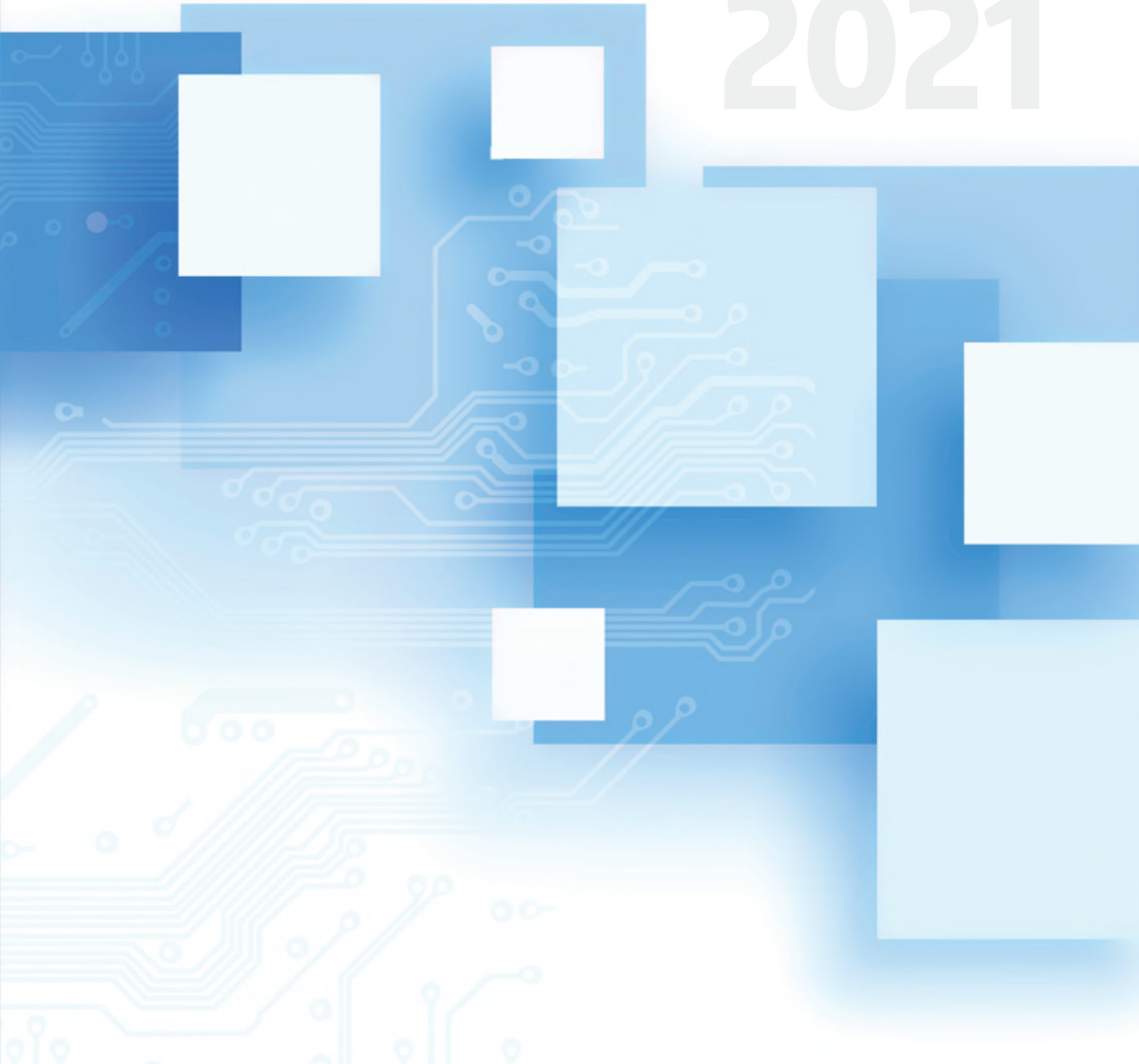


PANDA 熊猫

Nanjing Panda Electronics Company Limited

SOCIAL RESPONSIBILITY REPORT

2021



About This Report

Reporting Period

This report is the 12th CSR report released by Nanjing Panda Electronics Company Limited (NPEC). The timeframe for the information and performance mentioned in the Report is from January 1, to December 31, 2021. Additional information that pre-dates the stated reporting period or presents the policy and practice of Nanjing Panda Electronics Company Limited in 2022 and some practices of Panda Electronics Group Co., Ltd. is also included.

Reporting Boundary

Nanjing Panda Electronics Company Limited and our subsidiaries (see the details in chapter of “About Us— Main NPEC subsidiaries.)

Reference

In this report, “NPEC”, “the Company”, or “We” refers to Nanjing Panda Electronics Company Limited, and

- Electronics Equipment Company refers to Nanjing Panda Electronics Equipment Co., Ltd.
- Information Industry Company refers to Nanjing Panda Information Industry Co., Ltd.
- Electronics Manufacturing Company refers to Nanjing Panda Electronics Manufacturing Co., Ltd.
- Communications Technology Company refers to Nanjing Panda Communications Technology Co., Ltd.
- Panda XinXing Industry refers to Nanjing Panda XinXing Industry Co., Ltd.
- JingWah Electronics refers to Shenzhen JingWah Electronics Co., Ltd.
- Electronics Technology Development Company refers to Nanjing Panda Electronics Technology Development Company Limited

In addition, “CEC” refers to China Electronics Corporation and “CEC Panda” refers to Nanjing Electronics Information Industrial Corporation in the report.

Data Sources

All information and data in this Report are from our internal official documents, statistical reports and annual report. The Board and the Directors of the Company guarantee that there are no false representations, misleading statements, or material omissions, and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the content of this report.

Compilation Conformance

This report is prepared in accordance with Appendix 27 the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Ltd., and the *Guidelines No. 1 for Self-Regulation of Listed Companies-Standardized Operation of Companies Listed on Shanghai Stock Exchange*. The report also refers to the *GRI Sustainability Reporting Standards, GB/T 36001-2015 Guidance on Social Responsibility Reporting* and *Electronic Industry Code of Conduct (EICC 5.1)*.

Report Format

This report is available in the electronic version and you can visit our official website (<http://www.panda.cn>) to read this report. For any question or suggestion about this report, please send us an email to dms@panda.cn or call us at (8625) 84801144.

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PANDA 熊猫

Message from the Senior Management

2021 marked the 100th anniversary of the founding of the Communist Party of China (CPC), the start of China's 14th Five-Year Plan period, and the decisive year for building a moderately prosperous society in all aspects and a new journey towards a modern socialist country in an all-round way. Under the leadership of the Party committee and the Board of Directors of NPEC, together with all employees and stakeholders, we have achieved remarkable breakthroughs in corporate governance, environmental protection and social harmony over the past year.

We stood on solid ground to create new value. Taking strategies as the cornerstone, we have formulated our development plan during the 14th Five-Year Plan period to develop three leading businesses of intelligent transportation and safe city, industrial Internet and intelligent manufacturing, and green service-oriented electronics manufacturing; and further advanced industrial digitization and digital industrialization. In the field of intelligent transportation and safe city, we focus on building modern digital cities and rely on constant S&T innovation to form nationwide brand effects. Our AFC/ACC sector and the general contracting business of rail transit communication system both rank top among peer companies in the country. In the field of industrial Internet and intelligent manufacturing, we have actively participated in the construction of digital factories and provided intelligent manufacturing core equipment and digital transformation solutions for the manufacturing industry. We always put customer demand first in the field of green service-oriented electronics manufacturing, and have constantly expanded businesses in the white goods and automobiles, propelling the green high-end manufacturing service industry through technological innovation.

We insisted on innovation and braved climate challenges. By applying technological innovation, we contributed to China's 30·60 Decarbonization Goal through green corporate operation, green supply chain management and green digital empowerment. To be specific, based on key digital technologies, such as 5G, big data, cloud computing and artificial intelligence, we have facilitated the digital transformation of enterprises, environmental protection in all links,

greenhouse gas emission reduction, better waste management, thus leading to the energy conservation and emission reduction during production. As an advocate for green office, we have carried out various community-based environmental activities to reduce carbon footprint and achieve green and low-carbon business operation, and further extended our green efforts to enterprises, industries and the society. In 2021, the Company invested 6.324 million yuan in environmental protection, and there was no major environmental pollution accident in the whole year.

We worked together to build a better society. To translate our responsibilities as a state-owned enterprise into the corporate mission, we devoted ourselves to building a CSR management system and long-term mechanism. Besides, we launched the employee care project, and activities such as assistance for the disadvantaged groups, holiday visits, special subsidies and caring assistance. We decorated the employee apartments and added sports facilities to constantly improve the living conditions and employees' satisfaction. Through active cooperation and communication with industrial partners and scientific research institutes, we have continuously led and promoted industrial development. In 2021, we invested more than 1.4 million yuan in the assistance fund, subsidy for the disadvantaged and student aid. The employees' average income increased by 8.7% year on year compared with 2020.

As the saying goes, starlight does not ask passersby, and time pays off. In 2022, NPEC will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and plow ahead with perseverance and courage on the road of innovation to strive for high-quality development and contribute more to achieving our goals set for the 14th Five-Year Plan period. We will join hands with all stakeholders to welcome the grand opening of the 20th CPC National Congress with greater confidence and achievements.

Xia Dechuan
Executive Director and General Manager of
NPEC

About Us

Nanjing Panda Electronics Company Limited is a core company in China's electronics industry. In April 1992, it was founded solely by Panda Electronics Group Co., Ltd., the cradle of China's electronics industry. With its shares listed on The Stock Exchange of Hong Kong Ltd. and Shanghai Stock Exchange respectively in May and November 1996, the Company was first to issue A+H shares in domestic electronics information industry.

The Company has built a complete technological innovation system, with one state-level R&D center and seven provincial R&D centers, covering major business areas and ranking top in terms of R&D capability in the industry. Certified by the ISO quality management system, environmental management system, occupational health and safety management system and information security system, the Company has established a complete quality management system and an advanced corporate management information system. The Company has undertaken a number of national key engineering projects and won numerous awards such as the National Science and Technology Progress Award and the Science and Technology Award of the People's Government of Jiangsu Province. It is a "contract abiding and trustworthy" enterprise granted by the State Administration for Industry and Commerce and an excellent enterprise of Jiangsu Province.

By the end of 2021, NPEC has 10 subsidiaries with 3,014 employees.



▲ NPEC Headquarters Science Park in Zhongshan East Road

Main Subsidiaries	Founding Year	Business
Electronics Equipment Company	2009	Promoting R&D of related technologies and achievement transformation with industrial robot and intelligent manufacturing as the development core; devoted to the cultivation and exploitation of intelligent manufacturing market, which have been applied in the fields of 3C electronics, flat panel display and logistics with its applicable technology
Information Industry Company	1998	A world-famous provider of system solutions, equipment and core modules in intelligent transportation distribution, ticket vendor sales and checks, communications, etc.; a provider of smart communities and smart home programs and products; a leading domestic intelligent building system integrator
Electronics Manufacturing Company	2004	Mainly producing consumer electronics, communications equipment, medical treatment device, new energy technologies and automotive electronics with an annual production capacity of more than 10 million sets and mainly providing ODM services for internationally famous electronics information enterprises
Communications Technology Company	2005	Engaged in research and development of products and systems for mobile communications, mobile Internet communications, and military-civilian communications; providing customized high-tech products and complete sets of engineering equipment for users, and services such as engineering installation and maintenance
Panda XinXing Industrial	2009	Taking the integration of high-end service industry and advanced manufacturing as an important strategic choice for promoting the optimization and upgrading of industrial structure; providing all-round supporting and safeguarding operation services for all types of industries based on technological integration, and market demand
JingWah Electronics	1980	Engaged in the R&D, manufacturing and sales of IT digital products including tablet computers, handheld digital TVs, voice recorders and electronic books, automotive electronic products such as navigator and car audio, as well as mobile communications and LED lighting products; other supporting businesses including precision molds, plastic-injection packaging, and electronic components
Electronics Technology Development Company	2011	Engaged in the development, manufacturing, sales, after-sales service and technical services of communications equipment, industrial control equipment, computers and external equipment, instrumentation, culture, office machinery, electrical machinery and equipment, packaging equipment and other general equipment, equipment of social public safety and other equipment and molds; computer software development and system integration services

