direction towards a "high-end, precise and advanced" industry, optimize the industrial structure and promote the industrial transformation and upgrading strategy.

### 2. Actively assuming social responsibilities and leading in sustainable development of the industry

We unswervingly implement the green development strategy, disseminate advanced new energy ideas to all sectors of society, create a green ecosystem, resolutely implement measures to conserve energy and reduce consumption, vigorously apply and promote new technologies and techniques, and constantly eliminate high-energy-consuming and high-emission equipment. The Company has always been in strict compliance with the laws, regulations and industry standards on environmental protection and pollutant emission relating to the state and the place of business, the characteristics of the filled gases, and has formulated strict internal regulatory documents, and has urged its subsidiaries and branches to accelerate efforts in energy conservation, emission reduction, construction of environmental protection facilities, and green office work. We actively develop and promote green products and provide green services to help build China's ecological civilization.

### 3. Developing hand-in-hand for a better future

We always safeguard the legitimate rights and interests of our employees, respect the diversified development needs of our employees, strengthen occupational health management, raise safety awareness, organize skills training and sports and cultural activities, provide care and warmth for our employees in difficulty, and build a broad platform for their career development. We also strengthen supply chain management, promote industrial integration, deepen international cooperation, and work with partners to complement each other in the building of resource strengths and synergistic development. At the same time, to effectively protect the labour rights and interests of employees, the Company regularly organizes welfare activities and cultured functions for employees to enhance the cohesion and centripetal force within the enterprise.





#### 4. Facilitating sustainable operation with integrity and realizing win-win cooperation

We firmly implement the core values of “creating value with responsibility, establishing an image with integrity”, and highly appreciate the requirements of stakeholders. In 2020, we conducted extensive and in-depth communication with key stakeholders of the Company to further understand the issues and related recommendations they are concerned about, and improve our internal management system with a problem-oriented approach and strive to realize the sharing of development results. Through customer satisfaction surveys, we carefully listened to customer voices, formulated and implemented improvement measures, practically guaranteed information security and customer privacy, and continuously improved the level of services; we continued to improve the supplier management system and promote the establishment of good communication mechanisms; we actively participated in the formulation of industry standards in the upstream and downstream of the value chain, and proactively created our proprietary brands to achieve a win-win situation with our partners. In 2020, the Company made certain breakthroughs in environmental, social and corporate governance while ensuring the development and transformation of its principal businesses. On behalf of the management, I hereby express our sincere gratitude to all stakeholders for their support and trust.

The publication of our ESG Report reviews the Company’s efforts in fulfilling its social responsibilities in 2020, in the hope of arousing enterprises of their social commitments, sharing the values and benefits between the Company and all sectors of the society, especially the stakeholders, enhancing mutual understanding and recognition, and making new and greater contributions to economic and social development through better fulfillment of our social responsibilities.

2022 is a crucial period for the Company for the implementation of “14th Five-Year Plan” strategy. The Company will persevere in focusing on strategic navigation, creating a “new order” for industrial development, hewing out a “new path” for performance growth, and enhancing strategic concentration. The Company will unswervingly practice our social responsibility and continue to improve in the fields of market responsibility, employee responsibility, and the sustainable development of energy conservation and emission reduction. Supported by the stakeholders and government policies, we will continue to take sustainability as our guidance, improving the economic efficiency and accelerating the transformation as our goal, and maintaining harmonious relationship with our staff members as our principle. We will firmly grasp the opportunities brought by the global industrial upgrading and “carbon peak and carbon neutrality” economic development, and work with all shareholders and stakeholders against the headwind.

Li Junjie  
General Manager  
24 April 2022



# ABOUT BEIJING JINGCHENG

## 1. Company Overview

Beijing Jingcheng Machinery Electric Company Limited (“Beijing Jingcheng”) is listed on the Shanghai Stock Exchange (A shares) and the Stock Exchange (H shares), and completed restructuring and asset replacement on 31 October 2013, being the only listed company under Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司). Currently, the abbreviation of H shares of the Company is “JINGCHENG MAC” and A shares is “京城股份”, under the respective stock codes 0187 and 600860.

*Key economic information for 2021:*

Revenue:	RMB 1,182,664,494.03
Profit Attributable to Parent Company:	RMB 23,282,271.43
Net Assets:	RMB 677,655,614.84
Total Assets:	RMB 1,568,448,757.50

As its main enterprise, Tianhai Industry is a group company with eight specialized gas storage and transportation equipment production bases (Beijing Tianhai, Minghui Tianhai, Tianhai Cryogenic, Tianjin Tianhai, Shanghai Tianhai, Kuancheng Tianhai, Tianhai Hydrogen Energy, Jiangsu Tianhai) and an American company. The Company have the design qualification of A1, A2, C2, C3 class pressure vessels and the manufacturing qualification of A1, A2, B1, B2, B3, C2, C3, D1, D2 class pressure vessels. Now the Company can produce more than 800 steel seamless gas cylinders, winding gas cylinders, accumulator housings, asbestos-free filler acetylene bottle, welding insulated gas cylinders, carbon fiber full-winding composite gas cylinders (including car models), cryogenic tanks and gas station and other products, and which are widely used in automotive, chemical industry, fire-fighting, medicine, petroleum, energy, urban construction, food, metallurgy, machinery, electronics and other industries.

By accurately capturing the clean energy market, Tianhai Industry can provide customers with LNG/CNG system solutions through multi-directional technical integration of vehicle LNG cylinders, CNG cylinders, cryogenic storage tanks, natural gas stations and other aspects of technology. The Company can also design and manufacture cryogenic storage tanks, IMO tank container products of different volume and pressure levels according to the Chinese pressure vessel standard, EU ADM and 97/23/EC PED, Australia/New Zealand AS1210 and other standards. For a long time, Tianhai Industry has always adhered to the principles of “developing in line with international standards, producing based on international standards and creating international first-tier level” in manufacturing technology and scientific management, and it has obtained forty-one international certification, ISO9001:2015, ISO/TS16949:2009 quality management system certification, ISO14001:2015 environmental management system certification, OHSAS18001:2007 occupational health and safety management system certification. After more than 20 years of development, Tianhai Industry has established a complete and efficient product sales network and after-sales service system for gas storage and operation which covers the whole country, and its products have been exported to over 40 countries and regions on five continents.

Tianhai Industry adheres to the corporate spirit of “integrity, dedication, learning, innovation and aiming at first-class”, it has established a reputation for safe, reliable products and quality service. With its increasing core competitiveness and rapidly improving performance, the Company has been awarded with many honorary titles such as China’s Top 100 Enterprises (中國百強企業), Beijing’s Top 10 Foreign-invested Enterprises (北京市十佳外商投資企業), Beijing High-tech Enterprises (北京市高新技術企業), China’s Metal Pressure Vessel Manufacturing Industry Leader Enterprises (中國金屬壓力容器製造行業排頭兵企業) and the National “Labour Day” Awards (全國「五一」勞動獎狀).





## 2. Corporate Governance

The Company highly values and strives to improve the corporate governance structure established by the shareholders' meeting, the Board, the board of supervisors and the management team, thus forming an well balanced and coordinated operation mechanism with clear rights and responsibilities among decision-making rights, supervision rights and management rights, so as to ensure the effective implementation of the decision-making rights of the shareholders' meeting and the Board, and the supervision rights of the board of supervisors, as well as compliance of the operation and management rights of the management team effectively.

With the continuous enhancement of sustainability being at the core of ESG management, the Company has integrated ESG into routine production and operational practice by reinforcement of corporate governance and innovative implementation. The Company utilizes ESG as a significant element in achieving its strategic objective of "building the world's leading energy gas storage and transportation equipment manufacturing and service enterprise".

The Company designs and manufactures in strict compliance with relevant environmental protection and pollutant emission laws, regulations and industry standards of the PRC, of its places of operation, and of the pressure vessel manufacturing industry, including GB/T24001-2016 Environmental Management Systems — Requirements with Guidance for Use and GB/T45001-2021 Occupational Health and Safety Management System Requirements with Guidance for Use. Based on these, the Company has established environmental management systems and procedures such as Environmental and Occupational Health and Safety

Management System Procedures, Environmental Factors Identification and Evaluation Form and List of Important Environmental Factors, and Solid Waste List. The Company has also established a Safety and Environmental Protection Department to provide staff training on environmental protection knowledge, enhance awareness of environmental protection, supervise and manage environmental protection-related work, with a focus on saving energy and reducing emissions, and manage environmental factors and pollutants emission, so as to ensure smooth production and operation.

## 3. Business Philosophy

The Company's spirit of "integrity, dedication, learning, innovation and aiming at first-class" has helped it establish a reputation for safe, reliable products and quality service. With its enhanced core competitiveness and rapidly improving performance, the Company provides high quality products for customers and creates value for society.

By adhering to the concept of green manufacturing, the Company actively promotes energy saving, consumption reduction and comprehensive utilization of resources. Besides, the Company makes great efforts to implement the new strategy of "saving energy, reducing consumption and emissions, and enhancing efficiency", and strives to promote the sustainable development of society while constantly improving our intrinsic value and creating maximum return for shareholders.



### 4. ESG Management Mechanism

The Board of the Company assumes full liabilities for the management and reporting of the Company in the areas of ESG and is responsible for assessing and identifying the Company's environmental, social and governance risks, and for ensuring that the Company has an appropriate and effective environmental, social and governance risk management and internal control system. The Company's management provides information to the Board to assess the effectiveness of the above systems. Environmental, social and governance requirements contribute to the Company's continued improvement of operation and management.

