



浦林成山
PRINX CHENGSHAN

Prinx Chengshan Holdings Limited

浦林成山控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1809



**PURSUE
EXCELLENCE**

2021
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

CONTENTS

About This Report	2
Sustainability Management	3
— Board Statement	3
— Stakeholder Engagement	4
Environmental Management	7
— Environmental Management	8
— Tackling Climate Change	9
— Energy Consumption	10
— Emissions Management	16
— Green Tire	22
Employee Care and Development	25
— Labor Management	26
— Talent Attraction	28
— Training and Development	31
— Occupational Safety and Health	34
Operational Excellence	40
— Product Quality and Safety	41
— Supplier Management	46
— Operating with Integrity	49
Community Involvement	52
Laws and Regulations	55
Performance Data Summary	58
GRI and HKEX ESG Content Index	61

Environmental, Social and Governance Report 2021

ABOUT THIS REPORT

This is the fourth independent Environmental, Social and Governance Report published by Prinx Chengshan Holdings Limited (“**Prinx Chengshan**”) and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) (stock code: 1809), which presents the Group’s management approach, its performance in areas related to environmental, social and governance (“**ESG**”) and the impact of its business operations on the environment. This report is published in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail. For corporate governance section, please refer to page 81 of the 2021 Annual Report of the Group.

Reporting Guidelines and Principles

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), with reference to the Core option of the Global Reporting Initiative (“**GRI**”) Sustainability Reporting Standards and taking into account the actual situation of the Group. The Report is based on the reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”. Material data changes have been reviewed and presented in a manner conducive to comparison on year-on-year for readers’ review. The implementation areas are as follows:

Materiality: We identify ESG-related issues that have significant impact to the economy, environment and society due to the Company’s operations through stakeholder communication, management interviews and materiality assessment, and respond to ESG issues that have a substantive influence on stakeholders’ decision-making in the report.

Quantitative: The data contained in this report have been checked and analysed to illustrate year-on-year changes. Please refer to the “Performance Data Summary” of this report for methodology we referenced during the calculation of environmental KPIs.

Balance: We disclose the positive and negative impacts arising from the Group’s operations, as well as the work and performance related to each material ESG topic for stakeholders’ review.

Consistency: To maintain comparability of the information, unless otherwise stated, the disclosure and computation methods in this report are consistent with those in the past and are presented in a meaningful way of comparison.

Reporting Scope

During the year, the Group defined the criteria for selecting the reporting boundary as the markets where the production base is located (the “**Shandong Production Base**”) and the office in Rongcheng City, Shandong Province, the PRC (collectively, the “**Shandong Business**”), and the overall performance of the production base in Thailand (the “**Thailand Production Base**”) in terms of environmental and social aspects. The scope of environmental and social data collection in this report remains the same as in 2020. The reporting period of this report is the financial year from 1 January 2021 to 31 December 2021.

Feedback

We are committed to continuously improving the disclosure content and format of the report. You are welcome to provide your valuable opinions through the following channels:

Address: Unit A-1, 19/F, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong

Tel: (852) 2887 0096

Email: investor@prinxchengshan.com

SUSTAINABILITY MANAGEMENT

Prinx Chengshan is a modern enterprise focusing on tire design, R&D, manufacturing, sales and full life-cycle services. It has four major brands, namely Prinx (Prinx), Chengshan (Chengshan), Austone (Austone) and Fortune (Fortune), and has three major product categories, namely All Steel Radial Tires, Semi-Steel Radial Tires and Bias Tires, covering passenger, commercial, industrial, agricultural and some special vehicles. The Group believes in global growth and has two major production bases in China and Thailand. It has also set up three major sales centers in China, North America and Europe to spread its presence across the globe.

Board Statement

Adhering to the vision and mission of “leading in tire innovation, contributing to smart travel and sustainable development, and achieving a better life”, Prinx Chengshan continuously improves its sustainable development, governance, and organically integrates the concept of sustainable development into its operations management. Over the years, we have pursued innovation, created green and safe tire products and provided high-quality and convenient services. We continue to contribute to creation of intelligent and joyful travel experiences and sustainable lifestyles for users around the globe.

By actively practicing the four development pillars of “green, smart, internationalize and branding”, and relying on industry 4.0 technology, the Company has completed its transformation and upgrading to a modern manufacturing enterprise. It was awarded the title of “Tire energy efficiency leader in China” in the petroleum and chemical industry and the green design demonstration enterprise by the Ministry of Industry and Information Technology. In the context of the dual carbon goal, 80% of our products have been environmentally friendly. Relying on the two smart production bases in Shandong, China and ChunwuliChonburi, Thailand, it has fully realized green and smart R&D and production. In terms of terminal products and services, Prinx Chengshan continues to empower China’s green and sustainable transportation development with regular innovation and breakthrough from high-performance commercial vehicles, passenger vehicle tire products, to smart tire services integrating big data technology.

During the year, we incorporated ESG issues into the terms of reference of the Group’s Development Strategy and Risk Management Committee. The Board has the overall responsibility and leadership for sustainability management. To ensure the implementation of sustainable development strategies and policies, the Management reports the progress of ESG matters at each Board meeting on a quarterly basis and assists the Board in performing relevant duties, including:

- i. Understand and master the status of the Company’s sustainable development governance;

- ii. Regularly supervise, review and track the progress of implementation of sustainable development-related goals (for more information, please refer to the Environmental Management section);
- iii. Plan implementation and improvement of sustainable development issues, evaluate, prioritize and manage important ESG issues, and ensure that the management and decision-making mechanism of key ESG issues, including but not limited to product safety and quality, emissions management, and clean technology research and development, comply with relevant laws and regulations, international standards and stakeholders' requirements;
- iv. Review sustainability-related risks and opportunities that have potential significant impact on Prinx Chengshan to evaluate the effectiveness of the current ESG management mechanism and make timely adjustments.

The Board acknowledges its responsibility for the truthfulness of this report. This report fairly presents the Group's performance and the impact of its operations on the relevant issues. The Board has reviewed this report and confirms its accuracy, truthfulness and completeness. In the future, Prinx Chengshan will continue to use new technologies to unleash new momentum of manufacturing in China, contributing to smart travel and sustainable development.

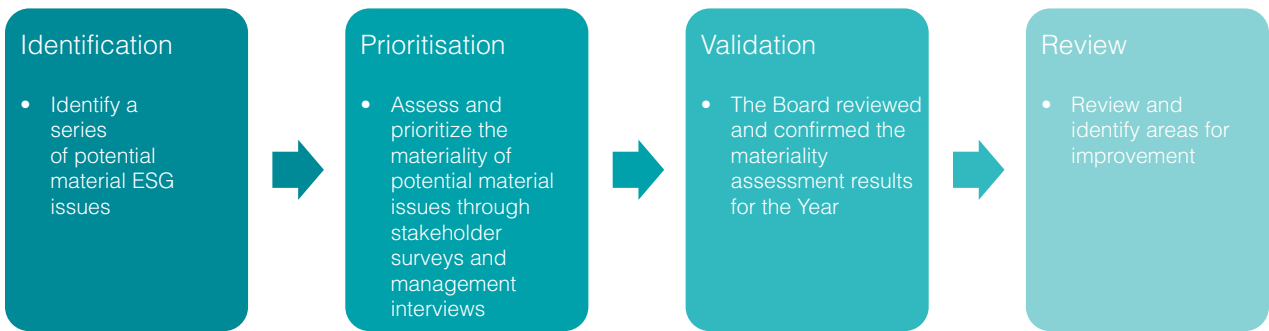
Stakeholder Engagement

The Group attaches great importance to communication with all its stakeholders and responds to their opinions and concerns in a timely and effective manner. In 2021, the key stakeholders we identified include employees, customers, suppliers, business partners, contractors, investors, government agencies, local communities, and non-governmental organizations. We believe that a full understanding of expectations and requirements of stakeholders is crucial for achieving the Group's strategic goal of sustainable development. To this end, we actively expand communication channels, listen to the voices of stakeholders through annual reports, ESG reports, questionnaires, regular meetings, etc., and actively incorporate the concerns of stakeholders into the strategic planning of Prinx Chengshan to jointly achieve sustainable development.

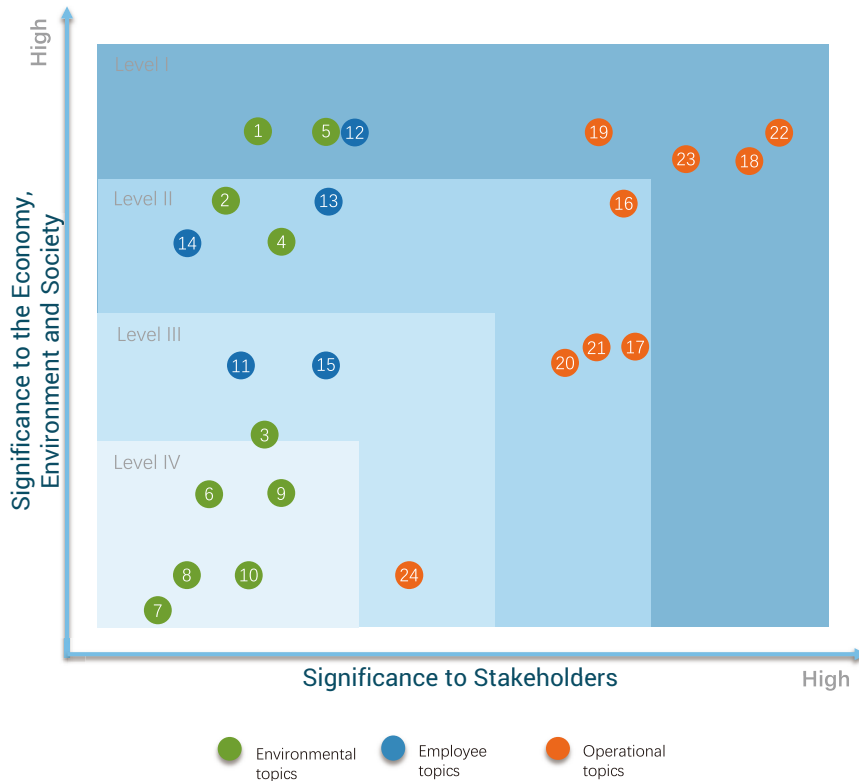
Response to Material Topics

The Group identifies ESG topics that have a significant impact on the Group and its stakeholders by implementing a materiality assessment. In 2021, in accordance with the ESG Reporting Guide of the Stock Exchange and the Global Reporting Initiative (GRI) Sustainability Reporting Standards, capital market concerns, media reports, and analytical outcome of domestic and foreign peers, we selected 24 material ESG topics from the two dimensions of environment and operations based on our own business practices.

We follow the materiality assessment process of the GRI, which is divided into four steps: identification, prioritization, validation and review. Through materiality assessment, ESG issues that have a significant impact on the Group and stakeholders are identified as important references for Prinx Chengshan's strategic decisions, target setting and information disclosure in the future.



We prioritized the material topics identified after engaging with stakeholders in two dimensions, namely “Significance of economic, environmental and social impacts” and “Substantive influence on stakeholders’ assessment and decision-making” and obtained the following materiality matrix. The list of material topics and the assessment results were submitted and reported to the Board for validation and approval on 30 March 2022, providing guidance for the Group’s sustainable development efforts in 2022.



Level I	Level II	Level III	Level IV
1 Air emissions management	2 Effluent discharges management	3 GHG emission management	6 Water management
5 Energy management	4 Non-hazardous and hazardous waste management	11 Employee welfare & benefits	7 Packaging material consumption
12 Occupational health and safety	13 Employee training and promotion	15 Anti-discrimination	8 Ecological conservation
18 Product quality control and complaint handling	14 Precautionary measures of child/forced labor	24 Community investment	9 Green Procurement
19 Customer satisfaction	16 Compliant operation		10 Address climate change
22 Anti-corruption	17 Supply chain management		
23 Innovation and advanced technology	20 Intellectual property rights protection		
	21 Customer privacy protection		

The topics in the materiality matrix are divided into four levels. ESG topics in the first level are material issues for PrinX Chengshan. In this report, we focus on the key management measures and commitments taken during the year.

Environmental Management

Adhering to the concept of green development, the Group is committed to building a first-class modern production enterprise by improving the environmental management system and related systems, bearing its share of environmental responsibilities.

ENVIRONMENTAL MANAGEMENT

The Group continues to improve its environmental management system and is fulfilling its environmental management responsibilities. The Shandong Production Base of the Group has set up an environmental protection management committee (the “**Environmental Protection Committee**”), which is fully responsible for leadership and coordination of environmental protection. The Environmental Committee has a committee office responsible for implementing the Company’s daily environmental protection work. The environmental management of the Thailand production base is carried out by the EHS department, including the establishment, implementation and maintenance of the environmental management system.

Overview of the Responsibilities and Work of the Environmental Protection Committee and the EHS Department

Environmental Protection Committee (Shandong)	<ul style="list-style-type: none">• Implement environmental laws, regulations and policies• Perform environmental protection duties, including monitoring attainment of relevant environmental protection targets• Arrange and handle other key tasks related to environmental protection
Environmental Protection Committee Office (Shandong)	<ul style="list-style-type: none">• Lead the research and formulation of relevant environmental protection policies and measures, and submit to the Environmental Protection Committee for approval• Organize, coordinate and inspect environmental protection work• Supervise, inspect and examine the performance of environmental protection duties by member units, and issue notices on rectification of environmental issues• Coordinate the handling of environmental protection issues
EHS Management Department (Thailand)	<ul style="list-style-type: none">• Responsible for occupational hazards prevention and environmental protection inspection• Organize internal and external audits on environmental health and safety• Participate in the “Three Simultaneities” of the Company’s new, renovation and expansion projects

The Group strictly abides by the Environmental Protection Law of the People's Republic of China, the Environmental Protection Tax Law of the People's Republic of China and other relevant laws and regulations¹ and has formulated internal environmental protection systems such as the Environmental Management Procedure Documents and the EHS Management Regulations to effectively fulfill its environmental protection responsibilities, prevent and reduce environmental risks. All environmental management indicators have been included as one of the performance indicators. In addition, the Group's main production plants in Shandong and Thailand have obtained ISO14001 environmental management system certification, and also engaged third-party agencies to audit environmental performance at all operating plants. During the year, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Company relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

TACKLING CLIMATE CHANGE

The Group attaches great importance to the impact of climate change, actively identifies climate change-related risks, strengthens climate change risk management, and formulates risk prevention plans to continuously improve its ability to respond to climate change, so as to mitigate the impact of climate change on the Group.

Risk Identification and Management

The physical risks that climate change may bring to the Group include power outages and production halts due to extreme weather conditions such as typhoons and thunderstorms, failure of outdoor logistics to operate normally, affecting order delivery timeliness, and price fluctuations due to unstable raw material supply. In addition, climate change brings different levels of transition risks to the Group, including policy risks, such as the introduction of relevant policies and laws and the establishment of carbon tariffs in countries or regions where the Group's production or markets are located, as well as the risks arising from changes in demand from consumers and downstream automobile manufacturers.

