



2021

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Zhengzhou

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Zhengzhou Coal Mining Machinery Group Co., Ltd.



2021 Environmental Social and Governance Report

ZMJ

About this Report

This report is prepared with reference to the provisions set out in the Guidelines for Environmental Information Disclosure of Listed Companies issued by Shanghai Stock Exchange in May 2008 and the Environmental, Social and Governance Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (HKEX) in December 2015. For ease of presentation and reading, Zhengzhou Coal Mining Machinery Group Co., Ltd. and its subsidiaries are referred to as "the Company" or "We" in this report. The Company is pleased to present its social responsibility performance from the year 2021, namely, from January 1, 2021 to December 31, 2021.

This report is published in simplified Chinese, traditional Chinese and English, but the simplified Chinese version shall prevail. This report can be downloaded from www.sse.com.cn, www.hkexnews.hk and www.zmj.com.



This report highlights and discusses the activities carried out by Zhengzhou Coal Mining Machinery Group Co., Ltd. and covers the following entities on account of a range of indicators such as sales values, business types, profits and assets values:

Coal Mining Machinery Segment

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

Auto Parts Segment

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

SEG Automotive Germany GmbH is referred to as "SEG" in this report.

Investment Segment

Zhengzhou Zhima Street Industrial Co., Ltd., a wholly-owned subsidiary of Zhengzhou Coal Mining Machinery Group Co., Ltd., is one of the three major segments under the strategic planning of Zhengzhou Coal Mining Machinery Group Co., Ltd. (ZMJ). For ease of presentation and reading, Zhengzhou Zhima Street Industrial Co., Ltd. is referred to as "Zhima Street" in this report.



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ZMJ

Message from the Company

Dear stakeholders :

Over 63 years, starting from scratch, the Company has thrived, made strong steady progress and spared no efforts to become the top leader in the field of equipment manufacture around the world. Over 63 years, the Company has developed from a wholly state-owned factory into the only listed company with A+H shares in the industry. Our business segments, from single products to complete equipment and services, and from coal mining machinery to auto parts, investment, operate effectively. We will move forward. In 2021, in the face of the recurrent COVID-19 outbreaks and the flood disaster unseen in a century, ZMJ's employees kept in mind the important instructions of General Secretary Xi Jinping, stepped up to the challenges, entertained a firm belief, coped with emergencies, while focusing on production and operation to ensure the sound and stable business performance.

Over the past year, we kept a close watch on the needs of stakeholders, including shareholders, employees, suppliers and customers, and made progresses in employee caring, energy conservation and emission reduction, procurement compliance, customer service and other aspects. We attained new achievements in the reform of mixed ownership, launched an employee share incentive plan and improved the training system and caring mechanism to enhance employee satisfaction; taken various energy conservation and emission reduction reconstruction measures to improve resource efficiency and realize stable ultra-low emission of waste gas; promoted the building of electronic bidding platform, gave aids to local suppliers and achieve smooth and compliant procurement; performed periodic service management to fully protect customer privacy and optimize customer experience.

In 2021, ZMJ was in the progress of "changing lane" with the help of intelligent technologies and "taken the lead" in the new modernization in virtue of digital technologies. The intelligent control system for fully mechanized coal mining face that is independently developed by the coal mining machinery segment is now the market leader. The auto parts segment strives to expand the new energy vehicle business and deploy the R&D of drive motors of new energy vehicles; invests in the construction of a digital demonstration plant of structural components to meet the demand of overall interconnection of the production management system and greatly improve production efficiency and product quality.



On the road of progress, ZMJ's employees keep the social responsibility in mind. We donated RMB 1 million to assist in the reconstruction after the unusual Zhengzhou flood; undertaken the National Mass Innovation and Entrepreneurship Week to help the region build an innovation and entrepreneurship ecology. Jiao Chengyao, chairman of the Board, told the history behind the birth of the first hydraulic roof support for coal mine in China in the micro-documentary program "the Hundred-year Journey" of China Media Group and popularized the intelligent manufacturing in China.

The road ahead is long; striving is the only way forward. In 2022, the first year of the "14th Five-Year Plan", ZMJ will continue to give full play to the advantages of market-oriented system, management and capital market, actively respond to the national policy requirements for "3060" carbon emissions peak and carbon neutrality target, spare no efforts to develop the high-end equipment manufacturing, continuously make innovation to drive transformation and upgrading, and promote green and low-carbon development, develop international outlook to build a high-end equipment manufacturing group with worldwide influence, and make unremitting efforts to revitalize the equipment manufacturing in China!

Company Profile

Zhengzhou Coal Mining Machinery Group Co., Ltd. was founded in 1958 and restructured into a limited liability company in 2008. It was listed on the main board of Shanghai Stock Exchange and Hong Kong Exchanges and Clearing Limited in 2010 and 2012, respectively, and became a listed company with A+H shares. The current controlling shareholders of the Company are Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and Henan Asset Management Co., Ltd., holding an aggregate 19.47% of the shares of the Company, and there are no actual controllers. For ease of presentation and reading, Zhengzhou Coal Mining Machinery (Group) Co., Ltd. and its subsidiaries are referred to as "the Company" or "We" in this report.

The Company started with its coal mining machinery business and has remained a leader in the hydraulic roof support industry for years. The Company successively acquired the ASIMCO Group and SEG in 2016 and 2017, and entered the field of auto parts with a high starting point. In 2018, the Company established Zhima Street Industrial Co., Ltd. to develop investment business. The Company currently has three business segments, i.e. coal mining machinery, auto parts and investment, and has 16,774 employees at 29 branches in 18 countries and regions around the world.

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

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Spreading over Countries
All over the World

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Number of Branches

16,774



Number of Employees

Financial Performance in 2021

- Revenue amounted to **RMB 29,294 million**, with a year-on-year **increase of 10.5%**. Net profit attributable to the parent company stood at **RMB 1,948 million**, representing a year-on-year **increase of 57.2%**.
- Net profit amounted to **RMB 2,070 million**, with **RMB 2,929 million** for various tax and fee payments.
- We have a total of **16,774 employees worldwide**, with remuneration payment amounting to **RMB 3,086 million**.
- Our suppliers are mainly located in Asia and Europe, and we paid **RMB 17,963 million** to our suppliers.
- We distributed cash dividends of **RMB 372,524,510.56 (tax inclusive)**, accounting for **30.06%** of the net profit attributable to the shareholders of the listed company in 2020.

Major Honours and Events in 2021

- Ranked **383rd in the Fortune China 500 companies** in 2021 - Fortune (Chinese Version)
- Ranked **18th in the Top 100 Companies of China in the Machinery Industry** in 2021 - China Machinery Industry Federation
- Ranked a leading company in the mechanical industry in 2021 - China Machinery Industry Federation
- Ranked **24th in the Top 50 Coal Companies of China** in 2021 - China National Coal Association
- Ranked **23rd in the Top 30 Auto Parts Suppliers of China** in 2021 - China Association of Automobile Manufacturers
- Won the 2020 Golden Bull **Award of Most Valuable Investment** - China Securities Journal
- Won the award for **"Scientific and Technological Innovation Achievements of China's Coal Machinery Industry in the 13th Five-Year Plan"** by right of the development and application of key technologies for green and efficient manufacturing of hydraulic roof support
- Completed a new round of mixed ownership reform and introduced management team and core employee stock ownership
- ZMJ ZMOS Intelligent Mining Operating System equipped with "Mine HarmonyOS" was successfully applied in Bueritai Coal Mine of Shenhua Shengdong Coal Group Co., Ltd.
- The first complete package of large system developed by ZMJ (including hydraulic roof support, shearer and scraper conveyor) was exported. This marked China's first complete package of fully mechanized mining equipment independently developed and manufactured by a single enterprise going aboard. The complete package of equipment exported to Ozsen Mining Co., Ltd was put into production smoothly.
- The construction of ASIMCO Technologies (Yuncheng) Auto Parts Park Project and ASIMCO Double-Ring Auto Parts Intelligent Manufacturing Site was launched, and the auto parts segment of the Group made the transition to intelligent, digital, green and high-end manufacturing.
- Established SEG Automotive E-Drive System Co., Ltd. to transit the automotive motor products to electric products in a comprehensive way.

Management Approach




Social Responsibility Governance





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

Stakeholders' Engagement

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

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

Stakeholders	Expectations on the Company	Channels of Feedback
 Investors	Protection of rights and interests of shareholders	General meetings of shareholders
	Timely and accurate disclosure of relevant information	News releases and announcements
	Improvement of the corporate governance	External reports
	Operation in compliance with laws	Release of news on the website of the Company
 Government / regulatory authorities	Operation in compliance with laws	Investment briefings
	Safe and healthy workplace	Compliance reports
	Benefits to stakeholder communities	Supervision and inspection
		Application for licensing documents
 Employees		Compliance conferences
	Competitive remuneration and benefits	Trade unions/employee representative congress
	Safe and healthy workplace	Collective negotiation agreements
	Training and capacity building	Safety and compliance conferences
		Training and career development
		Communication channels for employees

Stakeholders	Expectations on the Company	Channels of Feedback
 Customers	Customer service	Seminars for key customers
	Quality assurance	Systematic communication
	Product liability	Visit to plants in operation
		Participation in industrial organizations
 Suppliers	Supplier admittance management	Sustainable development reports
	Evaluation of suppliers	Tendering, seminars
	Protection of suppliers' interests	Admittance and evaluation of suppliers
	Cooperation with suppliers	Field visits
 Non-governmental organizations	Investments in local development	Meetings with senior management
	Participation in local community projects	Annual environmental, social and governance report
	Bearing environmental responsibility	Direct communication
	Human rights	Factory visit
 Communities	Sharing benefits fairly	
	Local development	Convening community meetings
	Bearing environmental responsibility	Focusing on group meetings
	Promoting employment	Procurement demand notices
	Providing opportunities for local goods and service providers	Recruitment notices

Key Social Responsibility Issues

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

A matrix of our key issues is as follows:



ZMJ

Highlight 1: Mixed Ownership Reform of State-owned Enterprises (SOE)009

Highlight 2: Continuously Promoting Industrial Transformation and Upgrading.....010

Highlight 3: Pushing Forward the Construction of Digital Factories013

Highlight 4: Inheriting the Spirit of the Historical Legacy.....016

Special Highlight

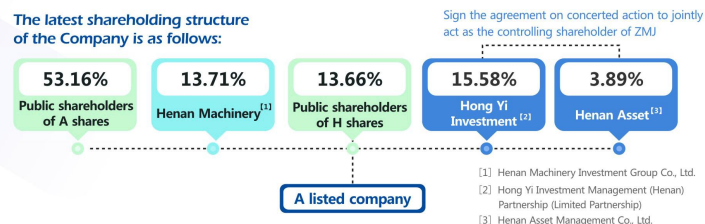
2021 Environmental
Social and Governance Report



Highlight 1: Mixed Ownership Reform of State-owned Enterprises (SOE)

In 2021, Henan Machinery Investment Group Co., Ltd., the former controlling shareholder of the Company, invested and transferred 16% of the shares of the Company to the Hong Yi Investment Management (Henan) Partnership (Limited Partnership) through the public collection procedure for the transfer of state-owned equity interests, and completed the share transfer on February 25, 2021. After the completion of the mixed ownership reform of the Company, Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and Henan Asset Management Co., Ltd., a person acting in concert, hold an aggregate 19.47% of the shares of the Company, and there are no actual controllers.