▲ Main NPEC Subsidiaries

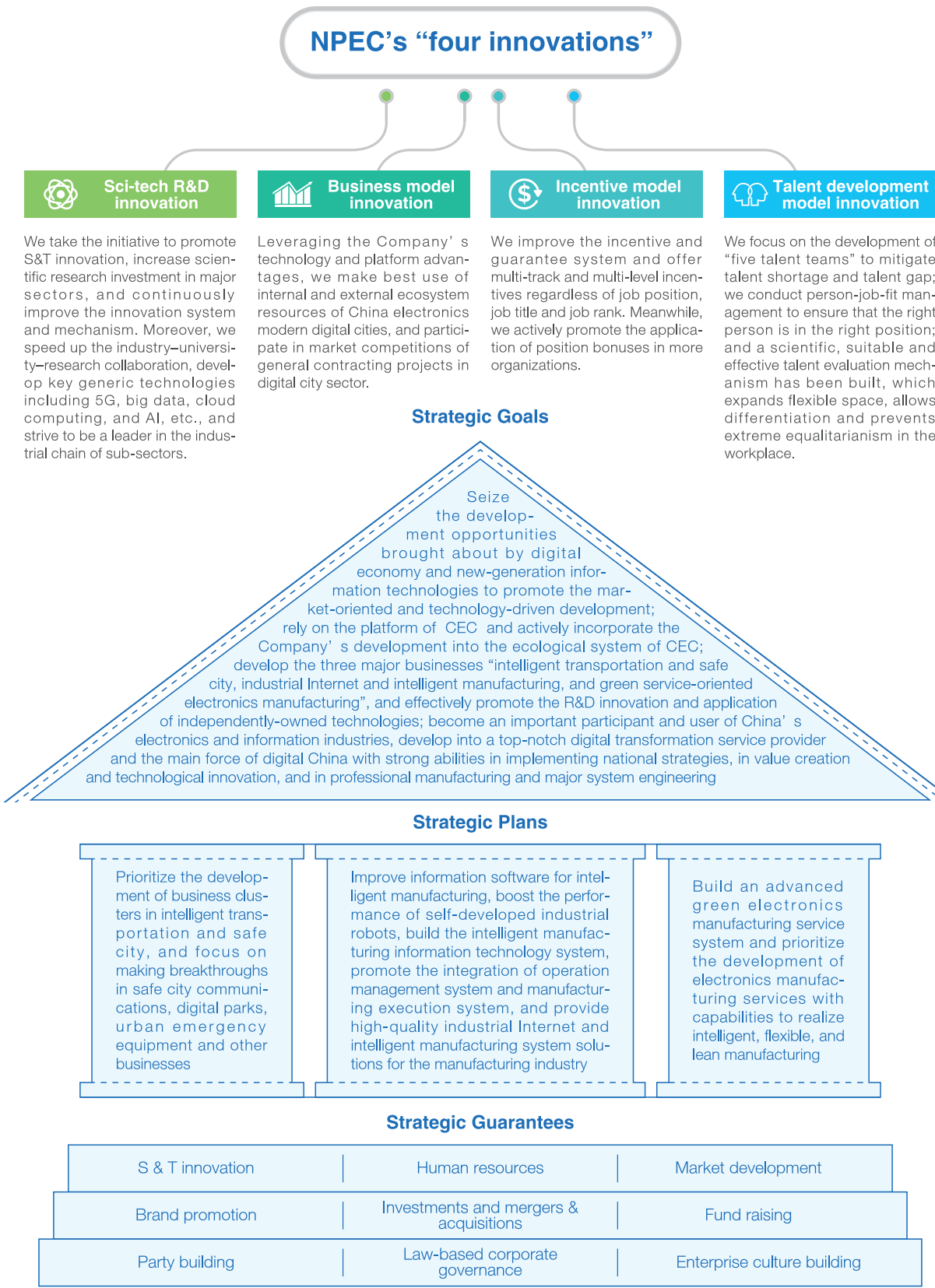
2021 Key Performance



Strategy and Governance

Corporate Strategy

2021 marked the start of the 14th Five Year Plan period. The Company revised the *NPEC Development Plan During the 14th Five-Year Plan Period*, which specifies the strategic positioning and main direction towards high-quality development. During the 14th Five Year Plan period, the Company will uphold the new development concept of innovation, coordination, green, openness and sharing to vigorously drive “four innovations” (i.e., innovations in R&D model, business model, incentive model and talent training model), and further promote industrial digitization and digital industrialization through its core businesses of intelligent transportation and safe city, industrial Internet and intelligent manufacturing, and green service-oriented electronics manufacturing. NPEC strives to develop into a top-notch digital transformation service provider and the main force of digital China development with strong abilities in serving national strategies, in value creation and technological innovation, and in professional manufacturing and major system engineering.



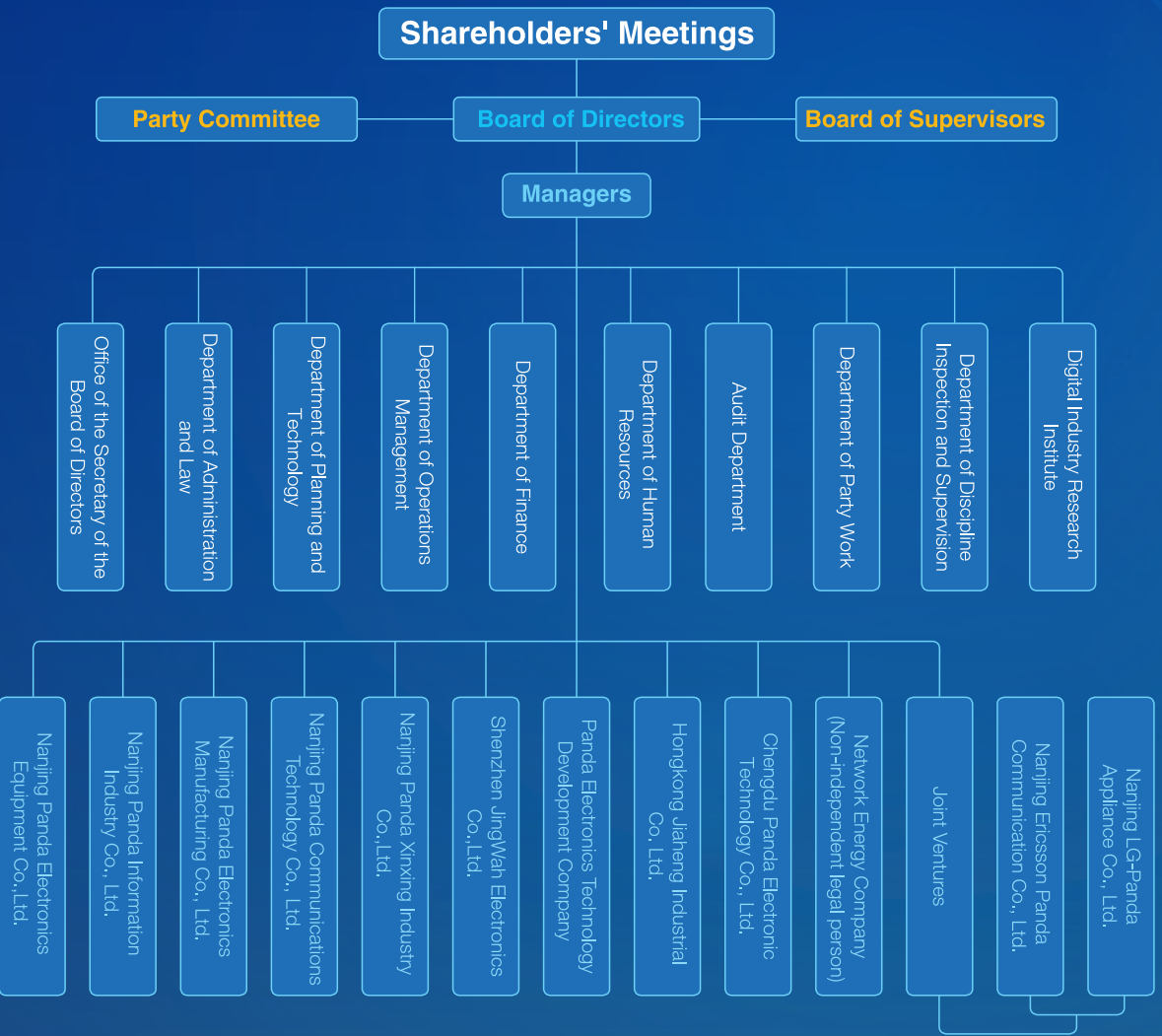
▲ NPEC's strategic framework

Corporate Governance

In strict accordance with *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Guidelines for the Governance of Listed Companies* and other listing rules, laws and regulations at home and abroad, NPEC has upgraded the modern enterprise system with Chinese characteristics and the corporate governance structure. By standardizing the operation of the Shareholders' Meetings, the Board of Directors and the Board of Supervisors, NPEC ensures that all important matters of corporate governance follow the required legal approval procedures, and continuously improves corporate governance.

The Shareholders' Meetings, the Board of Directors and the Board of Supervisors established by the Company operate in a standardized and effective manner, and safeguard the legitimate rights and interests of all shareholders and the Company. They will further improve the standardized operation and scientific governance of the Company in strict accordance with the requirements of laws, administrative regulations and regulatory authorities, and continuously improve the internal control system, accountability mechanism and information disclosure system.

In 2021, the Company formulated the *Assessment Rules of Comprehensive Lean Management (Reducing Cost and Improving Efficiency) 2021*, held the promotion briefing, and targeted the key work of comprehensive lean management to form a new comprehensive lean NPEC culture covering all employees.



▲ Organization structure

• Directors, supervisors, senior managers

The Board of Directors of NPEC is composed of nine directors, including three executive directors, three non-executive directors and three independent non-executive directors. Independent non-executive directors account for one third of the Board.



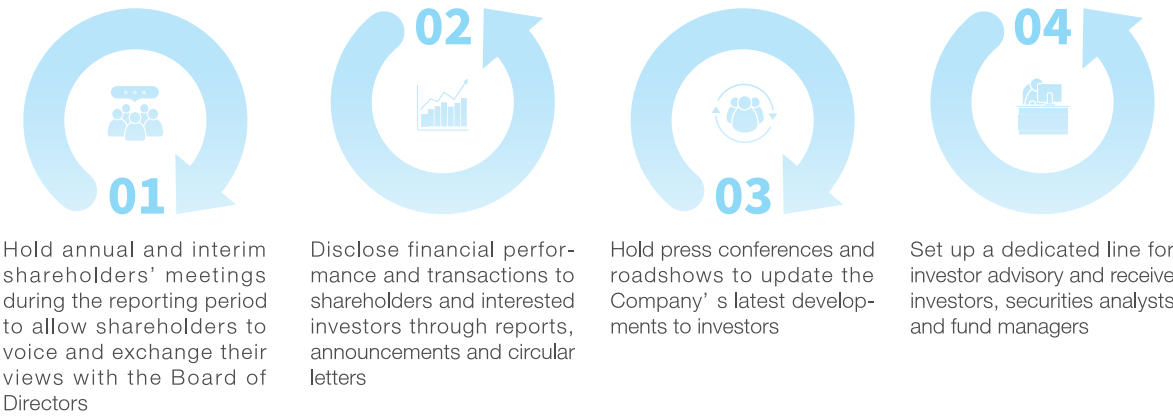
▲ NPEC Board

• Board of Directors

The Board of Directors is the executive arm of the Shareholders' Meetings, from which its power originates. It is responsible for convening the Shareholders' Meetings and reporting to and implementing the resolutions of the Shareholders' Meetings, and deciding the production and operation plan as well as the investment plan of the Company. The Board of Directors is composed of Audit Committee, Nomination Committee, Strategy Committee, and Remuneration Evaluation Committee, all of whom assist the Board of Directors in major management affairs, and provide decision-making suggestions, system evaluation and implementation supervision. In 2021, the Company held 3 shareholders' meeting, 16 board meetings and 6 meetings of Board of Supervisors.

• Investor relation management

Committed to sound investor relations management, the Company emphasizes the protection of investors' rights and interests, and discloses daily announcements and regular reports within the specified time-frame in strict accordance with regulatory requirements. The Company holds meetings including performance briefings and shareholders' meetings, and maintains a sound relationship with investors through shareholders' meetings, investor interaction e-platform, email and telephone, daily reception and investor meetings to drive the Company's compliance operation and enhance investors' understanding and recognition of the Company. In 2021, the Company issued 61 announcements and organized 5 roadshows.



▲ Main communication channels with shareholders and investors

Risks Management and Compliance

Since its inception, NPEC has kept the rule of law and compliance operation. Strictly abiding by *Company Law*, *Guidelines for Compliance Management of State-owned Enterprises* and other laws, regulations and industry standards, NPEC continues to improve its compliance management system in accordance with internal management regulations such as *Legal Framework of NPEC* and *NPEC Internal Control Evaluation Measures*. The Company synchronizes the arrangement, promotion and assessment of the work on rule of law, risk control, compliance, internal control and accountability, and specifies the responsibilities of risk identification, assessment, control, response, and implementation to push forward law-based corporate governance with “risk control as the goal, law-based and compliant management as the guide, internal control as the support, and accountability for violations as the closed loop”.

In 2021, the Company carried out in-depth investigation of operation risks, and put forward countermeasures and suggestions for rectifying the detected risks to further increase our risk control awareness and enhance our risk control.



▲ Lecture on the Civil Code

2021 Key Performance

- 2 meetings on the rule of law held
- 3 Risk Control Committee meetings held
- Legal review rate of contracts: 100%

Anti-corruption

NPEC keeps raising the awareness of “bottom line” and “red line” to cement the ideological defense line. We strictly abide by *Oversight Law of the People’s Republic of China*, *Regulation on the Implementation of the Oversight Law of the People’s Republic of China*, *Opinions of the Central Committee of the Communist Party of China on Strengthening Oversight over Leading Officials and the Leadership*, *Work Regulation of the Discipline Inspection Committee of the Communist Party of China*, *Rules of the Communist Party of China on Integrity and Self-discipline*, *Regulation on Integrity of the Leadership of State-Owned Enterprises* and other laws and regulations. While enhancing political oversight, we work to ensure full and strict Party self-governance. We raise the anti-corruption awareness, strengthen anti-corruption prevention and control and execute anti-corruption punishment mechanism. In addition, we align efforts on improving Party conduct and integrity with those on business development. Daily supervision and self-development are also enhanced to provide strong guarantee for the Company’s high-quality development.