The Group incorporates climate change-related risks into its risk management system, continuously evaluates physical risks and transition risks caused by climate change, and formulates emergency plans in different places of operations, striving to ensure normal production and operations, and maintain the safety of public security and employees' life and property. In order to improve our overall ability to respond to extreme weather, we have formulated the Emergency Plan for Extreme Weather and the Enterprise Strategy under Low-carbon Transition Risks in China in accordance with the Emergency Response Law of the People's Republic of China, the National Meteorological Disaster Emergency Plan and other relevant laws and regulations, taking sustainable development as the core management principle. At the same time, we have formulated the EHS (Environment, Health and Safety) Management Regulations in Thailand, which clearly regulates emergency preparation and response management to prevent and handle emergencies.

¹ For environmental laws and regulations, please refer to the Laws and Regulations section of this report.

Emergency plan for extreme weather disasters

- Set up an emergency rescue leading group to take full responsibility for response to extreme weather events, and set up an emergency rescue team to take charge of the relevant rescue work
- Based on the degree of hazards caused, extreme weather hazards are classified into four levels
- Formulate an early warning signal release system, and clarify and standardize work processes such as emergency preparation, emergency response, and recovery and reconstruction
- Establish identification, assessment and response measures for various disaster types
- Carry out emergency knowledge education, popularize knowledge on remedial actions, and train personnel engaged in emergency management
- Conduct emergency drills regularly in response to extreme weather disasters, including simulation drills, functional drills and comprehensive drills

ENERGY CONSUMPTION

Improving energy efficiency in production and operations is a necessary condition for enterprises to achieve sustainable development. As a “Energy Efficiency Leader Model Enterprise in Key Energy-consuming Products in the Petroleum and Chemical Industry”, the Group continuously improves energy efficiency by combining technological transformation and lean production on the basis of optimizing energy management. At present, energy consumption per unit of production has reached an advanced level as it is far below the advanced indicator value of 285/380 kg standard coal/tonne of qualified products in the “Energy Consumption Limit for Tire Unit Product” (GB29449-2012). In the future, with continuous expansion of production capacity of Prinx Chengshan, we will maintain a low energy consumption level per unit of product in the long run. During the year, we held a meeting on energy conservation and emission reduction. All departments jointly formulated energy conservation action plans, collected 32 improvement plans, quantified 24 measures, and formulated a series of emission reduction goals and action plans.

The Group implements smart energy management, introducing an energy management system to monitor various types of energy consumption in real time. The equipment engineering department is responsible for monitoring daily energy consumption in the “Energy Consumption Statistical Table” and analyzing any changes in energy consumption. In case of excessive energy consumption, the equipment engineering department coordinates with relevant departments to identify the causes. For abnormal energy consumption, corrective measures are implemented in accordance with the “Management Procedures for Corrective and Preventive Measures”. At the same time, we actively respond to the government’s call to implement waste classification in the enterprise and encourage all employees to take action to improve the environment, enhance environmental awareness, promote resource recycling and reuse through a series of measures such as DingTalk announcements, training sessions, bulletin boards and slogans, and volunteering, which have been well received by the local Municipal Bureau of Industry and Information Technology for many times.

Energy management objectives

Short-term goals:

The energy consumption of Shandong Production Base in 2022 will be decreased by 4% compared with 2021 (i.e. decreased by approximately 3,362 tonnes of standard coal). (The production base in Thailand is still in the process of capacity expansion and is not considered for the time being.)

Medium and long-term goals:

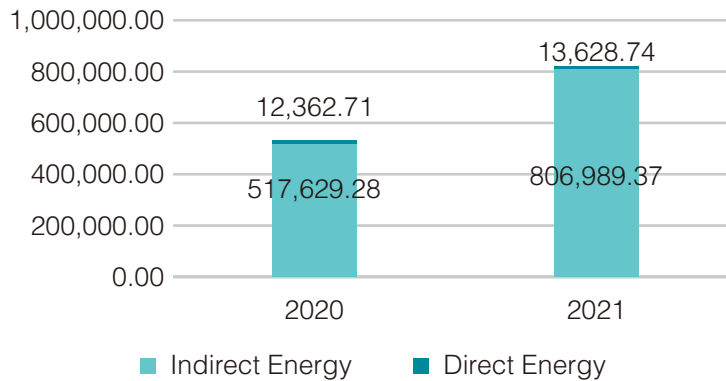
Shandong Production Base:

- By 2025, the energy consumption limit per unit product of all steel/semi-steel tires will reach 175/226 kg standard coal/tonne qualified products.
- By 2030, the energy consumption limit per unit product of all steel/semi-steel tires reached 168/219 kg standard coal/tonne qualified products.

Thailand Production Base:

- By 2025, the energy consumption limit per unit product of all steel/semi-steel tire reached 199/243 kg standard coal/tonne qualified products.
- By 2030, the energy consumption limit per unit product of all steel/semi-steel tire reached 191/234 kg standard coal/tonne qualified products.

Total energy consumption (MWh)



Note: The Group organized the ESG data collection framework in 2021, improved the statistics of photovoltaic power generation (indirect energy consumption) and automobile fuel consumption (direct energy consumption), and reviewed and updated the relevant data in 2020 based on this framework to ensure the consistency and comparability of energy consumption data.

Types Of Energy Consumption	Source	Energy Consumption		Intensity	
		unit	MWh	unit/tonne of production	MWh/tonne of production
LPG	Canteen And Forklift	144,318 kg	2,012	0.29	0.004
Petrol	Vehicles and Forklift	283,908 L	2,514	0.56	0.005
Diesel	Forklift	915,321 L	9,104	1.81	0.018
Steam	Production	539,518 tonnes	405,051	1.11	0.802
Electricity	Purchased	Production And	390,167 MWh	390,167	0.772
	Photovoltaic	Operation	11,772 MWh	11,772	0.023

The Group strictly abides by the Energy Conservation Law of the People’s Republic of China and has formulated the Energy and Resources Conservation Management Procedures internally to regulate the use and management of energy and to reduce waste. During the year, the Group consumed a total of 820,618.12 MWh² of heat, electricity, gasoline and diesel for vehicles and equipment, and liquefied petroleum gas (“LPG”) for canteen operations, with an energy consumption intensity of 1.62 MWh/tonne of production/tonne of production. The Group’s steam energy consumption in 2021 is calculated with reference to the “Greenhouse Gas Emissions Accounting Methodology and Reporting Guide for Enterprises in Other Industrial Sectors”, which is different from the calculation method in 2020, thus resulting in an increase in energy consumption intensity.

² As the Thailand Production Base commenced production in the fourth quarter of 2020 (i.e. the Thailand Production Base only counted the fourth quarter of 2020 environmental data, while the annual data for 2021 is counted), the energy consumption in 2021 is higher than that in 2020.

Energy Conservation and Emissions Reduction

During the year, the Group's greenhouse gas emissions amounted to 499,840 tonnes of carbon dioxide equivalent (tCO₂e), with an emission intensity of 0.99 tCO₂e/tonne of production unit. Scope 2 (indirect) emissions accounted for 99.00% of the total emissions. The Group actively pursues a green and low-carbon production and operations system, strives to reach the leading level of carbon emissions reduction in the industry, and contributes to realization of the national goal of "carbon neutrality and carbon peak".

Greenhouse gas emissions (tCO ₂ e) ³	2020	2021
Scope 1	4,394	4,083
Scope 2	371,508	495,232
Scope 3	525	525
Total amount	376,427	499,840

Carbon Reduction Targets

Action Plan

Goal 1

By 2030, the carbon emissions per unit of product of our tire production (including tire renovation) to reduce by 15% compared with 2020

- Develop products and services that help reduce carbon dioxide emissions and reduce carbon dioxide emissions in the value chain
- Increase the proportion of renewable electricity
- Continuously improve energy efficiency in operations and reduce total energy consumption

Goal 2

By 2025, solar power generation to grow more than three times compared to 2020

- Reduce carbon emissions by developing and using clean energy such as solar energy

Goal 3

By 2025, the proportion of commercial vehicle tires and passenger vehicle tires with low rolling resistance to reach 45% and 50% respectively

- Develop low-rolling resistance tires to reduce fuel consumption and carbon emissions

³ In 2021, the Group's greenhouse gas emissions calculation methods and emission factors were updated, calculated with reference to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises in Other Industries, Appendix 2: Reporting Guidance on Environmental KPIs of HKEX and the 2019 Baseline Emission Factors for Regional Power Grids in China for Emission Reduction Projects, and updated the 2020 data (except Scope 2) based on the 2021 calculation method.

In order to further enhance employees' awareness of the need for saving energy, the Group actively carries out energy conservation and consumption reduction activities and disseminates the information to all employees. During the year, more than 80 stickers were added to remind employees to advocate rational use of water, electricity, gas, paper and various energy, resources and materials. By carrying out the "Saving every penny" activity, Shandong Production Base deeply explored the potential of energy conservation and saved a total of RMB1,890,000 during the reporting year.



At the same time, the Group strives to improve the composition of its energy consumption and enhance energy efficiency through process transformation and use of clean energy, so as to achieve energy conservation and consumption reduction and achieve carbon emissions reduction goals. All lighting in the Thailand production base has been installed with safer and more environmentally friendly LED lights.

- “Tandem-type mixing” production process
- Jointly developed and manufactured the tandem-type mixer with the equipment manufacturers. By adopting low-temperature continuous replenishment mixing technology, the original traditional multi-terminal parking was changed to one-time continuous replenishment mixing, and the whole process of automatic control.
 - Compared with traditional multi-stage refining, the total power consumption can be saved by 21.7% and the production efficiency improved by 51%.

Tire nitrogen curing and nitrogen recovery technology

The new technology of nitrogen curing and nitrogen recovery is a major highlight of the tire industry in terms of energy conservation and emission reduction. By filling nitrogen and water vapour in the pipeline, the residual nitrogen and water vapour can be recycled, effectively reducing energy consumption and improving the service life of tire bladders, which can save 30–40% of steam consumption compared with traditional nitrogen curing process.

Application of ternary-flow water pump



Introducing a ternary flow pump to renovate the low-efficiency and high-energy-consuming water supply system. As of 31 December 2021, a total of 22 water supply units had been renovated, with an electricity saving rate of 24.1% and an annual electricity saving of approximately 3,800,000 kWh, equivalent to 446 tonnes of standard coal per year.

Photovoltaic power generation



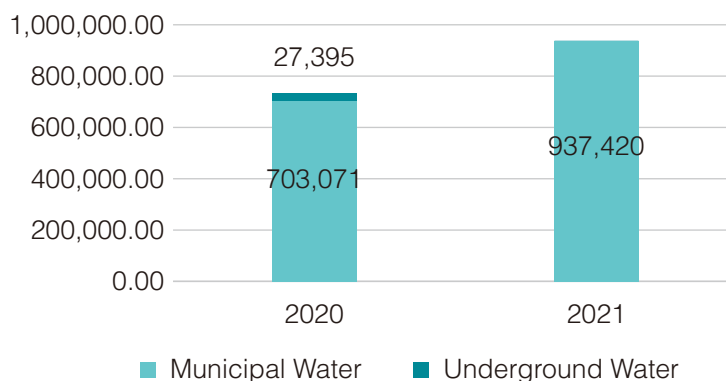
- In accordance with the principle of “close to grid connection, local consumption, low-loss and high-efficiency”, the Group adopts the distributed grid-connected photovoltaic power generation system combining buildings, uses the roof of the plant to install the photovoltaic power generation system, and has installed solar panels with an installed capacity of 10 MW. In 2021, the photovoltaic power generation reached 11,770,000 kWh, and the cumulative photovoltaic power generation reached 76,560,000 kWh.

- Commenced installation of solar panels on the roof and carpark of the Thailand Production Base in 2021, covering up to 80%, with an installed capacity of 19.44 MW, the annual power generation of the project is expected to reach 22,000,000 KWh upon completion, and more than 15,000 tons of carbon dioxide can be reduced each year. It is planned to complete grid-connected power generation by the end of 2022.

Water Consumption

The Group consumes a certain amount of water resources in its production and domestic usage. The majority of the industrial and domestic water used in the Shandong Production Base comes from the reclaimed water station. During the year, the Group’s total water consumption was 937,420 tonnes, and the water consumption intensity was 1.86 tonnes/tonne of production. There was no issue in sourcing water fit for the purpose.

Water Consumption (tonnes)



The Group actively adopts a number of water-saving management measures to promote water conservation, including:

- ✓ Install condensate recovery devices to allow condensate to be discharged into the master return pipe for recycling;
- ✓ Carry out trial pressure and maintenance of heating pipelines before heating supply every year to ensure that the pipelines are safe and free from leakage;
- ✓ Check whether there is any water leakage in all departments regularly, and keep equipment inspection records, and take timely corrective and preventive measures for leakage; and
- ✓ Collect daily or monthly water consumption data and analyze whether there is any abnormal water consumption with reference to the historical level.

Water management objectives

- By 2025, water consumption⁴ per unit of product will be reduced by approximately 50% compared with 2020.
- By 2030, water consumption⁴ per unit of product will be reduced by approximately 60% compared with 2020.

EMISSIONS MANAGEMENT

Waste Management

The waste generated by the Group mainly includes general solid waste, hazardous waste and domestic waste. Renewable general solid waste, such as scrap and waste tires, are delivered to qualified third-party manufacturers for recycling and comprehensive utilization. Industrial and domestic wastes that cannot be recycled and reused are regularly handled by municipal departments. During the year, we further improved the exhaust gas treatment equipment and sewage treatment system to achieve full coverage of treatment, 100% up-to-standard discharge, and received zero complaints during the central environmental protection inspection. In the future, we will continue to increase the use of recycled materials. During the year, the Group generated a total of 15,487.74 tonnes of waste, including 14,887.01 tonnes of general waste and 600.73 tonnes of hazardous waste. The intensity of general waste and hazardous waste is 0.029 and 0.001 tonnes/tonnes of production respectively.

⁴ Municipal water consumption

Waste management objectives

By 2030:

- the amount of general waste generated per unit of product will be decreased by 4.3% as compared to that of 2020.
- the amount of hazardous waste generated per unit of product will be reduced by 18.2% compared to that of 2020.

Waste Reduction

The Group implements various waste recycling projects to reduce waste generation and environmental burden.



- Waste lubricating oil recycling: all waste lubricating oil generated in production and operations is recycled and filtered, and lubricating oil that meets the standard after treatment is reused for production, and the rest is disposed of as hazardous waste. In 2021, the Group recycled a total of 1,313 kg of waste lubricating oil.
- Tire refurbishment and recycling: The Group has carried out a recycling and refurbishment project for used tires. For used tires that are worn out on the tread surface, if there are no problems on the tire carcass and the sidewall, they could be reused for the transportation at the port and terminal after refurbishment.