The latest shareholding structure of the Company is as follows:



The capital contribution of the partners of Hong Yi Investment Management (Henan) Partnership (Limited Partnership)

Name of the Partner	Nature of the Partner	Subscribed Amount of Contribution (RMB 10,000)	The proportion of capital contribution
Hongqian Enterprise Management (Henan) Co., Ltd.	General Partners	100.00	0.05%
Henan Asset Management Co., Ltd.	General Partners	100.00	0.05%
Henan HONGPU Equity Investment Fund (Limited Partnership)	Limited Partner	48,965.88	24.91%
Yangzhong Xugong Industrial Investment Partnership (Limited Partnership)	Limited Partner	2,937.95	1.50%
Shanghai Jingshi Investment Management Center (Limited Partnership)	Limited Partner	46,027.93	23.41%
Merchants Securities Asset Management Co., Ltd. (Securities Industry Supports the Development of Private Enterprises - China Merchants Securities Investment Management No. 3 Single Intellectual Property Management Plan)	Limited Partner	39,172.70	19.92%
Dazu Holdings Group Co., Ltd.	Limited Partner	39,172.70	19.92%
Zhengzhou Qunxian Enterprise Management Consulting Partnership (Limited Partnership)	Limited Partner	20,128.00	10.24%
Total		196,605.16	100.00%

Market-oriented Governance Structure

The equity transfer represented a critical move for Henan Province to explore the transition of state-owned assets supervision from "Management of People, Affairs and Assets" to "Capital Management". It also constituted a major attempt for Henan Machinery Investment Group Co., Ltd. and the Company to assume their responsibility as state-owned enterprises, implement the "double-hundred action", transform their operating mechanism at a deeper level and explore the way of SOE reform in Henan. The Company has completed the change of the Board of Directors, the Board of Supervisors and the management under the new shareholder structure. This mixed ownership reform promotes the Company to explore the modern enterprise system with Chinese characteristics. Grounded on a diverse shareholding structure and market-oriented board composition after the reform, and based on the principle that all shareholders should not have actual control over the listed company and are unable to control the board of the listed company through their nominated directors, the Company will develop a corporate governance structure with market oriented operation to stimulate its vitality and promote its sustainable development.

Long-term Incentive System

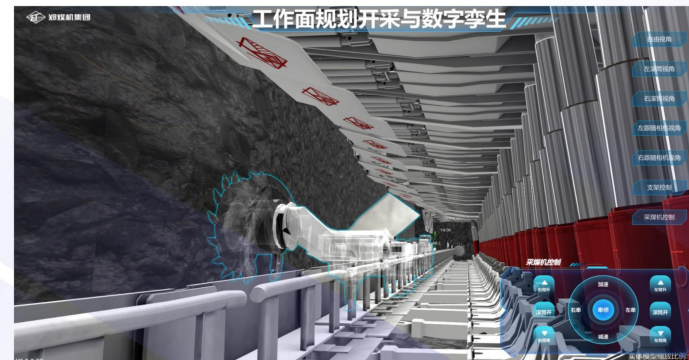
The Company implemented the share incentive plan in this mixed ownership reform to increase the shareholding ratio of core management and core employees. In 2019, the total number of options granted under the stock option incentive plan was 16.03 million shares, and in 2021, the total number of restricted shares granted under the restricted share incentive plan was 42.3 million shares. So far, the shares held by employees other than directors, supervisors, and senior executives accounts for 63.61% of the total shares held by employees. The Company has established a sound incentive and restriction scheme under the principle of "interest binding, risk sharing" to encourage employees to co-create and share with the corporate, fully mobilize the creativity and enthusiasm of employees and trigger organic momentum, so that the mutual interest among the Company, shareholders and employees would be achieved.

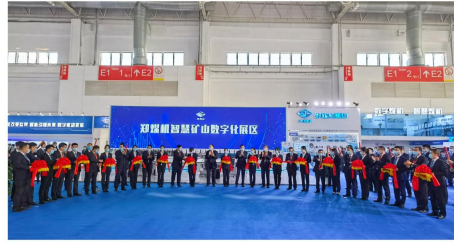
Highlight 2: Continuously Promoting Industrial Transformation and Upgrading

Relying on 29 production and sales bases and R&D centers around the world, the Company continuously promoted business transformation and reform through various means such as R&D investment, strategic alliance and capital operation, and actively safeguarded intellectual property rights against infringement through the systematic intellectual property protection system and standardizing the maintenance and safeguard mechanism of intellectual property rights and patents. In 2021, the coal mining machinery segment further explored the opportunities for the development of smart coal mining-related businesses, and accelerated the implementation of "full package, intelligentization, internationalization and socialization" strategy. The auto parts segment transited the business to transform to energy-efficient and new energy products, and constantly enhanced the interconnection and collaborative sharing of internal multiple segments and services.

Coal Mining Machinery Segment: Transformation to Intelligent Coal Mining Machinery Business

The coal mining machinery segment has seized the opportunity of rapid development of intelligent coal mines in China, and has maintained stable investment in the field of automatic and intelligent coal mining technologies. The independently developed intelligent control system for fully mechanized coal mining face is now the market leader. In 2021, the Company adhered to the annual management policy of "reducing costs, enhancing efficiency and maintaining operation, integrating innovation and expanding differences, promoting digital transformation and upgrading, and exploiting the market of intelligent complete equipment", accelerated the intelligent technological innovation and breakthrough, continuously deepened the strategic cooperation with Huawei and Alibaba to explore the integration of modern information technologies such as 5G, Big Data and Industry of Internet into businesses, strengthened the construction of full life-cycle specialized service system, continuously optimized the procurement cost through digital reform of the supply chain, and continuously reduced the production cost through intelligent transformation of production lines.





In 2021, we participated in the "2021 China Guizhou Coal Mine Intelligent Forum and Equipment Exhibition" and "19th China Coal & Mining Expo". Around the theme of "digital coal mining machinery and intelligent coal mining machinery", we fully demonstrated our innovation achievements in complete intelligent mining equipment, and attracted a large number of visitors.

Auto Parts Segment: Business Transformation in the Field of New Energy Products

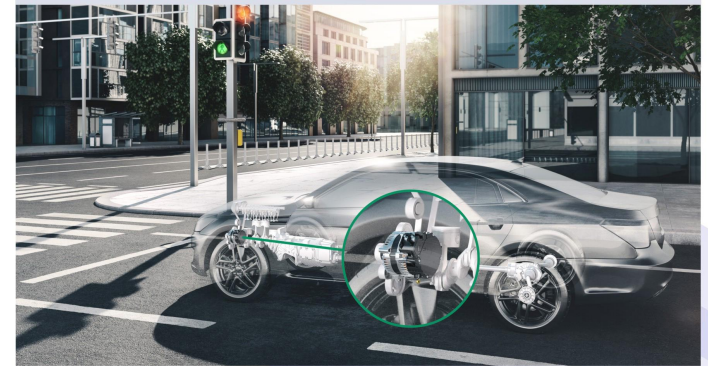
ASIMCO is a manufacturer of diversified high-value auto parts for passenger vehicles and commercial vehicles. It has 5 independent R&D centers equipped with various experimental and testing equipment up to international standards, and continuously promotes the implementation of global expansion strategy. In 2021, ASIMCO made another best performance in overall revenue and profit over the same period. It strengthened and optimized the existing businesses, seized the opportunities of technology and market brought by the implementation of China VI emission standard, and carried out the capacity expansion projects of ASIMCO International Casting Co., Ltd. (Shanxi) and ASIMCO Shuangguan Piston Ring (Yizheng) Co., Ltd. It also pushed forward the development of new businesses, accelerated the expansion of international market, investigated and explored transformation and upgrading opportunities in the field of new energy products, made great efforts to develop the business of noise reduction, vibration reduction and sealing products for new energy vehicles, and entered the supply chain system of new energy vehicle manufacturers such as Xiaopeng, NIO and Changan New Energy.

SEG continued to consolidate its leading position in the field of auto parts for energy-efficient vehicles around the world. In 2021, SEG kept an eye on the policy changes and development trends in the auto market to maintain and expand its superiority in the energy conservation and emission reduction technology for internal combustion engine, promoted the research and demonstration of development strategies and paths of electric vehicles, and deployed the R&D of drive motors for new energy vehicles. It also established SEG Automotive E-Drive System Co., Ltd. to formally go into the field of drive motor for new energy vehicles.



SEG is committed to exploring the energy-saving potential of starter and generator products to lead the development trend of energy-efficient and low-carbon products. Its Boost Recuperation Machine (BRM) has become a market-leading 48V hybrid solution, and features the following advantages:

- Under real driving conditions, SEG 48V BRM can reduce 15% of fuel consumption and carbon dioxide emission, and efficiently convert kinetic energy into electric energy during braking to stably supply power to the high-performance 48V on-board electrical system.
- The 48V BRM can also reduce about 25% of friction loss of the powertrain, and effectively optimize the driving experience to allow comfortable starting, power-assisted steering and sliding.
- SEG has also introduced a new EM1.25 motor with the effect of energy conservation and emission reduction reaching 26% at most. Its power of 25 kW power enables the function of electric driving. SEG has further upgraded the 48V hybrid vehicles to 48V light electric vehicles, which significantly reduced carbon emission.



SEG 48V Boost Recuperation Machine



In April 2021, SEG attended Shanghai Auto Show 2021 as an independent brand for the first time, where it showcased its advanced energy conservation and emission reduction solutions and brand-new 48V products for hybrid vehicles.