In 2021, we developed new ways of anti-corruption and integrity education to ensure that Party officials abide by laws & regulations and work with integrity. In particular, we adopted multiple measures for improving system implementation and discipline awareness, including studying the Constitution and rules & disciplines of the CPC, watching educational videos, visiting anti-corruption & integrity education bases, giving Party lectures on anti-corruption, reporting cases of disciplinary violations, and having daily conversations, etc.

Intensify institutional guarantee

We have issued 12 regulations and incorporated them into the Company’s institutional system. They include: *Working System of the Disciplinary Commission*, *Implementation Measures for Supervision over Disciplinary Inspection Organizations*, *Measures for Disciplinary Inspection Assessment*, *Several Provisions on Integrity Building of the Management at Middle-level and Above*, *Integrity-building Talks System*, *Management Measures for Disciplinary Inspection Clues*, *Accountability Measures for Disciplinary Violations*, *Measures for Supervision over Tendering and Bidding of Major Projects*, *Measures for Evaluation of Party Conduct Improvement and Anti-corruption Performance*, *Measures for Management of Integrity Building Archives of Middle-level Management*, *Measures for Disciplinary Commission to Handle Gift Cards and Vouchers Handed over*, and *Measures for Party Committee to Implement the Eight-Point Regulation of the CPC Central Committee*.

Improve the working mechanism

We have built a responsibility system and signed the *Letter of Strict Party Governance and Integrity Responsibility*, *Letter of Party Building Responsibility* and *Letter of Confidential Responsibility* with Party organizations at all levels to consolidate responsibility fulfillment level by level. We have established a coordinated working team for Party conduct improvement and anti-corruption, revised the appraisal methods, and conducted biannual inspection and evaluation to promote responsibility fulfillment. We have enhanced integrity risk control and formulated measures to check, analyze and control risks in tendering procurement, engineering construction, investment and merger & acquisition, personnel recruitment and appointment, etc., striving to build a long-term and highly efficient risk control mechanism. We have improved the supplier management mechanism, established a supplier blacklist database that is updated regularly, and prohibited blacklisted suppliers from participating in any project or business of the Company.

Conduct in-depth integrity education

We have organized the activity of Discipline Publicity and Education Month. On important festivals or holidays, we send anti-corruption reminders to Party members and display integrity building posters and the latest cases of disciplinary violations on the electronic bulletin board in an effort to create a rich atmosphere of integrity building. We make best use of typical violation cases to analyze the causes behind and warn our people to learn the lessons. We also conduct daily chats with Party members before they take office at management positions. In 2021, the Company held a total of 83 disciplinary warning and integrity education activities.

Prioritize problem rectification

In line with laws and regulations, we handle violation clues, investigate into violations, and hold violators and related responsible persons accountable for these improper conducts, with determination to crack down on corruption. While conducting investigations, we fill management loopholes to prevent corruption risks and timely propose supervision and inspection suggestions. We also regularly organize random inspections for the management at middle-level and above in terms of compliance of responsibility fulfillment, business expenditure and reimbursement.

Carry out special inspections

We have formulated the *Work Plan for NPEC Party Committee to Rectify Corruption* to promote the timely rectification of integrity-related problems detected, and improved 17 systems involving corruption prevention and control, further intensifying the institutional constraint. In strict accordance with the Eight-Point Regulation of the CPC Central Committee, we ensure the compliance of use of the Company’s vehicles by creating a separate account for each vehicle to monitor its wage & spending etc. Before and after festivals and holidays, we organize vehicle inspection and the filling of *Vehicle Use Checklist* during the Festival/Holiday.

▲ Key measures of NPEC for anti-corruption and integrity in 2021



▲ NPEC held the 2021 Party Conduct and Integrity Improvement Conference.

2021 Key Performance

- 61 anti-corruption trainings held, covering 1,695 participants
- No corruption incidents occurred

Information Security

NPEC values the confidentiality of customer information and privacy, strictly abides by relevant national laws and regulations on the protection of privacy of customers as well as our *Regulations on Trade Secrets Protection*. In accordance with the requirement of the *Use and Maintenance of Information Systems*, we implement the level-by-level approval management of information system access permissions to standardize the management of tools, actions and process of information carriers. To ensure the information security management in an all-round way, we constantly implement the network security responsibility system, and firmly establish the awareness of network security risks with clear responsibilities of departments, so as to secure the safe operation of our network and information system.

In 2021, the Company invited experts to interpret *Personal Information Protection Law of the People's Republic of China* and share personal information (PI) protection measures with the staff based on our actual situation and hot issues, with the goal of enhancing their PI protection awareness and capability. Meanwhile, the Company organized employees into participating in four cybersecurity attack & defense drills and cybersecurity guarantee activities, handled six dangerous matters, and banned over 100,000 dangerous IP addresses, constantly improving our cybersecurity protection capability. No cybersecurity incidents occurred throughout the year.



▲ Online fraud prevention knowledge training

Intellectual Property

NPEC attaches great importance to strengthening the basic management of intellectual property. Strictly following the *Intellectual Property Law* and other laws and regulations, the Company has revised the *Management Measures for Patent and Copyright* to respect intellectual property and protect legitimate rights. At the same time, the Company has carried out annual inspections and rectification, so as to effectively enhance internal control of intellectual property.

In 2021, the Company conducted lean review of patents. Specifically, the Company sorted out valid patents from industrial corporations, stopped maintaining outdated patents, and improved patent validity and utilization. Meanwhile, the Company held a training course on “writing a patent technical disclosure” and organized patent administrators into participating in online training on intellectual property rights knowledge to improve patent quality. In addition, to stimulate the creation of intellectual property rights, improve the trademark value of “Panda” and the technical content and added value of patents, as well as better play the supporting role of invention patents in industrial development, the Company provided bonuses for obtaining patents and software copyrights according to the system.

2021 Key Performance

- **124** patents applied at the national level, including **50** invention patents
- **78** patents licensed by the State, including **15** invention patents and **48** software copyright patents
- **160** valid registered Panda trademark certificates, including **1** newly registered

Technological Innovation

Seizing the opportunity of the new generation of IT transformation, NPEC has formulated a series of regulations such as *Several Measures for Encouraging Scientific and Technological Innovation*, *Management Measures for S&T Projects and Research Funds*, and *Regulations on Assessment of Special Funds for Capacity Building of Technology Centers at or above the Municipal Level*. With the favorable corporate policy system and incentive mechanism created, NPEC constantly enhanced corporate competitiveness, and empowered its high-quality development. In 2021, according to the *Three-year Action Plan of NPEC for Informatization (2019-2021)*, the Company actively promoted the informatization by increasing S&T investment, improving R&D platforms, as well as upgrading industrial technologies and industrializing S&T achievements. In 2021, 1 municipal-level NPEC technology center for communications enterprise was newly established, 11 S&T institutions of NPEC were authorized by the government at or above the municipal level and 6 affiliated industrial corporations of NPEC were recognized as high-tech enterprises.

Panda Digital Industry Research Institute officially established

On November 12, 2021, the Digital Industry Research Institute of Nanjing Panda Electronics Company Limited (Panda Digital Industry Research Institute) was officially opened in Panda Electronic Equipment Industrial Park. The establishment of the Institute marks a new step of CEC Panda in the digital industry, which is not only an urgent need to optimize the integration of innovation resources and improve independent innovation capability, but also a must for the Company to seize the commanding heights of future digital technology and improve core competitiveness. More importantly, this is the mission of CEC Panda to integrate itself into the new development pattern and to support the construction of a digital China.



▲ Panda Digital Industry Research Institute

2021 Key Performance

- A total investment of approximately RMB **212** million and **928** employees in R&D
- The project “R&D and Industrialization of Urban Rail Transit Vehicle-Ground Broadband Communication System” won **the third prize** of Jiangsu Province Science and Technology Award and **the recognition prize** of China Association for Quality (CAQ) Quality Technology Award.
- The project “Research on Key Technologies of LTE Multi-service Application in Urban Rail Transit” won **the second prize** of Jiangsu Province Science and Technology Innovation Award.
- The Information Industry Company was listed in **the first batch of Pilot Enterprises for Chief Data Officer System** in Jiangsu Province by the Industry and Information Technology Department of Jiangsu.
- The Communications Technology Company was awarded as **a specialized and new “Little Giant Company” in Jiangsu Province** and **an enterprise technology center in Nanjing**.

Party Building

NPEC gives full play to the Party Committee’ s role of “setting the direction, managing the situation, and promoting the implementation”, and takes “innovation” and “promotion” as the theme for corporate operation reform. As a result, the high-quality corporate development has been guaranteed with the improved quality of Party building. In 2021, NPEC formulated work plans for CPC history studying. In particular, the Company organized the staff into studying CPC history through a series of activities to celebrate the 100th anniversary of the founding of CPC. Among them, the Company held the anniversary meeting and commended a group of excellent NPEC institutions and individuals. Other activities included the CPC history themed real-situation teaching activity, chorus performances, book reading activities, staff painting, calligraphy and photography competitions, essay writing activities themed “NPEC making progress under the leadership of CPC”, CPC themed Vlog competition speech contest and knowledge quizzes, and dialogue between Party members and members of Communist Youth League of China, etc. All these efforts enhance cohesion, stimulate employees to love the country and the Party, and help transform them into a positive force to drive the Company’ s development.



▲ Carrying out real-situation activities to study the history of CPC



▲ The gala to celebrate the 100th anniversary of the founding of the CPC

2021 Key Performance

- The Company’ s Party Committee won the honor of “**CEC Excellent Primary-level Party Organization**”.
- The Company’ s League (Communist Youth League of China) Committee won the honor of “**CEC May 4 Red Flag League**”.
- A total of **1,872** hours spent on Party building
- Cumulatively **10,836** Party members participating in Party building activities

NPEC insists on offering customers good service experiences with high-quality products and advanced technologies, and keeps improving employees' happiness index by creating a safe and decent working environment, a clean and comfortable living environment, and a safe and harmonious public security environment. Moreover, we have actively implemented regulatory policies, enhanced social responsibility information disclosure, and improved operation transparency. Besides, we accept evaluation and supervision from all parties of society, and leverage the value creation potentials of our stakeholders to improve our brand influence and reputation. Centering on key topics of social responsibility, we have improved the sustainability of social responsibility management and practices to ensure the sustained development of the Company.

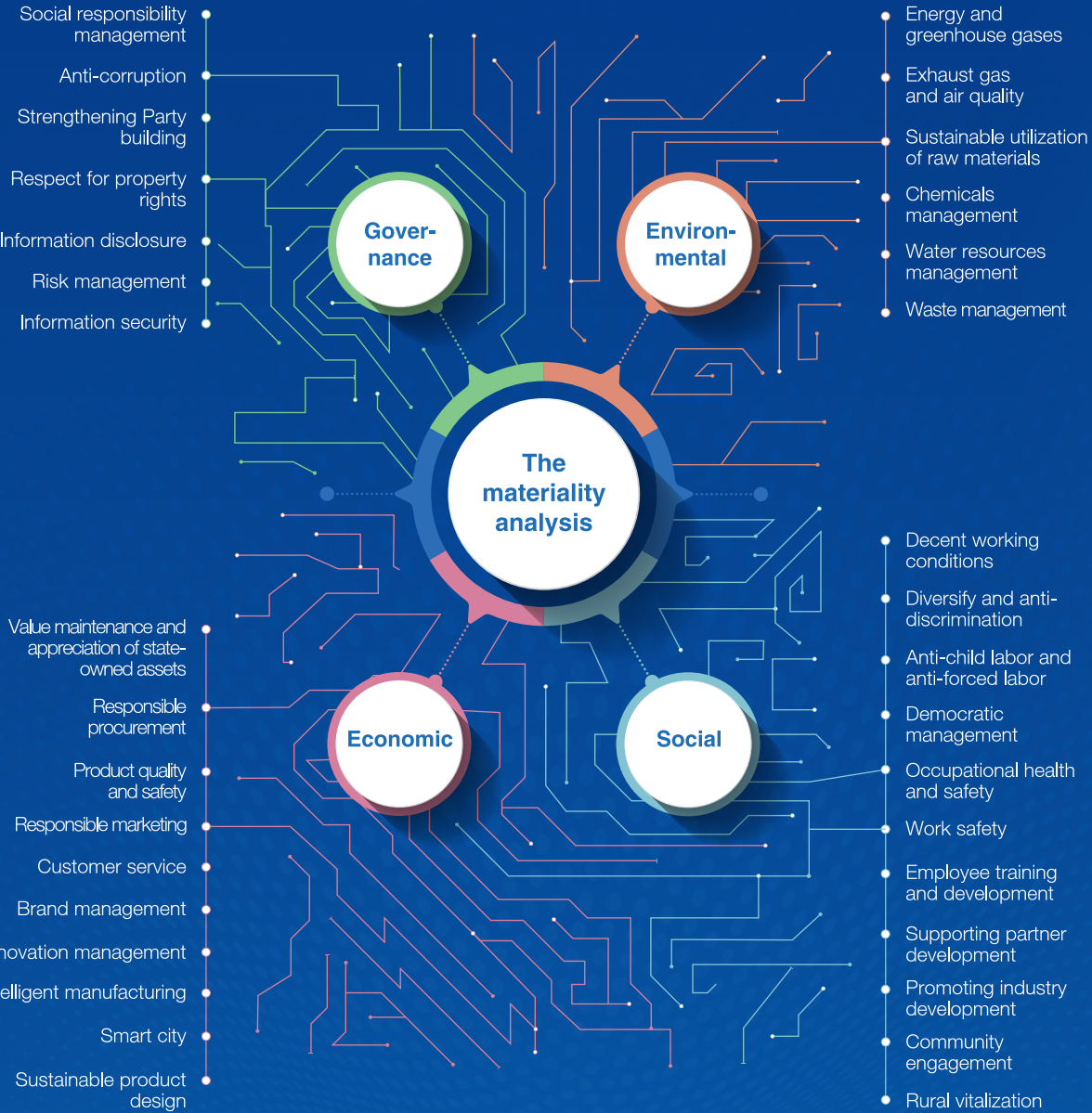


Social Responsibility Management



Materiality Analysis

Materiality analysis is the core and foundation of social responsibility management and disclosure. In 2021, based on the hot topics, national policies and industry trends and other background information, the Company comprehensively analyzed and sorted out the material topics library by means of interviews and questionnaires, and confirmed material topics of the Company after discussion of the Board of Directors.