There are four committees under the Board, namely, the Strategic Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee. In accordance with the division of responsibilities, the Strategic Committee of the Board of the Company shall be responsible for conducting research and making recommendations on the Company's long-term development strategy and major investment decisions, and organizing the policies and practices of the corporate governance, control system and organizational structure of the Company, including advising the Board on corporate governance guidelines and monitoring the Company's implementation of such policies and guidelines to achieve continuous improvement and optimization. The Audit Committee of the Board shall supervise the internal audit system and its implementation, review the internal control system of the Company and organize internal control inspection, evaluate internal control defects and supervise the relevant rectification, and regularly listen to the reports of the Company's internal control work and determine whether the internal control system is operated effectively on a continuous basis. The Nomination Committee of the Board shall be responsible for selecting and making recommendations on the personnel, selection criteria and procedures in respect of the Company's directors and

managers. The Remuneration and Assessment Committee of the Board shall be responsible for formulating the assessment standards of the directors and managers of the Company and conducting such assessments. The Board of the Company holds regular meetings to listen to reports from the management team on safety production, operation management, internal control, and fulfillment of social responsibilities etc., while supervising and providing guidance.

In order to ensure that the HKEX ESG Reporting Guide ("ESG Reporting Guide") of the Stock Exchange is effectively implemented, the Company has set up an ESG work management mechanism, of which the Secretary of the Board of the Company shall be responsible for coordination, communicating ESG disclosure requirements with department heads. Meanwhile, each department shall be responsible for the assignment of relevant personnel and the implementation of the specific ESG work. The ESG work management mechanism embodies the work model of ESG management with the leadership of the Company's Board and the joint engagement of the management and multiple departments of the Company, which fully guarantees the effectiveness and applicability of its ESG management.



## 5. Promoting Industry Development

Over the years, the Company has been devoted to promote sustainable industrial development by taking an active lead in improving a series of national industry standards and refining product-related laws and regulations. The Company has participated in the following industry organizations:

Organization	Membership
Natural Gas Vehicle and Boat Branch of China Transportation Association	Director
Beijing Association of Automobile Manufacturers	Member
Beijing Mechanical Engineering Society	Member
Guangdong Industrial Gases Occupation Association	Director
Beijing Association of Occupational Disease Prevention and Control and Safety Risk Prevention and Control of Operation in Confined Space (北京市職業病防治和有限空間作業安全風險防控聯合會)	Director
China Industrial Gases Industry Association	Member



# ABOUT BEIJING JINGCHENG

## 6. Honours and Awards

In 2021, with its competitive strengths in the industry and outstanding management results, the Company has been continuously recognized by the Chinese government, the Beijing Municipal Government, various industry associations and authoritative certification bodies. Some honours and awards obtained by the Company and its subsidiaries in recent years are as follows:



High tech Enterprise



Specialized and New Certificate



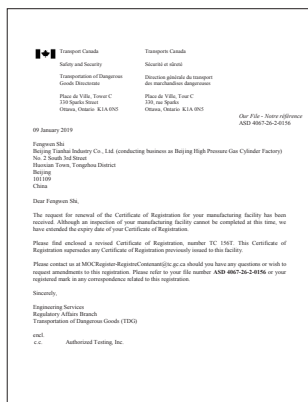
Occupational Health and Safety Management System Certification



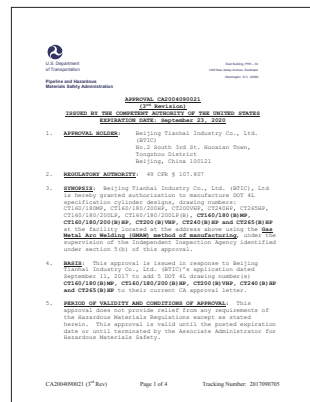
Quality Management System Certification



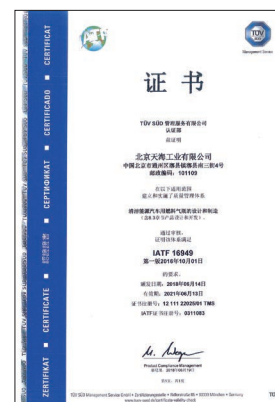
Environmental Management System Certification



Certificate issued by Transport Canada



DOT-4L Certificate (5th Edition)



ISO/TS 16949:2009 Certificate

# ESG MANAGEMENT APPROACH



As a responsible manufacturing enterprise, and in response to the call of the national clean energy policies, the Company incorporates the concept of green development into every step of its routine production and operations. Through continuous enhancement of emissions treatment, energy savings and emissions reduction, construction and operation of environmental protection facilities and green offices, and other efforts, the Company strives to coordinate the development of production and operations with environmental protection, and to make positive contribution to saving energy, reducing emissions, and the development of China's environmental protection industry.

## 1 Engagement Stakeholder





# ESG MANAGEMENT APPROACH

We highly value our communications with each stakeholder, and strive constantly to improve our stakeholder engagement mechanism, enhance operational transparency, disseminate the concept of corporate social responsibility through multiple channels, understand and actively respond to stakeholders' needs, and make progress in partnership with stakeholders.

Stakeholders	Expectations and Demands	Communication and Response
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>▶ Compliance with laws and regulations</li> <li>▶ Payment of taxes</li> <li>▶ Support for economic development</li> <li>▶ Creation of job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Conducting business in compliance with relevant laws and regulations</li> <li>▶ Regular communication with regulatory authorities</li> <li>▶ Pay taxes according to law</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>▶ Return on investment</li> <li>▶ Risk management</li> <li>▶ Safe production</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular disclosure of operating information</li> <li>▶ Investor meetings</li> <li>▶ On-site inspection</li> </ul>
<b>Customers and business partners</b>	<ul style="list-style-type: none"> <li>▶ Good faith and truthful performance of the agreement</li> <li>▶ Fair, just and open procurement</li> <li>▶ High-quality products</li> <li>▶ High-quality services</li> <li>▶ Fulfilment of the diverse needs of customers and creation of value for them</li> </ul>	<ul style="list-style-type: none"> <li>▶ Business communications and contracts</li> <li>▶ Open tendering and price comparison</li> <li>▶ Assurance of product quality</li> <li>▶ Customer satisfaction surveys</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>▶ Occupational health</li> <li>▶ Remuneration and benefits</li> <li>▶ Career development</li> <li>▶ Employee caring</li> </ul>	<ul style="list-style-type: none"> <li>▶ Occupational health examination</li> <li>▶ Provision of satisfying remuneration and benefits</li> <li>▶ Provision of training</li> <li>▶ Workers Congress, staff forums, suggestion box and recreational activities</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>▶ Energy savings and emissions reduction</li> <li>▶ Ecological protection</li> </ul>	<ul style="list-style-type: none"> <li>▶ Communications with local regulatory authorities and residents</li> <li>▶ Managing emissions and enhancing efficient use of resources and energy</li> </ul>
<b>Industry</b>	<ul style="list-style-type: none"> <li>▶ Development of industry standards</li> <li>▶ Promotion of industry development</li> </ul>	<ul style="list-style-type: none"> <li>▶ Involvement in development of industry standards</li> <li>▶ Attending industry forums</li> <li>▶ Visits and inspections with industry peers</li> </ul>
<b>Community and the public</b>	<ul style="list-style-type: none"> <li>▶ Engagement in community development</li> <li>▶ Support for charitable activities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Public welfare undertakings</li> <li>▶ Volunteer services</li> </ul>

2

# Fulfilling Green

Operational Responsibilities







## ESG MANAGEMENT APPROACH

“Innovation, coordination, green, openness, and sharing” are China’s five major development concepts. Chinese government has made addressing climate change a major strategy for national economic and social development, further promoted the construction of ecological civilization, and developed a green economy, making the active promotion of various emission reduction measures as the core of policies to address climate change.

The Company incorporates the concept of green development into every step of its routine production and operations. Through continuous enhancement of emissions treatment, garbage classification, energy savings and emissions reduction, construction and operation of environmental protection facilities and green offices and other efforts, the Company strives to coordinate the development of production and operations with environmental protection, and to make positive contribution to saving energy, reducing emissions, and developing China’s environmental protection industry.

In order to continuously reduce energy consumption, reduce carbon dioxide emissions, improve energy utilization, and achieve the goal of comprehensive and sustainable development, the Company established and implemented a management system according to the specific requirements of “Energy Management System Requirements” (GB/T23331) and DB44/T1944-2016 “Carbon Emission Management System Requirements”.

In response to the call of the national clean energy policies, the Company incorporates the concept of green development into every step of its routine production and operations. Through continuous enhancement of emissions treatment, energy savings and emissions reduction, construction and operation of environmental protection facilities and green offices, and other efforts, the Company strives to coordinate the development of production and operations with environmental protection, and to make positive contribution to saving energy, reducing emissions, and the development of China’s environmental protection industry.

The Company has set up circulating water stations and sewage treatment stations. Cooling water accounts for a large proportion of the total volume of water of industrial use. In order to save water resources, the Company has added circulating water pipelines and cooling facilities to satisfy the need in the process production while saving a significant amount of water resources.