Highlight 3: Pushing Forward the Construction of Digital Factories

To meet the new demands for digital technologies such as full interconnection of corporate production management system, real-time transmission and analysis of data & information, and optimization of human-computer interaction, the coal mining machinery segment focused on the intelligent whole-process management from product design to service, invested in the construction of digital demonstration factories of structural components, and developed a plan to put the whole line into operation by June 2022. In the completed digital factories, the production preparation, production execution, quality control and big data application are regarded as the management core, and a data system covering procurement, production, quality monitoring, tracking and handling and other aspects is established by utilizing the automatic import of verification data, matching of material demands by intelligent platform, control of logistics by unmanned dispatching center, and by applying technologies such as visual perception, AI computing, Big Data and blockchain, to enable the integrated and visual management of the information throughout the production cycle.



Digital Demonstration Plant of Structural Components of Coal Mining Machinery Segment



Fully intelligent unmanned high-precision cutting production line

The digital demonstration factory of structural components is equipped with 23 automatic production lines, 150 robots, 7 intelligent cranes and 30 AGVs. The seamless connection between equipment enables the automatic sensing, automatic decision-making and automatic execution of equipment. In the production stage, the system automatically senses and balances the material demand, automatically evaluates the production workload and splits the production orders to optimize the machine allocation based on circumstances, automatically plans the operation route of logistics equipment to deliver materials accurately, and performs high-precision automatic preparation, laser cutting and welding of materials.

The process automation of digital factory not only improves production efficiency, but also eases the collection and application of production data. Each product on the production line is implanted with chip, and a large amount of data is collected to form a traceable quality record for the full life cycle of the product. The system determines the test results to ensure the product quality. Moreover, the application of big data analysis process and the implementation of iterative optimization in the factory can improve the production efficiency of more than 200%, the space efficiency of more than 50%, the material supplement speed of more than 10 times, reduce the production cost of more than 60% (excluding raw materials) and the work in process of more than 90%, and shorten the lead time of parts for 100 vehicles from 28 days to 9 days.



The auto parts segment also takes the initiative to transit to "intelligent, digital, green and high-end" manufacturing. At present, ASIMCO International Casting Co., Ltd. (Shanxi) and ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. are building a world-class demonstration base of intelligent auto parts manufacturing to promote the construction of digital and intelligent production lines that will feature three "automatic" functions.

- Automatic processing: The robot automatically picks up the appropriate workpiece and fixtures to perform the automatic clamping, automatic machining and automatic unloading. The automatic detection station completes the digital inspection of key parameters of work in process, automatically uploads the inspection data to the production line control system, and automatic fail-safety/alarm and automatic stop/alarm in case of abnormalities are implemented in key processes.
- Automatic material delivery: The processing information about corresponding workpiece is automatically extracted by using the automatic material identification technology. According to the command from the production line control system, the materials are delivered to the side of the distribution line through the conveyor chain/belt/track or AGV logistics vehicle.
- Automatic information flow: Production information, equipment status, quality status and control, documents, etc. are displayed on site in a digital manner to realize the site automation and reduce on-site troubleshooting time and investment cost.

Upon the completion, the demonstration base of intelligent auto parts manufacturing will produce key high-precision auto castings to further consolidate the leading position of ASIMCO in the auto parts manufacturing industry in China.



Highlight 4: Inheriting the Spirit of the Historical Legacy

On the occasion of the 100th anniversary of the founding of the Communist Party of China, Jiao Chengyao, the Secretary of the Party Committee and Chairman of the Board of the Company, told the story behind the independent innovation of mechanized coal mining technologies in China in the 100-episode micro documentary of "the Hundred-year Journey" jointly launched by the State-owned Assets Supervision and Administration Commission of the State Council and the China Media Group.

ZMJ produced the first hydraulic roof support of China in 1964, and developed the 5.5m hydraulic roof support in large mining face in 2005 to break the overall monopoly of international coal mining machinery giants on the high-end fully mechanized mining equipment in China. It manufactured the 8.8m hydraulic roof support for the "world's highest" fully mechanized mining face in 2018. Its development represents the struggle of several generations of ZMJ staff on the way of independent innovation and self-transcendence. ZMJ constantly upgrades coal mining machinery to safeguard the "Underground Steel Great Wall" and the energy security of China. In the future, ZMJ will also continue to spare no efforts to break through technical barriers, embrace the arrival of a more intelligent, green and safer coal mining era, and revitalize the equipment manufacturing industry of China.



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Anti-corruption024

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Market Responsibility.





Market Responsibility

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

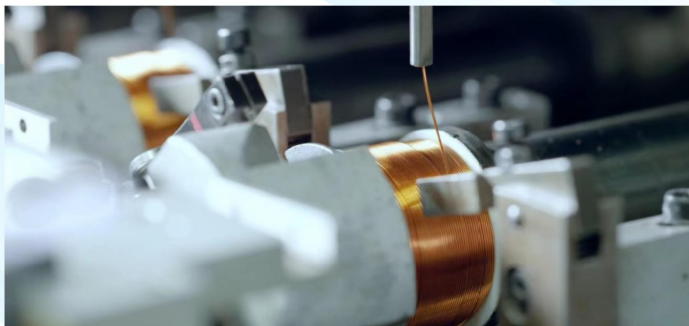
We also have established a sound sales and after-sales service network to provide every customer with timely and quality services. In addition, we have strengthened the management of our suppliers. We not only paid attention to the quality of our suppliers' products, but also raised the requirements on environmental protection, business ethics and other aspects.

Focusing on Product Quality

As a global operating company, we attach great importance to product quality, stick to the quality concept of "high standards, delicacy, and zero defect", strictly abides by the laws and regulations relating to product quality of the locations where we operate, including the Law of the People's Republic of China on Product Quality and Product Safety Act, and has taken various measures to ensure product quality. In 2021, we continued to improve the quality system construction and quality assessment and motivation, consolidate the standard operating practices, take the initiative to fulfill the liabilities for product quality, and strictly controlled the product quality through authoritative certification.

The coal mining machinery segment established a sound quality control system and a full-process testing and inspection system, and obtained ISO9001 quality management system certification in 2021. To ensure product quality, the full-process testing and inspection system covers three levels of testing and inspection, namely, completion inspection by operators in the production process, sampling inspection or full inspection by the quality department, and inspection by an independent authoritative inspection and measurement institution. For products that experienced breakdown after the installation in the mine but are within the warranty period, they are recalled after that the breakdown was certified by our technical department and quality department, or corresponding repair parts are produced.

ASIMCO has formulated strict quality management system standards and product quality standards in accordance with the internationally accepted automotive industry quality system standards, and has implemented quality control, assessment and motivation throughout the process of procurement, production and delivery, and receives strict assessment by customers and third-party certification agencies every year. All subsidiaries of ASIMCO have passed the IATF16949 quality management system certification. ASIMCO NVH Technologies Co., Ltd. (Anhui) and ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. also have even obtained the ISO9001 quality management system certification. The Quality Control Department organizes relevant personnel to investigate and analyse the feedback on product quality problems from customers. If the analysis shows the return or exchange criterion is met, the recall for maintenance or return and exchange is performed in a timely manner.



Based on industry standards and customer needs, SEG integrated preventive quality assurance and continuous process improvement, established a quality management system (QMS), and developed corresponding product quality control procedures and recall procedures in accordance with the requirements of the system to timely recall the products with quality defects for testing and maintenance, or for return and exchange. All affiliates of SEG have been certified by IAF16949 Quality Management System. In 2021, the Company did not identify any recall of sold or shipped products for safety and health reasons.

Provision of Satisfactory Services

Customer satisfaction is the foundation for an enterprise's survival. We attach great importance to customer satisfaction and regard maximizing customers' benefits as our first priority. In 2021, we enhanced the service quality, continued to improve the sound, complete service system, and built periodic service management to fully safeguard customer privacy, and constantly improve customer experience.

For response to complaint, we always adhere to the principle of "customer first", establish a complete after-sales service process and customer relationship management platform. The Quality Department of the Company deals with the feedback from customers in a timely manner, specially appoints personnel to communicate with the purchasing, production site, logistics and other departments of customers, and proposes specific solutions according to the actual situations of customers to effectively solve problems. In 2021, we have received 36 communication complaints about products and services, and responded to the complaints at 100%. For protection of customer privacy, we enter into a confidentiality agreement upon the customers' request. The Supervision Department of the Company will strengthen the routine supervision and inspection. In case of disclosure of private information of customers, we will deal with it seriously and effectively protect the rights and interests of customers.

Example: A Letter of Appreciation from Datong Coking Coal Mine Co., Ltd.

In March 2021, the Company received a letter of appreciation from Datong Coking Coal Mine Co., Ltd. To meet the user requirements to the greatest extent, After the delivery of equipment, the Company's resident service team provided all-round support during the installation, commissioning, operation, maintenance and repair of equipment, uninterruptedly worked for more than 20 hours sometimes, and even drove to the mine in the early morning of the second day of Chinese New Year to solve a temporary problem. In the letter, Datong Coking Coal Mine Co., Ltd. gives high praise to the Company for the excellent performance of fully mechanized mining equipment provided and to the Company's resident service team for the high-quality, efficient and professional services.



In 2021, we were recognized by a number of customers for our high-quality products and comprehensive customer services:

- The coal mining machinery segment was rated as "Quality Integrity Enterprise in Engineering Industry in 2021";
- The coal machine segment was rated as "2021 High-quality Brand in Machinery Industry";
- The coal mining machinery segment was rated as a "leading enterprise in the mechanical industry in 2021";
- ASIMCO Sealing Technology Co., Ltd. (Anhui) won the "Accreditation of National High-tech Enterprise";
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. won the "Best Delivery Award" from Dongfeng Cummins Engine Co., Ltd., the "Excellent Supplier" and "Best Service Award" from Ruili Group China, the "Sincere Partner Award" from SVOLT Energy Technology, the "Secure Supplier Honor Award" from YTO Group Corporation, the "Special Contribution Award" from Wuxi Diesel Engine Works, Faw Jiefang Automotive Co. Ltd., and the "Excellent Quality Award" from Chongqing Heavy Vehicle Group;
- ASIMCO International Casting Co., Ltd. (Shanxi) won the 3rd Yuncheng Quality Management Award from Shanxi Yuncheng City Government.
- ASIMCO International Casting Co., Ltd. (Shanxi) obtained the high-tech enterprise certificate issued by the Science and Technology Department of Shanxi Province;
- ASIMCO International Casting Co., Ltd. (Shanxi) was awarded as Provincial Enterprise Technology Center of Shanxi;
- SEG Mishkoltz Plant and SEG Lerma Plant won the "Excellent Quality Supplier Award" from General Motors for two consecutive years, and SEG Changsha Plant won the "Excellent Quality Supplier Award" from General Motors for three consecutive years.