Stakeholder Engagement

The communication with and engagement of stakeholders are vital to the Company for its social responsibility management and practices. Stakeholder communication facilitates our better understanding of the economic, environmental and social impact of the Company' s production and operation, and ensures information transparency. Meanwhile, the process helps to enhance the cooperation with stakeholders, thus promoting sustainable development.

Stakeholders	Expectations and Demands	Communication Approaches	Response and Measures
Shareholders and Investors	<ul style="list-style-type: none">Return on investmentKnowing the Company's operations	<ul style="list-style-type: none">Shareholders'meetingRegular reportsSSE E-interactiveVisitor survey	<ul style="list-style-type: none">Timely and accurate disclosure of operations and major issuesFollowing the basic principles of responsible managementSustainable returns to shareholders and paying cash dividends
The Government	<ul style="list-style-type: none">Law-abiding operationPaying taxes according to lawPromoting employmentImplementing government policiesEnergy conservationResources savingEcological protection	<ul style="list-style-type: none">Accepting supervisionInformation reportingWorking meetingGovernment-enterprise cooperation	<ul style="list-style-type: none">Abiding by laws, regulations and policiesPaying taxes in full and in timeProviding jobsResponding to the national strategiesImproving environmental managementRural vitalization
Customers	<ul style="list-style-type: none">Quality products and servicesKnowing the product and service	<ul style="list-style-type: none">Customer satisfaction surveyCustomer service call center	<ul style="list-style-type: none">Providing safe, convenient and quality products and servicesContinuously improving customer satisfactionContinuous R&D investmentImproving customer communication channelsProduct and service description
Employees	<ul style="list-style-type: none">Protecting employees' rights and interestsGood welfare and development opportunitiesA healthy and safe working environmentHaving the democratic right of participation	<ul style="list-style-type: none">Labor UnionEmployee Representative CongressEmployee suggestion box	<ul style="list-style-type: none">Signing a collective contractSmooth employee promotion channelSafety and health managementRegular Employee Representative Congress
Suppliers	<ul style="list-style-type: none">Win-win cooperationOpen and fair principleKeeping commitments	<ul style="list-style-type: none">High-level meetingSupplier ConferenceQuestionnaires	<ul style="list-style-type: none">Public procurement information, fair procurementHonoring all contracts
Communities	<ul style="list-style-type: none">Supporting social welfareCreating jobs for the community	<ul style="list-style-type: none">Volunteer platform	<ul style="list-style-type: none">Carrying out public welfare and volunteer activities
The Industry	<ul style="list-style-type: none">Fair competitionPromoting industry progress	<ul style="list-style-type: none">Peer cooperationUniversity-enterprise cooperation	<ul style="list-style-type: none">Participating in industrial activitiesImproving R&D capability

▲ Stakeholder communication and response

Keeping Up with the Trend:

Supporting Social Development with Professional Advantages



With its own advantages, NPEC endeavors to promote the market-oriented and technology-driven development. Relying on the CEC platform, the Company has actively incorporated it into the ecosystem of CEC. Specifically, the Company has made substantial efforts to develop the three major businesses - "Intelligent transportation and safe city, Industrial Internet and intelligent manufacturing and Green service-oriented electronics manufacturing", and to effectively promote the R&D innovation and application of independently-owned technologies. While improving the performance of core businesses, the Company has worked hard to bring more economic and social benefits, striving to achieve the common development and progress of itself and society.



Intelligent Transportation and Safe City

NPEC takes building modern digital cities as the leading direction. With a mix of new generation information technologies including AI, IoT, cloud computing and big data, etc., the Company prioritizes the business clusters of intelligent transportation and safe city, focuses on breaking through electro-mechanical general contracting of urban rails, safe city communications, digital parks, urban emergency equipment and other businesses. NPEC is committed to becoming a first-class system solution provider in the field of intelligent transportation and safe city construction covering from project construction, key equipment R&D, manufacturing to operation.

In 2021, the Company took the lead in compiling and releasing the *Intelligent Transportation Industry Capability Building Manual of China Electronics Modern Digital City Ecological Alliance* and cooperated with Nanjing Metro to establish the 5G Smart Rail Transit Joint Innovation Lab, promoting the transformation and upgrade of rail transit industry in full swing. The “5G+ Intelligent Rail Transit Transportation” project was listed in the first batch of typical scenarios of enterprises’ digital transformation in 2021.


Intelligent Transportation

NPEC has constantly consolidated its technological and market advantages in automatic ticket sales, ticket income distribution, cloud payment, communications, monitoring and line network command center system of urban rail transit. The Company has seized the opportunities of deep integration of new technologies such as cloud data AI+5G+BeiDou (BeiDou Navigation Satellite System) with transportation industry, strengthened the overall planning and operation in the field of smart transportation. At the same time, the Company has gradually expanded to intercity rail transportation and highway transportation, and formed smart transportation decision support solutions that integrate situational awareness, overall dispatch and emergency command. To create more software and hardware core technologies and products with independent intellectual property rights, NPEC is committed to becoming a first-class service provider in road transportation applications such as domestic smart urban rail, smart expressway, smart highway, and smart parking.


In 2021, the Company insisted on independent innovation and continued to improve scientific research and innovation in the field of smart transportation industry. The AFC system covered 13 cities including Nanjing, Shenzhen, Chengdu, Tianjin, Wuhan, Hefei, Shijiazhuang, Suzhou, Wuxi, Changzhou, Xuzhou, Nantong and Shaoxing.

A new breakthrough in data governance beyond traditional rail business fields


In 2021, the Information Industry Company deployed the unified business center and data center to build a large-scale service and management platform with business integration functions for Wuxi Metro. The platform realizes data exchange and resource sharing, and promotes the coordinated development of information systems among subsidiaries of Wuxi Metro, supporting Wuxi Metro’ s diversified businesses. The successful launch of the project has facilitated NPEC to take a solid step from a traditional AFC system integrator to an Internet software supplier. The project has not only cultivated a group of Internet design and R&D professionals, laying a foundation for the Company to develop rail transit Internet software R&D and application markets, but also offered useful reference for other urban metro groups to improve informatization and operation modes.

**Sharing user information**


Leverage subway ride business to improve the sales of service products, attract users, and facilitate users’ travel and commercial transformation

**Sharing system information**

Provide unified payment and settlement modes such as Alipay, WeChat and staff card to realize clearing and account checking, invoice issuance, and operation & maintenance management, etc.

**Sharing commodity information**

Provide function interfaces such as ticket sales and commodity & service sales to realize commodity resource sharing and online & offline combination

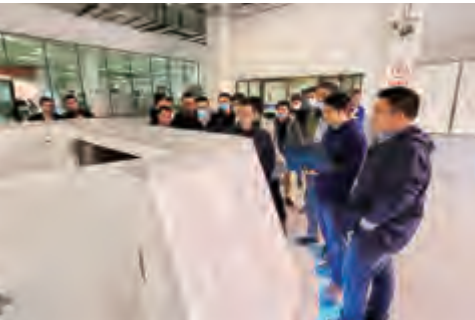
**Sharing data**

Integrate travel data and consumption data of all application scenarios of CEC Panda, analyze user habits with big data analysis technology, and build a complete mobile data platform

▲ Digital services and management services with well-developed functions

Facilitating the upgrade of ticket purchase from ticket machines in Suzhou Metro

In 2021, the Information Industry Company boldly deployed new technologies to upgrade the ticket purchase from ticket vending machines in Suzhou Metro. Suzhou Metro has taken the lead in the pilot program of digital RMB ticket purchase and launched this service in Line 2 and Line 4. Adapting to the new form of payment, this practice has effectively met diversified transportation payment needs and promoted the transformation of the metro businesses model from traditional customer services to an information-based, digitalized and intelligent services, which accelerates the development of the Company’ s intelligent transportation sector during the 14th Five-Year Plan period.



▲ “Panda” Smart Ticket Vending Machine

Safe City

NPEC has been engaged in satellite mobile communications, BeiDou positioning and navigation, ground mobile communications, ad hoc network communications, ground private network communications and other technologies. We have made substantial efforts to develop emergency communications solutions that integrate regional and wide-area communications, overall urban security solutions based on multi-dimensional perception system, and smart industry solutions that take 5G+system applications as the core. At the same time, we work hard to develop businesses such as digital parks, emergency broadcasting and power supplies, high-tech equipment special power supplies, and off-grid energy storage. In doing so, we are committed to becoming an industry-leading supplier of R&D and manufacturing of special equipment for safe cities and related system solutions.

01

We have achieved stable development in DS terminal market, managed to launch mobile video products in the market, and won the bid of a ship informatization project.

02

We have made remarkable progress in the development of network energy power supply market, scored a substantial increase in export orders of bidirectional inverter power supply, and won the bid for the digital TV transmitter project of the State Grid Corporation of China and a few emergency broadcasting projects in Huangshan, Huainan, Yantai, Yangzhou, and Inner Mongolia, etc.

03

We have considerably increased the cumulative sales of security & law enforcement recorders.

▲ Key breakthroughs of NPEC in safe city construction in 2021

Industrial Internet and Intelligent Manufacturing

Industrial Internet and intelligent manufacturing are the only way towards “Digital China” and “Manufacturing Power”. In the field of industrial Internet, NPEC deepens the application of 5G and edge computing technology, promotes cloud-side collaboration, and improves intelligent manufacturing information software and the performance of self-developed industrial robot products, in a bid to build an intelligent manufacturing information technology system, promote the integration of operation management system and manufacturing execution system and provide high-quality industrial Internet and intelligent manufacturing system solutions for manufacturing. We participate in the development of industrial Internet application platform, provide the government and industrial parks with one-stop industrial Internet network building services, and collaborate with enterprises related to CEC Industrial Internet. We are committed to building an industry-leading supplier of industrial Internet, intelligent factory system solutions and key equipment for intelligent manufacturing.

In 2021, the Electronics Equipment Company actively participated in the construction of digital factories and developed new markets in the new energy sector. It successfully won the bids for the Rainbow (Hefei) G7.5 and G8.5 liquid crystal glass substrate project, the Zhenhua E-Chem Sanyuan lithium battery materials smart production factory project, the National Food and Strategic Reserves Administration (certain reserve base) automated warehousing equipment procurement and installation project and other projects; it completed substantial equipment renovation for the Rainbow overflow G8.5+ Substrate glass production line project, making breakthroughs in overflow glass process and technology.

Conducting 5G+ industrial Internet cooperation with China Telecom

In 2021, the Electronics Equipment Company continued to speed up business layout in industrial Internet and intelligent manufacturing. It held a seminar on “5G + Industrial Internet Intelligent Manufacturing” in Nanjing with China Telecom, and jointly established the 5G + Industrial Internet Intelligent Manufacturing Laboratory. The win-win cooperation on building a 5G smart application ecosystem and a 5G application lab has facilitated new development in the era of 5G.

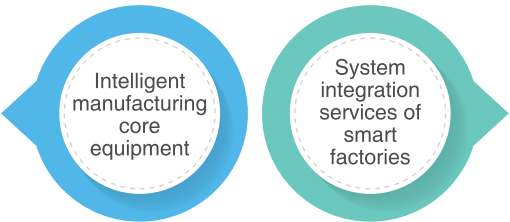


▲ The unveiling ceremony of the 5G + Industrial Internet Laboratory



▲ Industrial Robot Manufacturing Digital Factory successfully passed project acceptance.

Driven by technological innovation and the new generation of information technology, we broke the technological monopoly of high-generation LCD panel and glass production line transmission system in the field of intelligent manufacturing, and have mastered the ability to develop new display production line equipment systems.



