

# 2021 Environmental, Social and Governance (ESG) Report



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Pujiang International Group Limited

Environmental, Social and Governance (ESG) Report

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# **About this Report**

This report is the third annual Environmental, Social and Governance (ESG) report officially released by Pujiang International Group Limited. This report presents the practices and performance of Pujiang International Group Limited in the areas of environmental, social responsibility and corporate governance in its operations, with the aim of effectively communicating with stakeholders and systematically responding to their expectations and aspirations.

#### **Reporting Period**

This is an annual report.

#### Time Frame

1 January 2021 to 31 December 2021, with some slight extensions to prior and subsequent years to enhance comparability and forward-looking reporting.

#### **Reporting Scope**

The subject of this report is Pujiang International Group Limited and its principal subsidiaries, including Shanghai Pujiang Cable Co., Ltd, Ossen (Jiujiang) Innovation Materials Co., Ltd, Ossen Innovation Materials Co., Ltd and Shanghai International Superconductor Technology Co., Ltd. The Company acquired a 40% equity interest in Shanghai International Superconductor Technology Co., Ltd (International Superconductor) in July 2020. The ESG cases of Shanghai International Superconductor Technology Co., Ltd are also included in the Report to fully reflect the effectiveness of PJI Group's performance.

Any other scope that differs from this is explained in the Report.

#### **Basis of the Report**

- United Nations 2030 Sustainable Development Goals (SDGs)
- Global Sustainability Standards Board (GSSB) GRI Sustainability Reporting Standards (GRI Standards)
- Environmental, Social and Governance (ESG) Reporting Guide, Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
- Financial Stability Board (FSB) Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

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#### Explanation of References

For ease of expression and comprehension, the designations in the Report refer to the following.

PJI Group, We, Company	mean	Pujiang International Group Limited
Pujiang Cable	means	Shanghai Pujiang Cable Co., Ltd
Ossen Innovation Materials	means	Ossen Innovation Materials Co., Ltd
Ossen Jiujiang	means	Ossen (Jiujiang) Innovation Materials Co., Ltd
International Superconductor	means	Shanghai International Superconductor Technology Co., Ltd

#### Data Description

The data sources used in this report include public data from government departments, relevant internal statistical reports, administrative documents and reports, third-party evaluation interviews and third-party research reports. Some of the contents and data have been backdated to previous years where appropriate. The currency types and amounts mentioned in this report are measured in Chinese Renminbi (RMB) unless otherwise stated.

#### **Report Reliability Assurance**

All the contents and data disclosed in the Report have been considered and approved by the Board of Directors on MAY 24, 2022. The Company guarantees the truthfulness, accuracy and completeness of the contents of this report and does not contain any false records, misleading statements or material omissions. The Company is responsible for the truthfulness, accuracy and completeness of its contents.

#### Access to this Report

The Report is published in both printed and electronic form, and the electronic version is available on the Company's website (*www.pji-group.com*) and the website of the Hong Kong Stock Exchange (*https://www.hkex.com.hk/*).

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# **Material Issues**

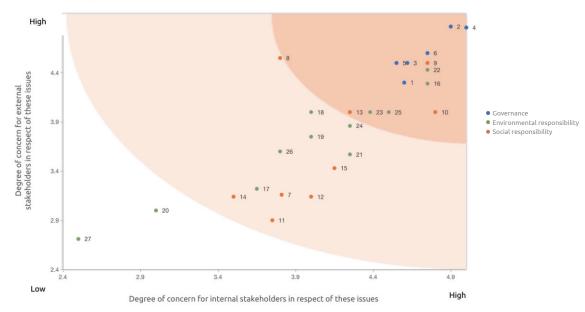
Based on the material issues for 2020, the Company updated the material issues of ESG for 2021 through peer benchmarking, media analysis, stakeholder interviews and recommendations from third-party professional institutions to understand stakeholder demands, in order to help the Company allocate resources more effectively to address ESG-related risks and opportunities.

#### Material Issues Identification Process

- Recommendations of the Company's management
  Analysis and recommenda-
- tions by internal and external experts
- Media information analysis
- Foreign peer-companies benchmarking
- General ESG guidelines
- Results of material issues analysis presented to the Board for review
- Confirmation of materiality of identified issues



- Internal and external stakeholder selection
- Internal and external stakeholder interviews and questionnaires distribution
- Analysis of materiality of issues to external stakeholders
- Analysis of materiality of issues to internal stakeholders
- Comprehensive consideration of the ESG guidelines and the Company's strategic development concerns
- Understanding the importance of the issues for the sustainability of the company
- Understanding the importance of the issue for external stakeholders
- Ensure that the ESG report is focused on disclosure of identified issues
- Refining the approach to materiality management



#### **Pujiang International Group Limited Material Issues Matrix**

The above assessment process has identified 27 ESG material issues to PJI Group, which form the focus of the Report and are disclosed in detail in the Report.

	Governance
1	Operation of the Three Boards (Meetings)
2	Operational Performance
3	ESG Governance
4	Compliance Management and Anti-Corruption
5	Effectiveness of the Risk Management Process
6	Technology Innovation and Smart Manufacturing

	Environmental Responsibility	23	Product Qualit
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		25	Consumer Info
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9	Greenhouse Gas Emissions	27	Community Inv
10	Sustainable Product (Low Carbon) Development and Application		
11	Energy Consumption Management		
12	Water Resources Management		
13	Pollutants and Waste Management		
14	Material Consumption and Circular Economy		
15	Ecology and Natural Resource Conservation		

	Social Responsibility
16	Occupational Health and Safety
17	Employee Rights Protection
18	Staff Training and Career Development
19	Staff Care
20	Democratic Management
21	Supplier Social and Environmental Assessment
22	Product and Service Complaints
23	Product Quality Management
24	Intellectual Property Protection
25	Consumer Information Security and Privacy Protection
26	Sustainable Industry Drive
27	Community Investment and Philanthropy

\*Highly material issues highlighted

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#### Highly Material Issues Management Approaches

Highly Material Issues	Implications for PJI Group	PJI Group Achievements 2021	Relevant Sections
Operation of the Three Boards	The Three boards (i.e. the Board of Directors, the Board of Super- visors and the Shareholders' meeting), as the authority, decision-making and supervisory bodies of PJI Group, ensure that their operation is regulated and effective as a basis for the sound operation of the company.	The three boards operate scientifically in accordance with the provisions of the "Articles of Association" and each has to fulfil its respec- tive duties.	Corporate Governance
Operational Performance	The performance of the Compa- ny's financial performance is a fundamental part of PJI Group's commitment to shareholders and society.	The Company's profit impr- oved by 15% year-on-year to \$216 million.	Company Profile
ESG Governance	As the capital market pays more attention to ESG management, the Company's integration of ESG concepts into the Company's management system and the comprehensiveness and accuracy of ESG information disclosure will enhance the Company's image in the capital and financ- ing markets.	The Company has established an ESG governance struc- ture to clarify ESG responsi- bilities at management and executive levels.	ESG Governance
Compliance Management and Anti-Corruption	The Company's strict compliance with laws, regulations and listing regulatory requirements and the maintenance of an honest and clean corporate image will enhance the trust of all interest- ed parties in the Company.	There were no acts of corru- ption, bribery or extortion by any of the Company's employees in 2021.	Risk Control Compliance
Effectiveness of the risk manage- ment process	Balancing profitability with potential risks and implementing scientific and comprehensive risk management helps companies to be more resilient.	The Company improves its risk management policy and continuously reviews the effectiveness of its risk management framework.	Risk Control Compliance
Technology Innovation and Smart Manufacturing	Scientific and technological innovation is the key support to enhance the competitiveness of enterprises, through the techni- cal research of cable, prestress- ed and superconducting materi- als to provide inexhaustible power for the high-quality development of PJI Group.	By the end of 2021, PJI Group had 149 registered patents.	Scientific Innovation Quality Manage- ment

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Sustainable Product (Low Carbon) Development and Application Green- house Gas Emissions	It is the common mission of all mankind to curb climate warming and explore the path of low carbon economic development. PJI Group is actively developing greener and lower-carbon cable, prestressed and superconduct- ing materials to promote the "dual carbon" goals.	<ul> <li>In FY 2021, PJI Group's GHG emissions intensity (tonnes per million revenue) declined.</li> <li>Greenhouse gas emission intensity (scope I+II): 1.21 tCO2e</li> <li>International Superconduc- tor has carried out carbon accounting for supercon- ducting cables and estimates that superconducting cables have significantly lower car- bon emissions than conven- tional cable throughout their life cycle.</li> </ul>	Low Carbon Products Green Production Green Office Responding to Climate Change
Pollutants and Waste Management	Environmental and ecological health is the common wealth of mankind. PJI Group actively reduces waste water discharge and waste generation to create an environmentally friendly corporate image.	In 2021, the Group reused 18,343 tones of industrial wastewater. That means a 21.5% reduction in water consumption intensity com- pared to last year.	Green Production
Occupational Health and Safety	Creating a healthy and safe work- ing environment allows employ- ees to efficiently create value for the business.	In 2021, the Group's accident frequency rate per 200,000 man-hours worked was 0.21; the number of work-related fatalities was 0.	Occupational Health and Safety
Product Quality Management Product and Service Complaints	Quality product and customer service guarantees are the key to gaining customer trust and establishing long-term relation- ships.	<ul> <li>In 2021, PJI Group had no customer complaints or product recalls.</li> <li>97.2% customer satisfaction for Pujiang Cable.</li> <li>100% customer satisfaction for Ossen Jiujiang.</li> <li>99% customer satisfaction for Ossen Innovation Materials.</li> <li>97% customer satisfaction for International Superconductor.</li> </ul>	Quality Management Customer Service
Consumer Informa- tion Security and Privacy Protection	Each customer's personal data must be handled with the high- est standards of care.	In 2021, the Company com- pleted a security audit of its IT environment to ensure the security of the Compa- ny's information.	Customer Service

# **Chairman's Statement**

Despite global challenges such as the ongoing COVID-19 pandemic, rising inflationary expectations and the climate crisis, PJI Group has secured the prospect of long-term growth and maintained a clear competitive edge among peers. We will continue to leverage our leadership and influence in the industry, act as a force for good, pursue both profits and public interests, and undertake our share of responsibility to drive global growth and promote green development. It is the common expectation of fairness, inclusiveness, greenness and low carbon that has led PJI to transform its sustainable development around the ESG concept, to examine its strategic direction, business model and product form from a higher perspective, to bridge the gap between the company and its stakeholders, and to embark on a more resilient development path.