### (1) Emissions Management

As a manufacturing enterprise, the Company designs and manufactures in strict compliance with relevant environmental protection and pollutant emissions laws and regulations and industry standards of the PRC and of its places of operation, and of the pressure vessel manufacturing industry. These including GB/T24001-2016, The Requirements of Environmental Management System and User’s Guide, GB/T45001-2020 The Requirement of Occupational Health and Safety Management System and Guide for Use, etc. Based on these, the Company has established environmental management systems and procedures such as the Environmental and Occupational Health and Safety Management System Procedures. The Company has also established a Safety and Environmental Department and formed a leading group of energy saving and emission reduction to supervise and manage environmental protection-related work with a focus on energy savings and emissions reduction. The Company identifies environmental factors annually and develop protection measures accordingly. To this end, the Company established the Environmental Factors Identification and Evaluation Form and List of Important Environmental Factors with reference to the State’s Solid Waste List to increase its effective management of environmental factors, waste disposal etc..



Waste generated by the Company's production is treated in full compliance with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) and other relevant environmental protection laws and regulations, as well as local governments' administrative measures for solid waste. The waste is classified for collection and treatment within the Company. Domestic waste is transferred to municipal departments for treatment, while treatment of hazardous waste is entrusted to qualified and permitted units from governmental environmental departments. The Company issued the Notice on Strengthening Environmental Protection Work which requires different sections of the Company including technical, supply, sales, equipment and production to formulate standards, enhance communication and reduce hazardous waste from their respective sources. The Company provides staff training on environmental protection knowledge to raise environmental awareness. Meanwhile, an environmental production management system was formulated and implemented to penalize and educate departments that cause environmental damage. The Company has also established a specialized department to supervise safe production and environmental protection, and ensure the coordinated development of production and operations and environmental protection.

The construction projects of the Company are carried out in strict accordance with the requirements of the "three simultaneities", and we actively participate in the accident rescue mission organized by the Municipal Emergency Bureau, fulfilling our corporate social responsibilities. The emission data of major subsidiaries is as follows:

*A. Measures for reduction of exhaust gas emission:*

Implementer	Emission reduction measures
The Company and its subsidiaries	To regularly maintain the exhaust gas treatment facilities and change dustproof bag, as well as activated carbon
Tianjin Tianhai	To replace oil-based paint with water-based paint, upgrade and transform large-line spraying environmental protection treatment facilities, complete the disposal of volatile organic adsorption generated from the completion of painting, dusting, full-winding and gluing process and combustion desorption at operation places and the collection and treatment of smoke and exhaust gas generated from the process of medium frequency, spinning and welding of Tianjin Tianhai
Minhui Tianhai	To main high-power welded dust purification equipment regularly and ensure the dust purification effect
Kuancheng Tianhai	Automation of a production line is completed subsequent to the automation of 1 spinning medium-frequency furnace and 1 frame, by which we have improved the production efficiency and reduced the labor intensity.
Tianhai Hydrogen Energy	To carry out waterproof renovation of hazardous waste collection containers; airtight renovation of the rubber distribution area; maintenance of VOC purification equipment; add activated carbon to VOC equipment to improve the efficiency of adsorption and decomposition, and replace acetone with environment friendly solvents to reduce VOC emissions.
Tianhai Cryogenic	Jet baghouse precipitator's active charcoal absorber operates in a closed area with all doors and windows in the workshop closed and filter materials are replaced regularly



## ESG MANAGEMENT APPROACH

The emission data is as follows:

Greenhouse gas	Emission data
Sulfur dioxide	Approximately 0.356 tons
Nitrous oxide (oxynitride)	Approximately 13.58 tons
Carbon dioxide	Approximately 14,253.59 tons
Total	Approximately 14,267.526 tons

Note: The emission limits of the Company are limited by the environmental assessment report made at the time of the construction of the production site, and the specific emission targets for each year are based on the production orders for that year. Except for the aforesaid greenhouse gas, the Company does not generate other greenhouse gas such as methane, hydrogen carbon compounds etc. The emission concentration of various facilities of the Company meets the requirements of relevant department.

Hazardous waste	Emission data
Benzene	Approximately 0.0527 ton
Benzene series	Approximately 0.776 ton
Non-methane hydrocarbon	Approximately 0.47 ton
Particle	Approximately 0.22 ton
Dust emission of shot blasting process	Approximately 0.389 ton
Total	Approximately 1.9077 tons

Note: The emission limits of the Company are limited by the environmental assessment report made at the time of the construction of the production site, and the specific emission targets for each year are based on the production orders for that year. The emissions concentration of various facilities of the Company meets the requirements of relevant departments.

### B. Measures for reduction of waste water discharge:

Implementer	Discharge reduction measures
Kuancheng Tianhai	The production waste water flows to the waste water treatment facility through the sewage pipe of the plant, the domestic waste water flows to the septic tank, the canteen waste water first flows to the septic tank after the oil and water separator treatment and finally flows to the Kuancheng county sewage treatment plant through the municipal sewage pipe network
Tianhai Cryogenic	To increase the usage of circulating water, strictly control the work and discharge of the sewage treatment station to meet the discharge standard
Tianhai Hydrogen Energy	To transform the waterway of cleaning equipment, reuse deionized water for cleaning process



The emission data is as follows:

Total amount of industrial waste water produced		180,115.74 tons
of which	Emission	Emission data
1	Chemical oxygen demand (COD)	Approximately 9.29 tons
2	Ammonia nitrogen	Approximately 1.14 ton
3	Suspended solids	Approximately 2.41 tons
4	Total phosphorus	Approximately 0.138 ton
5	Flora and fauna	Approximately 0.082 ton
6	Petroleum	Approximately 0.034 ton
	Total	Approximately 13.094 tons

Note: The emissions concentration of various facilities of the Company meets the requirements of relevant departments.

## C. Measures for waste reduction:

Implementer	Waste reduction measures	
The Company and its subsidiaries	In order to protect the ecology and reduce the pollution of waste to the surrounding ecology, the Company resolves to effectively control all types of wastes discarded, classify the domestic wastes and the non-metallic wastes generated in the course of production and process them separately.	
	of which	1. Hazardous waste: viscous oil waste, spray paint waste, etc. are collected by the entities with waste disposal qualifications certified by the environmental protection bureau for recycling 2. Non-hazardous recyclable waste: scrap metal materials and parts, non-hazardous packages are collected by the waste recycling company 3. Other general waste: household waste is disposed by the municipal government
Tianjin Tianhai	Replacing oil-based paint with water-based paint to lessen the production of hazardous waste, customized procurement and blanking of steel pipes to reduce the production of general solid waste	
Tianhai Hydrogen Energy	To replace acetone with environment friendly solvents and avoid producing hazardous waste	



## ESG MANAGEMENT APPROACH

### *D. Management of non-hazardous waste*

The Company generates non-hazardous recyclable waste in its business operations such as scrap metal materials and parts and non-hazardous packages, which shall be collected by recycling companies, and generates a small amount of other general waste such as domestic waste, which shall be disposed by the municipal government.

#### *Packaging materials consumption of the Company in 2021:*

Packaging box	Approximately 35.23 tons
Foamed plastics	Approximately 12.94 tons
Total	Approximately 48.17 tons

### **(2) Energy saving measures**

In 2021, the Company continued to regard energy conservation and low carbon as its key focus of the year, and established a long-term management mechanism on the basis of continuous refinement of management measures. Starting from the source of energy saving and emission reduction, we strictly controlled the process to achieve energy saving and emission reduction targets. At the same time, training sessions were arranged for employees of the Company, and awards were given to participants by setting those having outstanding performance in cost reduction and efficiency enhancement, so that the concept of energy saving and emission reduction could be deeply rooted in the minds of our employees.

In 2021, the Company's energy-saving team has achieved remarkable results. It has set up more than 10 energy-saving and emission reduction projects throughout the year, including automation transformation, substituting gas furnace with electricity furnace, enabling oxygen enriched combustion in the necking-in machines, and replacing the saws in the flame cutting machines, by which the energy utilization rate of the Company has been greatly improve. The leading group and other dedicated personnel of energy management are responsible for effectively implementing the task of energy saving and emissions reduction assigned by the superior and completing the Company's energy-saving targets based on government assessment. The Company regularly revises the energy management system and energy assessment indicators for decomposition every year. The Company also ensures that when purchasing new equipment, using new technologies, and undertaking technologically innovative projects, priority is given to new energy saving technologies, processes, equipment and materials. In particular, energy-saving products that are recommended by the PRC or internationally recognized bodies shall have first preference. Finally, collection, summarization, analysis and assessment of data on energy consumption are performed by the Company every month; such calculation is based on the amount of consumption per RMB10,000 of output value, and regular inspection is performed. Meanwhile, to continue to respond to the national requirement of energy saving and emissions reduction, the Company and its subsidiaries carried out the "Green office, low carbon" activity to create a green and energy-saving office environment. The Company implemented a number of measures to reduce daily energy consumption and increase the utilization efficiency of resources. In terms of electricity, light-emitting diode lamps and other energy saving devices are used in offices. Employees are required to shut down office equipment including lighting devices, maintain air conditioning temperature at the range of national standards as required, continue to promote paperless office and set up recyclable trash bins according to the relevant requirements relating to garbage classification to recycle waste paper, printer ink cartridges and batteries.