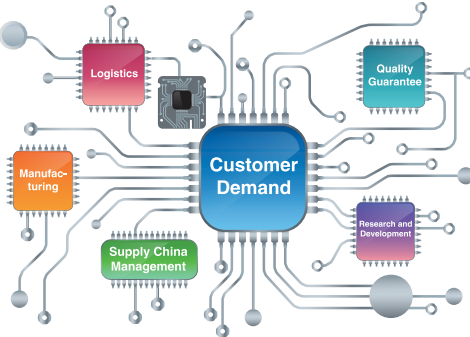
▲ NPEC’s key businesses in intelligent manufacturing

Through independent and cooperative R&D, we built the Industrial Robots Platform, the “iMANUF” Intelligent Manufacturing Platform, the Artificial Intelligence Platform and the Cloud Computing / Industrial Big Data Platform to facilitate customers to achieve their dream of “smart factory”.

Green Service-oriented Electronics Manufacturing

NEPC strives to build an advanced green service-oriented electronics manufacturing system. The Company provides complete manufacturing services such as technology R&D, process design, procurement management, production and manufacturing, warehousing and logistics to fields like new display, automotive electronics, communications, new materials, and new energy. We promote the transformation and upgrading of ODM services, and make breakthroughs in the production and assembly capacity of special electronic machines and intelligent information terminal machines. Through capacity-building, we continue to improve our green manufacturing and green development, and strive to become a first-class manufacturer of electronic products serving brands both at home and abroad.

In 2021, the Electronics Manufacturing Company continued to develop in the fields of white goods and automotive electronics. With the R&D focus on meeting needs of customers such as Midea’s Little Swan and B/S/H, etc., it developed customized embedded control interaction modules. The washing machine display and control assemblies produced by the Electronics Manufacturing Company cover multiple product lines of Midea’s Beverly, COLMO, DT, and Toshiba, etc. At the same time, to keep up with development needs of the new energy power battery market, the Electronics Manufacturing Company improved team capability building in automotive electronics industry.



▲ NPEC’s electronics manufacturing service system



▲ SMT production line

Making Joint Efforts: Cooperating with Stakeholders for More Values

NPEC has actively implemented the sustainability philosophy that pursues value creation for stakeholders. Focusing on Sustainable Development Goals (SDGs) concerned by the whole society, the Company has leveraged its advantages, resources and experience to fulfill social responsibilities. Together with customers, employees, as well as environmental, industrial and social stakeholders, we strive to realize joint creation and sharing of economic values, social values and environmental values.



Improving Customer Experience

With customer-centered service philosophy and enterprise culture, NPEC continues to improve product quality management, customer service management and brand management. We aspire to drive electronic civilization with technological innovation and provide quality products and considerate services to meet diversified customer needs and improve customer satisfaction.

Strengthening Quality Management

Quality is the cornerstone of an enterprise. In line with the quality principles of “technology leading, scientific management, quality upmost, customers first”, we have formulated *Quality Management Regulations* based on quality goals and *Quality Management Measures*, and have established the ISO 9001 Quality Management System covering all subsidiaries. Moreover, we have sorted out and improved the quality inspection specifications for projects of different categories, optimized the organizational structure of quality management personnel at all levels, and assigned quality management personnel, in a bid to improve the Company’s quality management in all respects.

In 2021, the Company obtained a few certifications in management system, product quality and after-sales service. Moreover, the Company held the QC group, quality innovation, and quality month, “Three Improvements” and other activities in forms of skills competitions, symposiums, quality management knowledge training, knowledge contests, etc. By so doing, we keep improving the staff’s quality awareness and building a high-quality talent team.



▲ NPEC’s product quality management system

2021 Key Performance

- **98.80%** Qualification rate of robot products
- **100%** Qualification rate of automation equipment products
- **95.53%** Qualification rate of rail transit products
- **96%** Qualification rate of rail transit communications equipment
- **100%** Qualification rate of engineered products delivered
- **99.95%** Batch qualification rate of chips in electronics manufacturing service
- **0** Product recall incident
- **815** Participants in quality training
- The “CEC Xianyang Generation-8.6 thin film transistor liquid crystal display device (TFT-LCD) project” of the Information Industry Company won **the gold prize of National Quality Engineering Award** from China Association of Construction Enterprises Management.
- The projects of “Nanjing International Health Town Experimental School” and “Inpatient Building of Jiangsu Women and Children Health Hospital”, which were undertaken by the Information Industry Company and other companies, won **the National Quality Engineering Award**.
- The projects of “Improving steel mesh cleaning process to reduce welding defect rate” and “SMT bulk materials testing and recording system design” of the Electronics Manufacturing Company won **the second prize and third prize** of Nanjing Quality Brand Promotion Association QC Group Achievement Award.

Improving Customer Satisfaction

NPEC has improved its customer service system, established the Customer Relationship Management System (CRM System) and set up the Customer Relationship Committee as the top decision-making organization for customer service. The Company provides 24-hour hotline service, and meanwhile accepts service complaints and applications from the Company’s website, e-mail, other websites and media. We conduct customer satisfaction survey and analysis through follow-up phone call and collect customer feedback in time. Besides, we provide door-to-door service according to user needs to continuously improve customer experience and service satisfaction. Since the establishment of the Customer Service Call Center, the Company has not received any complaints due to infringement of customer privacy.



▲ The service coverage of NPEC Customer Service Call Center

NPEC’s forms of customer service

10106600 Customer hotline

Telephone follow-up

On-site visit

Follow-up service

To protect customers’ rights and interests is an important corporate responsibility. NPEC, strictly abiding by relevant Chinese laws and regulations such as *Law on the Protection of Consumer Rights and Interests*, implements product warranty services of repair, replacement and refund, and gives quick response to various needs of customers. In addition, the Company has developed the *Regulations on Business Secrets Protection* to provide strict protection of customer privacy.

All customer service staff are prohibited from bringing electronic devices such as mobile phones into the workplace and should hand in them to special management personnel prior to work to prevent customer information from being photographed or transcribed.

The service provided by the Customer Service Call Center staff has whole-process audio recordings and the recordings only can be assessed by the supervisor designated by the center after submitting applications to the leader of the center.



Set different customer service permissions

All customer requirements and service processes of the Customer Service Call Center are handled in the service system with strict permissions. Different customer objects only allow targeted customer service personnel to give feedback. General customer service representatives only have the permission to accept, record and dispatch.

▲ Strict measures formulated by NPEC Customer Service Call Center to ensure customers’ data security

2021 Key Performance

- **98.50%**
Customer satisfaction rate
- Customer service response time in urban areas: within **24** hours
- Customer service response time in the suburbs: within **48** hours
- Customer service response time by service mode:
 - Live telephone support: within **30** minutes;
 - On call support: (arrive at the scene) within **24** hours;
 - Equipment returns for repair: (solve the problem) within **3** working days



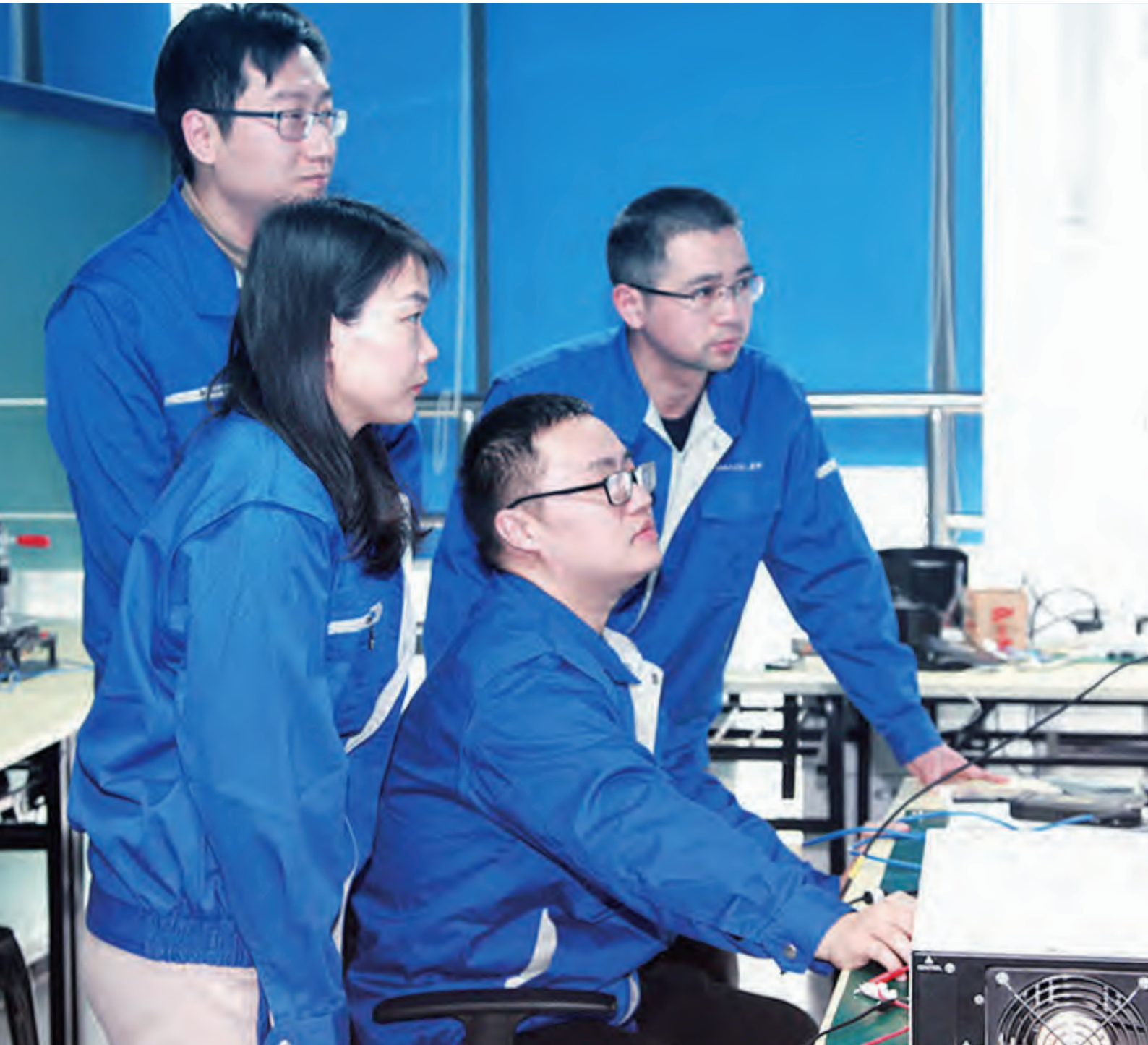
Strengthening Brand Promotion

To improve brand popularity, brand reputation and brand influence, we pay much attention to the overall, long-term and sustained brand improvement and the role of enterprise brand in promoting industry development. Moreover, we share our enterprise image, culture, values and characteristics, etc. with industry users, and provide a unified brand image to connect different products in our product portfolio. Through traditional media such as *China Electronic News*, *Nanjing Daily*, *Oriental Vanguard* and *xdkb.net*, and internal media the *Electronic Worker’s News*, we focus on the new trends of the Company’s reform and development, continuously increasing our internal and external promotion; we also have in-depth cooperation with *Nanjing Today*, *Baidu*, *Sina*, *Sohu*, *Netease* and other online media, as well as e-commerce platforms such as *JD. com*, *Tmall*, and *Pinduoduo*. In addition, we actively participate in industry exhibitions, pay attention to safeguarding corporate customers’ rights and interests, and comprehensively improve the competitiveness of products, in an attempt to establish a good brand image and expand our industry influence. In 2021, 11 reports about NPEC were published by mainstream media, including *Xinhua Daily*, *Nanjing Daily*, *Jiaohuidian News of Xinhua Daily*, *Zijinshan News of Jinling Evening News*, and *Jiangsu Workers’ Daily*, etc. The coverage created a favorable public opinion atmosphere for the Company’s reform, innovation and development, contributing to the improvement of the Company’s reputation and brand image. The JWD brand won the honor of Shenzhen Top Brand again in 2021.



Empowering Employee Growth

Talents affect the direction of an enterprise. NPEC attaches great importance to the realization of employees' self-value, respects and comprehensively communicates with employees. We have established a sound employee welfare system and a vocational training platform, and organized diversified activities to improve employees' satisfaction and cohesion, achieving common growth of employees and the Company.



Employee Rights, Interests and Wellbeing

The Company protects the legitimate rights and interests of employees. In strict accordance with laws and regulations in China, such as *Labor Law of the People' s Republic of China* and *Labor Contract Law of the People' s Republic of China*, we pursue a fair, just, transparent and non-discriminatory employment policy. Taking into account the actual situation of the Company, we have revised the *Management Measures for Labor Relations*, *Management Measures for Talents Recruitment*, *Management Measures for Employee Performance Appraisal* and other regulations. We sign labor contracts with our employees based on equality, voluntariness and unanimity through consultation and ensure compliance through democratic management forms such as disclosing the factory affairs, Employee Representative Congress and wage collective negotiation system.

We are committed to creating a diversified working environment. In strict accordance with the laws and regulations in China, such as *Law of the People' s Republic of China on the Protection of Disabled Persons*, *Social Insurance Law of the People' s Republic of China*, *Trade Union Law of the People' s Republic of China*, *Provisions on Minimum Wages*, *Regulations of Jiangsu Province on Wage Payment*, *Special Provisions on Labor Protection of Female Workers in Jiangsu Province*, and *Regulations on Population and Family Planning of Jiangsu Province*, we bear no tolerance to any discrimination in employment caused by nationality, ethnicity, race, gender, religious belief and cultural background, etc. We also strictly prohibit child labor, and say no to any form of forced or compulsory labor.