We seek to live in harmony with nature. The "3060" dual carbon target is China's climate commitment to the world, accelerating low carbon change in all industries. PJI Group, on its part, has made a public commitment of achieving "carbon peak by 2025 and carbon neutrality by 2050". As a leader in two major bridge engineering segments, namely bridge cable manufacturing and prestressed materials, we continue to create lighter, stronger, more durable, smarter and more convenient cable materials to reduce carbon footprints throughout the life cycle of products and push for industry-wide low-carbon transformation through scientific means. In addition, we continue to explore the green and low-carbon potential of superconducting materials. In 2021, the world's first 35kV kilometer-grade superconducting cable demonstration project built by our subsidiary, International Superconductor, was officially put into operation, helping to achieve the dual-carbon goal for power grids with its low loss, space intensive and zero radiation environmental features.



Chairman of the Board, Pujiang International Group Limited **Dr. Tang Liang**  We explore to improve quality and motivation by technology. At PJI Group, we believe that first-class scientific and technological capabilities and expertise are the core of quality assurance. With "innovation as the soul" as our corporate value, we have raised our R&D capacity through consistent input of resources to drive high-quality development. Since its inception, the Company has participated in the construction of 150 large-scale landmark projects at home and abroad, from the Nanpu Bridge, one of the landmarks in Shanghai, to the 1915 Canakkale Bridge in Turkey, the world's largest suspension bridge. We have also laid cable structures for more than 1,000 bridges around the world, and applied the most advanced bridge cable materials and technologies in their designs, winning the trust of customers home and abroad with top quality. In addition, the Company has achieved a number of scientific and technological achievements, including one national science and technology special award, three first-class awards and two second-class awards, and a total of 149 patents.

We insist on mutual benefit and prosperity with all parties. We understand that corporations have economic and legal responsibilities, as well as social and moral responsibilities. The vitality of PJI Group comes from the commitment and support of all stakeholders, including employees, customers, suppliers, government, society and peers. We have established a smooth communication mechanism and stand ready to follow the expectations and suggestions of all parties for the development of the Company, spare no effort to create more economic, social and environmental values, and share the dividends of development with all parties.

Since ancient times, the Chinese have associated the building of bridges with the spirit of marching forward. As a supplier of bridge cables all around the world, we will continue to forge ahead against the challenges of the times and continue to develop and innovate in various fields such as bridge cable manufacturing, prestressed materials and superconducting materials, so as to lead the industry with high quality, high-tech and low-carbon products and bring "Made by PJI Group" to the world!

The Board of Directors actively oversees environmental, social and governance issues (see <u>ESG Governance section</u> and <u>Material Issues section</u> for details).



# Rewarding Shareholders and Nurturing Sustainable Values Together

Company Profile Social Recognition ESG Governance ESG Key Performance Corporate Governance Risk Control Compliance

## **Company Profile**

Headquartered in Shanghai with offices in Hong Kong and listed on the Hong Kong Stock Exchange since 2019 (stock code: 2060.HK), PJI Group is the largest supplier of bridge cables for the construction of grand bridges in China and one of the leading manufacturers of prestressed materials in China. As a leading supplier of bridge cables and prestressed materials to the two grand bridge engineering segments, PJI Group has supplied bridge cables to over 1,000 bridges worldwide and has won over 50 national quality awards, including the "Zhan Tianyou Civil Engineering Award" and the "China Construction Engineering Luban Award".

In addition to the two core businesses of cable and prestressed materials, PJI Group is actively making a foray into the field of high-temperature superconducting cables. The Company owns 40% of Shanghai International Superconductor Technology Co.Ltd. The world's first 35 kV kilometer-grade high-temperature superconducting cable demonstration project, independently developed, manufactured and constructed by International Superconductor, was officially put into operation in Shanghai in December 2021, demonstrating the Company's international leading position in the field of high-temperature superconducting cables and leading the Company to capture market share in the wave of domestic substitution in this field.

#### According to the Frost & Sullivan report, from 1991 to 2017, the Company ranked

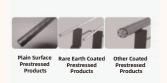
**1 st** in market share for grand bridge cables built in

China and **3rd** in market share for prestressed materials in the country.

# Bridge cables

- Over 30 years experience in bridge production
- Involved in over 1,000 bridge projects
- The largest supplier of special bridge cables for the construction of grand bridges in China

#### Prestressed materials



- One of the largest producers of prestressed materials in China
- One of the first Chinese manufacturers of prestressed materials to receive certification from an overseas professional body

#### Superconducting cables



- Superconducting cable is a superconducting material that uses a non-resistant, high current density transmission
- Landing of the world's first 35 kV kilometer-grade superconducting cable demonstration project

PJI Group's three major businesses

Name of Subsidiary	Business Overview	Logo
Pujiang Cable	Shanghai Pujiang Cable Co.,Ltd is a high-tech enterprise specializing in the production of cable-staying and suspen- sion cables, and is one of the largest cable design and manufacturing suppliers in the world, as well as one of the cable manufacturers with the longest main plant and tensioning platform, advanced equipment and high techni- cal content in China. By now the company has two production bases, which can meet the manufacturing requirements of both bridge cables for 1,500m main span cable-stayted bridges and 3,500m main span suspension bridges.	◎ 浦 江 獲 書
Ossen Innovation Materials	Established in 2004, Ossen Innovation Materials Co., Ltd is one of the largest manufacturers of prestressed materials in China and a member of the China Prestressing Associa- tion. As one of the first manufacturers of prestressed materials in China, it has accumulated nearly twenty years of production experience since it was put into production. It is a key enterprise in its city and one of the most important prestressing exporters in China.	ee eest材料股公有份公司 Ossen Innovation Materials Co.,Ltd.
Ossen Jiujiang	Ossen (Jiujiang) Innovation Materials Co., Ltd is a manufac- turer of prestressed materials under Pujiang International Group, with a relatively advanced prestressed steel wire production line in the world in terms of speed and technolo- gy. At present, it has developed two series and seven variet- ies of products with dozens of specifications, including prestressed concrete strand, coated prestressed products, unbonded prestressed concrete strand, and bright surface prestressed concrete wire, coated wire, indented wire and spiral rib wire, which are among the most complete manufacturers in that industry in China.	羀 奧 薁(九江)移材料有胀公司
International Superconductor	Shanghai International Superconductor Technology Co. Ltd was incorporated in Baoshan District in 2018. The company focuses on serving national major energy strategies and spawn new industries, with the ultimate goal of realizing technologies and products that lead the future, focusing on green and environmentally friendly clean energy fields such as superconducting power equipment and magnet system application engineering. The company integrates design, research and development, production and inspection, engineering application and technical consulting services of superconducting products, and has the ability to develop and produce various types of large-length high-tempera- ture superconducting cables and high-performance superconducting cables, superconducting magnets, superconducting cables, superconducting magnets, superconducting cable accessories, cryogenic and vacuum systems, monitoring systems and other products and related technical consulting and evaluation work for the industry and users, and can provide users with a package of solutions for the engineering application of superconduct- ing cables and superconducting magnets.	

#### Pujiang Cable won the "Shanghai Brand" Certification for its high-quality products

Through constant product technology innovation and the emphasis on improving product and service quality and management, Pujiang Cable has been awarded the certificate of "Shanghai Brand" and the "Century Shanghai Industry, Ten Favorite Brands by Citizens (Industrial Category)".

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By carrying forward the memories of industry and the people, it deepens the construction of the "Pujiang Brand", balancing economic benefits with corporate social responsibility, and further expanding brand awareness and influence.



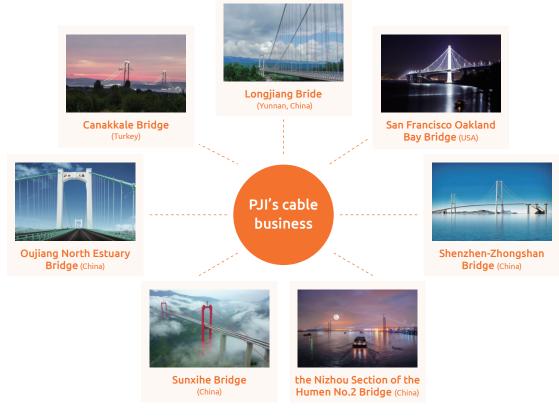
"Shanghai Brand" Certificate, "Century Shanghai Industry, Ten Favorite Brands by Citizens (Industrial Category)"

#### International Presence

PJI Group is deeply involved in the worldwide bridge cable business, with a global service footprint of 21 countries and regions. The positive industry environment combined with a solid leading position will guarantee the long-term steady growth of the Company's value. In addition, the Company will actively lay out new areas of development potential, continue to explore more room for incremental performance, innovate products with new technology, and thus continue to develop a new future.