Supplier management



The Company takes "safe supply, timely supply and cost-effective supply" as its targets, and spares no effort in securing the stability of each part of the supply chain to pave the way for the smooth development of each project. In addition, we understand that the relationship between our partners and us is not only to achieve win-win cooperation, but also to establish mutual supervision. In 2021, we continued to promote the application of electronic bidding platform, integrated the concept of sustainable development into routine management of suppliers, abided by environmental protection laws, regulations and standards, took the initiative to purchase environmentally friendly materials, and continuously improved supplier assessment, qualification review and other significant links to work with suppliers for sustainable development.

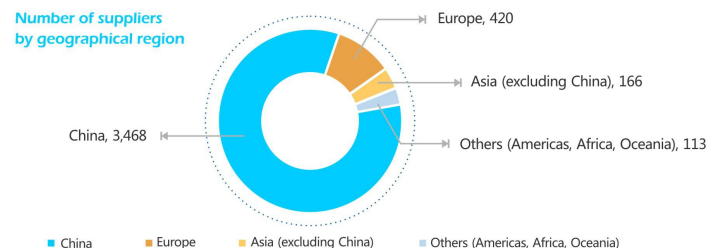


The coal mining machinery segment formulated the Measures for the Administration of the Classification, Grading and Dynamic Appraisal of Suppliers (Provisional). Every year, it invites all user departments and R&D, technology, quality, warehousing and other departments to conduct assessment on the aspects of basic conditions, staffing, quality management, environmental protection, production safety and system documents of our suppliers to compile a directory of qualified suppliers. In addition, the coal mining machinery segment also strictly complies with environmental requirements in China, and requires all suppliers to refrain from using the vehicles meeting China IV emission standard or below to transport supplies. The coal mining machinery segment continued to advance the construction of electronic bidding platform, promoted 8 subsidiaries to use such platform, and approved 2,035 projects throughout the year. In 2021, it carried out the portal website upgrading (including upgrading in announcement, publicity information classification and attribution, visual effect), provided the website with a new project statistics module, and improved the informatization service. It also added the short message alert of new complaints and short message notice of password resetting on basis of Alibaba Cloud. The optimization of platform process involved 51 modules, and more than 102 optimization demands were met.

ASIMCO formulated procurement-related systems such as Procurement Policy, Supplier Development Process Control, Procurement Process Control Procedure and Supplier Performance Assessment Management Measures, and made agreements with suppliers in terms of employment of child labor or young workers, wages and welfare, working hours, modern slavery, freedom of association, collective bargaining, and environmental protection. Potential suppliers are investigated in the early stage, an evaluation team is organized to carry out admission audit, and approve supplier admission according to the processes. For existing suppliers, ASIMCO signs environmental, health and safety (EHS) agreements with all suppliers and notifies relevant parties, clarifies that the supplied materials meet the requirements of national and regional environmental protection laws and regulations and environmental protection standards of automotive industry, and performs supplier quality system audit and EHS investigation every year. ASIMCO does not include the suppliers that fail to meet standards in the list of qualified suppliers until they complete rectification. Furthermore, we also promote the suppliers of raw materials and outsourced parts to comply with the environmental friendly packaging requirements to gradually eliminate the carton packaging and palletizing, and use plastic storage boxes, storage cages, hoarding boxes to advance the recycling.

SEG has established a sound supplier risk management system to evaluate suppliers on the aspects of time of delivery, product quality, product performance, and timely notify the purchasing personnel of the evaluation results to facilitate them to make decisions. SEG has also monitored the environmental and social risks of suppliers through third-party companies to determine whether they have taken specific measures to deal with the associated risks.

When we are selecting suppliers, we prioritize those who are in close proximity to the locations where we operate. Promoting local procurement can not only reduce the energy resource waste and exhaust emissions during transport, but also create local jobs and drive the local economic development. By 2021, our main suppliers total 4,167, and their distribution is as follows:



Anti-corruption

We adhere to the principles of "integrity operation, legal operation and incorruptible management". We abide by the laws and regulations of the locations where we operate, including Criminal Law of the People's Republic of China, Anti-unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery, Law against Unfair Competition, Criminal Code and Money Laundering Act, to build an operating environment of "integrity, justice and transparency". In 2021, we strengthened the compliance management and standardized the purchasing and trading practices by clarifying the responsibility objectives, developing the system construction, signing the responsibility letter, implementing daily supervision, performing education, publicity and training to ensure the implementation of each task of combating corruption and promoting integrity.

The coal mining machinery segment has increased its efforts in the monitoring and inspecting, strictly implementing the discipline supervision and inspection, and collaborative operation with the board of supervisors, and internal audit, to make joint efforts to combat corruption and promote integrity, and to practically supervise the proper duty performance of employees. It also released the case analysis information on the Company's intranet every week, regularly provided the education by "using cases to clarify disciplines", enhanced the publicity on integrity among new employees via special lectures, requested the management above the middle-level assistants to sign the letter of commitment to integrity to strengthen their integrity awareness, and carried out special supervision and inspection according to the Plan on Further Strengthening Regular Supervision and Inspection on Violation of violations of the Eight-point Decision on Improving Party and Government Conduct every month, to standardize the conduct of integrity.

ASIMCO continued to work on the integrity education of employees and senior management to strengthen the compliance awareness. For example, ASIMCO NVH Technologies Co., Ltd. (Anhui) regularly provided special training on combating corruption and upholding integrity to the middle-level and above management, issued a notice of integrity and self-discipline to all employees through the Company's online platform and bulletin board, and send a "letter to suppliers" by mail to all suppliers and various companies with business relationships to effectively prevent potential integrity risks in operation and business activities. In addition, ASIMCO has also developed a compliance reporting platform to encourage internal employees and other external personnel to report the violation of laws and disciplines, and to improve the integrity risk prevention and control system. ASIMCO International Casting Co., Ltd. (Shanxi) has formulated the Anti-Corruption Policy and regularly carried out anti-corruption training. ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. prevented corruption of purchasing personnel and suppliers by regularly implementing the rotation of purchasing personnel and signing the Honesty and Integrity Agreement with suppliers.

SEG has established compliance procedures, including mandatory compliance training for all employees on an annual basis. Training materials are available on SEG Intranet, and a "Speak Up" strategy is introduced in all affiliated companies to encourage employees, customers and suppliers to report non-compliance through a reporting mailbox and an electronic reporting platform. The Compliance Manager checks all received reports on a weekly basis and tracks their handling. The electronic reporting platform is operated by an independent third party to ensure the anonymous reporting of non-compliance.

In 2021, we did not identify any closed corruption litigation cases against the Company and its employees.



ZMJ

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Employee Responsibility

We adhere to the employment concept of "Gathering Excellent People and Doing Excellent Things", and strictly abide by relevant employment laws. We not only take active measures to attract excellent talents, but only strive to create a learning organization, and strengthen the training and promotion of internal talents through rich training, competitive remuneration and continuous improvement of the promotion system. In addition, we provide an open, innovative and fair working environment for employees, attach importance to the physical and mental health of employees, safeguard the legitimate interests of employees, encourage employees to create value and achieve self-development to grow with the Company.

Labour rights and interests

We strictly abide by local labour laws and regulations in all business segments around the world. In this regard, we have established corresponding systems, such as the Staff Manual and the Administrative Measures for Staff Recruitment and Admission. Coal mining machinery segment and ASIMCO abide by the Labour Law of the People's Republic of China, the Anti-Employment Discrimination Law of the People's Republic of China, and the Employment Promotion Law of the People's Republic of China and other applicable laws. They value openness and equality in both internal and external recruitment, prohibit the employment of child labour and compulsory labour, sign labor contracts with employees, and arrange working hours in accordance with the standard working hour system, and pay social insurance contributions for employees on time every month, including medical insurance, work-related injury insurance and maternity insurance. SEG complies with the General Information Equal Treatment Act (AGG) and other applicable local laws and regulations in terms of compensation and dismissal, recruitment and promotion, working hours, equal opportunity, anti-discrimination and other benefits. These principles were incorporated in SEG's Business Conduct Guidelines and Business Conduct Guidelines for Suppliers. In 2021, we did not identify any employment of child labour or forced labour or discrimination.

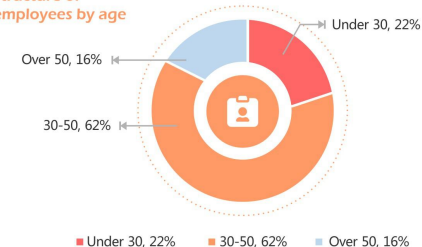
We value two-way communication with employees. To better respond to employees' expectations toward the Company, We collect opinions and requests from employees on an irregular basis and hold meetings of employees' representatives every year. Coal mining machinery segment, ASIMCO and SEG have reached collective negotiation agreements with labour unions or employment committees of the locations where they operate. All employees have the rights to associate freely and negotiate collectively.



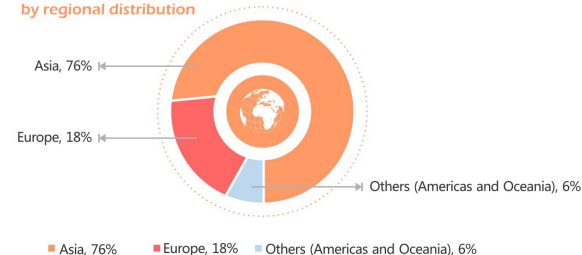
Employees attended the meeting of employees' representatives

We attach great importance to a diversified employee structure. Accordingly, we recruit employees from different backgrounds and encourage them to enrich our thoughts and values, so as to invigorate the Company and employees. In 2021, we had 16,774 employees in 18 countries, approximately 24% of whom were female and 24% of whom resided in Europe, Americas and Oceania.

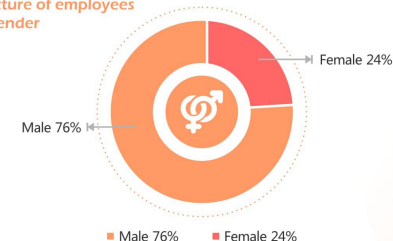
Structure of employees by age



Structure of employees by regional distribution



Structure of employees by gender



Employee caring

We, being employee oriented, consider employees' physical and mental health as a cornerstone of our corporate culture. We have been actively communicating with employees, paying attention to their demands, and focusing on supporting employees in difficulty, and building a healthy, pleasant and positive working atmosphere to improve employees' sense of belonging and happiness by balancing their work and life with various sports and entertainment activities.