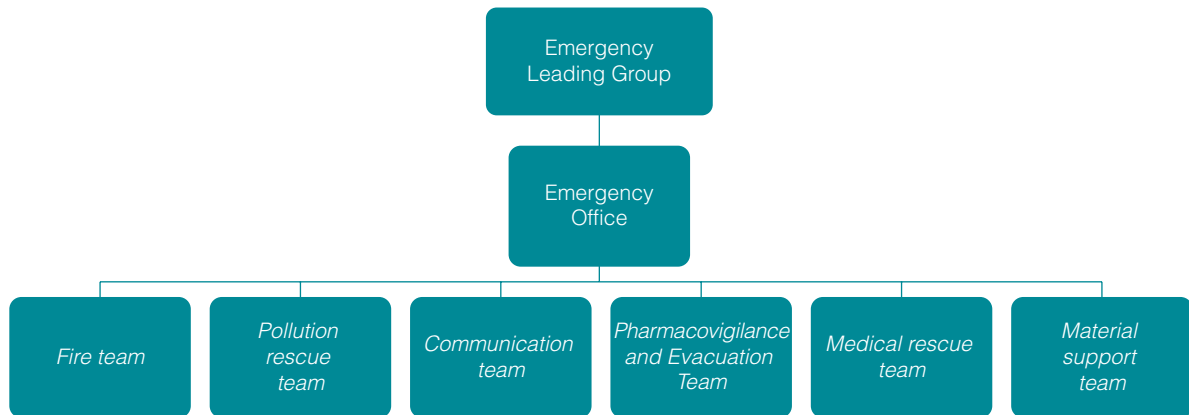
Hazardous Waste Management

Hazardous waste generated by the Group's operations includes waste lubricating oil, waste fluorescent tubes, waste lead-containing batteries, waste paint buckets, waste plastic oil drums, waste chemical reagent bottles, etc. We have established internal management systems such as the Emergency Plan for Hazardous Waste Pollution Accidents, Hazardous Waste Management System, and Hazardous Waste Environmental Pollution Prevention and Control Responsibility System to standardize the management of hazardous waste.

The General Manager of the Group is the primary responsible person for hazardous waste, while the Deputy General Manager is the directly responsible person. While the Occupational Health and Safety Management Department ("**EHS Department**") is responsible for the overall management of hazardous waste, the Materials Management Department is responsible for storage and management of hazardous waste, ensuring that the management of hazardous waste complies with national laws and regulations.

Hazardous waste generated by each department is regularly sent to the hazardous waste storage room for temporary storage. The Materials Management Office collects, stores and transports hazardous wastes in accordance with the requirements of the hazardous waste pollution prevention and control technology policy and the hazardous chemical storage pollution control standards. All personnel engaged in hazardous waste management are required to receive professional training and pass the examination. The materials management office regularly transfers hazardous wastes to third-party agencies with corresponding qualifications for disposal and keeps records of hazardous wastes transfer.

The Shandong Production Base of the Group has established an emergency leading group for hazardous waste pollution accidents, responsible for directing and coordinating all relevant departments to respond to the emergency appropriately and take emergency control measures for hazardous waste pollution accidents.



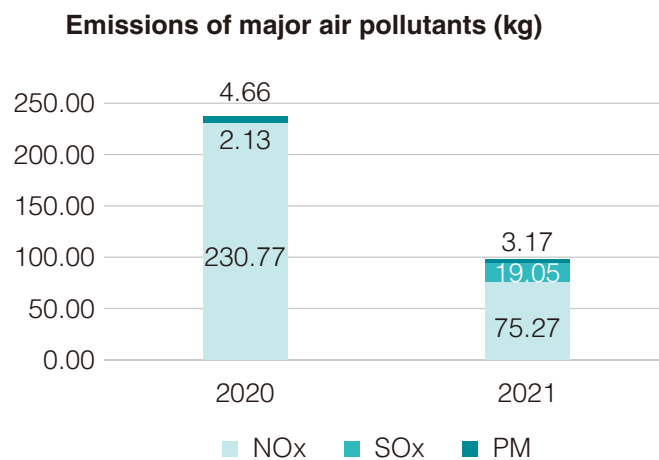
Emergency Leading Group Structure

Responsibilities of the Hazardous Waste Pollution Emergency Leading Group

- Duties of the emergency leading group:
- Command and coordinate relevant departments to prepare for effects of hazardous waste pollution accidents, emergency control measures, information reporting, medical emergency, accident investigation and accident handling.
 - After the occurrence of a hazardous waste pollution accident, it is responsible for activating the unit's emergency plan, determining the level of hazardous waste pollution accidents, and determining whether to report waste pollution accidents to the municipal sanitation, public security and health departments in a timely manner.
- Duties of the emergency office:
- Formulate and improve emergency plans for sudden environmental accidents, set up emergency rescue teams, and organize emergency response personnel by training and drills on emergency knowledge and treatment technologies.
 - Organize the implementation of various preventive and control measures and supervise the implementation. Unified allocation of emergency resources and timely coordination to solve difficulties and problems in emergency work.
 - Take timely measures to identified potential hazards of hazardous waste pollution, and record them in detail.
 - After the occurrence of a hazardous waste pollution accident, the Group starts the emergency plan in accordance with the command of the leading group, and report to the environmental protection and public security departments in the place of operation in accordance with the arrangement, and take timely measures to control the accident site.
 - Responsible for the receipt of information during the emergency, transmission, emergency notification, accident investigation and evaluation of the consequences.
- Duties of the emergency rescue team:
- Fire team: responsible for onsite firefighting generated by hazardous chemicals and hazardous waste.
 - Pollution rescue team: responsible for evacuation and cleansing of flammable and explosive items onsite. In case of leakage, responsible for collecting and cleaning the leaked hazardous chemicals and hazardous wastes.
 - Communication team: responsible for internal communication and requesting external support.
 - Pharmacovigilance and evacuation team: responsible for maintaining the security and traffic order at the accident site, and evacuating the Company's non-emergency employees to safe locations.
 - Medical Rescue Team: provide nursing care to the injured.
 - Material support team: allocation of emergency materials, transportation of injured persons and providing logistics support.

Air Emissions

As a tire manufacturer, the Group inevitably generates a certain amount of air pollutants in its daily production operations. This is one of the substantive issues that the Group is concerned about. The Group is committed to reducing air emissions in the production process, strictly comply with the Emission Standard of Pollutants for Rubber Products Industry and other relevant laws and regulations, and ensure that air pollutant emissions are in full compliance with laws and regulations. It continues to strengthen its emissions management and improve production technology, and continuously improve its performance on various indicators. During the year, the Group's air pollutant emissions were as follows⁵:



The Shandong Production Base of the Group has installed exhaust gas treatment facilities in the Mixing area, Curing area and Component area, and has installed non-methane hydrocarbon online monitors at the main discharge port to monitor pollutant emissions in real time. Other discharge outlets are required to have third-party testing companies detect any irregularities on a quarterly basis, and handle them in a timely manner to avoid excessive emissions. The Thailand production base has set up a special maintenance team for exhaust gas emissions to regularly inspect and repair flue gas treatment equipment and replace consumables on time to ensure normal operations of exhaust gas treatment facilities and avoid excessive emissions. Third-party exhaust gas monitoring is conducted at least once every six months. In case of excessive exhaust gas concentration, the EHS Management Department is responsible for identifying the reasons for exceeding the standard and convening relevant departments to analyze and handle it. If the situation is still not up to the standard after treatment, the situation is reported to the management representative or the General Manager, who decides measures to suspend production or limit production according to the situation and make rectification.

⁵ During the Reporting Period, due to the change in fuel consumption and types of forklifts of the Group, emissions of nitrogen oxides and sulphur oxides decreased significantly as compared with the previous year;

In 2021, the Group updated the calculation method of air pollutant emissions with reference to the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange. Therefore, the emission data in 2020 in this report is different from the data disclosed in the previous year. In the future, the Group will continue to follow the methods recommended by the Hong Kong Stock Exchange unless the Hong Kong Stock Exchange or Ministry of Ecology and Environment of China updates the calculation method.

In 2021, the Group completed the construction of six waste gas treatment projects, including the fourth phase of Mixing area, all steel and semi-steel Component areas and Curing areas, to achieve full collection and treatment of flue gas centralized emission areas. In addition, the Group has established a standardized maintenance process for exhaust gas treatment equipment to improve the quality of maintenance and the life of consumables and ensure that all sets of exhaust gas treatment equipment meet the discharge standards. During the year, we cleaned up equipment such as primary filter cotton, plasma light tubes, carbon fiber and nickel mesh, and replaced 8,462 m² of fiber cotton, 1,465 biofilms and 2,720 UV light tubes, saving over RMB1 million of maintenance cost.

<p>Waste Gas Treatment Measures</p>	<p>Carbon black dust control: Install carbon black dust collectors and carbon black gas transmission devices to completely solve the problem of carbon black pollution</p> <p>Treatment of waste gas from rubber mixing: adopting the process of "spray washing + preliminary filtration + plasma + photocatalysis + dry neutralization" to improve treatment efficiency and reduce waste gas emissions</p> <p>Curing exhaust gas treatment: through the "independent fully enclosed collection hood + linkage" collection mode combined with the frequency conversion fan technology, the collection rate of curing exhaust gas has improved, and the exhaust gas emission is reduced</p>										
<p>Exhaust Gas Emission Reduction</p>	<p>Reducing VOC emissions by using new silane idol:</p> <p>The new silane coupling agent has only one ethoxygenate, and the VOC generated by the shrinking reaction with the white carbon black is much lower than that of Si75 and Si69, which can effectively reduce VOC emissions</p> <p>When purchasing new refrigerators, air conditioners and other non-production refrigeration equipment, it is stipulated that the purchase of equipment using Freon is prohibited.</p>										
<p>Waste Gas Treatment Facilities Retrofit</p>	<p>In 2021, the Group invested more than RMB43 million in transformation of exhaust gas treatment facilities. The detailed measures are as follows:</p> <table border="0"> <tr> <td data-bbox="406 1246 869 1310">Exhaust gas collection and treatment for mixers</td> <td data-bbox="901 1246 1189 1267">Curing waste gas treatment equipment</td> </tr> <tr> <td data-bbox="406 1272 869 1310">Add bag-type dust collectors at the Feeder and discharge door of the Upstream machine</td> <td data-bbox="901 1267 1189 1289">Gas treatment equipment for the roller</td> </tr> <tr> <td data-bbox="406 1310 869 1349">Modification for smoke and temperature reduction at the rubber cooling line of the mixer</td> <td data-bbox="901 1310 1385 1349">Heat exchange system for cooling water of rubber cooling line in the Mixing workshop</td> </tr> <tr> <td data-bbox="406 1349 869 1388">TBR Component area gas treatment equipment</td> <td data-bbox="901 1349 1385 1388">Waste gas collection and treatment for five production lines in PCR Component area</td> </tr> <tr> <td data-bbox="406 1388 869 1427">Renovation of the waste gas treatment project of the TBR Curing workshop</td> <td data-bbox="901 1388 1385 1427">Renovation of the waste gas treatment facilities in the PCR Curing workshop</td> </tr> </table>	Exhaust gas collection and treatment for mixers	Curing waste gas treatment equipment	Add bag-type dust collectors at the Feeder and discharge door of the Upstream machine	Gas treatment equipment for the roller	Modification for smoke and temperature reduction at the rubber cooling line of the mixer	Heat exchange system for cooling water of rubber cooling line in the Mixing workshop	TBR Component area gas treatment equipment	Waste gas collection and treatment for five production lines in PCR Component area	Renovation of the waste gas treatment project of the TBR Curing workshop	Renovation of the waste gas treatment facilities in the PCR Curing workshop
Exhaust gas collection and treatment for mixers	Curing waste gas treatment equipment										
Add bag-type dust collectors at the Feeder and discharge door of the Upstream machine	Gas treatment equipment for the roller										
Modification for smoke and temperature reduction at the rubber cooling line of the mixer	Heat exchange system for cooling water of rubber cooling line in the Mixing workshop										
TBR Component area gas treatment equipment	Waste gas collection and treatment for five production lines in PCR Component area										
Renovation of the waste gas treatment project of the TBR Curing workshop	Renovation of the waste gas treatment facilities in the PCR Curing workshop										

Wastewater Discharge

The Group treats sewage in accordance with the Water Treatment Operating Procedures. A third-party agency is engaged to conduct regular testing on sewage discharge every month. In the event when sewage indicators exceed the standards, the EHS Management Department is responsible for identifying the reasons and convening relevant departments to analyze and handle the situation. During the year, the Group generated a total of 453,025 tonnes of wastewater, all of which were discharged after treatment in compliance with regulations. The wastewater discharge intensity is 0.897 tonne/tonne of production.

In 2021, the Group built a new sewage treatment facility in the Shandong Production Base, to treat and reuse 2,000 tonnes of domestic sewage and production wastewater generated by the Company every day. Of these, approximately 1,030 cubic meters of wastewater can be used for workshop production after reverse osmosis treatment, saving approximately 480,000 cubic meters of water every year. In the same year, the Group completed the construction of a sewage treatment station and renovation of sewage pipe network to achieve centralized collection and treatment of sewage. Through recycling of reclaimed water, the Group saved water costs, and the reclaimed water recycling capacity reached 1,000 m³/day. In addition, the production base in Thailand plans to install a water purification system, which can recycle all domestic and production wastewater and achieve zero sewage discharge after operation.

Waste water management objectives

- By 2025, the amount of wastewater discharged per unit of product will be reduced by approximately 50% compared with 2020.
- By 2030, the amount of wastewater discharged per unit of product will be reduced by approximately 60% compared with 2020.

GREEN TIRE

The Group has integrated the “smart” and “green” genes into its products, developing five key green tire technologies with independent intellectual property rights, including ultra-low rolling resistance, high mileage and quiet. Prinx Chengshan established a new energy vehicle tire collaborative research office in 2018 to accelerate development of the new energy vehicle segment and realize cooperation for new energy commercial vehicles.

New energy ultra-low rolling resistance tires

- New energy vehicles are mainly driven by batteries, and traditional car tires cannot meet the strict requirements of heavy load and high drive torque. New energy ultra-low rolling resistance tires adopt a brand-new formula design, which improves the wear resistance, load property and low rolling resistance of tires by using new types of raw materials such as Polybutadiene rubber and highly dispersed silica.

Self-sealed tires

- With the advantages of anti-explosion tires and ordinary tires, it maintains safety of anti-explosion tires, saves your time for tire replacement. Without the spare tire, it also helps reduce the vehicle load.

R&D of Tire Innovation

The Group also actively cooperates with universities to enhance its technological innovation capability. Through close cooperation with Wuhan University of Technology, Shandong University of Science and Technology, Qingdao University of Science and Technology and other universities, the Group plans to jointly tackle key technical difficulties of tires, explore the possibility of improving the safety performance and environmental protection performance of tires, and provide strong cutting-edge technology for sustainable development of the Group and its tire business.

Smart Tire Services

The Group provides tire leasing services of “digitalization + products + services” in Northern, Central and Southern China, creating value for customers’ fleets with standardized and digital tire solutions. Zhianda applies RFID, TPMS, GPS and other smart technologies, and cooperates with online smart tire management platform to manage the whole life cycle of tires, helping logistics companies and others to reduce their tire costs.