Energy consumption (including natural gas, water, electricity, etc.) of the Company and its major subsidiaries in 2021:

No.	Energy	Measuring unit	Total consumption for 2021	Energy consumption per RMB10,000 output
1	Natural gas	0'000 cubic meters	801.66	0.0932
2	Petrol, diesel	Ton	50.84	0.0007
3	Heat	Million kJ	33652.87	0.0100
4	Electricity	0'000 kWh	5639.29	0.0606
5	Water consumption	Cubic meters	273292.20	2.3881

The Group adheres to and promotes the principle of efficient use of resources and strives to optimize the use of resources during business operation. The Group promotes a green office and operating environment and continues to take measures to introduce resource efficiency and environmental protection measures to the Group's operations. In order to achieve greater energy efficiency and reduce the use of unnecessary materials, the Group has developed and implemented relevant governance guidelines on the efficient use of resources.

The Group identifies and adopts appropriate energy saving measures to minimize energy consumption. The Group has developed energy measures and practices for the efficient use of energy. Employees are required to adopt such measures and practices and are responsible for the overall energy efficiency of the Group. In addition, the Group is committed to enhancing energy conservation management by minimizing the use of lighting, air-conditioning and electronic equipment and tracking energy consumption on a regular basis.

In 2021, Tianhai Industry worked in coordination with the industrial positioning and product planning of the Company's "14th Five-Year Plan" strategy in order to actively respond to the national "carbon peak and carbon neutrality" policy. Focusing on the new requirements of "carbon peak and carbon neutrality", it practiced the responsibility of a state-owned enterprise and strived to achieve its own energy conservation and emission reduction targets, as well as continued to deeply deploy the layout of hydrogen energy industry so as to facilitate the green and low-carbon transformation and development of Jingcheng Machinery. During the year, it has prepared the implementation plan for the demonstration of Tianhai Industry's "carbon peak and carbon neutrality" project (《北京天海“碳达峰、碳中和”项目论证工作实施计划》), and held a kick-off ceremony. It has formed a project demonstration leading group and working group, established 13 sub-projects, and designated the departments and personnel in charge. It has also established a regular inspection and reporting mechanism to effectively promote the implementation of feasibility demonstration;

### (3) Climate change

The Company recognizes the importance of identifying and mitigating significant climate-related issues; therefore, the Company is committed to managing potential climate-related risks that may affect the Company's business activities. The Company also incorporates climate risk into its enterprise risk management to identify and mitigate different climate-related risks. In addition, the Company has conducted a climate change assessment to identify and mitigate potential risks that may arise from its business operations. The results of the assessment have been reviewed and validated by the management. These risks arise mainly from the following aspects:



## ESG MANAGEMENT APPROACH

### *Climate-related issues*

#### *Physical risks*

An increase in the frequency and severity of extreme weather events, such as flooding caused by typhoons, storms and heavy rainfall, could cause damage to infrastructures, which could lead to disruption of the Company's business operations and disruption and injury to employees. Such events could disrupt supply chains, interrupt business operations and damage the Company's assets. In response, the Company identifies these risks and prioritizes those that have a significant impact in order to take the first precautionary steps, while the Company explores ways in which business model changes can mitigate or avoid these significant impacts on business operations.

#### *Transition Risks*

The Company strictly complies with climate laws and regulations to support a global vision of carbon neutrality. If the Company fails to comply with the laws and regulations applicable to its business from time to time, its business operations could be materially and adversely affected. Negative publicity may also arise if the Company fails to comply with climate change compliance requirements. The Company's related capital investments and compliance costs may also increase as a result. To address policy and legal risks as well as reputational risks, the Company regularly monitors existing and emerging trends, policies and regulations relevant to climate and be prepared to alert top management when necessary to avoid cost increments, noncompliance fines or reputational risks due to delayed response.

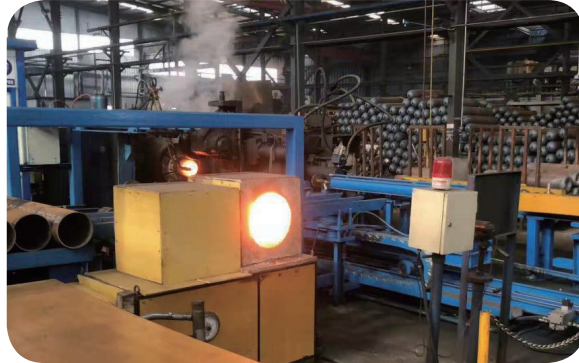
### **(4) safe production**

In 2021, the Company set up a special team for waste classification and advocated the knowledge of waste classification within the Group. Specific waste separation bins are placed in office buildings, auxiliary buildings, supply buildings and production sites etc. The Party members and cadres took the lead in relevant activities at the request of the Company's Party committee.

The Company has been vigilant in order to prevent and control the COVID-19 epidemic. Public areas and shuttle buses are disinfected twice a day; people entering the Company and the plants are required to measure the body temperature; employees and people from external units entering the Company have to register with the "Health Kit" app and report their whereabouts; the Company distributes sufficient anti-epidemic materials on time, inspect whether the employees are properly wearing masks and maintaining social distance, compile statistics and reports on employees' personal information in time, and strictly control meetings; nucleic acid tests are carried out for personnel at key posts and imported materials, and the vaccination rate among staff member has reached 95%. We conduct nucleic acid tests on imported materials and key personnel, strictly control the personnel entering and leaving Beijing, implement "14 + 7 + 7" classified prevention and control for the personnel who have been to the epidemic area, timely adjust the prevention and control measures, and adopt a dynamic management on the canteens, bathrooms, basketball courts and personnel wearing masks according to the epidemic situation.

Automation of a production line is completed subsequent to the automation of 1 spinning medium-frequency furnace and 1 frame of Kuancheng Tianhai, by which we have improved the production efficiency and reduced the labor intensity.





Picture: Renovation of Kuancheng Production Line

## 1) System and process improvement

Based on the people-oriented principle, the Company strictly implemented the Safe Production Law of the PRC, the Safe Production Regulations of local governments, and specific requirements for safe production. The Company has established 72 safety-related rules and regulations under the Safe Production Management System and Safe Production Contingency Plan and implement systems in practical work. In keeping with “Single Position, Double Responsibilities, the Party and the Government are Both Responsible” for safe production, the Company has established the safe production responsibility systems for staff members at all levels and positions. The Company signs a Letter of Safe Production Responsibility at the beginning of each year, which serves as a reminder that responsibility for safety falls on every individual. In compliance with safety governance standardization requirements, the Company undertakes to self-examine and rectify as needed matters pertaining to production safety, and has subsequently obtained (along with its subsidiaries) Level 1 to Level 3 certificates of Safety Standardization to further promote safe production. As a preventive measure, the Company annually identifies potential sources of danger and formulates specific countermeasures in accordance with GB/T24001-2016 The Requirements of Environment Management System and Guide for Use and GB/T45001-2020 The Requirements of Occupational Health and Safety Management System and Guide for Use. In accordance with “One Enterprise One Standard, One Position One List”, the Company also investigates and manages potential safety risks, carries out monthly summary and analysis, and implements any needed rectification work. The Company organizes staff activities such as “Safety Month” and “119” emergency plan drills and carries out emergency drills for X-rays leakage and confined space to reinforce their ability to cope with emergencies, avoid serious injuries or above level accidents and eliminate the occurrence of minor injuries.



1. X-ray anti-misillumination drill



2. Confined space drills



## ESG MANAGEMENT APPROACH



3. Fire drills

### 2) *Safety, environmental protection knowledge and legal education, operational procedure training*

The Company provides new staff members with company-level, factory-level and team-level safety education. Staff members are only regarded as qualified to work after examinations have been passed. Annual safety education sessions are provided to all staff members for maintaining their awareness, their ability to identify potential sources of danger, and their ability to protect themselves from hazards. The Company provides training session for all staff at middle-level to learn about “Beijing Regulations on the Main Responsibility of Production Safety of Production and Operation Units Order No. 285”; organizes special training on hazard identification and risk assessment for personnel responsible for GB/T24001-2016 and GB/T45001-2020 systems, safety departments, department leaders as well as full-time and part-time safety management personnel in various departments and subsidiaries. The Company organizes senior leaders, full-time and part-time safety management personnel from Beijing Tianhai, Hydrogen Energy Company, Tianhai Cryogenic, Minghui Tianhai to conduct environmental protection laws and regulations training. During the epidemic period, all employees are organized to participate in online training of “Production Safety” (Jing Xun Ding), so as to enhance their safety awareness, and implement them in their duties. All employees participated in the training on “Safety Operation Skills” and “Epidemic Prevention Knowledge” organized by the Ministry of Human Resources and Social Security online via DingTalk. The team leaders are provided with safety education and are kept informed of government regulations and the Company’s systems, so as to lead the staff to improve their protection ability. Employees who are exposed to occupational hazards are provided with occupational injury prevention training to raise their awareness and ensure the compliance with relevant regulations and requirements. The Company’s major persons in charge, supervisory persons in charge and persons in charge of the safety department all participate in professional training held by higher-level departments and government organizations and have obtained certificates. Firefighter training drills are also organised jointly with local government units.



1. Safety system training



2. Regular safety inspection



## 3) Bases of relevant policies and data of precautionary measures

Monitoring locations of hazards	Frequency	Points	Qualified points	Unqualified points
	1	364	328	36
Occupational health checks	Frequency	Pre-job health check	On-the-job health check	Post-job health check
	1	26	601	19
Local laws, regulations and requirements	GBZ/T189.8-2007 Measurement of Physical Agents in Workplace Part 8: Noise; GBZ/T189.8-2007 Measurement of Physical Agents in Workplace Part 7: High Temperature; GBZ/T192.1-2007 Monitoring of Dust in Workplace Part 1: Total Dust Concentration; GBZ159-2004 Sample Specification of Hazardous Substances Monitoring in Workplace; GBZ2.1-2007 Occupational Exposure Limit of Hazards in Workplace Part 1: Chemical Hazards; GBZ2.2-2007 Occupational Exposure Limit of Hazards in Workplace Part 2: Physical Agents, the Law on the Prevention and Control of Occupational Diseases.			