Employee structure by gender, age group, geographical region and employment type (Unit: headcount)

Constitute		2019	2020	2021
Gender	Female	1,056	1,202	1,052
	Male	2,369	2,262	1,962
Age	35 years old and below	1,081	950	1,430
	36-40 years old	913	962	415
	41-50 years old	797	857	652
	51 years old and above	634	695	517
Geographical region	Nanjing	2,666	2,778	2,320
	Shenzhen	759	686	694
Type	Regular employees	3,425	3,464	3,014
	Outsourcing workers	375	417	298

*The data published in the latest report shall prevail.

Employee turnover rate by gender, age group and geographical region (Unit: %)

Employee turnover rate		2019	2020	2021
Gender	Female	0.0600	0.0700	0.0600
	Male	0.0600	0.1400	0.1000
Gender	35 years old and below	0.1100	0.1200	0.1300
	36-40 years old	0.0300	0.0600	0.0180
	41-50 years old	0.2200	0.0200	0.0113
	51 years old and above	3.3900	0.0140	0.0012
Geographical region	Nanjing	—	0.0830	0.0740
	Shenzhen	—	0.6670	0.5800

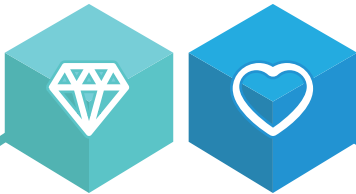
*The data published in the latest report shall prevail.

● Improving employee welfare guarantee

In compliance with relevant documents such as *Collective Wage Contract* and *Regulations of Jiangsu Province on Wage Payment*, the Company pays employees in full and on time, and improves employee salary through the negotiation mechanism. We pay attention to internal equality and external competitiveness, and accept the supervision of the government's labor supervision authorities. We pay "Five Social Insurances and One Housing Fund" for employees on time in strict accordance with national policies and regulations such as *Social Insurance Law of the People's Republic of China* and *Trade Union Law of the People's Republic of China*, maximizing employees' legitimate rights & interests and benefits. Furthermore, to enhance employee's work enthusiasm to increase employee's sense of work identity and sense of belongings, we standardize employee benefits by implementing welfare policies optimally in accordance with *Provisions of the State Council on Working Hours of Employees*, *Measures on National Annual Leaves and Memorial Days*, *Provisions on Medical Treatment Period for Employees with Illness and Non-work-related Injuries*, *Implementation Measures for Paid Annual Leave for Employees*, and *Management on Working and Rest Hours*, etc.

Basic welfare

Social insurances according to law, employee health examination, statutory holidays, paid annual leave and enterprise annuity



Special benefits

Serious illness allowance, free shuttle bus, employee birthday party, team building activities, supplementary medical insurance for employees' children, employee poverty relief and student grant for employees' children

▲ The multi-level compensation & benefits guarantee system of NPEC



▲ NPEC holds meetings to review the 2021-2022 *Collective Contract* and its appendices, as well as corporate regulations, and proposes specific implementation measures for year 2021 to effectively safeguard the legitimate rights and interests of employees.

NPEC tries its best to create a safe and comfortable working environment, including canteens, clinics, activity rooms, supermarkets, baby care rooms, reading rooms, gymnasiums and other service venues in all industrial parks. The Company designs welfare benefits based on employee's need, aiming to let employees feel the warmth and care spiritually and materially. In 2021, the Company held a symposium to seek for opinions and continuously improved the living environment of talent apartments by adding sports facilities.



▲ NPEC Talent Apartment



▲ NPEC Early Childhood Education Center

The Company fulfills its social responsibilities and adopts multiple measures to show respect and understanding to employees in special positions, including festival visits, special subsidies, and assistance allowance, etc. Every year, we visit retired employees, on-duty employees during the Spring Festival, Excellent Employees of the Year, non-local employees, as well as employees in the production line during high-temperature days. In 2021, the Company issued a Hardship Subsidy of 330,000 yuan and the Assistance Fund of 799,100 yuan.



▲ NPEC pays visits to employees in need.

Carrying out the Assistance Fund fundraising activity

On March 5, 2021, NPEC Labor Union held the annual donation ceremony for "the Assistance Fund" at Panda Electronics Equipment Industrial Park. This is the 19th consecutive year that the Company has carried out the activity. Since the launch of the activity, NPEC employees have made generous donations to colleagues in need; the Company and all industrial corporations of NPEC have actively donated, carrying forward the spirit of Lei Feng and contributing to harmonious enterprises and society.



▲ Employee donations

2021 Key Performance

- Labor contract signing coverage: 100%
- Social insurance coverage: 100%
- Health examination coverage: 100%
- NPEC visited 46 employees in need.
- NPEC offered Assistance Funds of 287,000 yuan to employees in need.

• Democratic communication

NPEC strengthened the democratic management by formulating systems such as *Democratic Management Regulations* and *Management Measures for Employee Representative Proposals*, and promoted multi-form development, multi-tier employee-employer communication & negotiation mechanism. The Company has also established the NPEC Labor Union, set up and improved the system of Employee Representative Congress to protect employees' rights and interests. While expanding and innovating communication channels and modes, the Company has improved the working mechanism of employee representative inspection and protected employees' rights to know, participate, express, and supervise, enabling every employee to take part in democratic management. To build communication bonds with the staff, the Company has set up staff opinion boxes and WeChat groups. Besides, the Company has built a platform for equal communication and negotiation, and conducted employee communication through consultative meetings, general manager dialogues, and communication meetings with main leaders of Party committees and labor unions, so as to collect employees' opinions and suggestions.



▲ NPEC Employee Representative Congress

2021 Key Performance

- The average income of on-the-job employees increased by **8.7%** year-on-year, achieving the target specified in the *Collective Wage Contract*.
- Collected **32** opinions (suggestions) from employee representatives, filed and implemented **30** of them
- Provided feedback to **161** employee comments

Employee Training and Development

Employee training and development are the momentum for sustainable corporate development. NPEC values employee cultivation with the training principles of “All employees, Full processes, All dimensions and Multiple channels”. We have proactively established National Highly Skilled Talents Training Base and National Worker Educational Training Demonstration Site to improve employees' skills, professionalism and innovation capability. A multi-dimensional system for employee training and development has been built, with the goal of cultivating a group of interdisciplinary talents with knowledge, skills and innovation ability that support the development of the industry.

• Improving talents recruitment system

The Company has performed well in talent “recruitment, cultivation, utilization, and retaining”. We have revised the *Management Measures for Talents Recruitment*, and cooperated with domestic and overseas talent recruitment institutions, colleges and universities, and professional human resource institutions to recruit outstanding fresh graduates and experienced personnel. We used headhunting companies, recommendations, flexible talent introduction and other channels for high-level and urgently needed talents. We have promoted new talent introduction models to encourage employees to recommend talents to the Company. We have innovated recruitment promotion models, made full use of online recruitment platforms such as Zhaopin.com, Iguopin.com and Liepin, and conducted online career talks, recruitment broadcasting and other novel promotion activities on mainstream media platforms to improve the publicity effect. Besides, we have enhanced cooperation with colleges and universities. Specifically, we cooperated with Soochow University and Nanjing University of Information Science & Technology to build internship bases, and signed an agreement with College of Electronic and Information Engineering, Nanjing University of Aeronautics and Astronautics on organizing joint Party building activities.



▲ Cooperation between NPEC and Nanjing University of Information Science & Technology

2021 Key Performance

- NPEC introduced nearly **100** talents (Bachelor degree or above), including **1** post-PhD and **19** graduates from “double first-class” colleges and universities or studied “double first-class” majors
- NPEC held **404** training courses of different themes, with over **8,000** trainees.
- At NPEC, **5** employees were awarded as provincial-level and ministerial-level S&T talents and **17** employees were awarded senior and deputy senior titles.
- NPEC recruited **1** National Technical Expert, **1** Jiangsu' s Craftsman, and **8** Chief Technicians of Jiangsu Enterprises.

• Developing talented personnel

The Company has continuously enhanced the building of talent teams to promote the coordinated development of talents and industries. To this end, the Company has formulated and improved the *Management Measures for Employee Training*, *2019-2021 Talent Development Plan*, *Management Measures for Vocational Skills Certification* and other regulations, which clarifies the functions, duties and qualifications for each position. Moreover, the Company has prioritized the training for high-skilled and high-tech talents, young talents and professionals, and enhanced safety training to reach a situation where talents drive development while development empowers talents. In 2021, the Company continued to strengthen the young talent team building to improve the capability of five young talent teams that specialize in operation management, Party building, research and development, marketing, and advanced skills respectively.



▲ NPEC's training management measures



▲ Holding the operation management personnel training course

Average employee training hours in 2021 (Unit: hour)

Constitute	Type	Average Training Hours
All employees		23.4894
Gender	Female	21.4934
	Male	24.3690
Employment type	Senior Management	122
	Middle Management	83
	Primary-level Employees	19.4592

2021 Key Performance

- 100% of employees took regular performance and occupational development assessment.

• Strengthening the training of skilled personnel

NPEC has made more efforts to build a talent team of skilled personnel and accelerated the cultivation of personnel with knowledge, skills and innovation capability for the industry. We encourage employees to establish innovation concepts, actively improve their innovation capability and set up innovation application & reporting channels, such as the NPEC Labor Union and the Science and Technology Association. Meanwhile, we speed up the construction of scientific and technological innovation platforms, promote the transformation of scientific research results and continuously improve the technological innovation rewarding mechanism. In addition, we organize a variety of drills and trainings to cultivate interdisciplinary talents that meet the needs of modern enterprises. In 2021, the Company held the employee skills sports meeting and the “Three Improvements” activity: 80 skills competitions, with more than 1,500 participants; 283 items proposed, generating benefits of nearly 20 million yuan.



▲ Main measures of NPEC for improving employees' knowledge and skills to fulfill job responsibilities



▲ NPEC's employee skill improvement program and transition assistance program



▲ Employee skills competition

2021 Key Performance

- We have **2** State-level Technical Expert Workshops, **2** Province-level Technical Expert Workshops, and **1** City-level Technical Expert Workshop.
- We held over **80** skills competitions that cover over **10** professions, with more than **1,500** participants.
- **9** employees of Panda XinXing Industry won **the honor of Jiangsu' s Technical Experts**.

Occupational Health and Safety

NPEC pays much importance to employees' occupational health and safety. Through external audits, the head-quarters and seven subsidiaries have made annual assessments of the compliance and efficiency of their quality, environment, and occupational health & safety management system. With further normalization and standardization, we endeavor to improve safety management in terms of personnel, facility and technology, so as to safeguard employees' life and property safety. In 2021, we implemented the newly amended version of *Work Safety Law of the People' s Republic of China*, revised 25 work safety systems, and organized 45 work safety inspections and 13 safety emergency drills such as firefighting drills, with approximately 2,000 participants. No safety or environmental incidents occurred throughout the year.

NPEC has further ensured that stakeholders fulfill their responsibilities to effectively guarantee the health and safety of its outsourcing companies, construction companies and contractors, and regulate work safety behaviors. The Company has signed *Work Safety Responsibility Letter*, *Work Safety Agreement* and safety agreements of relevant parties. In 2021, no safety accidents or incidents occurred at NPEC related to its outsourcing companies, construction companies and contractors.



▲ Key measures of NPEC to guarantee the health and safety of its outsourcing companies, construction companies and contractors



▲ NPEC conducts work safety meetings.



▲ NPEC conducts safety inspections at frontline units.



▲ Firefighting drill



▲ Conducting Summer Health and First-Aid Training

Number of work-related fatalities and number of working days lost

Index	2019	2020	2021
Number of work-related fatalities(person)	0	0	0
Number of working days lost due to work injuries(day)	0	0	63

*The data published in the latest report shall prevail.

2021 Key Performance

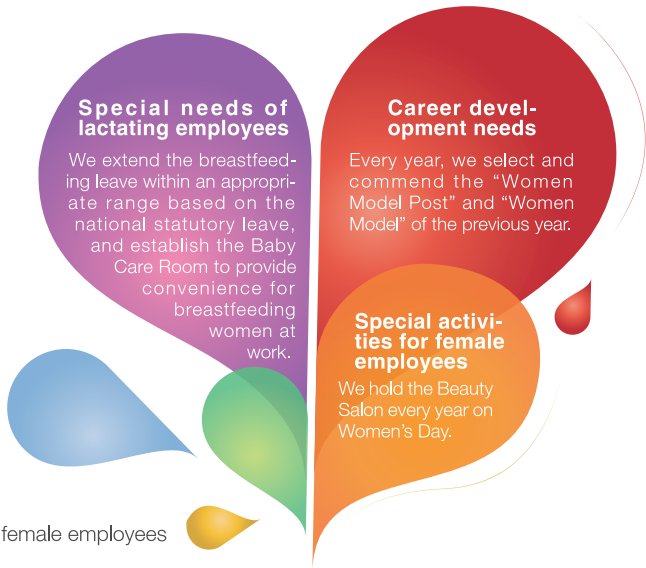
- We invested RMB **8.75867** million in work safety.
- The safety trainings covered **1,923** participants.