Professional Guidance	Product Customization	Intelligent Housekeeping	Safety & Security
<p>Zhianda resident engineers can provide free seminars on tire expertise for fleet managers and drivers to raise drivers’ awareness of tire maintenance, establish good driving habits and safety awareness, and extend tire life.</p>	<p>Based on the vehicle’s transportation environment and big data analysis, Zhianda relies on strong factory resources to provide customized products suitable for different customers.</p>	<p>Use the vehicle return time to inspect all tires on the vehicle using the TM+ cell phone system, check the use of tires, find potential hidden problems, and promptly remove and replace damaged or potentially dangerous tires to ensure that the tires are in the best condition for safe driving.</p>	<p>Tires are equipped with smart chips and information management software, and the management of vehicles and tires can be realized through the mobile app.</p>

Smart Management System

Unique Digital Identity Identification

Zhianda Tire enables vehicle tires to obtain the only electronic identity number through implantation of RFID ultra-high frequency chips in the production process, which can achieve two functions:

- Fleet managers can track and monitor the single-tire use status in real time and timely adjust and control.
- Automatic inventory of tires when entering and leaving the warehouse can be realized to prevent tire loss and reduce management costs.



Tire Temperature and Tire Pressure Warning

Zhianda customized TPMS tire pressure monitoring equipment to dynamically collect the pressure and temperature of tire, which can realize remote monitoring and early warning, and timely alert the fleet to ensure safe driving.



Precise Positioning of GPS Vehicles

Zhianda customized and developed a high-frequency GPS system, which accurately positions the driving trajectory of vehicles and improves the positioning accuracy of GPS by 80% compared with market sales, greatly improving management efficiency.



TM Tire Management Platform

The TM2.0 version independently developed by Zhianda can match all installed tires with the vehicle, and remotely monitor and record the location, tire number, mileage, pressure, maintenance, replacement and other information of the vehicle throughout the life cycle.



Fleet Information Management Platform

The "Fleet Data Tracking Platform" mini program independently developed by Zhianda facilitates real-time monitoring of fleet information (including the number of vehicles, number of units, disassembly records, pattern depth, mileage of vehicles, etc.) by fleet management personnel, and provides data support for fleet cost calculation.



Employee Care and Development

Talents are important assets of Prinx Chengshan. The Group adheres to the human resources strategy of “recruit the right people, use the right people and retain talents” to attract and cultivate talents. We provide employees with excellent workplace and benefits, smooth promotion channels and communication channels, assisting them in their long-term career development and maintaining sustainable development of the Group.

LABOR MANAGEMENT

Remuneration and Benefits

In order to enhance our competitiveness in recruitment and attract high-level talents to join Prinx Chengshan, the Group is committed to providing employees with competitive remuneration packages and benefits. The Group's production bases and offices in China and Thailand strictly comply with the local labor laws and other relevant laws and regulations, providing employees with statutory social insurance, including pension insurance, unemployment insurance, work-related injury insurance, medical insurance, maternity insurance and housing provident fund.⁶ The Group provides accident insurance or other insurance for employees based on the nature of their jobs. All employees are entitled to statutory holidays, annual leave, sick leave, marriage leave, compassionate leave, maternity leave, miscarriage leave and work injury leave.

Prinx Chengshan's Tire Production Base in Thailand provides transportation, accommodation and other subsidies for dispatched employees on the basis of employees' needs and provides home leave. Also the Group has specially dispatched a Chinese chef to Thailand to manage the canteen in the factory area, replacing the previous canteen outsourcing, so that employees can enjoy the type of food they are accustomed to. To facilitate commuting the Group is equipped with shuttle buses to pick up employees to and from work every day. In addition, the Thailand production base has also set up an online group to listen to employees' requests and provide feedback on their requests within half an hour as required. During the COVID-19 pandemic, the Group set up an online shopping group to help employees resolve problems in shopping outside, and uniformly ordered daily necessities to ensure safety of employees' work and life. The Thailand production base also provides low-cost full lunch for employees with poor economic conditions and provides language training for foreign employees in need.

During the year under review, the Group updated the Administrative Regulations on Rewards and Punishments for Employee Behaviors, which divides rewards and punishments for employee behaviors into two parts, namely the Administrative Regulations on Rewards and Punishments for Employee Behaviors and the Administrative Measures on Rewards and Punishments for Employees in Production Workshops. Adhering to the principle of "open, fair and just reward and punishment", the update encourages and motivates employees to work hard, develops their enthusiasm, triggers initiative and creativity and helps to maintain normal production order and work order. Besides it also helps to reduce work errors, improve work efficiency, and form a benign competitive environment. As of the end of 2021, a total of 568 person-times were awarded and 173 person-times were compensated.

Administrative Regulations on Rewards and Punishments for Employee Behaviors

This system is the reward and punishment scheme for the listed company as a whole, and the original reward and punishment in the form of monetary amount is cancelled and updated to the reward in the form of points, which is applied to the annual performance evaluation results and the selection of models.

Administrative Measures on Rewards and Punishments for Employees in Production Workshops

The system is applicable to the reward and punishment regulations of the production workshops of each factory, and employees are rewarded according to their outstanding daily behavior in the form of bonus points with the main form of reward in finance.

⁶ For details of employment-related laws and regulations, please refer to the Laws and Regulations section of this report.

Diversity and Equal Opportunity

The Group adopts a zero-tolerance attitude towards any form of discrimination and actively promotes a diversified workforce and an equal working environment. We treat all employees and job applicants fairly and openly. In order to promote employee diversity and inclusion, the Group does not consider gender orientation during recruitment, eliminates gender discrimination, and mandates equal pay for equal work. During recruitment, the Group considers candidates based solely on their ability, qualification and ethical attitude, regardless of race, skin color, religion, gender, age, country and other factors. In addition, any performance appraisal, promotion and training opportunities for all employees must be solely determined by whether the individual's qualifications meet the requirements of the position. In addition, the Group prohibits any form of discrimination in personnel management, including but not limited to payment of remuneration, protection of labor rights, organization of social activities and establishment of entertainment facilities.

The Group has been recruiting people from different regions, ethnic minorities and people with disabilities. For disabled employees, the Group provides disability subsidies based on working hours every year. At our production base in Thailand, we have implemented a unified staff handbook, rules and regulations for Thai and Myanmar employees, and arranged different positions according to the characteristics of employees to reduce communication barriers.

The Group strictly complies with national and local laws and regulations relating to employment and labor practices in the places where it operates. During the year under review, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to employment and labor practices, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Employee Engagement

To better understand the needs of employees and create an ideal working environment, the Group has set up a feedback platform for all employees and a national feedback hotline to strengthen communication with employees. The Human Resources Department has set up three complaint hotlines for major businesses, which disseminate information to all employees through smart mobile office platform. According to the Group's employee complaint handling process, employees' complaints must be answered within three working days. If multiple departments are involved, the Human Resources Department cooperates with relevant business departments to conduct investigations, provide feedback on the results of the investigations to employees, and report the investigation outcome to the superior leaders.

The Group has set up a staff welfare committee at its production base in Thailand, which is responsible for listening to the suggestions of Thai employees on benefits, and recording, feedback and improving the issues raised. The Committee is composed of employee representatives selected from employees in Thailand. The Committee holds regular meetings with employees to collect their opinions before each meeting. The questions collected during the meeting are listed and discussed separately. The management of the Company answers the questions by understanding the background and specific requirements of the questions through the labor representatives. After the meeting, minutes are prepared and the corresponding work plan is prepared, and the proposed solutions on relevant issues are evaluated and implemented.

Employee Satisfaction Survey

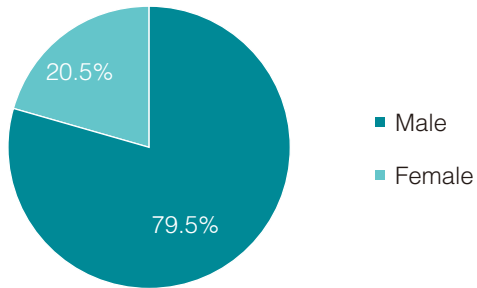
During the year under review, the Group conducted at least one round of employee satisfaction surveys for all employees in batches of different types of employees (employees, indirect employees, direct employees) and multiple workshops. The survey direction of employee satisfaction is considered and designed according to the type of employees, for example, for operational employees and functional employees, the corresponding questions are designed according to the characteristics of their respective positions. The Group prepares a report based on the results, analyzes the problems reflected by employees, proposes rectification measures, and makes timely feedback and improvement. For example, the satisfaction survey in 2020 reflected employees' suggestions regarding the canteen. The Group has made real-time improvements in 2021, the cafeteria's menu has improved significantly in terms of quality, quantity, and taste, which has been well received by employees.

The production base in Thailand was affected by the epidemic and was in the quarantine period throughout the year. Due to the consideration of safety of employees, it was unable to hold large-scale and centralized team building activities. However, through online video, the Group has successfully organized a series of activities to promote employee interaction, such as regular meetings in the afternoon every Saturday to communicate and share ideas among employees.

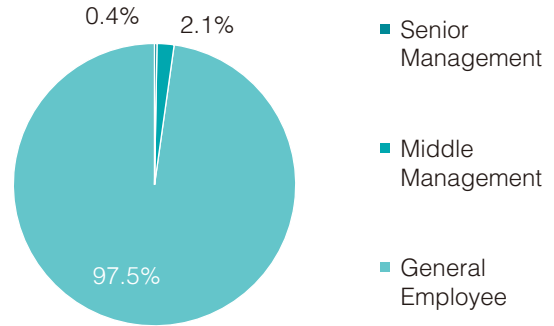
TALENT ATTRACTION

Every year, the Human Resources Department formulates recruitment plans based on the application forms submitted by each department and attracts and retains talents with favorable conditions. During the year under review, the Group's remuneration packages for technical positions through school recruitment increased as compared with the previous year. If the young employees joining the Group achieve excellent results in provincial and national skill competitions, their remuneration packages are generously improved. The Group also delegates certain management responsibilities to young employees and encourages them to manage new types of automated equipment, so that they can gain more experience, learn to undertake more work responsibilities and earn timely recognition. The Group strives to strengthen the capabilities of new employees working directly under their immediate superiors, and encourages managers to actively pay attention to the training and care for employees, especially new employees, through the incentive mechanism. In order to further improve the stability of employees, the Group actively increases promotion opportunities to retain talents.

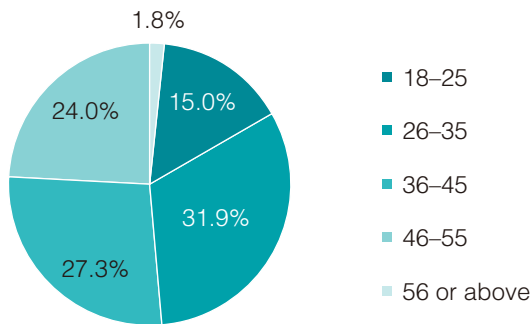
Percentage of employees by gender



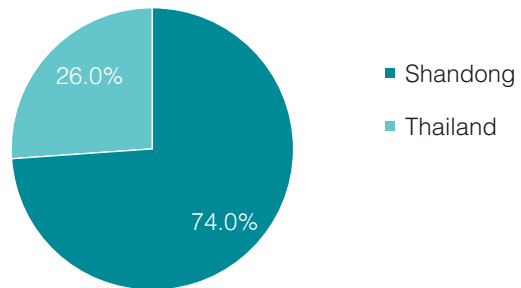
Percentage by employee type



Percentage by age group



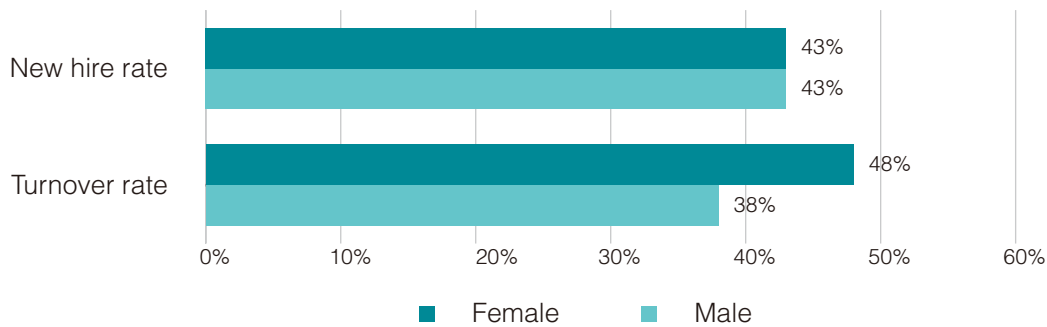
Percentage by geographical region



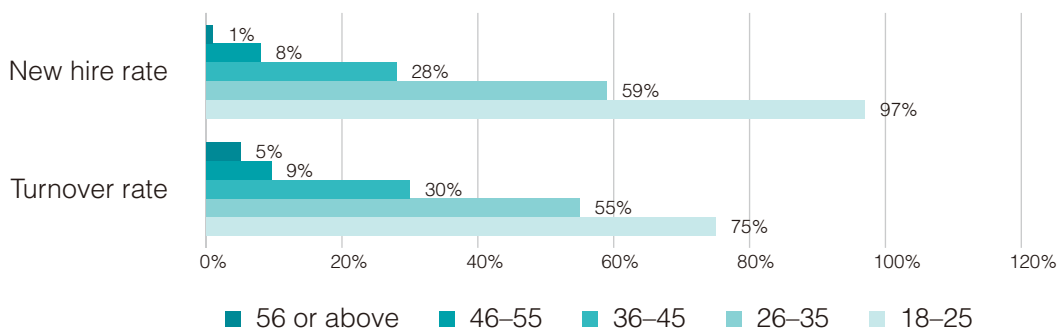
As of 31 December 2021, the Group had a total of 6,450 employees, including 4,773 (including 4 part-time employees) employees at Shandong Production Base and office areas and 1,677 employees in Thailand Production Base. During the year under review, the employee turnover rate was 39.6% and the new hire rate was 43%.

The Group takes any employee resigning seriously. It is stipulated that the employee turnover rate is related to the overall performance of each department and is directly linked to remuneration of department leaders. If the actual turnover rate of a department is higher than the indicator set at the beginning of the year, the results of the department and its management will be affected. For resigned employees, the Group conducts employee interviews to understand the reasons for resignation and reports to the management regularly.

Employee turnover rate and new hire rate by gender



Employee turnover rate and new hire rate by age



Prevention of Child and Forced Labor

The human resources department of the Group sets up identity card verification procedures during recruitment. New employees aged 18 or above are recruited, eliminating the employment of employees under 18. In order to reduce the risks caused by labor outsourcing, the Group regularly reviews the qualifications and labor management performance of the cooperative labor dispatch companies, communicates with labor contractors in a timely manner to solve the problems found, and revises labor contracts with contractors every year based on the annual evaluation results. In order to further protect the rights and interests of outsourced labor, the Group directly supervises the remuneration paid to outsourced labor to avoid problems such as unjustified deduction of wages and untimely payment. The Group signs a letter of undertaking with new employees when they join the Group and terminate the labor contract with them if they are under the age of 18 or provide false information.