## ESG MANAGEMENT APPROACH

### 4) Data and measures of safe production management

Production safety	Number of work-related injuries	Year	Total (‰)	Death (‰)	Serious injury (‰)	Minor injury (‰)	Near misses
		2021	3	0	0	3	0
		2020	3	0	0	3	0
		2019	3	0	0	3	0
	Loss days	110					
	Safety investment	Tianhai Cryogen invested RMB2,230,949.62, Kuancheng Tianhai invested RMB1,840,291.44, Minghui Tianhai invested RMB730,141.64, Tianhai Hydrogen Energy invested RMB1,287,804.65, Shanghai Tianhai invested RMB705,476, Tianjin Tianhai invested RMB2,323,966.57 and Beijing Tianhai invested RMB749,654. The total amount is RMB9,868,283.92.					
	Fire prevention measures	1. Establish responsibility system of fire prevention post and management system of fire safety; 2. Organize fire examination regularly; 3. Organize fire drill, strength fire prevention training and publicity; 4. Equip with fire-fighting apparatus and fire prevention facilities; 5. Increase the escape indication signals and upgrade the main control device of the central control room.					
	Safety measures	1. Enhance identification and management of production safety risks and control of production safety risk levels, identification of risk factors and risk control. Strengthen the safety education training and emergency drill; 2. Strengthen the implementation of responsibility system of production safety and the prevention, supervision, reward and punishment of responsibility system. Execute safety commitment agreements, establish safe production targets, manage the systems, establish and improve the safety responsibility. 3. Strengthen the management of dangerous goods, strengthen operational safety procedures, occupational health checks and training, relevant parties management, labour protection supplies management and the implementation of responsibility system of inspection and supervision; 4. Set out specifications based on the safety measures required by the “three simultaneities” and install safety facilities. Establish safety management organizations, assign safety management personnel and formulate safety management requirements, provide regular safety education training to personnel and require the special workers to report duty with certificate based on the safety management system of Beijing Tianhai. According to the requirements of No.2 order of Hebei province, establish a double prevention mechanism of risk control and identification of risks. Upgrade the explosion-related dust treatment facilities in accordance with the new standards and pass the expert acceptance.					
	Regulatory methods	Establish a dual-base system for risk grading control and hidden danger investigation and governance, clarify responsibilities and implement safety education, safety inspection at each level and safety reward and punishment.					

# 3

## The People-Oriented Principle for Creating Harmonious Labour Relations





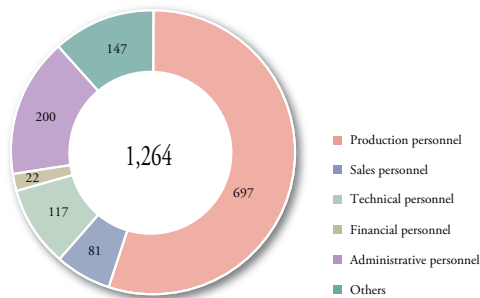


## ESG MANAGEMENT APPROACH

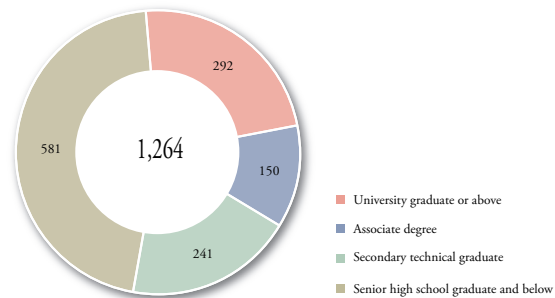
The Company regards its employees as the cornerstone of growth. We cherish their hard work and regard them as the Company's precious wealth. Not only is the Company committed to creating a safe working environment and a smooth career development path for employees, but also safeguarding the labour rights and interests of employees, providing them with generous benefits, improving the training system, carrying out rich cultural activities, and cultivating employees' sense of belonging in the factory, so as to stimulate the enthusiasm and creativity of employees, and enhance the cohesion and centripetal force within the enterprise.

### (1) Management of employees

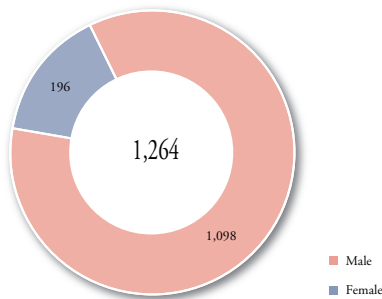
The Company embraces and values the diversity and talent of employees from different cultures and social backgrounds. Following on from strategic requirements of "transforming from manufacturing to service-oriented manufacturing business" and "marching towards high-end brand from mid-to-low end brand", the Company strives to enhance the quality and efficiency of employees' work by establishing production and work procedures which fully utilize their enthusiasm, initiative and creativity. In this way, our employees contribute to achieving the Company's aim of becoming a first-class, internationally competitive enterprise.



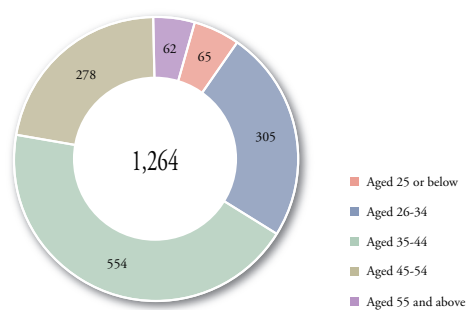
Picture: Employee by profession



Picture: Employee by education level



Picture: Employee by gender



Picture: Employee by age

Note: The total staff turnover rate for 2021 is 9.07%



## (2) Employment policy

The Company values and protects the legal rights of all employees according to law and maintains strict compliance with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and relevant local laws and regulations. The Labour Law of the People's Republic of China sets out strict regulations on the prohibition of recruiting minors and working hours, rest and vacations of employees. The Company organizes personnel recruitment annually based on operational plans and the number of employees consequently required for various positions. Recruitment targets fresh graduates and general public in order to encompass people from all walks of life and classes. The Company upholds a "people-oriented" principle, with emphasis on the basic human rights of employees and prevention of any discrimination based on gender, age, nationality, religion, marital status, disability etc., with regards to recruitment, determination of salaries, promotions and training. The Company wishes to ensure that all employees enjoy fair, equal and open job opportunities. It offers suitable positions to disabled employees and implements "equal pay for equal work". At the same time, it strictly protects employees' personal information and prevents the leakage of such information. All these policies show the concern of the Company to every employee, and foster employees' sense of belonging.

Step	Item	Content
1	Human resources requirements	All departments and branches of the Company put forward employment requirements in strict accordance with rules and regulations;
2	Formulate plans	The Company prepares recruitment information according to the summarized needs, and develops detailed recruitment plans to ensure the maximum utilization of human resources;
3	Implement recruitment	The Company releases recruitment information through various ways including online release, offline campus recruitment and internal competing products to ensure the diversification of talent sources;
4	Organize interviews	After the selection and confirmation of candidates, the Company will regularly or irregularly organize interviews to have a comprehensive understanding of candidates;
5	Complete enrollment procedures	The Company performs the enrollment formalities for selected and determined personnel, signs legal labour contracts, provides induction training and completes the enrollment procedures.

## (3) Employment promotion, remuneration and incentive policies

To provide employees with a broad development platform, the Company has formulated the Middle-level Leading Cadre Selection and Appointment Processes and Operational Procedures. This standardizes the administrative measures and selection and appointment procedures for middle-level leading cadre, and specifies the processes and operational procedures for organizational selection, internal recruitment and open selection (social recruitment). Regarding promotion, we offer fair opportunities to each employee, maintaining an impartial attitude and issuing announcements for staff promotion to ensure the fairness and openness of the process, and that our staff enjoys fair remuneration and benefits.





## ESG MANAGEMENT APPROACH

The Company adopts a diversified remuneration system with job performance as its primary basis for determination of salary. Based on fixed job positions, the job performance salary determines the relative value of the position through evaluation, and determines the salary level with reference to labour market price levels, to ensure both the internal and external fairness of remuneration. On this basis, the Company has developed Administrative Measures for Core Talents, which entitles engineering and technical staff at technical grade upon appraisal to the corresponding executive-level remuneration, and offers technology innovation incentives to employees. For marketing staff and basic production workers, the Annual Assessment Approach for the Sales Department and the Annual Assessment Approach for Piece-rate Wage are implemented respectively. An annual salary system applies to senior management in accordance with Administrative Measures for Performance Appraisal of Senior Management. We implement a diversified remuneration policy with hierarchical classification in accordance with differences in work nature.

To enhance the staff's zeal for work and creativity, the Company has established a diversified incentive mechanism. Meanwhile, in order to actively build a platform for realizing employees' own value, the Company organizes and carries out evaluation activities for a number of staff positions and departments.