Creating a Harmonious Working Environment

We actively build a benchmarking and harmonious enterprise to provide a more friendly working environment for female employees. Meanwhile, diverse cultural and entertainment activities have been organized to nurture an atmosphere of solidarity, friendliness and care. We advocate the new philosophy of “Healthy life-Happy work” and strive to create a warm “NPEC home” where our employees can work, study and live.

• Promoting the growth of female employees

In accordance with the *Special Provision on Labor Protection of Female Workers in Jiang-su Province*, NPEC attaches much importance to the growth and occupational development of female employees and protects their legitimate rights, interests and privileges. We organize exclusive activities for female employees, manifesting the strength and charm of women in the new era.



▲ Main measures of NPEC for caring for female employees



▲ The Model Female Employees Selection activity

• Enriching employees’ spare-time life

NPEC attaches great importance to the building of employee culture, and organizes a host of cultural and entertainment activities for our employees, demonstrating their positive and upward spirit and enhancing friendship among employees.



▲ Diversified employee activities



▲ Staff Basketball Game



▲ Reading salons



▲ Table Tennis (Ping-Pong) Game

Addressing Climate Change

NPEC actively practices the philosophy that "lucid waters and lush mountains are invaluable assets". We are deeply aware that protecting the ecological environment is the scientific connotation of developing productivity. We strive for green development by protecting the nature and aim for sustainable development by respecting the nature. We have devoted ourselves to establishing the environmental management system, and integrated green development into daily operations to reduce emissions and increase resource efficiency utilization, so as to address the challenges brought about by climate risks.

Enhancing Environment Management

In strict compliance with national and regional environmental protection standards, the Company has advanced the establishment of the environmental management system, and formulated environmental goals, in an effort to make early prediction and assessment of climate risks.

• Environment Management System

NPEC strictly abides by national and local laws related to environmental management, including *Environmental Protection Law*, *Environmental Protection Tax Law*, and *Regulations on Air Pollution Prevention and Control in Jiangsu Province*, and follows the principles of energy conservation, emission and pollution reduction, and protection of the earth environment. The Company has formulated the *Quality, Environment and Occupational Health & Safety Manual* based on the guidance of standards such as the *ISO 14001 Environment Management System Requirements and Guidance for Use* to consolidate the Company' s environmental management system and empower its green development.

In response to the market requirement, we consider our management basis and existing technical characteristics in our capacity planning, identify the environmental factors related to production, R&D, service, office work and other activities involved in production and operation processes, and formulate targeted management plans. In addition, we have developed the *Identification and Evaluation Procedures of Environmental Factors* and *Identification and Evaluation Procedures of Hazard Sources* to identify and document important environmental factors and medium or higher sources of hazards during business operation. Then we can inform departments and functions at all levels timely and accurately. In line with the requirements of the newly revised national standards for the quality and environmental management system, seven companies of NPEC have updated their quality, environment, occupational health and safety system manuals, procedure documents, operation regulations and other documents, and passed internal and external audits.

2021 Key Performance

- 12 environmental self-inspections held with no environmental incidents
- RMB 6.324 million invested in environmental protection

• Environmental Goals Management

Taking into full consideration state-level and industry-level environmental requirements for the ICT industry, the Company has formulated its quantitative environmental goals by 2025 which include:
The Chemical Oxygen Demand (COD) per unit of added value decreases by about 8% compared with 2020;
The emission of volatile organic compounds per unit of added value decreases by about 8% compared with 2020;
The amount of general waste generated per unit of added value decreases by about 10% compared with 2020;
The energy consumption per unit of added value decreases by about 10% compared with 2020;
The water consumption per unit of added value decreases by about 10% compared with 2020.

At the same time, the Company has decomposed the overall environmental goals to department-level ones. While conducting daily monitoring of these goals, we continuously improve the environmental management system, track the implementation of environmental goals on a regular basis, and timely adjust the annual work plan. Our efforts will facilitate the realization of China' s 30-60 Decarbonization Goal (i.e., to peak carbon dioxide emissions by 2030 and to achieve carbon neutrality by 2060) as well as the environmental goals set for the 14th Five-Year Plan period. Making full use of R&D and innovation advantages, we have incorporated the philosophy of environmental protection into production, operation and other links through green corporate operation, green supply chain management and green digital empowerment. Specifically, we will manage to reduce greenhouse gas emissions, enhance waste management, and improve the efficiency of energy and water resources utilization. Through green office and environmental activities, we endeavor to reduce carbon footprints.

• Climate Risks Management

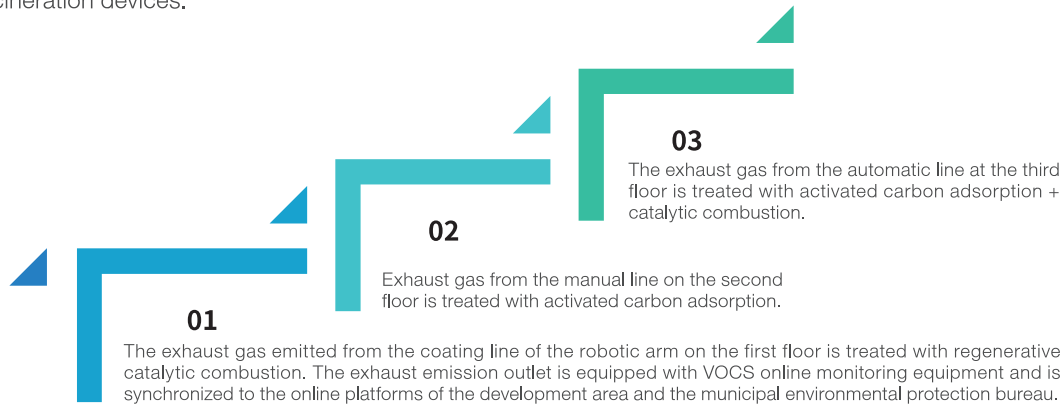
Climate change has become one of the major challenges facing the international community. The Company plans to incorporate climate change, which exerts a significant impact on business operations, into major risk control points and key tasks of the year. We intend to regularly assess the long-term, potential impacts of climate risks on the Company, timely propose management requirements and risk warnings when necessary, and adopt effective measures for risk control, preventing climate risks from worsening or beyond control and guaranteeing the Company' s stable production and operation.

Emission Reduction and Low Carbon Development

To fully implement the new development concept, we focus on improving energy efficiency and aim for higher sustainable development potential of the Company. We strive to reduce the carbon footprint in the process of production and operation, minimize our negative impact on the environment, and contribute our share to addressing global climate change by developing green products and strengthening waste management.

Emission reduction

The Company attaches importance to climate change and has carried out a series of work to actively respond to climate change and greenhouse gas emissions. We divide greenhouse gas emissions into two scopes for the sake of calculation. The Scope I emissions are direct emissions from company-owned and controlled resources, including emissions from natural gas, diesel and gasoline, etc.; the Scope II emissions are indirect emissions associated with the purchase of electricity. For some polluting exhaust gases, we dispose of them by establishing gas incineration devices.



▲ Waste gas treatment in three paint lines of NPEC

Greenhouse gas emissions

Greenhouse gas emissions	Unit	2019	2020	2021
Direct emissions (Scope I)	tCO ₂ e	1,629.03	1,148.07	1,348.01
Direct emission density (Scope I)	Ton / RMB billion (operating revenue)	34.96	29.05	29.74
Indirect emissions (Scope II)	tCO ₂ e	32,830.06	31,243.50	26,892.98
Direct emission density (Scope II)	Ton / RMB billion (operating income)	704.51	790.57	593.40

*The data published in the latest report shall prevail.

Exhaust emissions

Type	Unit	2019	2020	2021
Nitrogen Oxides (NO _x)	Ton	0.54584	0.05142	0.30188
Particulate Matters (PM)	Ton	0.04118	0.00379	0.03110

*The data published in the latest report shall prevail.

Waste management

We pay much attention to waste management, advocate waste sorting, design or develop eco-friendly, recyclable products, and reduce energy consumption during product production. Meanwhile, we hire property management companies to recycle and recover waste generated reasonably, considerably improving energy utilization efficiency.

Waste disposal methods

Waste type	Treatment methods
Hazardous waste with no recovery value	Disposed by qualified third-party companies
Hazardous waste with recovery value (e.g., solder splash)	Refined after recovery by the raw materials suppliers
Non-hazardous waste (e.g., kitchen waste)	Recycled by qualified third-party companies
Solid waste with recovery value (e.g., packages, cardboards, paper boxes, plastic stools)	Recycled by the manufacturer or third-party companies

Total usage of packaging materials

Type	Unit	2019	2020	2021
Paper	Ton	0.343448	350.4040	12.3845
Plastics	Ton	211.3100	19.7200	10.8967
Metal	Ton	1.6200	0.0500	23.6977

*The data published in the latest report shall prevail.

Total non-hazardous waste

Type	Unit	2019	2020	2021
Paper	Ton	4.3	54.65	33.22
Kitchen Waste	Ton	1,307	492	25
Plastics	Ton	0.800	16.250	13.025
Metal	Ton	26.70	115.35	113.50
Wooden Products	Ton	1.35	2.40	4

*The data published in the latest report shall prevail.

Total hazardous waste

Type	Unit	2019	2020	2021
Oil resistant gloves	Ton	0.0270	0.2555	0.0120
Waste Chemical Paint	Ton	2.0	2.3	0.6
Waste toner cartridge (including waste toner)	Piece	169	188	461
Waste selenium drum	Piece	307	526	895
Electric waste such as waste battery	Kg	0.033	16	24.220
Waste fluorescent lamp	Kg	0.271	255	22.600

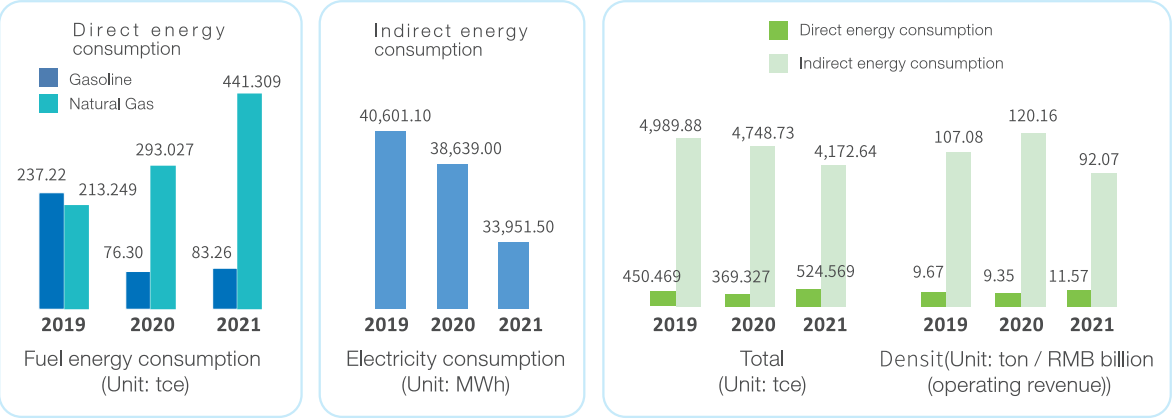
*The data published in the latest report shall prevail.

Sustainable Resource Utilization

Committed to shaping a sustainable future for all, we facilitate the conservation, high efficiency and sustainable utilization of resources during production and operation, strive to improve clean energy utilization, and actively develop circular economy.

• Energy management

NPEC has endeavored to improve the utilization rate of raw and supplementary materials, made reasonable renovation of equipment rooms, canceled the use of oxygen storage tanks, and reasonably arranged vehicle use to reduce energy consumption. Moreover, the Company has improved energy management system and formulated the *Regulations on Energy Conservation Management*. To achieve high efficiency of energy utilization, the Company conducts centralized control of lighting and air conditioning, uses electric water boilers with the timer device, and installs energy saving lighting in public areas such as washing rooms and passageways in office buildings.



*The data published in the latest report shall prevail. ▲ Energy consumption

• Water resource management

To promote sustainable water management, NPEC sets up an independent water meter in every washing room within the working areas for staged measurement and calculation, and uses sensor faucets to avoid water waste when forgetting turning off the faucet. Meanwhile, the Company has built sewage treatment stations within the industrial park to conduct sewage testing and treatment. Better water use management helps us improve water use efficiency.

Water resource utilization				
Type	Unit	2019	2020	2021
Water Consumption	Ton	278,259	215,597	227,251.7
Water Consumption Density	Ton / RMB million (operating revenue)	5,971.22	5,455.39	5,014.38
Discharge Amount of Wastewater	Ton	241,872	252,950	204,526.53
Wastewater Discharge Density	Ton / RMB million (operating revenue)	5,190.39	6,400.56	4,512.94
Chemical Oxygen Demand (COD)	Ton	49.53	55.64	51.13
Chemical Oxygen Demand (COD) Density	Ton / RMB million (operating revenue)	1.06	1.41	1.13

*The data published in the latest report shall prevail.

Raising Environmental Awareness

As an advocate of low-carbon and green life, we organize workshops on environmental management, and launch environmental publicity and education activities, as well as the energy-saving and low carbon initiative, with an aim to raise employees' awareness of resource conservation & environmental protection, providing strong guarantee for the Company' s green and low-carbon development.