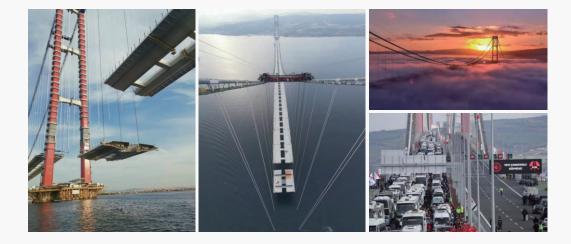
International presence of Pujiang International Group Limited



Representative works of PJI Group's cable business

## PJI Group won the international bid for the Canakkale Bridge, building "Pujiang" excellence with craftsmanship

Relying on the company's deep industrial background and technical advantages in the cable business, PJI Group was selected as the supplier of all the main cables for the Canakkale Bridge (the world's largest span under construction), which connects Europe and Asia. It was the first time in the history of bridge construction that a "span" has crossed the 2,000-metre mark. At the same time, it was also an important project in the grand blueprint of "One Belt, One Road".



Canakkale Bridge, Turkey



Economic Performance	Unit	2021	2020	2019
Revenue	10,000 RMB	215,626.3	194,710.2	181,241.5
Total assets	10,000 RMB	532,084.3	459,563.0	372,529.9
Net profit attributable to shareholders of listed companies	10,000 RMB	20,501.7	15,121.9	9,973.9

### Chronicle of Major Events

- In 1989, Pujiang Cable's predecessor, Shanghai Pujiang Cable Factory, was established.
- In 1991, Nanpu Bridge, China's first super-long-span cable-stayed bridge, for which we supplied stay cables, was completed. The Nanpu Bridge project was awarded the First-Class Prize of The State Scientific and Technological Progress by The State Scientific and Technological Commission in 1995.
- In 1999, the Jiangyin Yangtze River Bridge, the first suspension bridge with main span of 1,385 metres in China, for which we supplied suspension cables, was completed. This project was awarded with the Eugene-Figo International Award by International Bridge Conference in the field of suspension bridges in 2002 which was the first time a China project won this award.
- In 2001, the Nanjing No.2 Yangtze River Bridge, for which we supplied suspension cables, was completed. The project was awarded the 3rd Zhan Tianyou Civil Construction Award. The Company as a whole was restructured into a joint-stock company.
- In 2004, the operating subsidiary, Ossen Innovation Materials, was incorporated in the PRC to engage in the prestressed materials business and the Maanshan facility commenced production.
- In 2005, the Nanjing No.3 Yangtze River Bridge, for which we supplied suspension cables, was completed. The project was awarded the 7th Zhan Tianyou Civil Construction Award. Our Jiujiang facility commenced production.
- In 2007, the prestressed materials business was awarded the third "China Outstanding Corporate Citizenship" by the Corporate Citizenship Committee the China Association of Social Workers
- In 2009, the Xihoumen Bridge, a suspension bridge with the longest main span in China among all completed suspension bridges at the time, for which we supplied stay cables, was completed. In 2015, the project was awarded the China Highway and Transportation's First Class Prize for Science and Technology. The prestressed materials business was awarded the Foreign Invested Technologically Advanced Enterprise by The Bureau of Commerce of Anhui Province. In the same year production at the Xitang facility started.
- In 2010, Dr. Tang Liang acquired a controlling interest in Pujiang Cable and Ossen Innovation Materials issued American Depositary Shares in the United States of America, which are listed on the NASDAQ Global Market.
- In 2013, the world's largest self-anchored suspension bridge at the time, the United States Oakland Bay Bridge, for which we supplied PPWS that makes up its main suspension cables, was completed. The prestressed materials business was awarded the Second Prize of Jiangxi Provincial Science and Technology Progress by the Jiangxi Provincial People's Government.

In 2015, the cable business was awarded the "Shanghai Brand"-Certificate by the Shanghai Famous Brand Recommendation Committee and the Shanghai Famous Trademark Certificate by the Shanghai Administration for Industry and Commerce. Nizhou Section of the Humen No.2 Bridge of which we were awarded the tender for the supply of suspension cables for its construction, was the longest main-span suspension bridge in China at the time.

- In 2017, the prestressed materials business was awarded the "Technology Invention Award" by the People's Government of Jiangxi Province.
- In 2018, we were awarded the tender for the supply of suspension cables for the 1915 Canakkale Bridge in Turkey, which is the world's longest main span suspension bridge planned as of the date of this prospectus. The bridge has a main span of 2,023 metres.
- In 2019, we were awarded the tender for the supply of main cables, cable-stayed cables and slings (tender G06) for the construction of Shenzhen-Zhongshan Bridge. We further acquired 26% equity interest in Shanghai Push Medical Device Co., Limited and PJI Group was successfully listed on the Main Board of the Hong Kong Stock Exchange (HKSE).
- In July, 2020 the Company invested RMB166 million in Shanghai International Superconductor Technology Co. Ltd. to acquire a 40% equity interest.
- In 2021, PJI Group completed the privatization of Ossen Innovation Materials on 9 September (New York time).

# Social Recognition

#### **Cable Business** Award Name Awarded by Ministry of Industry and Information Technology National Manufacturing Single Item Champion of the People's Republic of China, Demonstration Enterprise China Federation of Industrial Economics The project"R&D and Application of Key Technologies of New Cable Sealing System" China Association of Invention won the first prize of "Invention and Entrepreneurship Award" issued by China Association of Invention Shanghai Province "Specialized, Refined and Shanghai Economic and Information Commission New" Small and Medium-Sized Enterprise Shanghai Civilized Unit Shanghai Municipal People's Government "Pujiang brand" won the "Century Shanghai Shanghai Federation of Industrial Economics, Industry, Ten Favorite Brands by Citizens Shanghai Federation of Economic Organizations (Industrial Category)" Zhejiang"Specialized, Special and New" Small Zhejiang Provincial Department of Economy and and Medium-Sized Enterprises Information Technology

Jiangsu Province Credit Evaluation Grade AAA Certificate

Jiaxing City Key Laboratory (B)

Jiaxing Municipal Bureau of Science and Technology

Nanjing Anhuan Credit Evaluation Co., Ltd.

#### Prestressed Materials Business

Award Name	Awarded by
2020 Excellent Provincial Postdoctoral Research Workstation	Anhui Provincial Department of Human Resourc- es and Social Security
Anhui Provincial Water-saving Enterprise	Anhui Provincial Department of Housing and Urban-Rural Development
Jiangxi Famous Brand Products	Jiangxi Famous Brand Strategy Promotion Association
The Fourth Jiangxi Provincial Patent Award	People's Government of Jiangxi Province
2021 Ma'anshan City Labor Security Integrity "A-level Unit"	Maanshan Human Resources and Social Security Bureau
Top 40 Industrial Enterprises in Jiujiang City in 2020	Department of Industry and Information Technology of Jiujiang City, Entrepreneurs Association of Jiujiang City
2020 Jiujiang City Contract-keeping and Creditworthy Enterprise	Administration for Market Regulation of Jiujiang City
10th Anniversary Outstanding Contribution Award	Federation of Enterprises of Jiujiang City

#### **Superconducting Materials Business**

Award Name	Awarded by
First place in Shanghai in the field of new materials	China International Industry Fair (CIIF)
Shanghai Superconducting Manufacturing Innovation Centre Awarded	Shanghai Municipal Commission of Economy and Information Technology

## ESG Governance

PJI Group has set up a clear ESG organizational structure and clarify the ESG management responsibilities of the Board of Directors, management and executive level, in order to promote the scientific and effective integration of PJI Group's ESG management with the existing management system and steadily improve the Company's ESG management. At the same time, the Company is actively exploring climate change management mechanisms to ensure a timelier review of the Company's climate risks and opportunities and to strengthen the Company's resilience to climate risks. PJI Group has formulated the "Terms of Reference of the ESG Working Group of Pujiang International Group", and Ossen Jiujiang has also refined its own policy of "Terms of Reference of the ESG Working Group" in order to better promote the effective operation of the Company's ESG management.

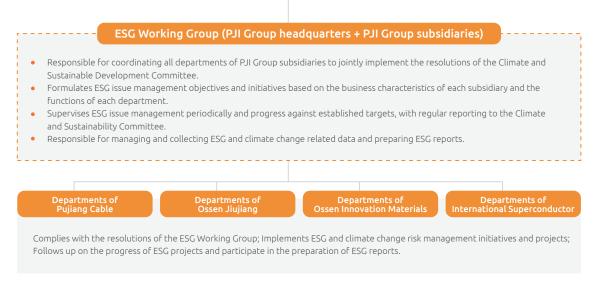
Learn more about the "<u>Terms of Reference of the</u> <u>ESG Working Group of</u> <u>Pujiang International Group</u> <u>Limited</u>"

#### **Board of Directors**

- Defines the basic strategic direction of PJI Group's ESG management and climate change management and ensures that it is
  consistent with the expectations and requirements of each stakeholder.
- Defines the Company's main areas related to sustainable development including addressing climate change risks and the
  notification mechanism (process/ modality/ frequency).
- Monitors and reviews the effectiveness of ESG issues and climate change risk management approaches, including issue
  indicators, targets and actions.
- Reviews the Company's ESG report to ensure high quality and timely disclosure of ESG-related issues.