TRAINING AND DEVELOPMENT

The Group attaches significant importance to employee training and development and encourages employees to improve their professional skills and knowledge through training in management to maintain competitiveness in the industry. We adhere to the strategy of “recruit the right people, use the right people and retain talents”, establishing a good internal employment environment and formulating employment standards scientifically. The Group has established three career development paths, namely management route, professional route and skill route, to provide employees with a multi-channel career development platform. In addition, in order to meet the continuous demand for outstanding talents for sustainable development of Prinx Chengshan and avoid over-reliance on external talents, the Group has realized diversification of talent training channels through the parallel mechanism of internal and external training programs. We actively provide a platform to employees that allows full play to their strengths, so as to achieve a perfect match between talents and positions. During the year under review, the Group provided a total of 8,276⁷ employees with a total of 327,722 hours of training, of which a total of 6,599 employees in Shandong Production Base and office area completed 314,025 hours of training, and a total of 1,677 employees in Thailand Production Base completed a total of 13,697 hours of training. The average training hours per employee⁸ was 50.81.

At the beginning of 2021, the Group used a variety of methods to consult employees at all levels about their training needs for the year, including questionnaire survey, performance analysis, interviews, on-site sampling and observation, group discussions, expert guidance, leadership instructions, employee applications, etc. According to the training needs collected, the Group has formulated a targeted training plan and implemented it accordingly to ensure the training effect. We evaluate each training in two aspects, namely theoretical knowledge and performance improvement, in order to understand the trainees' expectations and gains on training and improve the effectiveness of training on a case-by-case basis.

⁷ The data includes employees who have participated in training during the year but have resigned.

⁸ Average training hours = Total training hours during the year/Total number of employees at the end of the year.

Training System

The Group divides the training system into four levels, namely new employees, junior management, middle management and senior management of the Company. In 2021, the training objectives set by the Group were to provide an average of not less than 12 hours of training for each employee, covering four topics for middle and senior management and three topics for junior management. In order to promote the practical implementation of this goal, the project has been included as one of the annual KPIs of the Group's Training Institute.

Levels

Training Content

Senior management	Emotional intelligence, big data analysis
Middle management	Project management, emotional intelligence, big data analysis
Junior management	Three major themes, mainly focusing on improving the leadership and execution capability
New employees	Corporate culture, company introduction, rules and regulations, quality safety, production safety and job skills

The Group focuses on the “frontline market and production” to cultivate professional and technical talents, and continues to improve the professional capabilities of engineers in research and development, quality, process, procurement, equipment, marketing and other departments, focusing on training on marketing skills, product research and development technology, equipment professional knowledge, quality control, etc. The Group holds a weekly/bi-weekly engineer forum. Each forum selects a topic for discussion, so that employees can understand and improve their business capabilities.

During the Reporting Period, the production base in Thailand was in the first year of reaching the designed capacity of the Phase I project. In addition, the government has imposed restrictions on the number of personnel dispatched from the Chinese side under the COVID-19 pandemic. Therefore, the local training content is more focused on practicality, with the goal of supporting the normal operation of the production base and Phase II Project reaching the designed capacity as soon as possible. During the year, the Thailand production base successfully organized training on the preparation of teaching materials for the SOP of the production process. In the first half of 2022, the Group plans to enrich the training content with the theme of local talent cultivation in Thailand, which is based on the existing training resources and combined with external professional courses, aiming to comprehensively improve the skills and management level of employees. The Group will continue to fully identify the training needs of each position at all levels through a combination of questionnaire survey and dialogue with senior management and develop new training courses in accordance with the Group's development strategy.

Specialized Training

The Group provides special customer-oriented training, focusing on the importance of establishing a new “marketing-oriented” system, and emphasizes through different cases that enterprises must establish a “marketing-oriented” organizational structure. In the training center, employees are required to accelerate the response to customer needs through the establishment of a process mechanism by exploring ways to identify the needs of customers.



Training Highlights in 2021

During the year under review, the Group carried out special training on system process reengineering and optimization. In line with the Group’s two-level management and control organizational reform, we have transformed from a single production base management to a multi-production base group management as the difficulty and complexity of management has increased. The middle and senior management personnel learned through this training to change management mindset, reshape business operation models, reconstruct system processes with scientific management tools, learn and master the Group’s management and control processes and organisational optimisation tools.



Standardisation of training camp in Shandong Production Base

- Establish 12 training bases combining theories and practical exercises, meeting the needs of employees at different levels through multi-dimensional, ladder-based training;
- A total of 161 people were certified as technicians and below in the first phase. A total of 2,981 front-line employees completed an internal certification;
- Awarded the honorary title of “City-level Skills Competition” for 12 person-times.

OCCUPATIONAL SAFETY AND HEALTH

The Group puts employee safety first, strictly complies with relevant laws and regulations⁹, implements occupational health and safety measures, takes practical and effective steps to prevent and eliminate all kinds of accidents, and is committed to providing employees with a safe workplace. The Group’s production bases in Shandong and Thailand have obtained the ISO 45001:2018 Occupational Health and Safety Management System Certification.

In order to strengthen the construction of the occupational health and safety system, the Group has set up an occupational health and safety committee (the “**Committee**”). The chairman of the Committee is the person responsible for occupational health and safety. The committee is responsible for establishing a sound occupational safety and health responsibility system and various rules and regulations and operating procedures, conducting regular safety inspections and holding safety meetings, promoting the construction of a dual prevention system of potential hazards investigation and treatment and risk classification and control, and ensuring that the Group’s operations comply with occupational health and safety conditions stipulated by laws, regulations, national standards and industry standards.

⁹ For details of safety-related laws and regulations, please refer to the Laws and Regulations section of this report.

The Group has also set up an Occupational Health & Safety Department (“**EHS Department**”) responsible for providing employees with labor protection articles, supervising and teaching proper use methods. The EHS Department is responsible for formulating occupational safety and health rules and regulations, leading major inspections, organizing investigations on serious accidents or above, organizing relevant personnel to study the rules for the occurrence of various accidents, and taking effective measures to prevent accidents. During the year under review, the Group was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to occupational health and safety.

Hazard Identification

In accordance with the principle of “clear division of labor, upstream and downstream coordination, professional cooperation, and defense together”, the Group has documented responsibilities of departments, institutions and personnel at all levels, and strictly implements preventive and emergency measures according to the types and severity of safety risks. The person-in-charge of each department is required to identify and assess business risks, report to the EHS Department for further analysis and integration, confirm the list of major risk points, and then review major risks semi-annually, analyze the risk factors and determine the risk level, so as to adjust the corresponding safety measures and conduct publicity and training for employees.

After the assessment, a risk is divided into four management and control levels of “red, orange, yellow and blue” in the order of severity. Following the principle of greater risk management and control and higher level of management and control, the first-level and second-level risks are directly controlled by the Company while the third-level risks are controlled by departments, and the fourth-level risks are controlled by teams. The Group regularly conducts safety hazard investigation to reduce accidents. All departments are required to submit a report to the EHS Department immediately once a major accident occurs. After review and assessment, corresponding safety precautions are taken to prevent accidents.

Safety Objectives

The Group sets occupational health and safety targets to prevent all kinds of accidents and personal health and environmental damage. During the year under review, all occupational health and safety targets were met. The number of work-related fatalities in the past three years was zero, and the number of work-related injury days during the year was 1,796 days.

- | | |
|--|---|
| 1. 100% passing rate of EHS training for all employees | 6. Zero fatality, serious injury, fire accident and major property damage accident |
| 2. 100% passing rate of special operations personnel training and licensed for work | 7. Minor injury incidents do not exceed the DART ¹⁰ accident rate control index and decrease to 0.9 year by year |
| 3. 99.8% rectification rate of accident hazards | 8. Zero incidence of occupational diseases |
| 4. 99% of equipment and facilities in good condition | 9. Zero material non-compliance with EHS laws and standards |
| 5. 100% passing rate of external audit on environmental protection and occupational health | |

Safety Training

The Group's key person-in-charge, EHS Department personnel and special operations personnel are required to participate in training for relevant departments and obtain the corresponding qualifications before they can work. The Human Resources Center is responsible for training and education activities in the context of safety and environmental protection for new employees. Each department is responsible for safety education and training, including operational hazards and precautions, typical accident cases, safety facilities and personal protective equipment, use of first aid equipment and fire-fighting equipment, etc.

Every year, all employees must receive training on occupational safety and environmental protection and meet the corresponding requirements that vary with different ranks. In addition, all employees involved in special types of work are required to receive no less than 20 hours of targeted training every year after obtaining the job operation certificate. Personnel engaged in occupationally hazardous operations are required to undergo occupational health training every two years, which mainly covers the nature of hazardous factors, prevention methods and common knowledge of ways of self-rescue and mutual rescue.

¹⁰ DART (Days Away/Restricted or Transfer Rate) "Lost days/Restricted days or turnover rate" Description of the rate at which lost work, restricted work activities and/or job transfers are recorded for every 100 full-time employees of the company over a period of time.

Emergency Drills

During the year under review, the Group held the “Safety Production Month” activity. Fire accident emergency rescue drills were held to enhance employees’ ability to respond to major accidents and emergency response capabilities, and to strengthen coordination and cooperation in the emergency rescue team. In 2021, Shandong Production Base conducted 46 fire drills and the Thailand Production Base conducted 2 fire drills.



Fire drill in Shandong Production Base



Fire drill in Thailand Production Base

Occupational Disease Management

In order to reduce employees' exposure to occupational hazards, the Group regularly conducts occupational disease risk assessments. The EHS Department regularly provides employees with training on the proper use of protective equipment to ensure that each employee is equipped with adequate personal protective equipment. The production bases in Shandong and Thailand have placed reminders and warning signs in prominent places in the factory area to remind employees of ways of ensuring safety at the workplace. The Group provides health check-ups for employees who are likely to be affected by occupational diseases every year. If employees are diagnosed with occupational diseases, we arrange treatment and transfer.

If employees of the Group are suspected of having any occupational diseases, they can contact the local EHS Department directly for diagnosis and treatment. During the year under review, the Group took the initiative to monitor the hazards in the production workshop and transformed equipment with higher levels of hazards to create a healthy and safe working environment for employees.

For exhaust gas and noise in the production process, the Group also adopts the following different measures to protect the occupational health and safety of employees.

- Give priority to low-noise equipment when purchasing equipment
- Install mufflers and noise enclosures for existing equipment
- Install exhaust fans and air filters to improve air quality inside the factory
- Provide earplugs to employees exposed to noise hazards
- Set up warning signs and notice in the workplace

Pandemic Prevention

Responding to the ongoing COVID-19 pandemic, the Group cooperated with the Rongcheng Municipal Health Commission to organize a total of 6 vaccination sessions with a total of 10,819 doses in addition to daily disinfection of workplaces. More than 70% of the needle inoculation at the Shandong Production Base and office area was completed. The production base in Thailand strictly implemented the epidemic prevention plan, continuously improved the epidemic prevention policies according to the development of the epidemic, ensured sufficiency of epidemic prevention supplies, established the supervision mechanism of the chief and on-duty leaders, implemented preventive nucleic acid testing, and actively supported the local government in nucleic acid testing, vaccination, hospital treatment, etc. By the end of the year, a total of 3,126 doses of vaccine were received by employees from China and Thailand. The internal epidemic prevention and control was proper, and health of our workers was stable. Therefore, there was no significant impact on production.



Staff queuing up for vaccination

Operational Excellence

The Group has been deeply engaged in research, design, manufacturing and sales of tires for forty-five years. It adheres to the core strategy of “cost leadership, efficiency driven, differentiated competition, global operation” and the core values of “customer first, responsible, dedicated and professional, innovation and openness”, adopting a pragmatic, open and enterprising attitude to move towards operational excellence.

PRODUCT QUALITY AND SAFETY

The Group has been deeply engaged in research, design, manufacturing and sales of tires for 45 years. As a leading tire manufacturer in China, the Group always regards product quality and safety as the top priority and strives to improve customer satisfaction. We insist on driving development with technological innovation, improving efficiency with lean production, continuously improving research and development capabilities, carrying out product development and process improvement, improving the performance of existing products, and at the same time developing technologies for future products to add impetus to the sustainable development of the Group. During the year, Prinx Chengshan won a total of 21 honors such as the “8th Shandong Provincial Governor Quality Award” which was awarded to Chengshan Group. Fourteen projects were approved as provincial level or above. We participated in formulation and revision of 13 national/industry/group standards which led the formulation of 2 group standards for the first time. The Company has published 31 papers in national publications. As of the end of 2021, the Company has obtained a total of 250 patents, intellectual property of 273 items totally.



Quality Assurance

Working hour efficiency of All Steel Radial Tires/Semi-Steel Radial Tires products increased by 1.2% and 4.4% respectively, year-on-year.

The Group has implemented a comprehensive and strict quality control and production management system to ensure strict compliance with national and local laws and regulations, continuously promotes lean production and improves internal operational efficiency.¹¹ With the assistance of smart systems such as APS intelligent production scheduling and MES manufacturing execution system, Prinx Chengshan has realized real-time data collection and reasonable allocation of equipment, completed intelligent monitoring, traceability, data analysis and maintenance in the production process, strengthened automation and intelligence of the production process, and greatly improved production efficiency and product quality control capabilities.

¹¹ For details of quality-related laws and regulations, please refer to the Laws and Regulations section of this report.

During the year, the Shandong Production Base achieved better-than-expected economic benefits by implementing 151 cost improvement projects such as product lightweight, energy conservation and consumption reduction, and operation optimization. By continuously increasing the level of automation and improving the on-site management level, the Shandong Production Base successfully reduced manual labor and improved the overall production efficiency, laying a solid foundation for construction of the core competitive advantage of Prinx Chengshan.

The Thailand Production Base relies on accumulation of technical, process and management experience of the Shandong Production Base to implement safe production and consolidate on-site management, so as to achieve the targets of production and quality. The capacity utilization rate of All Steel Radial Tires (“TBR”)/Semi-Steel Radial Tires (“PCR”) reached 86.7%/94.8%, and the product quality was recognized by customers. Relevant products obtained EU ECE and R117 certificates. In addition, the production base in Thailand has obtained ISO9001 (quality system certification) and Thailand Green Factory Level 2 certification.



In May 2021, Prinx Chengshan launched the “Quality Culture Construction” activity, and formulated a quality improvement plan based on the two axis of management and technology, and all employees made a commitment to quality improvement of the Company in 2021. In June 2021, the 2021 International Quality Festival and Global Consumption Leadership Summit with the theme of “quality-driven growth” was held in Beijing. Prinx Chengshan won the “2021 Outstanding Quality Brand Award” and the “2021 Industry Quality Model Award” in the event selection.