Activity	Content of activity	Result of activity
Four Tens	The Company rewarded advanced individuals and groups that take practical action to make outstanding contributions to the Company's transformation, development and the realization of the goal of improving quality and increase efficiency	The Company selected and commended "Ten pacesetters", "Ten experts", "Ten advanced group" and "Ten best projects of reducing cost and increasing efficiency"
Promotion and refund Strive to be the best sales person	The Company carried out labour competition in sales system and conducted experience exchange and recognition activities on 30 July	The Company selected and commended a total of 10 "Top sales" "Sales experts" and excellent sales person
"Ankang Cup" & Safe production model team	In conjunction with the Company's campaign of "Promoting Emergency to Thousands of Households", a series of "Ankang Cup" competition activities with the theme of "Strengthening Awareness, Investigating Hidden Dangers, Stimulating Development, and Safeguarding Health" was launched	The Company carried out the appraisal activity of production safety model tem and selected 6 teams as the 2021 Production Safety Model Team.
Proposals of rationalization and small reform activities	The Company continued to carry out the "Proposals of Rationalization and Small Reforms" activities, calling on employees to face up to difficulties to strengthen their confidence and encourage employees to offer ideas and suggestions.	In 2021, 46 items of "Proposals of Rationalization and Small Reforms" were solicited, and 45 items were adopted and implemented after review.



Activity	Content of activity	Result of activity
Care for model worker	The Company actively promoted the deeds of model workers and created a favorable atmosphere for studying model workers	Innovative workshop for welded insulated cylinder was recognized as a “Model Organization of Beijing 2020”, while the leader of the workshop was awarded the “Capital Labor Medal 2020”.
Establish innovation office	The Company actively organized and carried out activities such as “the capital employee quality construction engineering scientist (expert) entering into the employee innovation workshop” and “famous teacher and apprentice”	The “design and development of segmented rotational molding” project of the innovative workshop for type IV cylinder and the “R&D and industrialization of medical liquid oxygen respirator” project of innovative workshop for welded insulated cylinder were named the “outstanding projects of Jingcheng Machinery employees’ innovative workshop 2021”

#### (4) Labour standards

All work at the Company is voluntary, with no forced, indebted, contract-bound or involuntary prison labour used. All employees are entitled to resign freely upon providing reasonable notice to the Company. The Company does not allow child labour in any of its workplaces. “Child labour” refers to labourers who are under the age of 16 (or the age prohibited by law). The number of working hours shall not exceed the maximum hours stipulated by local laws, so that our employees can get enough rest. Employees are also entitled to leave for reasons of marriage, maternity, bereavement, paternity, breastfeeding and others, in addition to paid annual leave.

In strict compliance with the Labour Law of the People’s Republic of China, related laws and regulations of the PRC and Beijing, the Company employs workers according to law, and is strongly against underage labour, forced labour and unfair employment relationship. Through our efforts in protecting the personal safety of employees and respecting their legitimate interests, we have established and maintained good employment relationships with them to strive for a win-win situation.



# ESG MANAGEMENT APPROACH

## (5) Talent cultivation

The Company provides systematic training to employees according to its business development strategy. By encouraging their use of spare time for learning, employees’ knowledge, skills and quality are improved and their personal development needs are fulfilled, enabling them to better meet the Company’s operational needs. To this end, training conducted by the Company focuses on the areas of common sense, job skills, emergency response, production safety, and party building and integrity. Incentives are also provided to employees in accordance with Company policy.

According to the 2021 Training Plan, the Company completed a total of 87,147.9 hours of training, involving a total of 5,062 person-times, with an average training time per person of 68.9 hours. Among which, the total number of training hours for middle and senior management was 7,899.1 hours, with 154.8 hours of training hours per person, while the total number of training hours for other personnel was 79,248.8 hours, with 65.3 hours of training hours per person. The total number of hours of training for all middle and senior management accounted for 9.06% of the total number of hours of training for all employees trained, while the total number of hours of training for non-middle and senior management accounted for 90.94% of the total number of hours of training for all employees trained.



**Picture: the training system of the Company**



According to the Company's annual training plan, the Company organized and completed training courses such as Training for Technology Research and Development Staff Development, Improving Digital Era Management Skills for Middle-level and Key Personnel, the Special Training for Benchmarking Excellent Enterprises to "Learn from the Advanced, Ensure Implementation and Advance in Reform", Training for New Cylinder Regulations in the Gas Cylinder Industry, and the Management Training for Front-line Team Leaders.



Picture: Professional Development Training for Technical R & D Personnel

## (6) Employee interests

### A. Employees' welfare

The Company takes care of staff life and creates a harmonious atmosphere. The Company also goes deep among the employees and listens to the voice of them to understand their lives and solve their practical problems and seriously carries out activities such as home visits, subsidy granting, mutual assistance and convenience services. The Company continued on "heart-warming" activities, and visited model workers, persons targeted by the united work, retired executives and employees with family difficulties or serious illness. During the Spring Festival, visits were made and regards were extended to model workers, retired employees and employees in difficulties, subsidies were granted to 4 employees in difficulties, regards were also extended to 20 security guards and on-duty employees in the energy stations who have been stuck to their posts during the Spring Festival. During Spring Festival, Labour Day, Dragon Boat Festival, National Day and Mid-Autumn Festival, the Company extended our regards to all employees by distributing holiday gifts such as rice, noodle and oil. At the same time, the Company's labour union, in order to do its best, intensified poverty alleviation efforts, all gifts were purchased from the Beijing Shuangchuang Center for poverty alleviation products, and invested RMB358,400 in three expressions of regards. On weekdays, each level of labour unions has been seriously organizing visits to let employees deeply feel the warmth from home and families. We visited and expressed regards to 14 employees who were sick and hospitalized and their immediate family members passed away, 2 employees who were in difficulties, 9 retired employees, and home-visited 8 retired employees who passed away. The Company carried out in-depth understanding of the difficulties faced by 2 employees, and applied for the Jingcheng Machinery Warmth Fund of RMB4,000 for them. We also applied for the Warmth Fund of RMB2,000 for the national model workers who were in difficulties, and the Jingcheng Machinery Warmth Fund of RMB50,000 for employees in need due to accidents. In order to optimize the prevention and control of the normalized pandemic and safeguard the health and rights of our employees, we have invested RMB102,000 in anti-pandemic materials for all employees.



## ESG MANAGEMENT APPROACH

During the hot summer days, we carried out the activity of “care by your side, cool summer is here” (「關愛在身邊，夏日送清涼」), sending mineral water and ice cream to 333 front-line and auxiliary employees. The Company organized the “Golden Autumn learning assistance” event to apply for grants of RMB19,000 for 11 children of employees, and distribute stationaries to 29 children who “admit to primary school from kindergarten”. The Company expressed its regards of “maternity care” and distributed RMB12,000 condolence fee to 7 employees. We organized convenient service activities such as barber, blood pressure measurement, blood glucose measurement, key distribution, sewing, and mobile phone screen protection install during Spring Festival and the Party’s birthday on 1 July, serving over 500 employees. The Company worked as agency for the employee to purchase annual tickets of theme parks. In order to better meet the diverse needs of employees for birthday gifts, the birthday gifts with the company’s LOGO have been carefully customized to enrich variety and RMB176,100 was invested in birthday souvenirs to further enhance employees’ sense of belonging and promote the construction of corporate culture.

### *B. Cultural and sports activities to boost employees’ vitality*

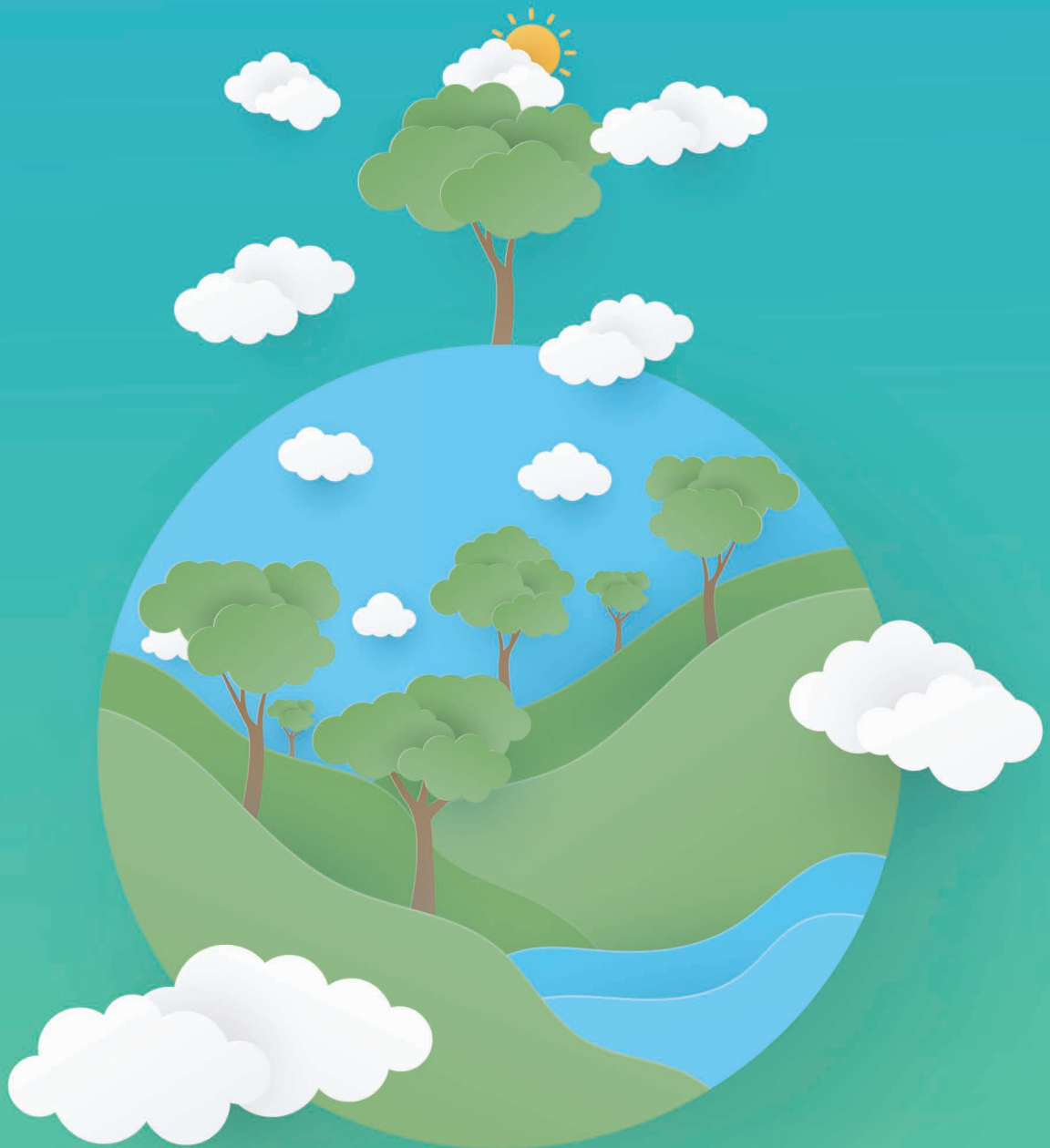
Since the beginning of this year, the Company’s labour union has continued to conduct the construction of employee culture, combining with the actual situation of epidemic prevention and control, and actively organized and carried out cultural and sports activities that employees would be pleased to participate in, to further meet the spiritual and cultural needs of employees. During the Chinese New Year, we organized activities like the “Cloud” power walking and New Year online quiz competition to create a unified, harmonious, friendly and peaceful atmosphere in the year of the Ox. On the Women’s Day, while remaining vigilant in adopting epidemic prevention and control measures, all branches with female employees of the Company carried out a series of themed, specialized and colorful celebrations, such as succulent plants DIY, talent shows and essential oil DIY, which fully demonstrated the healthy, beautiful and enterprising characteristics of the females in Beijing Tianhai, and reflected the concern and attention of trade unions at all levels of the Company to the female employees.