#### Climate and Sustainable Development Committee

- Responsible for ESG and climate change strategic planning and annual performance appraisal.
- Develops or reviews ESG-related policies (including climate change-related) and ensures compliance with new ESG-related
  policy requirements.
- Establishs effective ESG and climate change risk management and internal control systems.
- Regularly summarizes and evaluates the status of the Company's response to various ESG issues and reports the work to the Board of Directors



PJI Group ESG and Climate Change Management Structure

## Stakeholder Communication

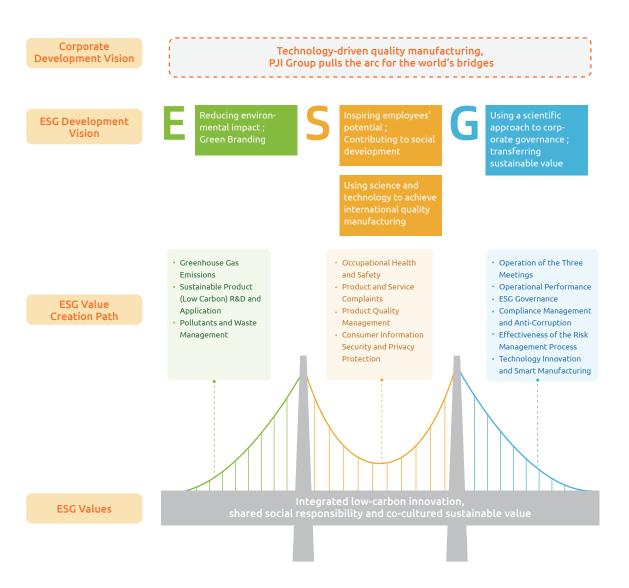
Stakeholders	Main Objectives and Focus	Communication Channels	Measures Carried out by the Company
Shareholders and Investors	<ul> <li>Steady operations</li> <li>Good return on earnings</li> <li>Protection of shareholders' rights</li> <li>True, accurate and timely disclosure of information</li> </ul>	<ul> <li>General Meeting of Shareholders</li> <li>Investor consultation sessions, roadshows</li> <li>Receive investors for site visits</li> <li>Disclosure of information (including financial statements)</li> <li>Company contact details (e-mail)</li> </ul>	Publish notices of stareholders' meetings and motions as required to ensure timely and accurate disclosure of company information. Carry out various forms of investor activities, hold regular results briefings and arrange roadshows to enhance investor recognition. Disclose the Company's contact details on its website and in its reports and ensure that various communica- tion channels are accessible.
Customers	<ul> <li>High quality and green products and services</li> <li>Stable product delivery capability, building long-term relationships</li> </ul>	<ul> <li>Customer visits</li> <li>Conducting customer satisfaction surveys</li> <li>Actively explore new customers</li> </ul>	We continue to explore domestic and international markets, develop low-carbon and environmentally friendly products, as well as strengthen quality management, ensure stable production and on-time delivery, and sign long- term strategic cooperation agreements.
Government	<ul> <li>Operate legally and with integrity</li> <li>Pay taxes in accordance with the law</li> <li>Safety and human rights protection for employees</li> <li>Pollution Prevention and Resource Utilization</li> <li>Fulfilling social responsibility</li> </ul>	<ul> <li>Occasional cooperation with on-site inspections and checks</li> <li>Conducting working conference workshops</li> <li>Completion of environ- mental assessment reports, energy conserva- tion reports, safety evaluation reports and other submissions for approval in accordance with regulations</li> </ul>	Strictly abide by all laws and regulations, implement company compliance management and pay taxes in accordance with the law, and have zero tolerance for corrupt practices. Strengthen the Company's safety and environmental management, and accept government supervision and inspection assessment, and actively assume social responsibility.
Staff	<ul> <li>Protection of basic rights and interests</li> <li>Benefits and remunera- tion package</li> <li>Occupational Health and Safety</li> <li>Inclusive and friendly working environment</li> <li>Career development</li> </ul>	<ul> <li>Trade Unions</li> <li>Staff-management talks</li> <li>Training and learning</li> <li>Staff activities</li> </ul>	We set up trade union Organiza- tions at all levels, conduct semi- nars and activities, and open communication channels between staff and management; pay salaries and benefits in full and on time, and pay social insurance in accordance with the law; pro- vide a healthy and safe working environment; establish a fair re- cruitment, retention and promotion mechanism; care for our staff, help workers in difficulty and continuously enrich staff welfare.

Community and Public	<ul> <li>Increasing employment opportunities</li> <li>Care for the community environment</li> <li>Enhancing the well-being of people</li> </ul>	<ul> <li>Conducting volunteer activities</li> <li>Carrying out charitable assistance</li> </ul>	Preference is given to employ- ing local staff. Carry out volunteer activites and community charity assistance.
Suppliers and Contractors	<ul> <li>Fair Tender</li> <li>A partnership for win-win development</li> </ul>	<ul> <li>Tender meeting</li> <li>Fairs</li> <li>Supplier Review Meeting</li> <li>Exhibition communication</li> </ul>	Ensure sunshine procurement, fulfil contracts according to contract and work with suppliers and contractors who excel in environmental, safety and quality management in the long term.
Bank	<ul> <li>Good financial position</li> <li>Operating with integrity and credit</li> </ul>	<ul> <li>Working meetings, site visits</li> <li>Post-loan follow-up, daily communication</li> </ul>	Continuously improve the Company's profitability, implement integrity in operations, repay interest on time and cooperate with loan reviews and supervision.
Competitors	<ul> <li>Healthy competition in the industry</li> <li>A cooperative and mutually beneficial partnership</li> <li>Contributing to the development of the industry</li> </ul>	<ul> <li>Participation in industry standards</li> <li>Industry Networking Conference</li> </ul>	We practice fair competition, strengthen intellectual property management and protect our own and others' intellectual property rights; actively participate in the development of industry standards and industry seminars to promote the sustainable development of the industry.
Market Supervisor	<ul> <li>Comply with regulatory requirements and operate in compliance</li> <li>Disclosure of informa- tion and filing materials</li> </ul>	<ul> <li>Consultation and communication</li> <li>Information Disclosure</li> <li>Cooperation with enquiries</li> </ul>	Strictly comply with regulatory requirements, implement compliance management and disclose timely, accurate and truthful information and reporting materials in accordance with the law.

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#### ESG Strategic Model

Based on its social responsibility concept, PJI Group has established the ESG values of "integrated low-carbon innovation, shared social responsibility and co-cultured sustainable value", and is actively responding to the highly significant issues of ESG, promoting further improvement of the Company's ESG management and creating environmental, social and economic values for shareholders, employees, customers and partners.



PJI Group's ESG Strategy Model

## Support for UN SDGs

United Nations Sustainable Development Goals (UN SDGs)		PJI Group's Action
5 GENDER EQUALITY	Achieving gender equality and the empowerment of all women and girls	The Company has "Board Diversity" and "Employee Diversity Policy", which ensure that all employees are treated with respect and there is zero tolerance for any form of workplace discrimination.
8 DECENT WORK AND ECONOMIC GROWTH	Promoting long-term, inclusive and sustain- able economic growth, full and productive employment and decent work for all	The Company continues to strengthen its core competitiveness, promote technological innovation, maintain steady revenue growth and share the dividends of corporate development with its employees.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Building disaster-resil- ient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation	The Company insists on long-term innovation and strives to integrate into the main track of national innovation in the fields of cable, prestressed and superconductivity, taking into account the two major directions of low-carbon and intelligent development to help the sustainable development of bridges, power grids, steel and other industries.
10 REDUCED INEQUALITIES	Reducing inequalities within and between countries	As a world supplier of bridge cables, the Company responds to the national Belt and Road (B&R) Initiative and promotes the development of transport infrastructure in other countries with high quality bridge cable products.
11 SUSTAINABLE CITIES	Building inclusive, safe, disaster-resilient and sustainable cities and human settle- ments	With bridge cables and prestressed products as the core of its business, PJI Group provides high quality and safe products for urban transportation and other infrastructure. In addition, its subsidiary International Superconductor is actively exploring superconducting cable projects with a view to contributing to the low-carbon development of urban power grids.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensuring the adoption of sustainable consumption and production patterns	PJI Group and its subsidiaries focus on reducing environmental impact throughout the product life cycle, while actively developing and promoting green and low-carbon products for application in bridge cables, prestressed and superconducting materials.



Urgent action to address climate change and its impacts PJI Group actively responds to the country's "double carbon" target, upholds the concept of low-carbon development and proactively participates in the development of green infrastructure. At the same time, the Company is gradually deploying a climate change management mechanism with reference to the TCFD framework, with a view to managing climate change issues in a more scientific, effective and timely manner.



Creating peaceful, inclusive societies for sustainable development, access to justice for all, and effective, accountable and inclusive institutions at all levels

PJI Group has formulated policies such as the "Anti-Corruption Policy" to regulate the Company's business operations and establish a long-term early warning mechanism for the Company to combat commercial bribery and corruption, in order to protect the long-term development of the Company.