Work-life Balance

We have renovated the staff culture and sports center in the Company headquarters to enrich the leisure life of our employees. Covering an area of 712 m², the center renovated consists of areas for sports and fitness, table tennis, and culture and sports association activities. Apart from work, we help our employees relieve their pressure and strike a balance between work and life with various activities. There are 7 culture and sports associations in the Company, namely, basketball association, badminton association, table tennis association, painting, calligraphy and photography association, dance association, music association, and reading and public speech association, providing our staff with the same hobbies and interests with a platform for making friends.

In 2021, we organized rich and colorful team building activities. The Group organized the "Yizheng Cup" badminton friendly competition, an activity participated by 43 players from 6 teams of the coal mining machinery segment, ASIMCO, and SEG Changsha and SEG Changchun. We held the "Factory Open Day" activity again, and 23 families and 6 new employees participated in the activity. It enhanced the two-way communication and exchange between the Company and employees and between the Company and employees' family members, and increased their sense of belonging and identity to the Company. Based on the actual needs of single young people, we launched the "Meet You in ZMJ" fellowship activity to build a communication bridge for young employees and continue to make contribution to the "sustained development of the corporate and long-term happiness of employees". In the summer, the 12th "Endeavour Cup" basketball game was held to help employees strengthen their health, enhance their sense of teamwork and strengthen their perseverance and fighting spirit. On the International Workers' Day, a series of fun competition activity were held with the theme of "promoting the spirit of the ox in serving the people, driving innovative development and working tirelessly and heading for a new journey". These activities enhanced the cooperation awareness and team cohesion of employees, enriched the cultural life of employees in their spare time and added impetus to promote the construction of enterprise culture.



"ASIMCO Cup" Rope Skipping Competition



Employees of All Segments Participated in the Badminton Friendly Competition



Fun Competition Activities for Employees



"Factory Open Day"
for Employees and Their Families



"Meet You in ZMJ" Fellowship Activity Built
a Bridge for Communication among Young Employees



Employees Are Exercising in the Gym in Their Free Time

Helping Employees in Need

We have a relatively complete assistance system in place to help employees in need. An employee medical mutual aid fund has been established to subsidize the clinical visits and hospitalization for employees suffering from major illnesses and those in particular difficulties. We have also set up a relief fund for our staff in particular difficulties, to assist them and their families who lead a difficult life by helping them improve their living and health conditions as well as enhance their qualities and abilities.

In 2021, the coal mining machinery segment organized employees to make donations after the record rains in Zhengzhou, and actively help 17 employees whose families suffer from difficulties due to the flood with an amount of RMB 77,000 in total.

Career Development

We are committed to providing more and better career development opportunities that suit our employees better. We have established a comprehensive and multi-level career development system, and formulated corresponding career development paths and training plans for different posts, so as to fully tap the potential of employees and strive to achieve the vision that the employees grow together with the Company. We also constantly improve our Remuneration Management System, and this scientific performance appraisal and evaluation system enables employees to improve their ability with clear targets.

Talent Cultivation

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

In 2021, all segments continued to develop echelons of talents in preparation for future succession. The coal mining machinery segment organized practical operation competition of internal trainers to improve the professional ability of the instructors, urge the trainers to play a good role in teaching, helping and leading other employees and help the Company to continue to develop in a high quality. In ASIMCO, the first batch of trainees of the Grass-roots HighPotential Elites Development Programme graduated successfully. They are future talents for the Company trained with high-end courses that impart management knowledge, strategic projects which train leadership ability, and mentor guidance to ramp up their professionalism. SEG mainly provided leadership and soft power training to further strengthen the development of its talent teams.



HR Management Training for Non-HR Managers



ZMJ carried out sand table training on management to improve the overall research and examination ability and problem solving ability of management trainees by simulating multiple corporate business scenarios in a high simulation environment.



Graduation Ceremony of ASIMCO's High Potential Elites Development Programme

Employee Training

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

We remain committed to developing into a learning-oriented organization by lifting the competency requirements for employees and covering all our employees with training. Such training is provided at both the Company and the department levels, including the Skill Improvement Training for Grass-roots Management Personnel, the Valuable Project Training and the Tendering Training. Coal mining machinery segment provided online training with the mobile training platform invested and constructed in 2020, which greatly improves the training efficiency while doing a good job in COVID-19 prevention. In addition, employees of the segment were also encouraged to actively participate in English skills training to improve their English proficiency and business communication ability to meet the needs of internationalization of the Company. Their expenses of training courses can be reimbursed. ASIMCO and SEG continued to arrange different forms of training activities for different categories of employees based on the professional knowledge and practical operation knowledge needed for each post, so as to improve the professional competence and comprehensive ability of employees and increase the sustainable development potential of them.

Safety and Health

We put the safety and health of employees first, formulated rules and regulations such as the Operation Environmental Inspection System for Production Safety and the Staff Health and Safety Management System, and developed a relatively complete management system for occupational health and safety. Our principal subsidiaries in China have passed the OHSAS18001 (Occupational Health and Safety Assessment Series) Certification, including Zhengzhou Coal Mining Machinery Hydraulic Electronic Control Co., Ltd., Zhengzhou Coal Mining Comprehensive Machine Equipment Co., Ltd., Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd., ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., ASIMCO International Casting Co., Ltd. (Shanxi), Hubei Super Electric Auto Motor Co., Ltd. and ASIMCO NVH Technologies Co., Ltd. (Anhui). SEG, our overseas subsidiary, has also passed the ISO45001 (Occupational Health and Safety Management System) Certification.

Health and Safety Education

To reduce the occurrence of safety incidents and occupational diseases, the first thing is to enhance the health and safety awareness of the employees. In 2021, We continued to provide health and safety-related education, training and emergency drills to improve employees' health and safety awareness across our global business segments.

The coal mining machinery segment and ASIMCO formulated plans for education and training about health and safety. In the forms of experiential training, pre-work meetings, video training and professional training courses, they actively launched diversified training on safety standardization work, occupational diseases prevention and other subjects to implement the production safety concept at workplace and achieve "zero injury" in production. In 2021, Zhengzhou Coal Mining Comprehensive Machine Equipment Co., Ltd. held a work safety knowledge competition to strengthen employees' safety awareness and improve their safety skills through lively activities. In the same year, ASIMCO NVH Technologies Co., Ltd. (Anhui) provided a total of 435 training sessions on risk prediction, 23 safety seminars and 57 case studies to improve the employees' safety awareness.

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



Work Safety Knowledge Competition



HSE Training for SEG Employees



Safety Precaution

To effectively protect the safety of our employees, We have established a complete safety precaution mechanism for our business segments worldwide. In 2021, We optimized the safety precaution mechanism and incorporated digital technology to enable more scientific accident hazards screening.

The coal mining machinery segment continued to improve the dual prevention mechanism, the accident hazards screening mechanism and the major risk sources management and control mechanism. In 2021, We improved the work safety responsibility system covering all management and operation posts from the persons in charge to the front-line employees, and clarified the work safety responsibilities of all personnel. At the same time, We regularly conducted activities for hidden danger identification and occupational hazards detection, and rectified the problems found in time. We also performed the annual inspection of special equipment, prepared the emergency plan for work safety and occupational health and filed it with the superior government department, formulated the distribution standard of labor protection articles and distributed them regularly and on time, and organized and carried out targeted emergency drills to increase the emergency disposal ability of employees.

ASIMCO also continued to strengthen the safety management of its employees. For example, ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. replaced the foam sandwich panels in the rectifier room of the CDC production line and the control room of CKC production line to ensure fire safety. It also implemented safety risk classification control and hidden danger identification and management activities in each production workshop. ASIMCO NVH Technologies Co., Ltd. (Anhui) put up the notice boards for post risk identification in the production workshop and organized the education activities of "Reexamination of Adverse Events" to strengthen the safety awareness of employees.

SEG took a series of measures to ensure work safety, including distributing personal protective equipment to employees, regularly supervising whether employees use the protective equipment as required, regularly inspecting devices storing chemicals, supervising and controlling high-altitude, closed, high-temperature and other hazardous working environments, organizing work safety accident drills, and promoting special safety inspection and improvement of special equipment, hazardous areas and special operations.

In addition, We also attach great importance to the prevention of hazards caused by extreme weather events, such as heavy rain, thunderstorm and frost, in our business operation areas. We issue flood control notices every year during the flood season, requiring all subsidiaries to strengthen hidden danger identification of on-site equipment and drainage ditches. In the event of extreme weather events, We set up an emergency leading group to deploy countermeasures in time, so as to ensure safe production and the safety of employees' lives and property.

Health Assurance

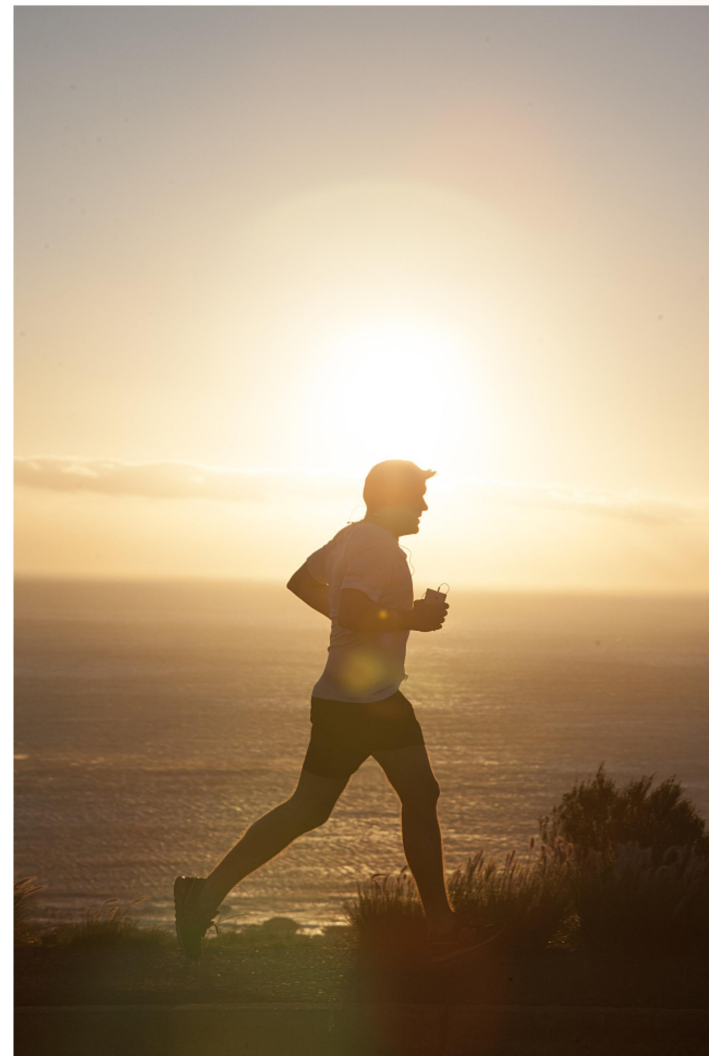
We focus on protecting not only the lives of our employees, but also their physical health.