• Advocating green office

To realize green offices, we actively promote paper saving, paperless office, electricity saving, and water saving, etc. We advocate double-sided printing, improve the OA office system, and use electronic communication methods such as email to further realize online working and file transmission, thus cutting down on paper use. Slogans are also put up to remind employees to timely turn off facilities such as air conditioners, computers, and drinking fountains in the office area, reducing the resource consumption. In terms of green lighting, we turn off unnecessary lighting and prevent long standby of lights and electrical appliance to reduce energy waste.

• Community-based environmental activities

The Company upholds the philosophy of environment protection during the development. We thus regularly organize employees into providing community-based voluntary services on environmental protection. This move has improved community environment and raised the awareness of our employees and community residents to protect environmental sanitation in public areas. In 2021, to advocate environmental protection and green low-carbon and transportation, we organized environmental activities such as the environmental volunteering activity, the tree planting volunteering activity in the park, the Mufu Mountain sanitation activity, and Alipay “Walking for Charity Donation” campaign.



▲ The tree planting activity in Spring

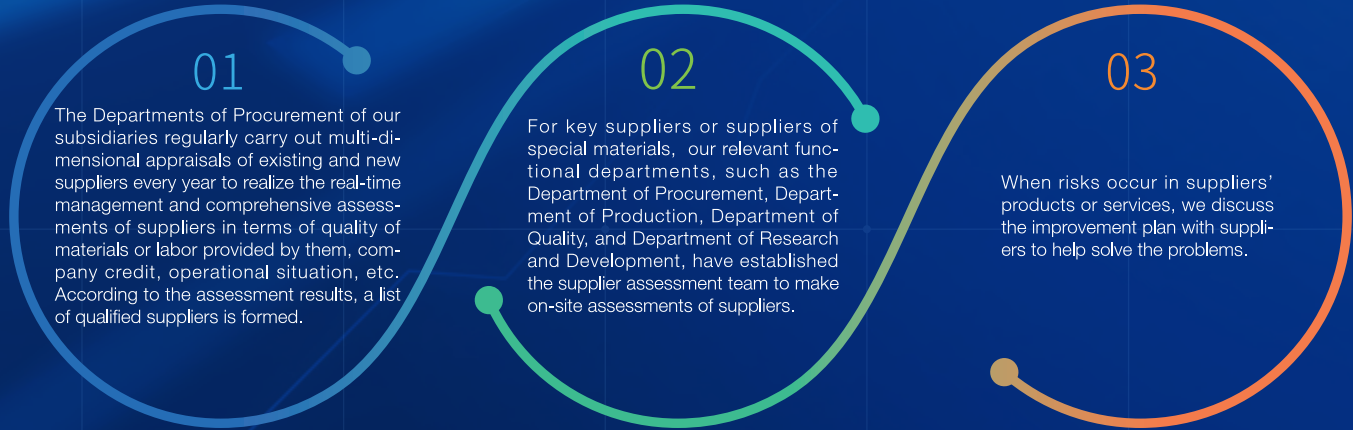
Promoting Win-win Cooperation with Stakeholders

Committed to diversified production and operation, NPEC has constantly enhanced supplier social responsibility management for green transformation and upgrade of the whole industry chain with joint efforts. Working with upstream & downstream partners, such as suppliers, we strive to establish stable and mutually beneficial partnerships and optimize supply chain for a sustainable supply chain ecosystem.

Responsible Procurement

In strict compliance of relevant national regulations, NPEC selects suppliers through a multi-tier process. In terms of responsible procurement, the Company upholds the principle of fair, open and just procurement, and sign contracts with suppliers according to the basic principles of honesty and integrity. All procurement activities are advanced in line with the requirement of social responsibility fulfillment.

Based on a flexible supplier assessment system, we regularly organize the selection and evaluation of qualified suppliers, and encourage all suppliers to pass the authoritative management certifications, including quality and environment management system certifications. Especially for suppliers who provide key products or services, we propose more stringent requirements of social responsibility management. Moreover, we track the contract fulfillment progress of our suppliers and specify all their measures for fulfilling social and environmental responsibilities. Besides, we specify in the procurement contract that the raw materials provided by suppliers shall meet relevant environmental requirements, and prioritize those with fewer environmental impacts. In 2021, we selected 788 suppliers by using environmental and social standards.



▲ Major measures of NPEC for supplier management



Leading Industry Development

The Company makes full use of its resource and technology advantages and actively participates in industry forums and exhibitions. While keeping cooperation with scientific research institutes for new development opportunities, the Company establishes close partnership to enhance industrial cooperation and exchange. We also participate in the development of industry standards, contributing to the standardized industry development.

• Participation in preparing standards

In 2021, the Company participated in the preparation, release and implementation of national and industrial standards such as *Industrial Robots Energy Efficiency Evaluation Guidelines* and *Evaluation Methodology for Operation Efficiency of Industrial Robots*, providing scientific, comprehensive and systematic support for mobile communications, intelligent manufacturing and other industries.

• Participation in industry forums and exhibitions

The Company took the lead in preparing and releasing *China Electronics Modern Digital City Ecological Alliance Smart Transportation Industry Capability Manual*, and actively participated in the 2021 World Internet of Things Expo (Wuxi IoT), the 9th World Radar Expo, International Metro Transit Exhibition & Forum, the 13th Airshow China (Zhuhai) and other industrial activities, building a well-known NPEC brand image.



▲ Intelligent Transportation Booth of NPEC at the 2021 World Internet of Things Expo (Wuxi IoT)



▲ NPEC participates in the 13th China International Aviation and Aerospace Exhibition.

• Engagement in industry-university-research cooperation

The Company actively promotes the stable and rapid development of the "industry-university-research" cooperation. We have increased investment in technology R&D to improve our product portfolios and form the joint force for innovation. In 2021, NPEC furthered cooperation with renowned universities to cultivate a large group of scientific research personnel for the industry. In particular, NPEC cooperated with Nanjing University of Posts and Telecommunications to apply for the Science and Technology Prospective Project of Jiangsu Provincial Department of Science and Technology, jointly built the "Modern Equipment Manufacturing and Big Data Application Industry College" with Nanjing University of Information Science and Technology, and held campus lectures with Nanjing University of Aeronautics and Astronautics, Nanjing University of Science and Technology, and Nanjing Tech University.

• Establishing partnership with industry peers

With an open mindset, we maintain cooperation and communication with excellent industrial partners, and work with them to develop overseas high-end markets for a shared better future. In 2021, we jointly built an innovation laboratory with Nanjing Metro, and leveraged our own advantages to conduct wider and deeper cooperation in terms of 5G intelligent transportation products R&D, solutions and standard preparation, etc. to explore new forms and models for the industry development. Moreover, we cooperated with Jiangsu Provincial Department of Transportation to work on the pilot project of "Future Smart Expressway" in Wufengshan Yangtze River Bridge. In the project, we deployed a wireless monitoring equipment system and built an intelligent traffic analysis platform that displays traffic conditions, traffic thermodynamic diagrams, etc. in real time to meet the needs of refined road transport supervision.



▲ The delegation of Meishan Iron and Steel of Baosteel Group visits NPEC to make exchange of intelligent manufacturing experience for high-quality development of China's manufacturing industry.



▲ The delegation of China Mobile visits NPEC to discuss cooperation in 5G industrial Internet, smart cities and other fields.

2021 Key Performance

- NPEC carried out **59** industry exchange activities, including **12** activities organized by the Information Industry Company, **39** activities organized by the Communications Technology Company, and **8** activities organized by the Electronics Equipment Company.

Community-based Public Welfare Undertakings

Valuing the harmonious relationship with communities, we give full play to our own advantages to engage in public welfare activities in communities, and support COVID-19 prevention and control. In addition, we encourage our employees to provide voluntary services for communities, making contribution to community development.

Engagement in Public Welfare

To serve the society while developing economy, we fulfill corporate social responsibilities of a central state-owned enterprise to care for disadvantaged groups, and promote community development, contributing to a harmonious socialist society. Since the outbreak of COVID-19, we have strictly implemented the COVID-19 prevention and control standard, and organized Party members into giving play to their model role in the anti-virus fight. We released the *Initiative to Party Organizations at All Levels and All Party Members of NPEC*, to highlight the model role of Party members in COVID-19 fight in an effort to safeguard community safety.



▲ NPEC donates disinfection robots.

Going all out to conduct COVID-19 nucleic acid test



▲ NPEC provides free COVID-19 testing service for tens of thousands of people, including NPEC employees, employees from enterprises and community residents in surrounding areas.

Prioritizing COVID-19 prevention and control, NPEC strictly implemented the national requirements to combat COVID-19, i.e., "conducting COVID-19 nucleic acid test for employees who should be tested or want to be tested on a voluntary basis", as well as those who return to work from hometown. Moreover, the Company made emergency plans and conducted training for COVID-19 test in advance so as to provide convenient, high-quality testing service for employees and local residents. Since January 2021, the medical workers of NPEC Clinics have built two COVID-19 testing teams based on existing COVID-19 testing personnel, providing COVID-19 testing service for every industrial park, community residents, NPEC Hospital and Xianlin Branch. Besides, NPEC Hospital has formulated a series of plans for guaranteeing or purchasing COVID-19 testing materials, and process instructions, as well as conducted training in key departments. To tackle the cases of imports tested positive for COVID-19, NPEC Hospital has conducted COVID-19 testing for imported production materials for each industrial park to ensure smooth production and employees' safety and health.

Volunteering Services

Upholding the volunteerism spirit of "Dedication, friendship, mutual assistance and progress", we have established ten youth volunteer service teams with over 300 employees to provide volunteering services such as community-based activities, civilization guidance, and voluntary labor, giving back to society in various forms.

Providing voluntary presentations on rail transit technology

On March 12, 2021, the Information Industry Company and the Transportation Engineering School, Nanjing Institute of Industry Technology (NIIT) organized joint building activities and signed an agreement on joint building for shared development. In particular, the League committee of the Information Industry Company provided voluntary services; the League branches of the 1st Rail Transit Division, the 2nd Rail Transit Division, and Electromechanical Instruments Division interpreted rail transit technology to the students from NIIT Transportation Engineering School through well-prepared Power-Point presentations, and held a Q&A session to answer students' questions.



▲ NPEC's volunteer team



▲ NPEC's volunteering service themed Learning from Leifeng



▲ Volunteering activities to guarantee production

2021 Key Performance

- **300** employees participated
- **580** participants involved
- **1,160** hours of volunteer services provided

Appendixes

Content Index of ESG Reporting Guide

Environmental				
Aspect	No.	Description	Corresponding report content	
Aspect 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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	●	P47-48
	A1.1	The types of emissions and respective emissions data.	●	P47-48
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	●	P47
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	●	P48
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	●	P48
	A1.5	Description of emission target(s) set and steps taken to achieve them.	●	P46-47
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	●	P46,P48
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	●	P49
	A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g., per unit of production volume, per facility).	●	P49
	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	●	P49
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	●	P46,P48
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	● No issue found in sourcing water	P46,P48
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	●	P48
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	●	P50
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	●	P50
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted and may impact the issuer.	●	P46
	A4.1	Description of the significant climate-related issues	●	P46

Social				
Aspect	No.	Description	Corresponding report content	
Aspect 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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	●	P33-37
	B1.1	Total workforce by gender, employment type, age group and geographical region.	●	P34
	B1.2	Employee turnover rate by gender, age group and geographical region.	●	P34
Aspect 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.	●	P41-42
	B2.1	Number and rate of work-related fatalities.	●	P42
	B2.2	Lost days due to work injury.	●	P42
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	●	P41-42
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	●	P38-40
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	●	P39
	B3.2	The average training hours completed per employee by gender and employee category.	●	P39
Aspect B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	●	P34
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	●	P34
	B4.2	Description of steps taken to eliminate such practices when discovered.	● No violation happened during the reporting period, including child labor or forced labor.	—

Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	●	P51-52
	B5.1	Number of suppliers by geographical region.	●	P52
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	●	P51
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	●	P51
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	●	P51
Aspect 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, labelling and privacy matters relating to products and services provided and methods of redress.	●	P29-32
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	●	P30
	B6.2	Number of products and service related complaints received and how they are dealt with.	● No data	—
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	●	P14
	B6.4	Description of quality assurance process and recall procedures.	● No data	—
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	●	P31
Aspect 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.	●	P11-12
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	●	P12
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	●	P11-12
	B7.3	Description of anti-corruption training provided to directors and staff.	●	P12
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.	●	P55-56
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport)	●	P55-56
	B8.2	Resources contributed (e.g., money or time) to the focus area.	●	P55-56

Note: ● means the indicators of “comply or explain”

Reader Feedback

Thank you for reading our Social Responsibility Report 2021. We value your feedback on our CSR work and this CSR report. Your opinions and suggestions are highly appreciated, as an important reference for us to improve CSR information disclosure, CSR management, and effective CSR practices. Please complete the form below and send it to us via mail or e-mail. We sincerely thank you for your valuable comments.
NPEC

1. What is your overall impression of this report?
[] Very good [] Good [] Average [] Poor [] Very poor

2. How is the structure of this report?
[] Very good [] Good [] Average [] Poor [] Very poor

3. How about the readability of this report?
[] Very good [] Good [] Average [] Poor [] Very poor

4. How is the disclosure of topics to your concern?
[] Very comprehensive [] Comprehensive [] Partial related [] Few information
[] No related information

5. What kind of additional information do you expect to see in the Report?

6. Is here any suggestion on our CSR performance or this report?

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