# ESG Key Performance

Environmental Performance	Unit	2021
SO2 emission intensity	kg/million revenue	0.00043
NO <sub>x</sub> emission intensity	kg/million revenue	0.15
Emission intensity of particulate matter	kg/million revenue	0.01
Industrial wastewater discharge	Tonnes	10,900
Industrial wastewater reuse	Tonnes	18,343
COD (Chemical Oxygen Demand) treatment	Tonnes	158.27
Scope I Greenhouse gas emissions	Tonnes of CO₂e	141.69
Scope II Greenhouse gas emissions	Tonnes of CO₂e	2,457.56
Scope III Greenhouse gas emissions	Tonnes of CO₂e	138.04
Greenhouse gas emission intensity (Scope I+II)	Tonnes of CO2e / million revenue	1.21
Hazardous waste discharge intensity	Tonnes / million revenue	0.04
Non-hazardous waste discharge intensity	Tonnes / million revenue	0.07
Energy consumption	Tonnes of standard coal	587.86
Energy consumption intensity	Tonnes of standard coal / million revenue	0.27
Water consumption intensity	Tonnes / million revenue	41.19

Social Performance	Unit	2021
Total number of employees	Person(s)	444
Percentage of female employees	%	13
Average number of hours of training per employee	Hours	85.57
Total attrition rate	%	1.1
Accident rate per 200,000 man-hours worked	/	0.21
Number of work-related injuries	Times	1
Work-related deaths	Person(s)	0
Total average number of hours of safety training received by employees	Hours/person	4.52
Recalled products as a percentage of total products sold	%	0

Corporate Governance Performance	Unit	2021
Percentage of female directors	%	14.3
Percentage of independent directors	%	42.9
Number of corruption litigation cases	/	0
Percentage of directors involved in anti-corruption training	%	100
Number of integrity checks conducted	Times	2
Completion of the integrity audit project	Times	1

## **Corporate Governance**

#### Operation of the Three Boards(Meetings)

A sound corporate governance system is the cornerstone of high-quality corporate development. The Company has adopted the principles and code provisions of the "Corporate Governance Code" (the "CG Code") contained in Appendix 14 of the Listing Rules. Please refer to the Corporate Governance section of the Company's 2021 Annual Report for more information on PJI Group's corporate governance and directors' industry experience. Also, the Company formulates the "Articles of Association" and continuously standardizes and validates the system of operation of the three boards (meetings). During the reporting period, the Company convened a general meeting of shareholders in accordance with the regulations and deliberated on relevant motions and major business decisions by way of voting, exercising its authority in accordance with the law.

In addition, the Company has established the "Board Diversity Policy", which is committed to gradually achieving gender diversity, and has set a target of appointing more than 25% female directors within five years, so as to achieve gender equality on the Board. At the same time, the Company attaches importance to the independence of directors and has formulated the "Policy on Nomination of Directors" to ensure that independent directors have sufficient competence and voice to continuously improve the scientific nature of the Board's decision-making and facilitate the Company's standardized operation.



Corporate Governance Structure

Learn more about the "Board Diversity Policy"

Indicators	Unit	2021
Number of Independent Directors	Person(s)	3
Percentage of independent directors	%	42.9
Number of female directors	Person(s)	1
Percentage of female directors	%	14.3
Number of board meetings	Times	4

## Investor Relations Management

In accordance with the "Rules Governing the Listing of Securities on the Hong Kong Stock Exchange", PJI Group treats all investors fairly, impartially, openly and equally, reflects the Company's operation objectively, truthfully, accurately and completely, holds annual results conferences and shareholders' meetings, discloses interim and annual reports and announcements regularly, publishes ESG reports and provides daily public opinion reports. In addition, the Company keeps abreast of investors' needs through email and meeting communications with investors, making it a bridge for the Company to deliver value and investors to discover value, enhancing investors' trust, recognition and loyalty to the Company and maximizing the Company's value.

Indicators	Unit	2021
Receiving investors for research or conference exchange	Times	2
Respond to or coordinate feedback on investor emails	Mails	20
Number of roadshows conducted	Times	17
Answering and responding to investor calls	Times	10
Number of announcements made during the reporting period	Times	27

# **Risk Control Compliance**

#### **Risk Management**

PJI Group has formulated the "Risk Management Policy" and its risk management system is the responsibility of the Company's Risk Assessment Committee, which reports to the Board of Directors. The internal audit department assists the Risk Assessment Committee in the identification and reporting of internal audit risks. The Company's finance department makes recommendations to the Risk Assessment Committee on financial and operational risks to ensure the efficient operation of the Company's risk identification and management procedures.



Risk management procedures and actions

#### **Business Ethics**

PJI Group has strictly complied with "China's Criminal Law", "Company Law", "Interim Provisions on Prohibition of Commercial Bribery", "Anti-Money Laundering Law", "General Principles of Civil Law", "Anti Unfair Competition Law", "Contract Law" and other relevant laws. The Company has established a long-term early warning mechanism to combat commercial bribery and corruption in the company, formulated the "Anti-Commercial Bribery and Anti-Corruption Management Implementation Rules of Pujiang International Group" and specially set up an office to prevent and control commercial bribery, with the Chief Financial Officer as the director and the Assistant to the President and managers of each department as members of the team, to submit reports directly to the President's Office and the Board of Directors on the work of combating corruption.

Learn more about the "Anti-Commercial Bribery and Anti-Corruption Management Implementation Rules of Pujiang International Group Limited" The Company attaches great importance to transparency, integrity and accountability in management and has been selected as a model of integrity culture for the "two new" organizations in Shanghai. The Company has established the "Policy for Employees to Raise Concerns about Possible Improprieties" to urge all employees to conduct financial reporting and internal control with "integrity, fairness and honesty", and to encourage employees to report, investigate and submit reports of misconduct or malpractice to the Executive Director. The acceptance and investigation of impeach are kept strictly confidential, the privacy of whistleblowers is protected, and the Company's respective internal control and management capacities are continuously improved. In 2021, the Company did not have any significant litigation or non-compliance cases related to bribery, extortion, fraud and money laundering.

In addition, the Company advocates sunshine purchase and urges all subsidiaries to strictly implement supplier access management. When the Company signs contracts with suppliers, both parties abide by the code of integrity and promote commercial bribery control on all fronts.

#### Integrity Training

The Company's anti-corruption training vigorously provides strong ideological guarantee and theoretical support for the construction of integrity and the fight against corruption. We carried out "hardship, honesty and self-discipline" activities in the means of courses and trips to conduct education on faith.

The Company held training courses related to the promotion of anti-corruption and incorruptible building, and invited experts and professors to conduct training on accounting standards, tax policies, financial systems, labor contract law, enterprise management, etc., establishing legal awareness of our employees, improving our policies and enhancing our abilities to resist corruption and prevent change.



In accordance with the "Audit Law of the People's Republic of China", the "Regulations of the National Audit Office on Internal Audit Work" and related regulations, PJI Group has formulated the "Internal Audit System" and established an internal audit body to supervise and evaluate the Company's financial income and expenditure, asset quality and operational performance to improve the operational management structure, avoid operational risks and enhance the value of the Company.

Corporate Governance Indicators	Unit	2021
Number of corruption litigation cases	/	0
Number of anti-corruption (integrity) training sessions	/	2
Percentage of directors involved in anti-corruption training	%	100
Number of integrity checks conducted	Times	2
Completion of the integrity audit project	Number	1



# Embracing Zero Carbon Future by Green First

Environmental Management Low Carbon Products Green Production Green Office Responding to Climate Change

## **Environmental Management**

Environmental issues concern everyone's life, and a scientific and effective environmental management system is thus the basis for enterprises to implement environmental protection. PJI Group continues to strengthen the environmental management level of its subsidiaries in accordance with national and local laws and regulations such as the "Environmental Protection Law of the People's Republic of China" and guidelines such as "Opinions on Resolutely Fighting the Battle of Pollution Prevention and Control by Comprehensively Strengthening Ecological Environmental Protection". The Company formulated the "Safety, Quality and Environment Policy of Pujiang International Group Limited", guides its subsidiaries to formulate relevant management rules and supervises the implementation.

Pujiang Cable adheres to the environmental guideline of "every employee protects the environment, pollution prevention, energy saving and consumption reduction, compliance with regulations and continuous improvement", continuously improves the organizational structure of environmental management and implements the environmental management responsibilities of each department. The company has developed different environmental management policies such as the "Environmental Safety Hazard Investigation and Management System" and practiced environmental safety monitoring and measurement control procedures to routinely monitor and measure its environmental performance, thereby laying the foundation for the continuous promotion of clean production. In 2021, the company obtained the ISO14001 environmental management system and conducts internal and external audits of the environmental system every year to ensure its effective operation.





Pujiang Cable "Environmental Management System Certificate"



Ossen Jiujiang formulated the "Pollution Prevention and Control Responsibility System", the "Significant Safety, Quality and Environmental Accident Reporting System" and the "Dangerous Sources Management System", compiled the "Environmental Risk Assessment Report" and "Emergency Response Plan for Environmental Incidents", and improved the company's environmental risk identification and control mechanism. It further strengthened the response to environmental emergencies and standardized the company's environmental Management. Since 2021, according to ISO14001: 2015 and GB/T24001: 2016, and following the Environmental Management System Certification requirements, the company cooperates with China Classification Society Quality Certification Co., Ltd. (Jiangxi Branch) to develop the implementation plan for the construction and certification of the environmental management system, further promote the certification of the environmental management system.

Ossen Innovation Materials formulated the "Environmental Protection Management System" and the "Dangerous Goods and Dangerous Sources Management System" and other systems to improve the company's environmental management.

# **Environmental Awareness**

In order to raise the staff's awareness of environmental protection and prevention, to improve the level of solid waste management and to strengthen the ability of environmental protection emergency rescue, all PJI Group's subsidiaries carry out activities such as environmental protection publicity and education study, environmental protection emergency drills, advocating civilized and green production and life.

# Pujang Cable carried out waste separation campaign to cultivate eco-friendly concept

In order to promote the implementation of garbage classification, Pujiang Cable organized different garbage classification publicity activities, so that employees gain an in-depth understanding of the ecological significance of garbage classification and practice the concept of environmental protection and low carbon. In October 2021, Pujiang Cable was awarded the title as "Best Waste Separation Unit" by the People's Government of Xitang, Jiashan County.



Pujang Cable carried out waste separation campaign



Ossen Jiujiang organized training on environmental law topics to improve solid waste management of staff

In 2021, Ossen Jiujiang organized safety and environmental protection law study and training for all staff. The new concepts and changes in the "National Hazardous Waste List" (2021 Edition) and the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" were interpreted in terms of legal responsibilities and penalties and so on, effectively enhancing the awareness of solid waste management among staff, improving the standardized management of solid waste in the company, and preventing environmental violations from occurring.