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

SEG, our overseas subsidiary, abided by laws and regulations such as the Health and Safety Act, the Industrial Safety Regulation, the Hazardous Substances Ordinance, the Workplaces Regulation and the Maternity Protection Act, and actively adopted measures to reduce hazards of occupational diseases and improve employees' health. SEG provided employees with consultations on health issues, ergonomics, toxic, hazardous substances and other subjects, organized fitness classes and smoking cessation activities, and offered periodic physical examinations which cover blood, urine, vision, height, weight and blood pressure tests, among others. For the employees at posts with riskfactors, SEG regularly conducted occupational hazards identification and provided occupational disease inspections for them each month.

In 2021, We continued to invest in the improvement of production processes and devices, to reduce the impact of occupational hazards on employees' health. Currently, our major occupational hazards are the dust and soot generated in the production process. To reduce the harmful dust and soot in our manufacturing workshops, and reduce the density and frequency of contact by our operators, We continued to modify dust removal equipment. For example, ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. updated the dust exhaust apparatus at the color code painting stations and the molybdenum disulfide stations in the finishing room. It also updated 2 shot blasting machines in the casting workshop, and closed and isolated the sources of dust in the workplaces around the shot blasting machine, so that the dust levels at the shot blasting and inspection stations meet the standards. ASIMCO NVH Technologies Co., Ltd. (Anhui) put organic exhaust collection and treatment devices into operation in all workshops with exhaust to significantly reduce the concentration of occupational hazardous gases on the operation site.

In 2021, in the face of the recurrent COVID-19 outbreaks worldwide, the Company put the health of employees first, prepared the prevention & control plan and the emergency response plan, and performed logistical support work in advance under the guidance of the epidemic prevention and control team to ensure orderly production and operation on the premise of ensuring safety. At the same time, our various epidemic prevention measures were implemented quickly, including requiring QR code scanning and temperature measurement before entering our factories and enjoying the shuttle service, conducting two rounds of nucleic acid detection, and arranging staggered seats at the staff canteen, to ensure normal production and achieve "zero infection" and "zero imported case".

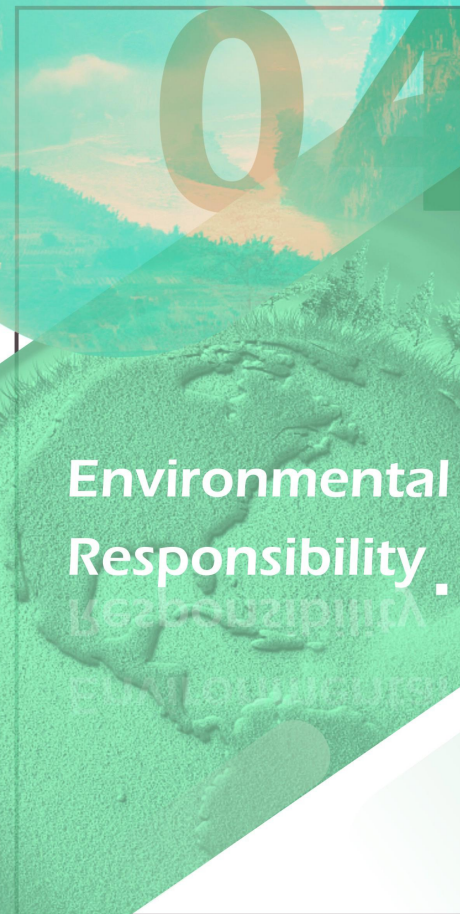




Energy management040

Emissions management041

Water resources management043



Environmental
Responsibility

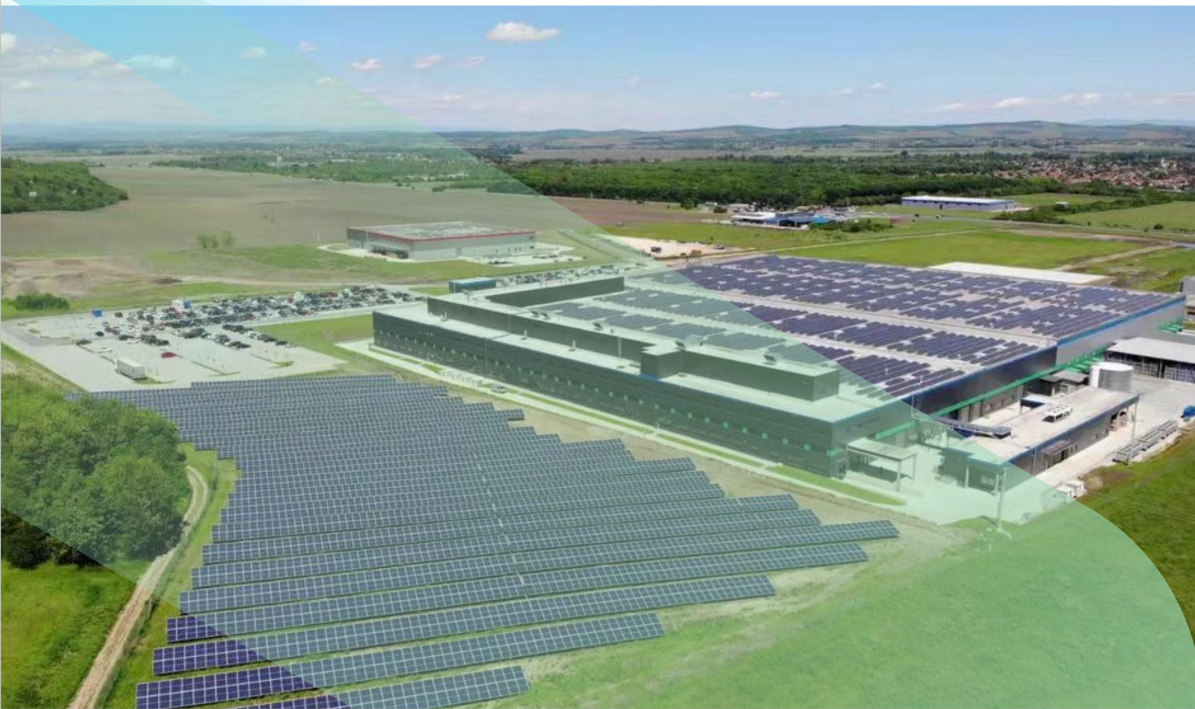


Environmental Responsibility

We attach great importance to environmental protection and strive to "promote green development and harmonious coexistence between human and nature". Our each business segment has established a complete environmental management system. We have also passed the ISO14001 (Environmental Management System) certification. We complied with environmental protection laws and regulations in the places where we operated, and formulated systems such as the Environmental Protection Management System, the Operation Management and Supervision System of Pollution Prevention Facilities, and the Emergency Plan of Environmental Pollution Incidents.

We make great effort to create corporate culture that values resources, raise employees' environmental awareness, and encourage them to actively participate in and fulfill their environmental commitments. Moreover, We require suppliers and partners to follow the local laws and regulations and environmental protection requirements of the places where they operate, and follow the concept of environmental protection in the production process. In 2021, We continued to invest considerable capital in energy conservation and emission reduction, valued resource recycling, and attained higher operational efficiency at lower costs. Meanwhile, We focused on enhancing environmental protection with our innovation capacity, sought technological breakthroughs to innovate emission pre-treatment methods, and realized the progress of both innovation and environmental protection.

In 2021, We did not cause any material incident of environmental pollution or ecological destruction.



Energy management

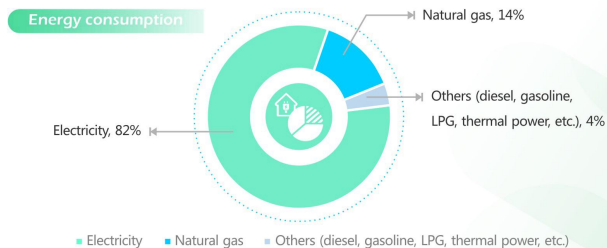
The energy that We consumed in business operation process is mainly electricity, natural gas, and a small amount of diesel and gasoline. We keep enhancing our energy efficiency and adopting more clean energy, to reduce fossil fuel consumption and greenhouse gas emissions. In the future, We will actively respond to the national policy requirements for carbon emissions peak and carbon neutrality target, explore the applicability of solar energy and other renewable energy sources, and promote green production and operation.

In 2021, We continued to adopt a series of measures for lowering energy consumption. The coal mining machinery segment launched a standard upgrading reconstruction project. By optimizing the drying chamber from overall hot air drying to local thermal radiation drying during which the position and temperature for drying are regulated by an intelligent system, the consumption of natural gas was reduced by about 30%, saving natural gas of 108,000 m³ a year. At the same time, the high-energy consumption production equipment receive overall energy-saving improvement, including the coating line RCO, air compressor, pump station motor and plasma dust removal equipment, which effectively reduces production energy consumption and saves the annual kinetic energy cost of RMB 1.0408 million.

ASIMCO NVH Technologies Co., Ltd. (Anhui) put the new substations into use to connect the hardware workshop electric lines to the power grid, and replaced old equipment with new energy-saving equipment (air compressor) to greatly reduce power consumption. ASIMCO International Casting Co., Ltd. (Shanxi) improved the refined level of energy management by installing an online monitoring system for energy consumption, allocated the electricity consumption periods of equipment processes and products with the power consumption data monitored by the platform, and regulated the power load to realize optimal allocation of energy and save electricity.

SEG continued to implement energy conservation and emission reduction measures. It put air supply systems connected to ambient temperature monitoring sensors into use, reducing energy consumption by 14% compared to conventional all-weather operating systems. Meanwhile, SEG used renewable energy in more production and working areas and introduced the automatic standby mode that saves more energy in circuit transmission, lighting, and air conditioning systems, improving the overall energy efficiency.

In 2021, We consumed energy of 661,651.28 MWh in total, 82% of which was electricity. In 2021, the energy consumption increased by 5.5% from the last year, which was mainly due to the growth of the business volume of each segment.