To celebrate the 100th anniversary of the founding of the Chinese Communist Party, a photography activity of “never forget the original intention or manufacturing and keep in mind the mission of the powerful country” was carried out from April to May, which has collected 110 photographs advocating the main theme; from May to July, we organized a 70-day online interactive quiz of “Celebrating the Centennial birthday and praising the glory of labor”; held the “Ode to the Party” classical songs singing activity, where clips of employees from eight branches singing communist songs were submitted and uploaded in the Company’s public account. From November to December, we carried out a 30-day power walking activity with 995 people participated to further publicize the concept of sports and health, encourage the employees to lift the spirits and fight for the fourth quarter, and go all out to complete the established goals of the Company.

4

# Creating Value

and Contributing to Society







## ESG MANAGEMENT APPROACH

### (1) Strictly governing the enterprise according to law

The Company regulates its positioning of rights and responsibilities and the way of exercise in strict accordance with laws and regulations such as the Company Law of the People's Republic of China and the Law of the People's Republic of China on State-owned Assets of Enterprises (《中華人民共和國企業國有資法》), under the guidance of the Company's articles of association. The Company also improves the internal management system, improves the effectiveness of the system and process, prevents business risk, conscientiously implements the strict audit process for contracts, rules and regulations and major decisions, promotes subordinate companies to establish and improve the internal control system, strengthens internal control management, improves the audit system, conducts internal audit, enhances audit supervision, and timely organizes communication meetings, seminars, training sessions when dealing with league problems in major projects and rules and regulations with many problems during implementation to effectively prevent and control legal risks and to ensure the regulations to be put into practice. At the same time of steadily progressing its businesses, with compliance management as a fundamental requirement, the Company strives to integrate compliance management into its business processes to ensure the Company's orderly operation and management.



Picture: Convening the conference on "Tianhai Industry's Internal Control Management Training"





## (2) Promoting corruption-free operation

The Company and its subsidiaries have always attached great importance to fight against corruption, advocated corruption-free operation, opposed to commercial bribery and strictly complied with laws and regulations in relation to the prevention of bribery, extortion, fraud and money laundering. Voluntarily take Xi Jinping's thought on socialism with Chinese characteristics in the new era as the fundamental guiding ideology and guidance, deeply implement the spirit of the plenary sessions of the central and municipal Party committees and the decisions and arrangements on the construction of a clean and honest Party and the fight against corruption, strengthen the Party's centralized leadership over anti-corruption works, uphold and strengthen the Party's overall leadership, and adhere to the concept of Party managed by the key Party members and strict governance of the Party in an all-round way, persist in governing enterprises in accordance with the laws, regulations and disciplines, and provide a strong guarantee for the sustainable and healthy development of the Company and its direct subordinate units.

During the reporting period, the Group was not aware of any legal cases relating to corruption practices of the Company or its employees.

In 2021, we held two deterring education conferences about "learning from cases and promoting reform with cases". At the conference, we watched an deterring film about selling classified information of drug usage in a hospital for the sake of distribution business and taking rebate, in order to educate people with an effect of deterring many with the execution of one. We organized and carried out the month of publicity and education on a clean and honest Party with the theme of "promoting reform with cases", so that Party members and leading cadres have been profoundly educated and the cultivation of Party spirit of Party members and leading cadres has been further enhanced. We continued to deepen the reform of the discipline inspection system, formulated and advanced in the implementation of the execution plan for the reform of the Company's discipline inspection system. We conducted investigation on the leading cadres who have completed the probation period, leaders of bidding and the recommended candidates of "two excellent and one advanced", and resolutely prevent "promotion of the wrong people". In 2021, the Discipline Inspection Commission of the Company conducted 300 blitz inspections and spot checks of the Transparent Procurement Platform to monitor its operation. We established and improved the integrity archives of 43 middle-level leading cadres. The Discipline Inspection Commission of the Company has carried out special supervision on the collection, use and management of Party fees, the "four specific projects" rectification, the "hidden reserves" rectification, leaders going abroad for private reasons, corruption and handling problems in relation to poverty alleviation, service projects of Beijing Winter Olympic Games, self-inspection and self-correction immediately after receiving complaints, bidding management and cadre responsibility. We focused on major projects, key fields, key posts and important works, strengthened the supervision of departments with concentrated power, intensified capital and rich resources, as well as the responsibility of leaders. We have effectively prevented the occurrence of corruption, negligence of duty and malpractice. In addition to giving warning in the critical time through special meeting, WeChat work group, OA office platform and other ways, a special column titled "Alarm Bells Ring (警鐘長鳴)" was published in the monthly Tianhai Information (《天海資訊》) to release criminal cases which caught public attention as positive and negative examples; at the same time, related warning videos were played at the monthly branch secretaries' regular meetings.



## ESG MANAGEMENT APPROACH



Photo: Deterring education conference about "learning from cases and promoting reform with cases"

### (3) Protection of intellectual property

The Company implements comprehensive management of the management, use and risk prevention and control of intellectual property rights, and strictly abides by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, etc. in its production and operation activities and passed the effective implementation of intellectual property management system documents.

The Company has incorporated the strengthening of protection of intellectual property rights into its management work, and through the establishment of a series of knowledge management systems, provides guidance to the Company's intellectual property rights management activities, handles patent applications, trademark maintenance, and avoids infringement of intellectual property rights and patented technologies to maintain the Company's brand image.

To protect its own innovative technologies and brand, the Company has applied for a number of patented technology and trademark registrations in China and overseas. In China, we have obtained 16 technology patents, 27 utility model patent technologies and two patents pending for registration. Meanwhile, the Company has registered the trademarks of JP, BTIC, etc. in 19 countries, including the European Union, Canada, the United States and Singapore; and 20 trademarks for self-owned brand names of JP, BTIC, BTCE, etc. at the Trademark Office of the State Administration for Industry & Commerce of the PRC.

### (4) Protect Information Security and Privacy

The Company attaches great importance to information security, strictly protects the customer privacy and employee privacy. In order to standardize information security work and internal employee behavior, the Company carried out the following five aspects of work: Firstly, the Company formulated 11 management systems such as the "Network Information Security Management System" and "Information System Project Management System" relate to security and informatization to further improve the network information security system files. Secondly, the Company accepted the evaluation of the China Software Evaluation Center, made improvements and upgrades based on the evaluation issues, and continued to strengthen the construction of network security in accordance with the requirements of the "Internet Security Law". Thirdly, the Company signed the Network and Information Security Commitment (《網絡與信息安全承諾書》) with all employees to further improve the employee's awareness of information security and privacy protection, so that there are laws to abide by in respect of information security and privacy protection. Fourthly, the Company further strengthened the management of the server room, adjusted the strategies such as security protection, anti-intrusion, anti-tampering and upgraded anti-virus system to ensure the security of the server room and software system. Fifthly, the Company strengthened the contingency plan practice to ensure the effectiveness of data backup and that the system can be put back into use more quickly when run into system anomalies.