2021 International Quality Festival & Global Consumer Leadership Summit



Prinx Chengshan received the “2021 Outstanding Quality Brand Award” and “2021 Industry Quality Model Award”

Quality certification

Certifications obtained

- IATF 16949 Quality Management System Certification
- China Compulsory Certification
- SASO Certification
- SIRIM Certification
- GSO Certification
- DOT Certification
- ECE certification
- LATU Certification
- BIS Certification
- SNI certification
- INMETRO Certification
- PHILIPPINE standard certification
- Production Compliance (COP) Certification (Thailand Production Base)

New certifications obtained during the year

- R117 Certification
- Nigeria Certification
- ECE certification (Thailand Production Base)
- R117 Certification (Thailand Production Base)
- Thailand Certification (Thailand Production Base)

In December 2021, China Automotive Data Co., Ltd., a subsidiary of China Automotive Technology and Research Center Co., Ltd., announced the “2021 Green Development Index (GDI) Ranking of Automobile and Component Enterprises”. With years of contribution to the development of green and sustainable transportation, Prinx Chengshan was awarded the highest rating (AAA) for auto parts enterprises and became the only tire enterprise in this rating, demonstrating the Group’s leading position in the industry as a new tire manufacturer and its role as a model leader in promoting sustainable transportation development.

In July 2021, the 2021 “Double Top 100” (Top 100 Global Automotive Parts Enterprises and Top 100 China Automotive Parts Enterprises) list was held in Beijing, and Prinx Chengshan was selected as one of the Top 100 China Automotive Parts Enterprises in 2021.



Factory interior view

Customer First

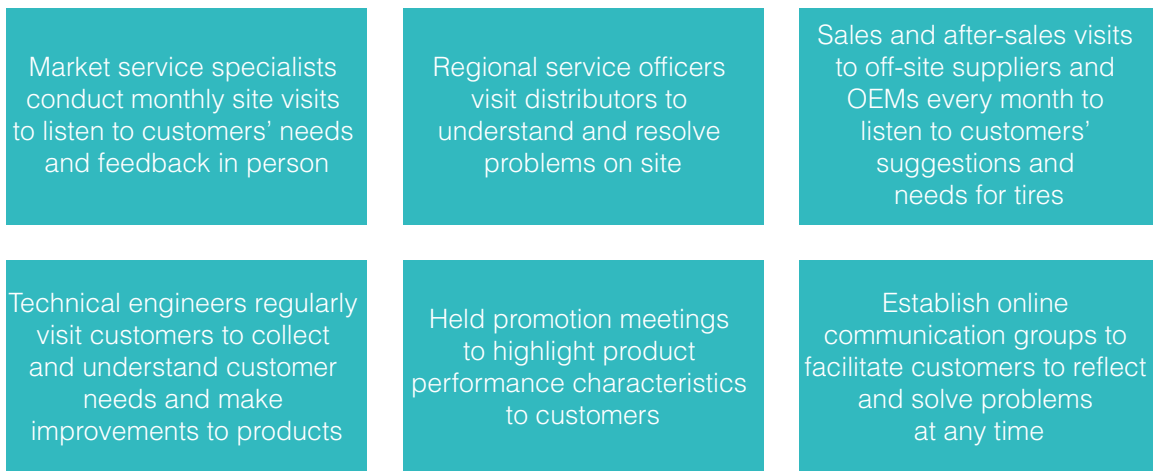
The focus of the Group is in line with its strategic objectives to continuously improve customer satisfaction. During the year, the Group updated the “400 Complaint Handling Process and Rules”, further formulated the customer feedback handling process and standards in detail, and clarified responsibilities of the Customer Service department, including the sales process and after-sales process, to improve the timeliness of customer complaint handling and after-sales service.

Customer Service Management Procedures

The Group has established a complete set of service management procedures to effectively control pre-sales, in-sales, after-sales services and customer satisfaction surveys. The service management process specifies in detail the responsible departments and responsibilities for each stage of the business process, including actively collecting and digesting customers’ opinions and suggestions on product quality and services for improvement and tracking and enhancement, and following up on the use of the improved products in the market to verify the quality of the products and services, while continuously pursuing higher quality products and services, and deepening customers’ trust in the Prinx Chengshan brand. During the year under review, the Group strictly complied with and fulfilled its product and service commitments. There was no non-compliance with laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided.

Customer communication

Prinx Chengshan attaches great importance to maintaining communication with customers and is committed to building online and offline multi-platform channels, including online service platform feedback and offline on-site communication, strengthening interaction with customers, and improving its products and services in a timely manner according to customers’ needs and feedback.

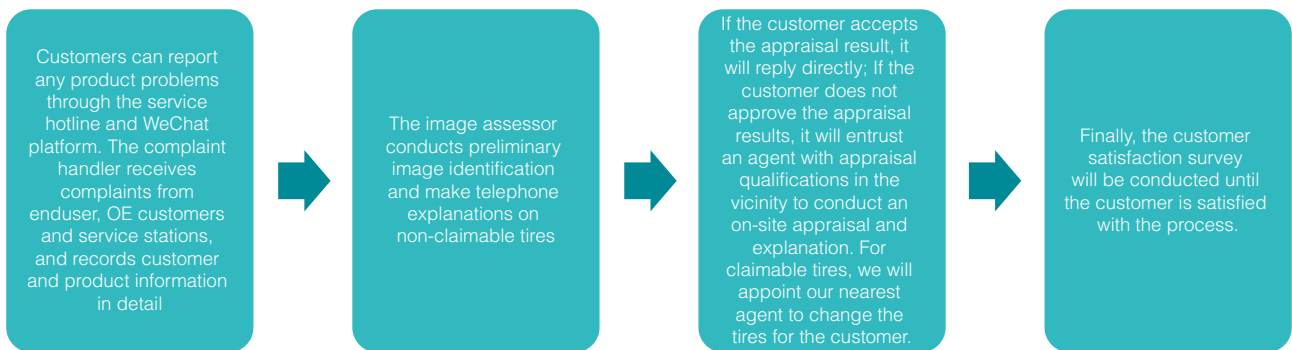


Major communication channels with customers

After-sales service guarantee

The Group has formulated the “Complaint Handling Management Regulations” and the “Unqualified Product Recall Procedures” which helps assign responsibilities to related work processes of each position in the complaint handling process, so as to maximize the protection of customers’ rights and interests and eliminate or reduce potential safety hazards and social impacts.

The Group’s Service and Support Center provides users with comprehensive after-sales services, and regularly dispatches service engineers to visit and communicate with customers to meet their service needs. In the event of product failure, we guarantee repair or replacement of products. Customers or distributors can contact us through our customer service hotline and WeChat if they have any enquiries or complaints.



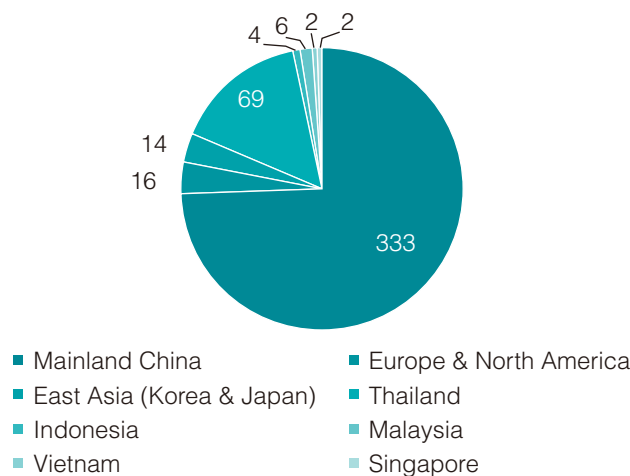
Grievance handling process

During the year under review, the Group received a total of 151 complaints. The customer service and relevant responsible departments have properly handled the above complaints and received the satisfaction survey results of the complainants’ replies. There was no recall of sold or delivered products due to safety and health reasons.

SUPPLIER MANAGEMENT

High-quality materials and equipment are necessary for the Group to provide high-quality tire products. Therefore, strict and transparent management of suppliers is an important part of operations management. Prinx Chengshan has formulated the “Regulations on the Management of Raw and Auxiliary Materials Suppliers”, “the Regulations on the Management of Equipment Suppliers” and the “Regulations on the Management of Non-productive Material Suppliers” to strictly regulate the selection and evaluation process of suppliers. During the year under review, the Group updated the procurement-related regulations, strengthened the legal review of environmental protection requirements on the basis of the existing ones, measured the content of prohibited substances in accordance with the latest ISO 28580 standard issued by the state, and replaced the original general materials with environmentally friendly recycled materials, such as leveling agents.

Geographical distribution of raw material suppliers



The Group’s suppliers are mainly raw material suppliers and equipment suppliers. Only suppliers who have passed the inspection at each stage can be included in the list of qualified suppliers. In 2021, the Group had a total of 1,167 major suppliers in Mainland China, Thailand and other regions, including 446 raw material suppliers and 721 equipment suppliers.

The Group reviews the ISO14001 certification of suppliers and conducts on-site inspections of environmental protection measures in their production process to ensure that they meet the requirements of ISO28580, and treat the three kinds of wastes in accordance with national requirements. In addition, the Group visits production bases of suppliers to review the basic information of the workers, including age and identity information, wages and social security contributions, to prevent the occurrence of child labor and forced labor. In addition to regular inspections, the Group implements a flight inspection system, and conducts production inspections on production bases from time to time and without notice, including extracting raw materials or products from suppliers’ production sites and carrying them back to the production bases for testing whether any non-environment-friendly substances are being used.

Shandong Production Base evaluates the performance of suppliers on a monthly, quarterly and annual basis, and publishes the rating results on the Company's website in 2021. A total of 241 qualified suppliers were approved and 22 suppliers were cancelled. At the same time, the Group actively explores communication channels with suppliers, and timely understands the opinions and feedback of suppliers through various means such as WeChat, telephone, on-site visits and supplier communication meetings.

Sustainable Supply Chain

In order to produce first-class green tires, the Group actively explores the value and opportunities of a sustainable supply chain. In 2021, our quality management center and procurement center, together with Shanghai Jiao Tong University, successfully launched the industry-university-research cooperation project "Pilot Research on the Sustainable Supply Chain Management of Prinx Chengshan", which aims to analyze the potential environmental and social responsibility risks of tire companies and their suppliers from a forward-looking perspective. It also explores the possible carbon emission reduction opportunities in cooperation with suppliers, and realize the efficient coordination of energy conservation, emission reduction, quality management and lean production. Under the guidance of experts from colleges and universities, the management of Prinx Chengshan has deeply learned relevant knowledge of a green sustainable supply chain and "carbon peak and carbon neutrality" through training. More than ten major suppliers were also invited to participate in professional training to actively exchange and share green supply chain initiatives.

Develop suppliers that meet environmental protection policies and standards and gradually eliminate raw materials and suppliers that do not meet environmental protection requirements

Promote and implement the Group's anti-corruption and anti-bribery policies to all suppliers, and regularly inspect the investigation of suppliers' integrity and anti-bribery

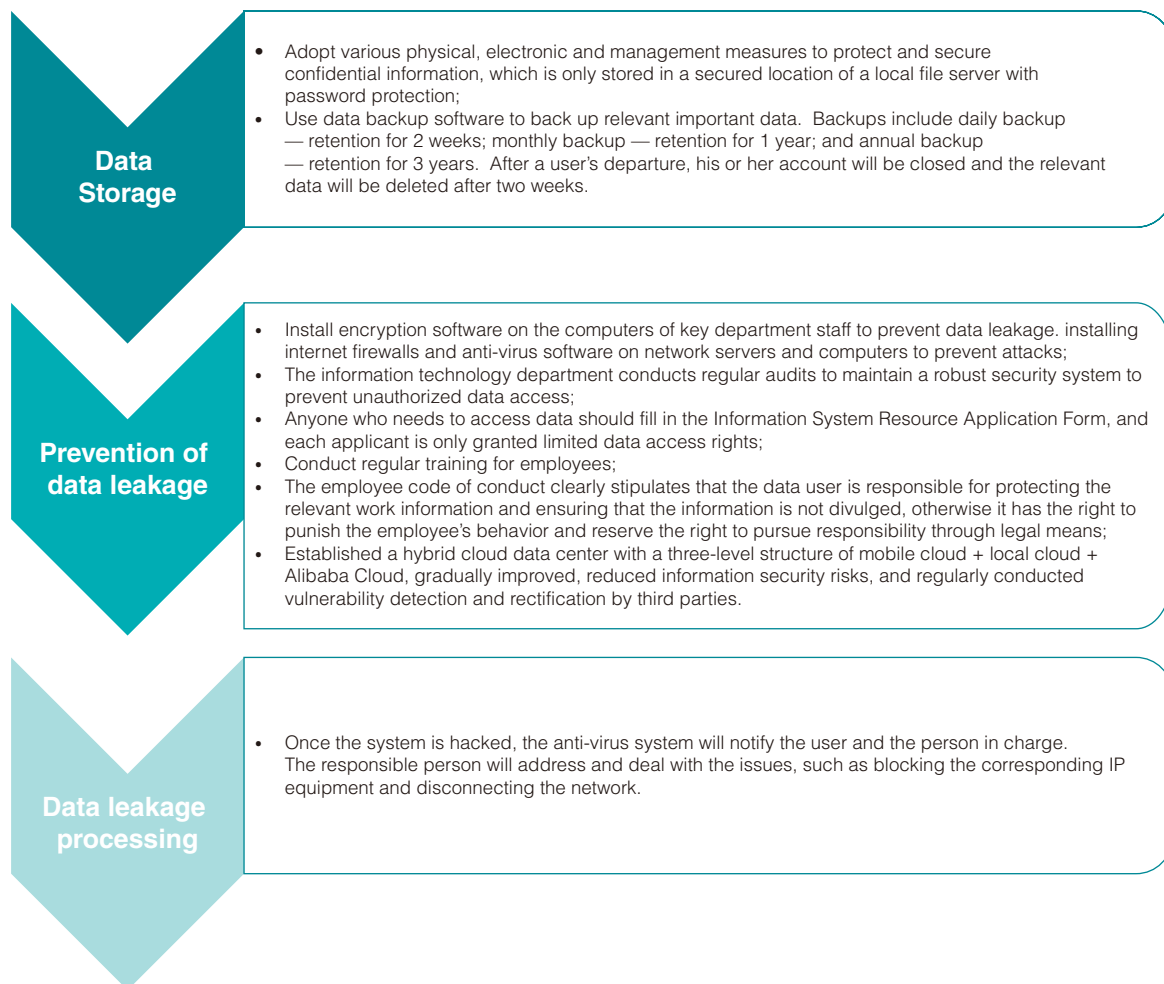
Establish industry-university-research projects and promote pilot research on sustainable supply chain management, advocate green supply chain actions, promote energy conservation and consumption reduction and green energy use by suppliers

Data Security and Privacy Protection

The Group attaches great importance to information privacy and data security and has formulated a series of internal information management policies such as the "Information Security Management System", the "Internet Access Management Regulations" and the "E-mail Management Regulations", to comprehensively control operational data and customer privacy, and ensure security and stability of network and data. The information technology department is responsible for selection, installation and training of software and hardware and safe storage, backup and recovery of information.