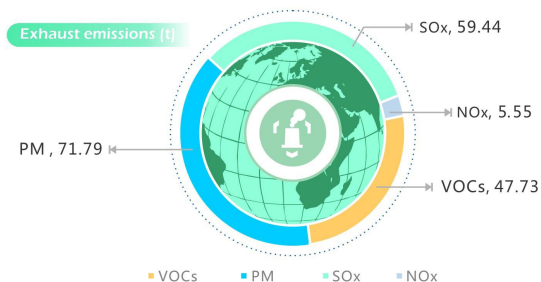
In the same year, our greenhouse gas emissions equivalent totaled 400,534.92t, up about 5.9% from 2020 due to the same reason for the increase in energy consumption as mentioned above. The direct greenhouse gas emissions under scope 1 were mainly from burning natural gas, gasoline, and diesel oil, while the indirect greenhouse gas emissions under scope 2 were mainly from purchased electricity.

Emissions management

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

Exhaust

Our main sources of exhaust include the exhaust from fossil fuel combustion and painting, dust and soot during the production process. The main pollutants in our exhaust include NO_x, SO_x, PM and VOCs. In 2021, our main exhaust emissions totaled 184.51t.



In China, the coal mining machinery segment and ASIMCO comply with the Atmospheric Pollution Prevention and Control Law of the People's Republic of China. Overseas, SEG complies with the Federal Immission Control Act. For exhaust produced during production, our subsidiaries actively adopt new processes featuring energy conservation and emission reduction, and employ different measures to optimize the treatment process, so as to minimize exhaust emission. In the future, our subsidiaries will continue to optimize the process flow, monitor the emission situation in real time, and control their exhaust emission concentration to meet the emission standards of the places where they operate.

Measures of the coal mining machinery segment:

- Replacing the high-pressure spraying process with the newly introduced electrostatic spraying process, which reduced the annual emission of VOCs by about 1.44t;
- Adopting the most advanced dry spraying process in China in the design of its new washing and dressing projects, a process that will enable the spraying production lines to achieve an annual VOCs emission reduction of 4.8t after they are put into production;
- Optimizing the installation structure of activated carbon and pipeline arrangement in the exhaust treatment system, which greatly reduced the exhaust emission;
- Transforming the original bag-type dust collector in the sandblasting exhaust treatment equipment into an efficient multi-stage cyclone dust removal system with a filter cartridge, which greatly reduced the emission of particulate matter;
- Building an automatic online monitoring system for exhausts of spraying line and a centralized control center of intelligent supervision system to ensure the efficient and proper coordination between production equipment and environmental protection equipment, realizing a stable ultra-low emission of exhaust through real-time monitoring and emergency management.

Measures of the auto parts segment:

- ASIMCO International Casting Co., Ltd. (Shanxi) prepared the specific implementation plan of emergency emission reduction measures in the event of heavy pollution weather for each factory, reducing the emission of NO_x by 0.107t, SO₂ by 0.225t, PM by 0.657t, VOCs by 0.030t and CO by 0.053t throughout the year;
- ASIMCO NVH Technologies Co., Ltd. (Anhui) employed the efficient multi-stage treatment technology of VOCs, reducing annual emission of VOCs by 0.51t and remarkably reducing exhaust emission when compared with the traditional single-stage treatment technology;
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. transformed two shot blasting machines in the foundry workshop to solve the problems of sand and shot leakage of the shot blasting machine, and unorganized and excessive emission of dust at the operation site.

Wastes

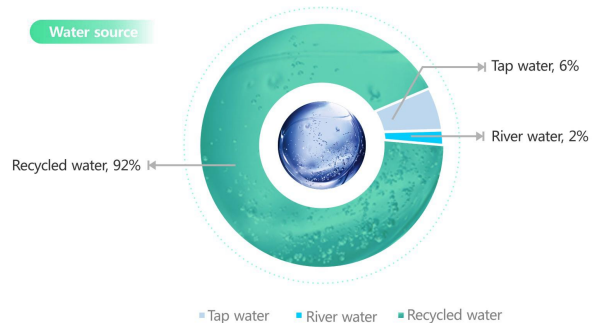
Wastes produced in our operation process are categorized as hazardous and non-hazardous wastes. The hazardous wastes are mainly emulsion, paint slag and chromium slag. We have engaged a qualified third-party professional treatment firm for centralized treatment of these wastes. Our non-hazardous wastes mainly include scrap mixed steel, scrap steel and household waste. Based on the nature of the wastes, we landfill or reuse them, or entrust a garbage power plant for waste treatment. In 2021, We generated 1,951.67t of hazardous wastes and 109,943.88t of non-hazardous wastes.

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

To reduce wastes, our business segments took a series of measures in 2021. For example, ASIMCO International Casting Co., Ltd. (Shanxi) increased the recycling rate of wastes through the waste sand recycling workshop and produced reclaimed sand of about 44,000t in 2021. ASIMCO Camshaft (Yizheng) Co., Ltd. recycled waste oil for cutting oil preparation, reducing waste oil discharge by about 20t, and recycled 980t of waste sand generated in casting for brick making. In the future, We will explore more sustainable waste management methods to ensure that no environmental contamination incidents will occur.

Water resources management

The Company values water resource management and takes measures to reduce water consumption as much as possible though none of its business locations are located in water shortage areas. Our water supply is mainly from tap water and river water. In 2021, our water consumption totaled 16.72 million m³, including recycled water of 15.43 million m³. The recycling rate is approximately 92%. In the future, We will continue to implement the concept of using water for multiple purposes and repeatedly, and maintain the overall water recycling rate at more than 90%.



In 2021, our business segments across the globe continued to actively reduce water consumption through measures such as improving the water recycling rate and renovating the equipment:

- ASIMCO Camshaft (Yizheng) Co., Ltd. realized the recycling of wastewater and used treated wastewater of 1,200t for casting;
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. improved the automation level of the rinsing tank water system for the pickling line in the steel ring workshop, saving 95,000t of water throughout the year;
- ASIMCO International Casting Co., Ltd. (Shanxi) optimized the cooling water circulation system to realize a utilization rate of recycled water of 95%;
- ASIMCO NVH Technologies Co., Ltd. (Anhui) continued to enhance its leakage and wastage management, reconstructed the water intake pipeline of the water pump house, and improved the water saving awareness of employees;
- SEG optimized the temperature monitoring device of cooling tower and reduced the consumption of cooling water efficiently.

Our wastewater is mainly domestic sewage and production wastewater. The former is mainly from the office area restrooms and kitchens, without poisonous, hazardous or special substances, while the latter is mainly from electroplating and painting processes. We adopt different treatment systems for the electroplating wastewater that contains different heavy metals, to ultimately recycle all the wastewater containing heavy metals. In terms of painting wastewater, We install integrated industrial wastewater processing machines to process and discharge the wastewater in strict accordance with local environmental protection requirements. SEG controls the quality of wastewater discharged through continuous IT monitoring and regular tests performed by a third-party.



ZMJ

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Community responsibility

Community responsibility

While pursuing our own growth, We never forget to give back to the community. We actively devote ourselves to public welfare undertakings, insist on sharing our development achievements with the society, and take corporate social responsibility as one of the core strategies for our sustainable development. In 2021, in response to the call of our nation, We actively engaged in poverty alleviation activities and implemented targeted poverty alleviation. In the face of the flood in Henan last year, We undertook social responsibility at once, organized manpower and materials to resume work and production rapidly, and helped post-disaster reconstruction.

Innovation and Entrepreneurship

To respond to the relevant national policies on the revitalization of the old industrial base, We started the workshop renovation project of the Zhima Street 1958 Innovation & Entrepreneurship Park in 2020 and renovated the workshop at the old plant area of ZMJ located within the Third Ring Road of Zhongyuan District in the core urban area of Zhengzhou. By transforming the old industrial premises into open scenic spots, railway theme parks, theme museums, and other public places, the factory buildings are interconnected with urban resources and become a part of urban public space, enriching citizens' cultural and entertainment lives.

In 2021, as the venue of the National Mass Innovation and Entrepreneurship Week, Zhima Street 1958 Innovation & Entrepreneurship Park saw many theme activities, such as the bank and enterprise contact activity of "Integrating the Financial Field and Technology & Helping Enterprise Development", the job fair of "Talents to Build Dreams in Central China", and entrepreneurship and innovation achievement exhibitions centered on "Green Development", "Life enriched with Innovation and Entrepreneurship" and "Life Science". By focusing on building innovative platforms, cultivating innovative enterprises, and gathering innovative talents, We built a competitive innovation and entrepreneurship ecology and helped the high-quality development of the regional economy.





Flood Fighting and Disaster Relief

In July 2021, Zhengzhou was hit by massive floods. Under the deployment of the Group, all affiliates implemented the requirements of flood control and disaster relief work in Zhengzhou, established smooth information communication channels, and actively conducted flood control work to ensure the safety of employees and equipment. Meanwhile, We bore our corporate responsibilities in mind, donating materials to severely affected areas and RMB 100 million to the Charity Federation of Zhengzhou Economic and Technological Development Zone to assist in post-disaster reconstruction.

Assistance in Education

Education is the foundation of national development in the long run. We understand the importance of education for national and individual development, and actively take on social responsibility in the field of education. In 2021, We set up a "ZMJ Dongliang Scholarship" for new graduates of the China University of Mining and Technology and donated RMB 450,000 to help young students in need. In 2006, ASIMCO established the Li Keping Scholarship Fund which provides assistance to eligible children of ASIMCO's employees, so as to encourage them to study science and engineering in colleges and universities and prepare for devoting themselves to the future development of science and technology. By the end of 2021, the scholarship fund had provided support to 188 children of ASIMCO's employees.

Livelihood Support

We have actively taken alleviating and supportive measures to help poverty-stricken areas and household improve their lives, promoting economic development of the poor areas. Zhengzhou Coal Mining Comprehensive Machine Equipment Co., Ltd. has been helping Huaixi Village for 13 consecutive years. In 2021, it donated RMB 15,000 to the Huaixi Village, brought villagers living in poverty living materials, and organized employees to purchase agricultural products worth RMB 33,000 in total from poor villages, such as tea oil, rice and eggs, to help villagers improve their livelihoods.



Teaching Through Lively Activities

In 2021, We participated in the recording of Keep Running: Yellow River 2, an outdoor variety show on Zhejiang TV. Through online connection and practical tests, the program depicts the birth story of China's first hydraulic roof support, the working principle and process of hydraulic roof support, and the innovative development of China's coal mining technology. From made in China to "intelligent" manufacturing in China, the program enables the audiences to understand the industrial development in the new era and feel the industrial spirit of great powers in the new era.

Volunteer Activities

Our employees are encouraged to actively participate in various voluntary activities. We have arranged them to go to nursing homes, children's welfare homes and other places to carry out a series of activities to show their care. In 2021, the employees of ASIMCO NVH Technologies Co., Ltd. (Anhui) visited the Nursing Home of Zhongxi Town. They brought fruit and foodstuff for the elderly, and donated RMB 20,000 to the Nursing Home. This activity has been conducted for 11 consecutive years.