Ossen Jiujiang organized education and training on the "Solid Waste Pollution Prevention and Control Law"

# **Low Carbon Products**

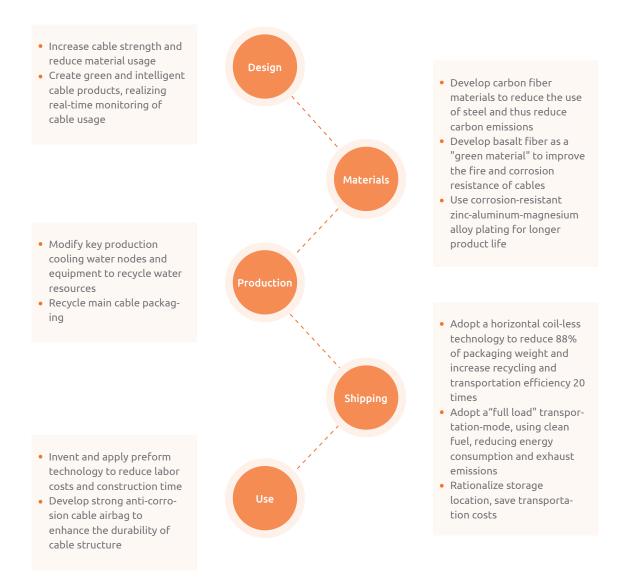
In response to the "dual carbon" objective, PJI Group has been seeking technological innovation and exploring the path of carbon reduction from the whole life cycle of its products, and has been deeply engaged in the cable industry, strengthening the green construction and intelligent maintenance of cables to empower green infrastructure. In addition, PJI Group's subsidiary, International Superconductor, has independently developed superconducting materials, and its high-temperature superconducting power transmission technology provides strong technical support for the low-carbon transformation of urban power grids and the steel industry, promoting the low-carbon development of multiple industries with innovative technology.

# Green Cable

Pujiang Cable insists on technology-led innovation, creates a high-quality development pattern, promotes low-carbon practices throughout the whole product life cycle from design, materials, production and transportation to application, continues to explore and develop new materials and products for cables, builds a green cable brand, and grows sustainable new dynamic energy.

Our goal
We will continue to improve the strength, service life and overall energy efficiency of our products
through technological innovation.
Pujiang Cable: By 2025, the strength of all our bridge cables used will be improved to over 2,000 MPa.

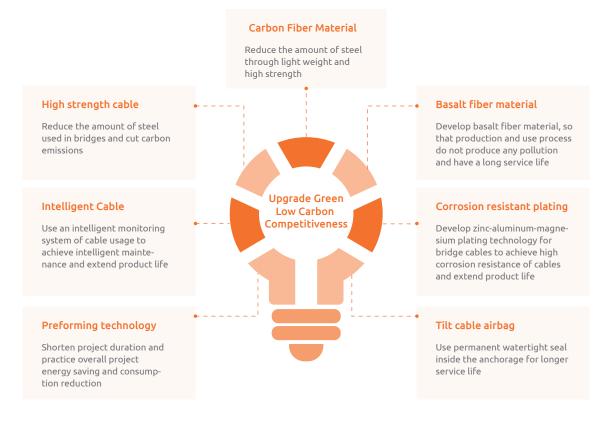
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Full lifecycle low carbon initiatives for cable products

2021 Environmental, Social and Governance Report

# New exploration of green cables



# Pujiang Cable launches EPD certification project to create green and low-carbon products

In order to further align with international low carbon product standards, Pujiang Cable has set up an EPD project working group to work with a third-party professional body to promote EPD certification for Pujiang Cable's products. The company will account for the carbon footprint of its products throughout their life cycle and continue to look for ways to reduce carbon from its production technology and industry chain, in an effort to become a more sustainable, market-acceptable and competitive manufacturer.

Knowledge Replenishment Station: Environmental Product Certification (EPD)

The "Environmental Product Declaration" (EPD, also known as Type III Environmental Product Declaration) is a third-party verified, scientifically comparable report that discloses comprehensive information on the environmental impact of a product throughout its life cycle. EPD does not evaluate the merits of products, but helps buyers and consumers to better understand the sustainability and environmental impact of the products.

# High strength cable

The increased strength of the steel wire enhances the spanning capacity of the main cable and reduces the total amount of steel used in the bridge, thus reducing carbon emissions. With its industry-leading design and development capabilities, Pujiang Cable continues to improve the strength of its cables and has been providing high-quality, high-standard products to protect bridge access. Currently, the company is developing 2,260 MPa ultra-high strength steel wire to help build bridges that can last for 100 years.

# Pujiang Cable developed and applied high-strength cables to help projects reduce carbon emissions

Pujiang Cable successfully applied the technology of manufacturing the main cable strands of the 1,960 MPa galvanized aluminium suspension bridge to the Nizhou Section of the Humen No.2 Bridge, resulting in a higher bridge load and a reduction in the use of 3,800 tonnes of steel for the main cable, helping to reduce energy consumption and serving the national "carbon peak and carbon neutral" strategy.



Nizhou Section of the Humen No.2 Bridge

In addition, Pujiang Cable developed and applied 2,100 MPa high-strength main cable, which can reduce steel consumption by 12% compared to 1,860 MPa grade main cable strands, reducing material consumption, lowering construction costs and helping the real economy to improve quality and efficiency, thereby fully meeting the "green, low-carbon and environmentally friendly" requirements.

### **Carbon Fibre Material**

The carbon fibre cable has excellent properties such as light weight, high strength, corrosion resistance and fatigue resistance, which can reduce the amount of steel and is expected to replace steel wire as the main load-bearing material for bridge cables. Pujiang Cable replaces traditional steel cable with carbon fibre cable, which has successfully passed the 4 million times fatigue test and is included in the key projects of the 14th Five-Year Plan of the Ministry of Science and Technology of the People's Republic of China. It will therefore be applied in national key projects such as Sichuan-Tibet Railway.

Pujiang Cable accelerates research and development of carbon fiber to enhance the core competitiveness of the enterprise

Pujiang Cable has formed a strong alliance with Beijing University of Science and Technology, Tsinghua University, Harbin Institute of Technology, the China Academy of Railway Sciences, the China Railway Eryuan Engineering Group, the China Railway Major Bridge Reconnaissance & Design Institute, the Yangtze River Bridge and other research centres in order to research a large tonnage of carbon fiber composite cable with a strength grade up to 3,000 MPa and a service life that is expected to exceed 50 years. It can reduce the cable self-weight, and improve the bridge spanning capacity, thereby reducing the comprehensive economic indicators and construction technology difficulties.



Carbon fibre cable manufacturing

### **Basalt fibre material**

Pujiang Cable focuses on material upgrading, and applies the second generation of basalt fibres, known as the "green material of the 21st century", as a new cable raw material. With no pollution generated during its production and uses, it has excellent tensile strength, and resistance to cutting, acid, alkali and salt, which can improve the fire resistance of the cable and also extend the life of the cable as a whole.

### Corrosion resistant plating

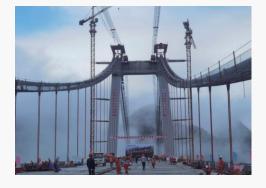
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Pujiang Cable is committed to exploring new anti-corrosion technology for steel, and the corrosion resistance of the zinc-aluminium-magnesium alloy coated steel wire developed and produced is 40 times than that of galvanized alloy steel wire, and 10 times than that of galvanized aluminium alloy steel wire, greatly extending the service life of bridge cables and strengthening the new support of green cable technology.

Currently, Pujiang Cable's first invention patent on zinc-aluminium-magnesium alloy coated steel wire main cable strands is being accepted and five utility model patents have been obtained for related tooling equipment<sup>1</sup>.

# Pujiang Cable iteratively upgraded its platings to extend the service life of bridge cables

Guided by the development concept of "innovation, coordination, green, openness and sharing", Pujiang Cable adopted zinc-aluminium-magnesium alloy coated steel wire with super high anti-corrosion performance for the whole bridge cable of Fenglin Grand Bridge in Guizhou, extending the life of the cable's anti-corrosion protection and actively promoting technological innovation in the bridge raw material industry.



Fenglin Grand Bridge

# **Intelligent Cable**

The "Intelligent Cable" developed by Pujiang Cable is a combination of fibre-optic grating sensor and high-strength steel wire cable structure, which can monitor the use of the cable in real time, and put a dehumidification system inside the cable to adjust the humidity environment inside the cable in real time by intelligently sensing the environmental changes to control the corrosion of the cable and extend the service life of the cable. The system was applied to the Hedong Bridge in Guangzhou in 2021, providing a strong technical support for the control of the bridge cable usage environment.



Intelligent cable allows sensing of cable health in real time

<sup>&</sup>lt;sup>1</sup> Patent No.: ZL 202021438331.0, ZL 202021609044.1, ZL 202022649541.0, ZL 2021201500043.0, ZL 202021702057.3

### Tilt Cable Airbag

The high-strength aluminium alloy airbag pressure sealing device developed by Pujiang Cable can achieve a permanent waterproof seal inside the anchorage, solving the problem of corrosion of steel wires caused by water accumulation inside the anchor cavity of the stay cable, extending the life of the cable and thus the life of the bridge as a whole.

The new cable sealing system of Pujiang Cable has been tested and verified, appraised and promoted, and has been applied on more than 40 bridges in China and abroad. 11 patents have been granted, including 2 invention patents and 1 National Certificate of Construction Method.