The Group regularly provides network security training to its IT technical personnel and general employees. Once employees apply for installation of IT software, they need to obtain prior approval from their supervisors and IT supervisors. In addition, in order to respond to major network failures and sudden disasters in a timely and effective manner, the Group has formulated the “Information-related Risk Emergency Plan” and the “IT Emergency Management Regulations” and conducts weekly cybersecurity inspections and annual cybersecurity drills. The drills include fire drills in the server room and disaster recovery drills, covering each application system to minimize the information security risks in operations. During the year, the Group did not experience any incidents of network security and data leakage. The internal information system was audited by a third-party institution and no major safety hazards were identified.

Prinx Chengshan incorporates protection of customer privacy into contracts to effectively protect the rights and interests of customers’ information assets. During the year, the Legal Department conducted training on privacy protection related policies for other departments, especially the “Personal Information Protection Law”, to ensure that the information processing related practices of each department are in compliance with laws and regulations. In 2021, the Group did not receive any complaints about customer privacy.



Data security strategy

Intellectual Property Rights Protection

During the year under review, the Legal and Internal Audit Department updated the “Intellectual Property Management System”, which has been implemented since 1 October 2021. The system comprises a new version of intellectual property management policy, improved application of intellectual property in research, design, manufacturing and quality control, and standardized management and protection of intellectual property. According to the requirements of the system, the Group should regularly evaluate the methods of protecting intellectual property rights in order to improve work performance. Currently, the Group has registered patents for its utility model technology, industrial design and invention. In order to protect the legitimate rights and interests of the Group, we comply with the trademark management policy and register trademarks in China and overseas. If any infringement is found, the relevant departments report to the Legal Department and the R&D management department in real time. During the year under review, the Group obtained a total of 273 intellectual property rights, including 15 patents, 117 utility models, 118 design patents and 23 software copyrights.

OPERATING WITH INTEGRITY

Business Ethics

Insisting on following anti-corruption practices is the key to the integrity and benign development of an enterprise. It is the duty of Prinx Chengshan to implement policies to ensure an honest, fair and just business operation. The Group adjusts the anti-corruption strategy according to the nature of different businesses. The supply chain focuses on anti-fraud in procurement and equipment acceptance, and the production and operation focuses on anti-fraud in the sales process. The Group regularly conducts internal control and implements an audit with dual system for monitoring areas that may lead to fraud and is committed to avoiding fraud risks from both the system and the business levels.

The Group strictly abides by the relevant laws and regulations of China and Thailand, such as the “Anti-Unfair Competition Law of the People’s Republic of China” and the “Thailand Anti-Corruption Act of 1975¹²”, and complies with the “United Nations Convention against Corruption”, strictly prohibiting any corruption, money laundering, extortion, fraud, bribery and bribery, unfair competition and market manipulation. The Group has formulated the “Anti-fraud Management Regulations”, and clarified personnel relations and eliminated corruption through the “Anti-fraud Related Relationship List”. The acts and disciplines of the Board, middle and senior management and other employees of the Group are governed by the Anti-Corruption Policy.

¹² For details of laws and regulations related to anti-corruption, please refer to the Laws and Regulations section of this report.

The Group's Board of Directors is responsible for overseeing and leading the anti-corruption governance, with the General Manager overseeing the implementation of relevant systems and policies at the management level and the Legal and Human Resources Department at the executive level. At the management level, the General Manager oversees the implementation of relevant systems and policies, while at the executive level, the Legal and Human Resources Departments implement them thoroughly and report the anti-corruption governance situation to the Board of Directors annually as an internal control report.

THE BOARD	MANAGEMENT	DEPARTMENTS
Responsible for monitoring the Company's anti-fraud matters	Responsible for the specific implementation of business ethics and anti-fraud policies and systems	Responsible for the implementation of anti-fraud policies of the department

Regulatory framework for business ethics and anti-corruption matters

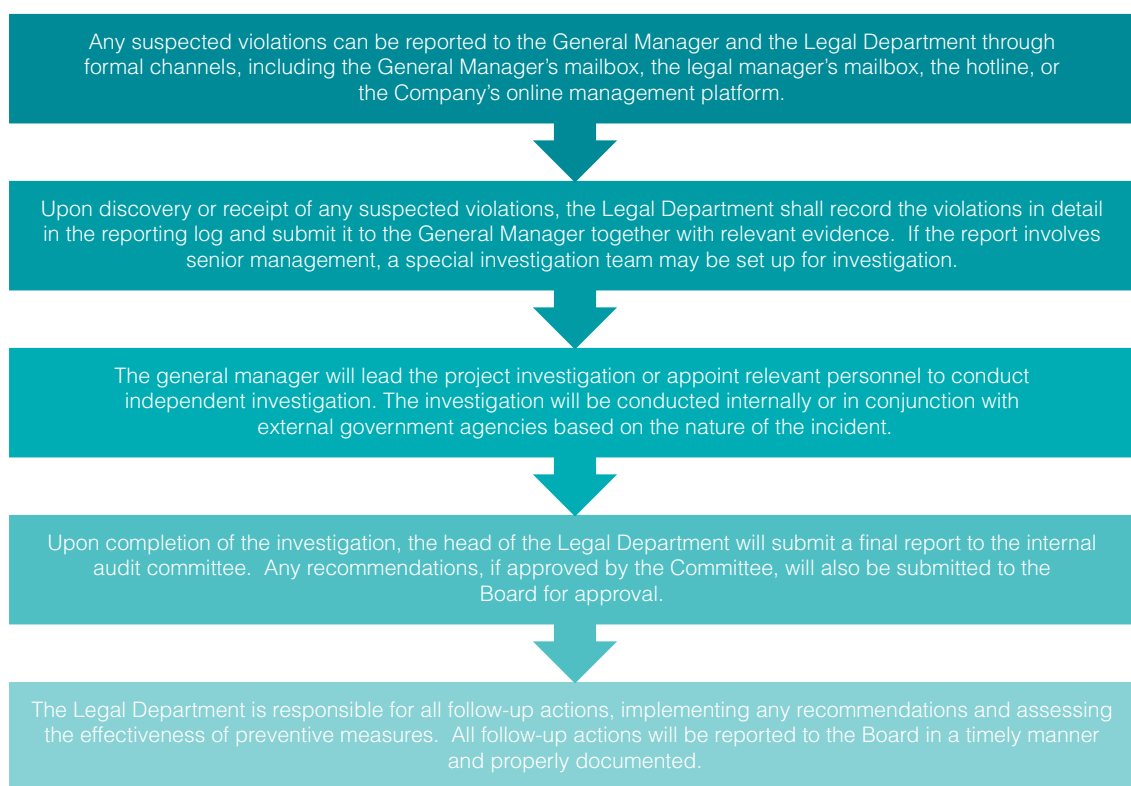
Risk Control

By effectively implementing the "Anti-fraud Ledger" policy, the Group regularly conducts risk assessment and special audits on anti-fraud and anti-corruption to reduce the risk of fraud in procurement and sales, standardize business behavior, safeguard legal rights and interests, and ensure long-term sustainable, stable and healthy development. The special anti-fraud audit takes place every 2–3 years as an audit cycle to discover and fill loopholes in time, and prevent corruption.

All members of the Group are jointly responsible for anti-corruption. In the agreement between Prinx Chengshan and its suppliers, customers and other related parties, anti-fraud clauses and laws and regulations are clearly defined to ensure that the related parties comply with business ethics and integrity policies. Any employee who violates the corruption, fraud and other malpractices listed in the management policy on anti-corruption and employee discipline may be dismissed. The Group regularly rewards and punishes all employees and publicizes them in accordance with the "Regulations on the Management of Daily Behavior of Employees". Among them, corruption, bribery, misappropriation or embezzlement of the Company's property or request for goods and tips of no more than RMB200 from suppliers shall be accounted for as a minor demerit, and a major demerit if the situation is serious.

Whistle-Blowing Measures

The Group has clearly stipulated the reporting channels and policies to be used by whistle-blowers in the “Employee Behavior Management Regulations” and has set up a variety of public reporting methods, including telephone hotline, DingTalk reporting, and email reporting. In principle, real-name reporting is required. According to the “Anti-fraud Management Regulations”, the Group protects all employees who lawfully report corruption or participate in investigations of reported matters and prohibits any retaliation or discrimination against such employees. Any such acts, once discovered, are punished, including but not limited to termination of employment contract. In order to maintain high ethical conduct and maintain a fair and just working atmosphere, the Group encourages whistleblowing. The following is the established whistleblowing procedure:



Anti-corruption Training

During the year under review, the Group organized anti-corruption training for the Board, management and all employees. In October 2021, Legal Department of the Group organized anti-corruption and anti-fraud training on the online platform. A total of 2,585 employees have attended the training. In December 2021, the Chief Integrity Education Officer of the Hong Kong Independent Commission Against Corruption was invited to provide anti-corruption training for the Board of Directors of the Group, supplemented by targeted training materials, to enhance the awareness and sense of responsibility of all employees of Prinx Chengshan in anti-corruption.

During the year under review, the Group was not involved in any litigation cases of non-compliance with laws and regulations relating to anti-corruption, bribery, extortion, fraud and money laundering.

Community Involvement

The Group shoulders its corporate social responsibility, focusing on protecting the community environment, promoting residents' health and building a harmonious community. The Group also provides attractive job opportunities to support local employment, promoting local economic development and social stability.

PUBLIC WELFARE ACTIVITIES

The Group always keeps in mind its corporate social responsibility and mission and actively participates in public welfare initiatives and activities. During the Reporting Period, staff of Chengshan Group Co., Ltd. (the “**Chengshan Group**”) and Prinx Chengshan Holdings Limited donated RMB700,000 to the Rongcheng Charity Federation, including a donation of RMB500,000, a charity fund of RMB100,000 and a charity fund of RMB100,000. When carrying out volunteer activities, the Group fully considers the scheduling of employees. Each department has a trade union commissioner responsible for coordinating and organizing the manpower and material resources to participate in public welfare activities. The production base in Thailand took the initiative to contact the local government and the China Chamber of Commerce to obtain information and actively participate in public welfare activities. During the year under review, the Group carried out a total of 13 public welfare activities with 473 participants.



Beach Cleaning

Based on the seasonal and geographical characteristics, the Group focuses on carrying out public welfare activities according to local conditions and in a timely manner. In Shandong, China, the Administrative department of the Group arranges vehicles and manpower from time to time to assist the local sanitation department to carry out public welfare cleaning activities and maintain the city’s hygiene and image. Every summer, we organize employees to clean up the beach. In the third quarter, we organized a total of seven volunteer visits to clean up the beach at the Baihe Bay. In winter, in order to clear the road in the area, we carried out snow cleaning under the guidance of “snow removal is an order, and fulfilling the order is our mission”, to ensure that the snow removal from the area is completed within 24 hours after the snow is stopped. Nearly 2,000 people participated in a single cleaning event.



Snow Removal

In addition, the Group participated in a series of public welfare activities through the Chengshan Group, including community caring restaurants and one-day charity donation, and funded the families of employees in difficulties and poor students, regularly visited employees in difficulties and retired employees' families, and carried out one-on-one poverty alleviation in villages. During the year under review, the Shandong Production Base took the lead in transforming the vacant land next to the plant into a basketball court, and held a painting exhibition to enrich the leisure life of employees and their families. During the COVID-19 pandemic, Prinx Chengshan donated medical supplies such as masks and protective clothing to local hospitals. During the heavy rain disaster in Zhengzhou during the year, the Group cooperated with provincial agents to provide free tire repair services for affected vehicles.



Donation of masks

At the production base in Thailand, the Group adheres to the concept of “China and Thailand as a family” and actively conducts cultural exchanges with local communities to narrow the distance between the Company and Thai residents to enhance the understanding of Prinx Chengshan to local authorities and the public. We provide assistance to local communities within our capacity, and organize various fundraising activities. During the Children's Day in Thailand at the beginning of the year, the Group donated school supplies to local primary schools. In April 2021, we undertook the Sino-Thai Rubber Association's Material Donation Campaign in Pattaya and donated 1,000 bags of rice and 2,000 bags of instant noodles. In June 2021, we donated 36,000 anti-epidemic masks to support villagers to fight against the epidemic. In September 2021, we donated emergency supplies to the Ministry of Health of Thailand, hoping that the pandemic in Thailand will end as soon as possible and people's lives will return to normal.

During the severe period of the COVID-19 pandemic in Thailand, Prinx Chengshan donated masks to local villages and households, during which it also learned about the local residents' feedback on the Group. After that, through communicating with the village chief and participating in the villagers' meeting, we listened to the voices of villagers on site to understand their comments and suggestions on the activities of the Thailand Production Base. The village head, on behalf of all the residents of Tajam Village, expressed their gratitude to Prinx Chengshan for donation of masks. The charity donation activities not only demonstrated the care and sincerity of Prinx Chengshan to the Thai public during the pandemic, but also demonstrated the responsibility and spirit of the Chinese enterprises in Thailand to repay the local society.