### (5) Customer Services

To enhance its connection with customers and understanding of their needs, the Company has established an extensive after-sales system and an after-sales department to provide services in the areas of packaging guidance, repair, information consultation, complaints, and others. On receiving calls from customers, the after-sales department records the customer's information and then determines a preliminary approach to their issue based on the content of the complaint. Simple guidance on repair can be provided over the phone. Cases which cannot be dealt with over the phone are handled with the corresponding procedures in accordance with Company regulations. After completion of each after-sales case, the problem situation, results, responsible department and person, preventive and corrective measures, etc. are all recorded. In 2021, the Company received a total of 487 calls, including 187 for consultations and inquiries, 300 for reception and after-sale complaint suggestions and services.

The Company makes all practical efforts to correct product defects in a timely manner. In the unlikely event of a product will be handled in accordance with the Procedures for Handling and Control of Returned Products. The quality of the Company's products, which are related to vehicle parts and components, is of crucial importance to the consumer safety. Therefore, we are committed to product quality and we assume full responsibility for accidents arising from the failure of our products. Upon receiving a customer complaint, we will establish a task force in accordance with the global 8D problem-solving methodology to provide a prompt response, investigate the reasons for the issue, and develop an improvement plan to avoid similar incidents.

### (6) Quality assurance

The Group has established stringent processes and systems to ensure that all its products and services comply with all the relevant laws and regulations, as well as internal rules including (but not limited to) the Product Quality Law. The Group's quality policies are: To implement a zero-defect quality management strategy; maintain continuous innovation and improvement; observe laws and regulations, enhance customer satisfaction; provide environmental-friendly, safe, high-quality products and services. The manufacturing facilities of the Group have formulated a quality management system and obtained ISO9001 and IATF16949 certifications.

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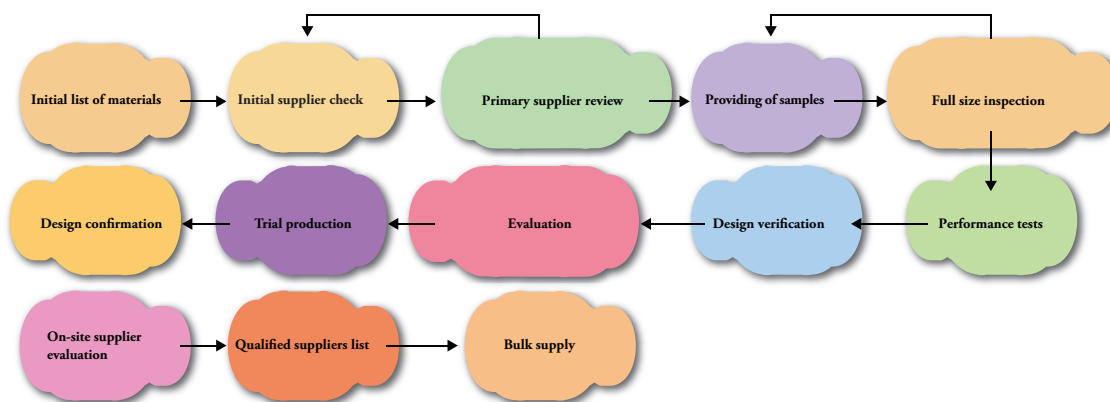
## ESG MANAGEMENT APPROACH

### (7) Supply chain management

The Group has established the Control Procedures for Supplier Development and Evaluation and the Code of Conduct for Suppliers to select and evaluate suppliers in order to maintain the quality of products to meet the needs of customers, and all suppliers are required to obtain ISO 9001 quality certification and environmental related requirements.

The Company requires the suppliers to comply with applicable national or local environmental, health and safety laws and regulations, to dispose of hazardous materials and waste reasonably, to take appropriate measures to conserve resources and to continuously improve environmental health and safety performance.

From time to time, the Company conducts preliminary selection, sample and small batch tests and on-site evaluation of suppliers, and only after they are qualified can they be included in the Qualified Suppliers List. The Company conducts annual on-site evaluations for A-class suppliers to ensure the quality of the suppliers. We may reduce the size of our business for sub-standard suppliers or even remove them from the Qualified Suppliers List.



### (8) Social contributions

The Company actively fulfilled and assumed its social responsibilities, attached great importance to and actively repaid the society. In 2021, it widely organized employees, party members and young party members to provide volunteer services.

A good social environment is the soil for the survival and development of an enterprise. The Company took the initiative to fulfill and assume its social responsibilities, attached great importance to and actively repaid the society. In 2021, we intensified our efforts to help target poverty alleviation areas and organize various poverty alleviation activities. In response to the requirements of the Garbage Classification Regulations, the Company strengthened the garbage classification work; actively responded to the government's call, quickly organized manpower and material resources, and invested in the national epidemic prevention work;

#### a. Targeted poverty alleviation

The Company insisted on sharing development results with the society, ensuring people's livelihood, as well as enhancing people's livelihood and well-being during development. We have stepped up efforts to help target poverty alleviation areas, and implemented a variety of effective poverty alleviation projects. We actively participated in community communication, organized various poverty alleviation activities, and actively gave back to the society.



The Company continued to help fight the battle against poverty by conducting consumer poverty alleviation and counterpart assistance. The total purchase of our canteens amounted to approximately RMB975,400, in which poverty alleviation products amounted to RMB355,500 and accounted for 36.4%, while non-poverty alleviation products amounted to RMB619,900. The total purchase of labor unions amounted to approximately RMB442,200, in which all of them were poverty alleviation products, representing a proportion of 100%.

In 2021, under the same conditions, the Company determined and reserved over 30% of the total amount of farmers' products purchased by the Company's canteen for targeted procurement of poverty alleviation agricultural and sideline products from Beijing's poverty alleviation cooperation poverty-stricken areas and the Beijing Consumer Poverty Alleviation Industry Double Innovation Center. The person-in-charge of the canteen determined the place of purchase that meets the requirements through on-site visits. In order to implement the instructions and requirements of the superiors, the Company purchased poverty alleviation products as much as possible. At present, the total purchase of poverty alleviation products in the canteen amounted to RMB355,539.28.

The Company also actively played the role of labour unions, and purchased the poverty alleviation consumer products designated by Beijing under the same conditions in accordance with relevant regulations for union welfare, employee holiday regards, and so far the labour union purchases for employee holiday condolences were all poverty alleviation products, and the cumulative amount was RMB442,200.

#### **b. Garbage classification**

The Company actively responded to the call of the municipal government according to the requirements under the Garbage Classification Regulations to strengthen garbage classification, save resources, create a good living environment, formulate relevant rules, place four types of garbage bins for kitchen waste, other garbage, discarded masks, and recyclable garbage in public areas, set up a special team for garbage classification, and arrange personnel on duty to supervise by random inspection, read and monitor, etc.

The Company organized its employees to participate in garbage classification learning session, organized knowledge lectures, knowledge competitions, and implemented the "dual registration" mechanism according to the requirements of the Party Committee Organization Department, requiring party members and employees to participate in community-organized garbage classification activities for no less than 2 hours per month.

#### **c. Epidemic prevention and control**

In 2021, the Company showed the responsibilities of a state-owned enterprise, and supported the frontline of the battle against the epidemic. As a supplier of emergency supplies, the Company strongly supported the frontline workers of the battle against the epidemic. During the Spring Festival, the Company responded to the initiative of "staying in the city of residence for CNY" with practical actions and contributed to the prevention and control of the epidemic. Tianhai Industry, a subsidiary of the Company, launched the 2022 Spring Festival Regards and Warmth Campaign to extend their regards to retired senior management employees through telephone and video call, visits were made and regards were extended to model workers, employees in difficulties, and on-duty employees during the festival. Special care was given to employees from other cities who stayed in Beijing for the New Year, and provided policies and methods to issue "consolation money" for staying in Beijing for the New Year. During the Spring Festival, the Company's labour union meticulously organized and carried out "cloud" walking, online prize contest and other extensive activities, so that the employees who "did not return to their hometown" can also enjoy a Spring Festival with the "CNY spirit". In this special New Year of the Ox, the Company was full of enthusiasm for unity, and at the same time, it also added a warm layer of harmony and friendship.



# APPENDIX: CONTENT INDEX TO ESG REPORTING GUIDE

A. Environmental			
A1	Emissions	<b>General disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste	Fulfilling Green Operational Responsibilities
A2	Use of resources	<b>General disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials	Fulfilling Green Operational Responsibilities
A3	The environment and natural resources	<b>General disclosure</b> Policies on minimizing the issuer's significant impact on the environment and natural resources	Fulfilling Green Operational Responsibilities
A4	Climate change	<b>General disclosure</b> Description on significant climate-related issues that have and will have an impact on the issuer, and actions to address them.	Fulfilling Green Operational Responsibilities
B. Social			
B1	Employment	<b>General disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	The People-Oriented Principle for Creating Harmonious Labour Relations
B2	Health and safety	<b>General disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Fulfilling Green Operational Responsibilities



B Social			
B3	Development and training	<p><b>General disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities</p>	The People-Oriented Principle for Creating Harmonious Labour Relations
B4	Labour standards	<p><b>General disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour</p>	The People-Oriented Principle for Creating Harmonious Labour Relations
B5	Supply chain management	<p><b>General disclosure</b> Policies on managing environmental and social risks of the supply chain</p>	Creating Value and Contributing to Society
B6	Product responsibility	<p><b>General disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</p>	Creating Value and Contributing to Society
B7	Anti-corruption	<p><b>General disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering</p>	Creating Value and Contributing to Society
B8	Community investment	<p><b>General disclosure</b> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests</p>	Creating Value and Contributing to Society