# Preforming Technology

To solve the world-wide problem of the 90 metre super-long and super-large cable saddle at the girder end of the Oakland Bay Bridge in San Francisco and the main cable saddle into the saddle at the top of the tower, Pujiang Cable was the first to propose the pre-forming technology for the main cable strands of suspension bridges in 2007. This significantly improved the quality and erection efficiency of the cable strands, reduced construction intensity, shortened construction period and reduced construction energy consumption, promoting green bridge construction.

The pre-forming technology of the Pujiang Cable has been patented by the country<sup>2</sup> and the unit cable strand pre-forming traction equipment has also received an innovation patent<sup>3</sup>.

# Pujiang Cable shortened project schedule for the Yunnan Longjiang Grand Bridge, setting a "world record" for main cable erection

Pujiang Cable was the cable supplier for the Yunnan Longjiang Grand Bridge in Yunnan (the world's largest gorge span of a bridge across a canyon and the highest altitude of a bridge in Asia). The bridge was built using the patented pre-forming technology invented by Pujiang Cable, which shortened the project duration by a full 57 days, setting a world record for the erection of a main cable in the history of bridges, greatly reducing human resources and energy consumption in construction, and opening up new avenues for low-carbon construction.



The Yunnan Longjiang Grand Bridge, Yunnan

<sup>&</sup>lt;sup>2</sup> Patent No.: ZL 200810039780.5

<sup>&</sup>lt;sup>3</sup> Patent No.: ZL 200810039340.X

# Green Superconducting Materials

High-temperature superconducting cable is an electrical device that uses high-temperature superconducting materials as the conductor and can transmit large currents, with the advantages of low loss, high capacity, small size, no pollution, etc. It is regarded as a high-tech product of strategic economic importance in the 21st century. PJI Group's subsidiary, International Superconductor, has the ability to independently develop, manufacture, install and integrate superconducting cable lines. Its superconducting products were shortlisted as one of the top 18 products in the 23rd CIIF Awards, and can be applied to power grids, steel smelting and other fields to help their low-carbon transformation.

# Our goal

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- By 2025, International Superconductor will achieve a sustained 15-30% improvement in the overall energy efficiency of superconducting cables through technological innovation and quality improvement, and by 2030, it will achieve a 50% improvement.
- By 2025, the Energy Efficiency Project of International Superconductor will reduce the emissions of its steel mills by a cumulative total of 6 million tonnes. From 2026 to 2030, the cumulative reduction of emissions will be 10 million tonnes.

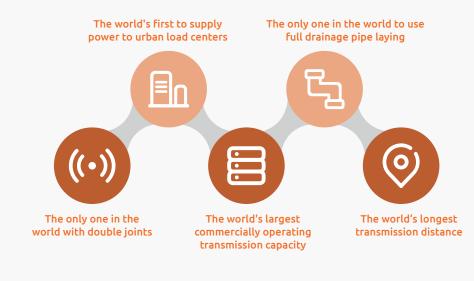


Superconducting products with low carbon footprint



[Low Carbon Grid] International Superconductor led the world's first 35 kV kilometer-grade superconducting cable demonstration project

On 22 December 2021, the world's first 35 kV kilometer-grade superconducting cable demonstration project was officially put into operation. International Superconductor took the lead in developing the required superconducting cables and other key components, solving the world's longest and only double intermediate joints, the whole row of pipe laying and other construction problems, leading the world's first superconducting cable to support the backbone of a mega-city grid onto the stage of history, playing a milestone exemplary role in helping the "dual carbon" target.



Five "world records" for superconducting cable projects

# [Low Carbon Steelmaking] International Superconductor built Baosteel Demonstration Project

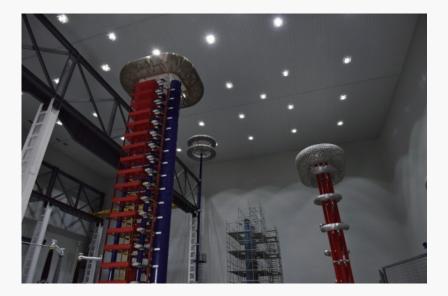
In 2013, International Superconductor completed the installation and commissioning of the first low-temperature insulated 35 kV 2,000 A high-temperature superconducting cable in China at Baosteel Corporation. At the time, it was the only high-temperature superconducting cable project that was actually applied to industrial production. This project provided significant data support for the operation and maintenance of superconducting cables and thereby promoted the further application of superconducting electroconnections in the steel industry. In 2021, a study by the Chinese Academy of Social Sciences' Institute of Quantitative Economics and Institute of Technology and Economics of the Chinese Academy of Social Sciences measured the whole life cycle carbon emissions of superconducting products, and the results showed that compared with traditional cables, its low carbon emission reduction effect is remarkable.

For steel plant applications, if replace the substation, and with a cable length of 4 km and a feeder system operating time of 1 year, the use of superconducting cable feeders can emit 75% to 90% less CO<sub>2</sub> than conventional cable feeders .

For urban grid applications, superconducting cables provide better emission reductions than conventional cables when the cable length exceeds 0.66 km; for a cable length of 6 km, superconducting cables emit approximately 27.72% less CO<sub>2</sub> than conventional cables.



**Baosteel Demonstration Project** 



Full life cycle carbon emission study of superconducting cables

# **Green production**

# **Energy Consumption Management**

Pujiang International Group is committed to improving the Company's energy utilization efficiency, formulating the "Regulations on the Management of Power Savings of the Group", and combining the actual experience of production and operation to adjust the energy structure, improve the quality of energy management, and further carry out the work of tapping potential and reducing consumption, increasing production and efficiency.

# Our goal

- By 2025, the Company's comprehensive energy consumption intensity (measured as tonnes of standard coal/million revenue) will decrease by 50% compared to 2020.
- The Company will use the space of Pujiang Cable, Ossen Innovation Materials and Ossen Jiujiang's existing plants to promote the use of photovoltaic power generation to reduce the electricity consumption of the grid, and to increase the Company's renewable energy use ratio by 2025.

# **Cable business**

- Pujiang Cable has formulated "Energy Resource Management Measures" and regularly updates "Energy and Resource Consumption Statistics" to achieve daily registration and control of energy used in production, reduce project operating costs and thereby realize energy saving.
- Pujiang Cable developed the "Non-Production Motor Vehicle Management System" to improve the efficiency of vehicle use, control fuel consumption of own vehicles and reduce greenhouse gas emissions.

# **Prestressed Business**

- Ossen Jiujiang has set energy-saving and environmental protection targets and KPI indicators, regularly updates the "Energy Consumption Table", and focuses on improving environmental performance.
- Ossen Jiujiang stopped using coal-fired steam boilers and switched to electric heating for production, reducing greenhouse gas emissions.
- All air compressors and pumps are controlled by frequency conversion technology, which improves the utilization rate of energy.

PJI Group's Energy Conservation and Emission Reduction Practices



Environmental indicato	DES	Unit	2021
	Diesel	Tonnes	8.19
Direct energy consumption	Petrol	Tonnes	38.1
	Natural gas	Standard cubic metres	5.94
Indirect energy consumption	Electricity consumption	1,000 Kilowatt-hours	4,230
Direct energy consump	tion conversion	Tonnes of standard coal	68
Indirect energy consum	ption conversion	Tonnes of standard coal	519.85
Integrated energy conv	ersion	Tonnes of standard coal	587.86
Integrated energy inter	nsity	Tonnes of standard coal / million revenue	0.27

1. Direct energy comes mainly from diesel and petrol consumed by PJI Group subsidiaries' own vehicles (including forklifts) and natural gas used in canteens. The data is calculated and converted into tonnes of standard coal in accordance with the General Rules for Calculating Comprehensive Energy Consumption (GB/T2589-2020).

2. Indirect energy is mainly derived from the purchased electricity consumed by the operations of PJI Group's subsidiaries. The data is calculated and converted into tonnes of standard coal in accordance with the General Rules for Calculating Comprehensive Energy Consumption (GB/T2589-2020).

# Water Resources Management

Water is the source of life, the key to production and the foundation of ecology. In accordance with the relevant laws and regulations of the Ministry of Ecology and Environment, PJI Group urges its subsidiaries to prioritize water conservation, fully improve the efficiency of water resources use and continuously enhance the refinement of water resources management. PJI Group has not experienced any problems in obtaining the applicable water sources.

# Our goal

By 2025, the Company will reduce water consumption (tonnes) as well as water consumption intensity (tonnes/million revenue) by 20% compared to 2020, and scientifically build more water recycling facilities.

Pujiang Cable multi-faceted water resources management, promoting the construction of water-saving enterprises

Pujiang Cable manages a monthly ledger of water consumption and conducts regular checks and repairs on the water supply system and water-using equipment. In addition, the company carried out technical modifications to key nodes and equipment for production cooling water to achieve recycling of cooling water for production and significantly reduced water wastage.

# Ossen Innovation Materials was awarded "Anhui Provincial Water-saving Enterprise" and "Anhui Provincial Environmental Protection Integrity Enterprise".

Ossen Innovation Materials has established a sound water conservation management network and a clear job responsibility system, with a competent leader in charge of water conservation work and an office meeting system, a water conservation department and water conservation management personnel, standardizing original records and making ledgers. The company's industrial water reuse rate reached 95.8%, the indirect cooling water recycling rate was 97.8%, and the water loss rate per unit of water facilities (including self-provided wells) was 1.0%, and was awarded as "Anhui Provincial Water-saving Enterprise" and "Anhui Provincial Environmental Protection Integrity Enterprise" in 2021.

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Ossen Innovation Materials was awarded as "Anhui Provincial Water-saving Enterprise".