Donation of anti-pandemic supplies

LAWS AND REGULATIONS

Topics	Applicable laws and regulations
Environmental	<ul style="list-style-type: none"> • Environmental Protection Law of the People's Republic of China • Law of the People's Republic of China on Appraising of Environment Impacts • Regulation on the Implementation of the Environmental Protection Tax Law of the People's Republic of China • Law of the People's Republic of China on Promoting Clean Production • The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution • The Water Pollution Prevention and Control Law of the People's Republic of China • The Regulation on Urban Drainage and Sewage Treatment • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste • The Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution • Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste • Integrated Emission Standard of Air Pollutants • Requirements for Prohibited Substances on Automobiles (GB/T30512-2014) • Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) • Thailand Enhancement and Conservation of National Environmental Quality Act • Thailand Factory Act • Industrial Estate Authority of Thailand Act • Thailand Hazardous Substance Act Emission Standards for Odor Pollutants (GB 14554-1993) • Emission Standard of Pollutants for Rubber Products Industry (GB27632-2011) • Regional and Integrated Emission Standard of Air Pollutants in Shandong Province (DB37/2376-2020) • Shandong Emission Standard of Cooking Fume (DB37/597-2006) • Management System for Energy Requirements of China (GB/T23331-2012) • General principle for equipping and managing of the measuring instrument of energy in organization of energy using (GB 17167-2006) • Economic Commission of Europe Regulation No.177 (ECE R117) • Technical specification for application and issuance of pollutant permit Rubber and plastic products industry • Administrative measures for automatic monitoring of fixed pollution sources in Shandong Province • Standard for performance analysis and hierarchical management of key industries with heavy pollution weather in Shandong Province (for Trial Implementation) • Directory of National Hazardous Wastes (2021 version) of China • Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects (2021 version) of China

Topics

Applicable laws and regulations

Employment	<ul style="list-style-type: none">• The Labor Law of the People's Republic of China• Labor Contract Law of the People's Republic of China• Provisions on Prohibition of Child Labor• Law of the People's Republic of China on the Protection of Minors• Regulations for the Implementation of the Labor Contract Law of the People's Republic of China• Regulations on Labor Security Supervision• Announcement of the State Council on the Regulations of Paid Annual Leave of Employees• Regulations on Medical Treatment Period of Enterprise Employees Suffering from Illness or Non-Work-Related Injury• Labor Dispute Mediation and Arbitration Law of the People's Republic of China• Social Insurance Law of the People's Republic of China• Regulation on Work-Related Injury Insurance• Provisions on the Working Hours of Employees• Special Provisions for the Work Protection of Female Employees• Payment of Wages Tentative Provisions• Law of the People's Republic of China on the Protection of Disabled Persons• The Trade Union Law of the People's Republic of China• Thai Labor Protection Act• Regulations on Reward and Punishment Management of Employee Behavior
Safety	<ul style="list-style-type: none">• Law of the People's Republic of China on Work Safety• Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases• The Food Safety Law of the People's Republic of China• The Regulation on the Implementation of the Food Safety Law of the People's Republic of China• Measures for the Supervision and Administration of Food Safety in Catering Services of the People's Republic of China• Occupational Exposure Limits for Hazardous Agents in the Workplace — Chemical Hazardous Agents (GBZ2.1 2007) and Physical Agents(GBZ2.2-2007)• The Fire Prevention Law of the People's Republic of China• Regulations of the People's Republic of China on the Prevention and Control of Pneumoconiosis• Measures for the Administration of Occupational Health Examination• Measures for the Declaration of Projects with Occupational Hazards• Measures for the Supervision and Administration of Employers' Occupational Health Surveillance• Provisions on the Supervision and Administration of Occupational Health at Work Sites (State Administration of Work Safety No.47 [2012]) Article 11

Topics	Applicable laws and regulations
Product Responsibility	<ul style="list-style-type: none">• The Tort Law of the People's Republic of China• The Implementation of the Patent Law of the People's Republic of China• Decision of the State Council of the PRC on Further Strengthening the Work of Intellectual Property Protection• The Cybersecurity Law of the People's Republic of China• General Data Protection Regulation (GDPR)• Intellectual Property Law in China• The Advertising Law of the People's Republic of China
Anti-corruption	<ul style="list-style-type: none">• Criminal Law of the People's Republic of China• Anti-unfair Competition Law of the People's Republic of China• the Prevention of Bribery Ordinance of Hong Kong• The Anti-Monopoly Law of the People's Republic of China• The Anti-Money Laundering Law of the People's Republic of China• the Thai Anti-corruption Law in 1975• Royal Decree on Declaration of Assets and Liabilities by State Officials (of Thailand)

PERFORMANCE DATA SUMMARY

Environmental Management

	2021	2020
Resource Consumption		
Electricity (MWh)	401,938.61	401,918.38
Diesel (litres)	915,320.98	35,940.00
Gasoline (litres)	283,908.24	49,013.91
LNG (tonnes)	144.32	830.16
Steam (tonnes)	539,518.00	475,442.00
Water resources (tonnes/m ³)	937,420.00	730,466.00
Total energy consumption (MWh)	820,618.12	529,991.99
Emission		
Greenhouse Gas Emissions		
Total GHG Emissions (tCO ₂ e)	499,839.73	376,427.03
Scope 1: Direct emissions (tCO ₂ e)	4,083.40	4,394.35
Scope 2: Indirect emissions (tCO ₂ e)	495,231.63	371,507.90
Scope 3: Indirect emissions (tCO ₂ e)	524.70	524.78
Exhaust Gas ¹³		
Sulphur oxides (kg)	19.05	2.13
Nitrogen oxides (kg)	75.27	230.77
Respiratory suspended particles (kg)	3.17	4.66
Waste water		
Wastewater discharge (tonnes)	453,025.00	427,888.00
Waste		
Hazardous waste (tonnes)	600.72	358.47
Non-hazardous waste (tonnes)	14,887.01	11,820.00
Packaging materials		753.3 (Total)
— Packaging paper (kg)	651,919.17	—
— Plastic tape (kg)	10,195.19	—
— Wire harnesses (kg)	37,693.00	—

¹³ The calculation method and emission factors of air pollutant emission concentration were adjusted as compared with 2020, and the emission data in 2020 was updated. The calculation method and emission factors of air pollutant emissions refer to "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Employee Management

	2021	2020
Workforce Distribution		
Total number of full-time employees	6,450	6,124
Geographical distribution		
Shandong	4,773	4,799
Thailand	1,677	1,325
Age Distribution		
≤25	970	732
26–35	2,056	1,844
36–45	1,759	1,797
46–55	1,548	1,609
≥56	117	142
Gender Distribution		
Male	5,126	4,941
Female	1,324	1,183
Position Level Distribution		
Senior Management	26	36
Middle Management	133	114
General Employee	6,291	5,974
Total number of employee turnover	2,556	2,204
Employee turnover rate ¹⁴	40%	36%
Geographical distribution		
Shandong	34%	26%
Thailand	55%	97%
Age Distribution		
≤25	75%	73%
26–35	55%	60%
36–45	30%	26%
46–55	10%	5%
≥56	5%	1%
Gender Distribution		
Male	38%	38%
Female	48%	28%
Position Level Distribution		
Senior Management	4%	0%
Middle Management	8%	4%
General Employee	41%	37%

¹⁴ Turnover rate of each category = number of resigned employees of the category during the year/total number of employees of the category as of the end of the year.

	2021	2020
Employee training¹⁵		
Total training hours of employees	327,722	350,147
Average hours of training per employee	50.8	57.2
By gender		
Male	53.33	59.08
Female	41.06	49.23
By position level		
Senior Management	61.60	49.17
Middle Management	108.60	55.07
General employee	49.54	57.26
Percentage of employees trained		
By gender		
Male	132%	129%
Female	115%	117%
By position level		
Senior Management	131%	106%
Middle Management	250%	120%
General employee	126%	127%
Health and Safety		
Occupational Safety and Health Performance		
Number of work-related injuries	25	—
Lost days due to work-related injury	1,796	—
Number of work-related fatalities	0	0

¹⁵ Employee training data include professional knowledge and skills training, occupational safety and health training and anti-corruption training.

GRI AND HKEX ESG CONTENT INDEX

The content index of this report includes the key performance indicators of the GRI Standards and the HKEX ESG Reporting Guide.

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
General Disclosure				
Organizational Profile	102-1	Name of organization		Sustainability Management
	102-2	Activities, brands, products and services		
	102-3	Location of headquarters		
	102-4	Location of operations		Sustainability Management
	102-5	Ownership and legal form		
	102-6	Markets served		Employee Care and Development <i>Talent Attraction</i>
	102-7	Scale of the organization		
	102-8	Information on employees and other workers	KPI B1.1	
	102-9	Supply Chain	KPI B5.1	
	102-10	Significant changes to the organization and its supply chain		
	102-11	Precautionary principle or approach		
	102-12	External initiatives		
	Strategy	102-13	Membership of associations	
102-14		Statement from senior decision-maker		
Ethics and Integrity	102-16	Values, principles, standards and norms of behavior		Sustainability Management
Governance	102-18	Governance Structure		Sustainability Management
Stakeholder Engagement	102-40	List of stakeholder groups		Sustainability Management <i>Stakeholder Engagement</i>
	102-41	Collective bargaining agreements		Not applicable in the place of operation. Compliant with relevant laws and regulations
	102-42	Identification and selection of stakeholders		Sustainability Management
	102-43	Approach to stakeholder engagement		<i>Stakeholder Engagement</i>
	102-44	Key topics and concerns raised		

Environmental, Social and Governance Report 2021

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
Reporting Practice	102-45	Entities included in the consolidated financial statements		Sustainability Management ABOUT THIS REPORT
	102-46	Defining report content and topic boundaries		
	102-47	List of Material Issues		Sustainability Management <i>Stakeholder Engagement</i> During the Reporting Period, due to the change in fuel consumption and types of forklifts of the Group, the emission of NOx and SOx decreased significantly as compared with last year
	102-48	Restatements of information		
	102-49	Changes in reporting		
	102-50	Reporting Period		ABOUT THIS REPORT ABOUT THIS REPORT
	102-51	Date of most recent report		
	102-52	REPORTING CYCLE		ABOUT THIS REPORT
	102-53	Contact point for questions regarding the report		
	102-54	Claims of reporting in accordance with the GRI Standards		
	102-55	GRI Content Index		APPENDIX <i>GRI and HKEX ESG Content Index</i>
102-56	External Assurance		No external assurance has been sought for this report	

Environmental, Social and Governance Report 2021

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
Material Topics				
Air Emissions Management	103	Report how the organization manages the material topic and its impact	A1 General Disclosure	Environmental Management <i>Waste management</i>
	305-7	Nitrogen oxides, sulphur oxides and other significant air emissions	KPI A1.1	Performance Data Summary
Energy Management	103	Report how the organization manages the material topic and its impact	A2 General Disclosure A3 General Disclosure	Environmental Management <i>Energy Consumption, Energy Conservation and Emission Reduction</i>
	302-1	Energy consumption within the organization	KPI A3.1 KPI A2.1	Environmental Management <i>Energy Consumption</i>
	302-4	Reduction of energy consumption	KPI A2.3	Environmental impact management <i>Energy Consumption</i>
Occupational Health and Safety	103	Report how the organization manages the material topic and its impact	B2 General Disclosure KPI B2.3	Employee Care and Development <i>Occupational Safety and Health</i>
	403-1	Occupational health and safety management system		Employee Care and Development <i>Occupational Safety and Health</i>
	403-2	Hazard identification, risk assessment and incident investigation		Employee Care and Development <i>Occupational Safety and Health</i>
	403-3	Occupational health services		Employee Care and Development <i>Occupational disease management</i>
	403-4	Occupational health and safety affairs: Worker participation, consultation and communication	B2 General Disclosure KPI B2.3	Employee Care and Development <i>Occupational Safety and Health</i>
	403-5	Occupational health and safety training for workers		Employee Care and Development <i>Safety Training</i>

Environmental, Social and Governance Report 2021

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
	403-6	Promoting Employees' Health		Employee Care and Development <i>Occupational Safety and Health</i>
	403-7	Prevention and mitigation of occupational safety impacts directly related to business relationships		Employee Care and Development <i>Occupational Safety and Health</i>
	403-9	Work injury	KPI B2.1 KPI B2.2	APPENDIX <i>Performance Data Summary</i>
Product Quality Control and Complaint Handling	103	Report how the organization manages the material topic and its impact	B6 General Disclosure KPI B6.2 KPI B6.4	Operational Excellence
	417-1	Requirements for product and service information and labeling		Operational Excellence <i>Product quality and safety</i>
Customer Satisfaction	103	Report how the organization manages the material topic and its impact	B6 General Disclosure KPI B6.2	Operational Excellence <i>Customer First</i>
Anti-corruption	103	Report how the organization manages the material topic and its impact	B7 General Disclosure KPI B7.2	Operational Excellence <i>Honest Operation</i>
	205-2	Communication and training of anti-corruption policies and procedures	KPI B7.3	Operational Excellence <i>Honest Operation</i>
	205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Operational Excellence <i>Operating with Integrity</i>
Innovation and Advanced Technology	103	Report how the organization manages the material topic and its impact	KPI B6.3	Environmental Management <i>Green Tire</i> Operational Excellence <i>Intellectual Property Protection</i>

Environmental, Social and Governance Report 2021

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
Relevant Topics				
Environmental Compliance	103	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	A1 General Disclosure	Environmental Management
	307-1	Non-compliance with environmental laws and regulations	A1 General Disclosure	Environmental Management
Waste Management	306-3	Waste generation	KPI A1.3	Environmental Management <i>Waste management</i>
		Environmental Management Waste management	KPI A1.4	
	306-4	Disposal and transfer of waste	KPI A1.6 KPI A3.1	Environmental Management <i>Waste management</i>
Water Management	303-1	Interactions between the organisation and water as a shared resource	KPI A2.4 KPI A3.1	Environmental Management <i>Water consumption</i>
	303-5	Water Consumption	KPI A2.2	Environmental Management <i>Water consumption</i>
Greenhouse Gas Emissions Management	305-1	Direct (Scope 1) GHG emissions	KPI A1.1 KPI A1.2	APPENDIX <i>Performance Data Summary</i>
	305-2	Indirect (Scope 2) GHG emissions	KPI A1.1 KPI A1.2	APPENDIX <i>Performance Data Summary</i>
	305-4	GHG emission intensity	KPI A1.2	APPENDIX <i>Performance Data Summary</i>
	305-5	Reduction of greenhouse gas emissions	KPI A1.5	Environmental Management <i>Energy Conservation and Emissions Reduction</i>
Packaging Materials Consumption	301-1	Materials used by weight or volume	KPI A2.5	APPENDIX <i>Performance Data Summary</i>
Climate Change	201-2	Financial implications and other risks and opportunities due to climate change	KPI A4 General Disclosure KPI A4.1	Environmental Management <i>Responding to Climate Change</i>

Environmental, Social and Governance Report 2021

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
Talent Management	103	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	B1 General Disclosure KPI B1.1	Employee Care and Development <i>Labor Management</i>
	405-1	Diversity of governance bodies and employees	KPI B1.1	Employee Care and Development <i>Labor Management</i>
	401-1	New employee hires and employee turnover rate	KPI B1.2	Employee Care and Development <i>Labor Management</i>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	B1 General Disclosure	Employee Care and Development <i>Remuneration and benefits</i>
Training and Development	103	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3 General Disclosure	Employee Care and Development <i>Training and Development</i>
	404-1	Average hours of training per year per employee	KPI B3.1 KPI B3.2	APPENDIX <i>Performance Data Summary</i>
	404-2	Programs for upgrading employee skills and transition assistance programs	B3 General Disclosure	Employee Care and Development <i>Training and Development</i>
Labor Standards	103	Relating to preventing child and forced labor: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	B4 General Disclosure	Employee Care and Development <i>Talent Attraction</i>
	408-1	Operations and suppliers at significant risk for incidents of child labor	KPI B4.1	Employee Care and Development <i>Talent Attraction</i>
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	KPI B4.2	Employee Care and Development <i>Talent Attraction</i>

Environmental, Social and Governance Report 2021

Topics	Indicators	Description	Environmental, Social and Governance Guide	Section
Supply Chain Management	308-1	New suppliers that were screened using environmental criteria	B5 General Disclosure KPI B5.2 KPI B5.4	Operational Excellence <i>Supplier Management</i>
	414-1	New suppliers that were screened using social criteria	KPI B5.3 KPI B5.1	Operational Excellence <i>Supplier Management</i>
Product Responsibility	103	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	B6 General Disclosure KPI B6.3	Operational Excellence
	416-2	Assessment of health and safety impacts involving product and service categories	KPI B6.1 KPI B6.4	Operational Excellence <i>Customer First</i>
	417-2	Incidents of non-compliance concerning product and service information and labeling	B6 General Disclosure KPI B6.2	Operational Excellence <i>Customer First</i>
	417-3	Incidents of non-compliance concerning marketing		
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	Operational Excellence <i>Data Security and Privacy Protection</i>
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	KPI B8.1 KPI B8.2	Operational Excellence <i>Public welfare activities</i>