In August 2021, employees of ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. visited the community workers and volunteers performing epidemic prevention tasks in Dashi Community and Sunshine Community of Zhengzhou Town, and brought them milk, instant noodles, bread and purified water to express caring and respect for their work.



Overview of Social Responsibility Data

Environmental Indicators	2021	2020	2019	2018	2017
Emission					
Total greenhouse gas emissions equivalent (scopes 1 & 2) (t)	400,534.92	378,319.18	321,924.94	292,625.50	238,027.60
Emissions under scope 1	20,939.18	20,760.48	17,554.26	21,217.52	10,617.77
Emissions under scope 2	379,595.74	357,558.70	304,370.68	271,407.98	227,409.83
Greenhouse gas emissions equivalent per RMB million in revenue (t/RMB million)	13.67	14.27	12.52	11.25	31.54
Total exhaust emissions (t)	184.51	167.21	153.47	238.24	166.75
Total discharge amount of hazardous wastes (t)	1,951.67	1,811.81	1,721.29	2,046.81	1,887.57
Hazardous waste discharge amount per RMB million in revenue (t/RMB million)	0.07	0.07	0.07	0.17	0.25
Total discharge amount of non-hazardous wastes (t)	109,943.88	97,506.58	98,632.34	88,529.06	73,013.66
Non-hazardous waste discharge amount per RMB million in revenue (t/RMB million)	3.75	3.68	3.83	3.40	9.67
Water Resources					
Total water consumption (million m3)	16.72	15.10	14.28	16.44	15.68
Fresh water	1.29	1.17	1.31	1.88	2.27
Recycled water	15.43	13.93	12.97	14.56	13.41
Water consumption per RMB million in revenue (million m3/RMB million)	0.0006	0.0006	0.0006	0.0006	0.0021
Energy					
Total energy consumption (MWh)	661,651.28	623,392.57	595,869.67	461,157.57	356,737.22
Electricity	540,114.64	496,418.79	464,193.28	363,820.37	309,085.99
Natural gas	93,964.36	94,343.82	110,025.18	66,595.12	41,520.36
Diesel and gasoline	3,583.19	8,843.16	4,573.95	3,498.84	2,076.82
LPG	20,173.53	19,971.24	17,077.26	27,243.24	4,054.05
Thermal power	3,815.56	3,815.56			
Energy consumption per RMB million in revenue (MWh/RMB million)	22.59	23.51	23.17	17.73	47.27
Packaging Materials					
Total consumption of packing materials (t)	15,814.38	16,638.87	7,392.00	854.22	1,268.73

Data Calculation Standards and Methods:

1. **Greenhouse gases:** carbon dioxide, methane, nitrous oxide and sulfur hexafluoride. Data of greenhouse gases under scope 1 are calculated according to the default value of common fossil fuel characteristic parameters issued by the National Development and Reform Commission of the People's Republic of China. Data of greenhouse gases under scope 2 are calculated according to the average carbon dioxide emission factor of China's regional power grid issued by the National Development and Reform Commission of the People's Republic of China.
2. **Exhaust:** The data are sourced from the monitoring systems installed or a third party entrusted for monitoring, and calculated according to the emission factor provided in the EMFAC-HK Vehicle Emission Calculation model issued by the Environmental Protection Department of Hong Kong.
3. **Hazardous wastes:** They are classified according to the "hazardous wastes" stipulated in the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal mentioned in the Reporting Guidelines on Environmental Key Performance Indicators published by the Hong Kong Exchanges and Clearing Limited (HKEX). The data are mainly sourced from relevant records and accounts.
4. **Non-hazardous wastes:** All wastes that do not fall within the definition of "hazardous wastes" in the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal are classified as "non-hazardous wastes". The data are mainly sourced from relevant records and accounts.
5. **Water consumption:** The data are sourced from the monitoring system installed and the municipal water amount purchased.
6. **Energy consumption:** The data are calculated based on the electricity purchased, fuel consumption and relevant conversion factors provided by the International Energy Agency.

Social Indicators	2021	2020	2019	2018	2017
Employment					
Total	16,774	17,412	16,368	8,657	9,056
By gender					
Male	12,777	13,332	12,287	6,421	6,871
Female	3,997	4,080	4,081	2,236	2,185
By employment type					
Full-time	16,729	17,326		6,421	
Part-time	45	86		2,236	
By age group					
Below 30	3,677	3,687	3,820	2,194	2,713
30 to 50	10,447	10,834	9,947	5,491	5,422
Above 50	2,650	2,891	2,601	972	921
By region					
Asia	12,696				
Europe	2,991				
Others (Americas and Oceania)	1,087				
Employee turnover ratio	13%	14%	14%	15%	13%
By gender					
Male	13%				
Female	11%				
By age group					
Below 30	23%				
30 to 50	10%				
Above 50	9%				
By region					
Asia	12%				
Europe	12%				
Others (Americas and Oceania)	23%				
Safety					
Work-related fatality	0	0	0		
Work-related fatality ratio	0%	0%	0%		
Number of working days lost due to work-related injury	1,999				
Training					
Training ratio					
By gender					
Male	91%				
Female	87%				
By employment type					
Senior management	98%				
Middle management	98%				
General staff	90%				
Average training hours					
By gender					
Male	19.02				
Female	18.94				
By employment type					
Senior management	51.11				
Middle management	43.36				
General staff	17.78				

Appendix I-Content Index Based on the Environmental, Social and Governance Reporting Guide

Aspect	Description	Location/Remarks
A. Environment		
A1: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes	Environmental Responsibility
A1.1	Types of emissions and relevant emissions information	Emissions management
A1.2	Emissions (in tons) and (if applicable) intensity (e.g. per unit of production volume, per facility) of direct (scope 1) and energy indirect (scope 2) greenhouse gases	Energy management Overview of Social Responsibility Data
A1.3	Total amount (in tons) and (if applicable) intensity (e.g. per unit of production volume, per facility) of hazardous wastes produced	Emissions management Overview of Social Responsibility Data
A1.4	Total amount (in tons) and (if applicable) intensity (e.g. per unit of production volume, per facility) of hazardous wastes produced	Emissions management Overview of Social Responsibility Data
A1.5	Description of the emission targets set and steps taken to achieve them	Emissions management
A1.6	Description of measures for hazardous and non-hazardous waste treatment, the emission targets set and steps taken to achieve them	Emissions management
A2: Resource Utilization		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Environmental Responsibility
A2.1	Total consumption (in 1,000 kWh) and intensity (e.g. per unit of production volume, per facility) of direct and/or indirect energy by type (e.g. electricity, gas or oil)	Energy management Overview of Social Responsibility Data
A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility)	Water resources management Overview of Social Responsibility Data
A2.3	Description of the energy efficiency targets set and steps taken to achieve them	Energy management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, the water efficiency targets set and steps taken to achieve them	Water resources management
A2.5	Total consumption of packaging materials for finished goods (in tons) and (if applicable) volume attributable to per production unit	Overview of Social Responsibility Data
A3: Environment and Natural Resources		
General disclosure	Policies on minimizing the Issuer's significant impact on the environment and natural resources	Environmental Responsibility
A3.1	Description of the significant impact on the environment and natural resources due to business activities, and the actions adopted to manage such impact	Environmental Responsibility
A4: Climate Change		
General disclosure	Policies for identifying and addressing significant climate-related matters that have and may have an impact on the Issuer	Safety Precaution
A4.1	Description of significant climate-related matters that have and may have an impact on the Issuer, and countermeasures	Safety Precaution

Aspect	Description	Location/Remarks
B. Society		
B1: Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer relating to remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Employee Responsibility
B1.1	Total number of staff by gender, employment type, age group and region	Labour rights and interests Overview of Social Responsibility Data
B1.2	The turnover ratio of employees by gender, age group and region	Overview of Social Responsibility Data
B2: Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer relating to providing a safe working environment and protecting employees from occupational hazards	Employee Responsibility
B2.1	Number and ratio of work-related fatalities in each of the past three years (including the reporting year)	Overview of Social Responsibility Data
B2.2	Number of working days lost due to work-related injury	Overview of Social Responsibility Data
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Safety and Health
B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for performing duties at work. Description of training activities	Employee Responsibility
B3.1	Percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.)	Overview of Social Responsibility Data
B3.2	Average training hours completed per employee by gender and employee category	Overview of Social Responsibility Data
B4: Labour Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer relating to preventing child or forced labour	Employee Responsibility
B4.1	Description of measures for reviewing recruitment practices to avoid child and forced labour	Labour rights and interests
B4.2	Description of steps taken to eliminate the relevant violations when discovered	Not applicable
B5: Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain	Supplier management
B5.1	Number of suppliers by region	Supplier management
B5.2	Description of practices relating to the engagement of suppliers, the number of suppliers to which the practices are implemented, and how they are implemented and monitored	Supplier management
B5.3	Description of practices for identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored	Supplier management
B5.4	Description of practices of promoting the use of environmental friendly products and services in selecting suppliers, and how they are implemented and monitored	Supplier management

Aspect	Description	Location/Remarks
B6: Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer relating to health and safety, advertising, labeling and privacy matters of products and services provided and corresponding remedies	Focusing on Product Quality
B6.1	Percentage of products that must be recalled for safety and health reasons among the total products sold or delivered	Focusing on Product Quality
B6.2	Number of complaints received for products and service and relevant solutions	Provision of Satisfactory Services
B6.3	Description of practices relating to maintenance and protection of intellectual property	Continuously Promoting Industrial Transformation and Upgrading
B6.4	Description of quality inspection process and product recall procedure	Focusing on Product Quality
B6.5	Description of consumer data protection and privacy policy, and how they are implemented and monitored	Provision of Satisfactory Services
B7: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer relating to bribery, extortion, fraud and money laundering	Anti-corruption
B7.1	Number and outcomes of concluded legal cases regarding corruption practices brought against the Issuer or its employees during the Reporting Period	Anti-corruption
B7.2	Description of precautions and reporting procedure and how they are implemented and monitored	Anti-corruption
B7.3	Description of anti-corruption trainings provided to directors and employees	Anti-corruption
B8: Community		
General disclosure	Policies on community engagement to understand the needs of the communities where the Issuer operates and to ensure the communities' interests will be taken into account in its activities	Community responsibility
B8.1	Areas to make contribution (e.g. education, environmental matters, labour demands, health, culture, sports)	Community responsibility
B8.2	Resources (e.g. money or time) contributed to the areas	Community responsibility