# Ossen Jiujiang promotes water recycling for efficient water management

Ossen Jiujiang has developed the "Waste Management System" and equipped with a steam condensate recovery system to recover hot condensate for workpiece cleaning, saving 5,700 tonnes of water annually. The wastewater treatment station uses a new process to treat wastewater for partial reuse, and 40% of the treated water is reused in the production cycle system, improving water efficiency.

Environmental indicators	Unit	2021
Water consumption	Tonnes	88,825
Water consumption intensity	Tonnes / million revenue	41.2

# **Pollutant Management**

PJI Group strictly follows the pollution prevention and control related laws and regulations, including the "Law of the People's Republic of China on the Prevention and Control of Air Pollution" and the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", and formulates policies such as "Treatment and Monitoring Rules for Noise, Wastewater, Exhaust Emission" and "Wastewater Discharge Control System" to implement source control of pollutants and achieve comprehensive treatment of wastewater and exhaust gas. Each subsidiary installed waste gas and wastewater treatment facilities in accordance with the requirements of the EIA to ensure that the discharge of pollutants meets regulatory standards and to strengthen the construction of a long-term system for pollution prevention and control.

# Our goal

- By 2030, the Company will reduce its SO<sub>2</sub> emissions (kg) by 50% compared to 2020.
- By 2025, the Company's hydrochloric acid consumption will **reach its peak**.
  - Ossen Innovation Materials will:

Optimize the overall process, reduce the amount of hydrochloric acid per unit, and **reach its peak** by 2025; Reform the wire surface treatment process; Adopt new technologies such as shot blasting instead of pickling; Gradually reduce the amount of hydrochloric acid to **0**.

• Ossen Jiujiang will:

Continuously optimize the equipment and processes; Reduce the amount of hydrochloric acid in the coating process, and **reach its peak** by 2025; Increase the production capacity year by year and raise the non-hazardous treatment of waste acid to a new level

Ossen Innovation Materials upgraded wastewater treatment equipment and optimized wastewater treatment processes

Ossen Innovation Materials upgraded its sewage treatment equipment, which is designed with a compact structure, small footprint and easy operation, and the standard pickling wastewater after sewage treatment is directly discharged into the industrial park sewage treatment plant to promote green production.



Ossen Innovation Materials Wastewater Treatment Equipment

# Ossen Jiujiang applied a fully enclosed tunnel surface treatment line to reduce exhaust emissions

As from 2019 Ossen Jiujiang stopped using the pickling production line, which caused comparatively strong pollution, and since then adopts the most advanced international fully enclosed tunnel pickling and phosphating production line, blocking acid mist volatilization and significantly reducing wastewater and waste gas emissions. The "150,000 Tonnes Fully Enclosed Environmental Protection And Energy-Saving Automatic Pickling Line Technology Plan" prepared by the company can make the equipment run most stably and economically to maximize environmental and economic benefits.

# Ossen Jiujiang uses an acid-free washing process to eliminate acid pollution emissions

The Ossen Jiujiang galvanizing production line adopts ultrasonic alkaline washing technology to avoid the use of hydrochloric acid for surface treatment, thereby preventing acid pollution and discharge, and at the same time protecting the health and safety of employees.

Environmental indicators	Unit	2021
SO <sub>2</sub> emissions	kg	0.93
SO2 emission intensity	kg/million revenue	0.00043
NO <sub>x</sub> emissions	kg	320.24
NO <sub>x</sub> emission intensity	kg/million revenue	0.15
Particulate matter	kg	27.77
Emission intensity of particulate matter	kg/million revenue	0.01
External discharge of industrial wastewater	Tonnes	10,900
Industrial wastewater reuse	Tonnes	18,343
Chemical oxygen demand (COD) treated	Tonnes	158.27

1. Exhaust emissions are mainly from mobile source emissions from diesel and gasoline consumed by PJI Group's own vehicles (including forklifts), and the data are calculated through statistics based on the formula and emission factors in the SEHK's "Guidelines on Reporting of Environmental Key Performance Indicators".

# Waste Management

PJI Group strictly abides by the laws and regulations such as the "Law of the People's Republic of China on the Prevention and Control of Pollution of the Environment by Solid Waste" and has formulated the "Waste Management System" and the "Waste Classification and Management System" to promote the classification, recycling and reuse of solid waste and ensure efficient implementation of waste management in all subsidiaries.

# Our goal

- By 2030, the Company's non-hazardous waste emissions (tonnes) and the intensity of non-hazardous waste emissions (tonnes / million revenue) will decrease by 20% compared to 2020. This is possible through the strict implementation of waste separation and recycling of renewable resources.
- By 2030, the Company will achieve 100% recycling of production waste<sup>1</sup>.

1. (Production waste in this context mainly refers to galvanized steel wire of varying lengths generated during cable processing, steel wire and strand waste generated during the production of coated prestressed products, and packaging during the process.)

# **Pujiang Cable**

 Statistics on the disposal volume of recyclable wastes and hazardous wastes are made every month, and the "Statistical Record of Waste Disposal" is created to realize waste statistics and separate treatment.

# Ossen Jiujiang

- "Hazardous Waste Management System" was created to build a full process management system of hazardous waste collection, storage, transfer, utilization and disposal.
- "General Industrial Solid Waste and Domestic Waste Management System" and "General Solid Waste Ledger" were created to continuously strengthen waste management.

# Ossen Innovation Materials

- "Hazardous Waste Pollution Prevention and Control Responsibility System" was created to implement waste management responsibilities.
- "Hazardous Waste Management System" was created, and the collection, storage, transfer and transportation of hazardous waste are operated in accordance with the regulations on hazardous waste management. In order to prevent environmental pollution and safety accidents the requirements of the discharge permit were issued.

2021 Environmental, Social and Governance Report

Type of waste	Name	Treatment
	Scrap and other production related	Contact scrap dealers from time to time for recycling and disposal
Non-hazardous waste	Zinc slag	Segregated storage and recycling is done by a qualified institution
	Related to other areas of daily life	Separate and dispose in the bins of PJI Group and its subsidiaries on a daily basis
	Waste acid	Store independently in each subsidiary's hazardous waste store and recycling is done by a qualified institution
Hazardous waste	Phosphate slag	Temporarily store in the Company's hazardous waste store and recycling is done by a qualified institution
	Other household hazardous waste (e.g. fluorescent lamps, waste lead batteries, waste nickel-cadmium and mercury oxide batteries, waste toner cartridges, ink cartridges)	Use consolidated storage and regularly dispose

Waste types and disposal methods

Environmental indicators	Unit	2021
Hazardous waste emissions	Tonnes	83.05
Hazardous waste emission intensity	Tonnes / million revenue	0.04
Non-hazardous waste emissions	Tonnes	150.33
Non-hazardous waste emissions intensity	Tonnes / million revenue	0.07

# Material Use

The "14th Five-Year Plan for the Development of Circular Economy" has given enterprises a new goal of developing a circular economy. Based on sustainable development, Pujiang International Group has improved the "re-utilization rate" of resources from the whole life cycle of products, and strung together a green industrial chain of circular economy.

# Pujiang Cable implements packaging recycling and green product concepts

The tarpaulins, liners and pallets used in the packaging of the cable products of Pujiang Cable are recycled. The packaged main cable strands are shipped to the bridge construction site, and the packaging materials are returned to the company after the products are used. Damaged tarpaulins can also be transformed into small-size packaging tarpaulins for reuse in other projects. In 2021, the company reused a total of 76 tonnes of packaging.

In addition, the outer packaging of the company's slings, cable ties and structural ropes is made of recyclable and biodegradable materials, effectively reducing the environmental impact of the packaging.

Environmental indicators	Unit	2021
Total packaging material used for the product	Tonnes	642.49

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# **Green Office**

PJI Group has implemented a paperless office to promote the concept of green office, advocate a saving culture, create a working atmosphere of energy saving and consumption reduction, and reduce the carbon footprint of the office. The internal circulation of information in each subsidiary is transmitted electronically, and the purchase, reimbursement and contract evaluation are carried out through online paperless processes. At the same time, we advocate double-sided printing to save paper, strengthen the management of office supplies, improve the creation of a smart office, and practice the concept of green office.

Pujiang Cable strengthens electricity management to help save energy and reduce emissions

Pujiang Cable actively advocates green electricity consumption, setting the air conditioning temperature not lower than 26 degrees in summer cooling and not higher than 20 degrees in winter heating, which can save about 10% of the electricity used for air conditioning. We also regularly clean the filters and other devices to improve the energy efficiency of air conditioning. Computers, printers and other equipment are switched on as they are used or set to an automatic energy-saving state to avoid appliances being on standby for long periods of time, and all types of power supplies are switched off consciously after work to eliminate the waste of electricity.

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# Responding to Climate Change

The United Nations Environment Programme's "Emissions Gap Report 2021" points out that there is still a large gap between our actions and the 1.5 degree Celsius global temperature control target. As a major player in economic activity and a key driver of technological progress, companies need to take effective and coordinated action to contribute to global eco-civilization governance. In the context of the "double carbon" target, PJI Group is actively laying out management mechanisms to address climate change, helping enterprises to identify and assess the impact of climate-related risks on their business, and scientifically building relevant management mechanisms to strengthen their climate change response capabilities in two major directions: climate change adaptation and mitigation.

# Our goal The Company aims for its Carbon peak in 2025 and for Carbon neutrality in 2050. Greenhouse gas emissions Scope I + Scope II for the Company are reduced by 50% by 2030 compared to 2020.

# **Climate Change Mitigation**

- Improve efficiency in the use of materials (e.g. steel), reuse and recycle materials, and minimize material waste
- Explore "zero carbon emission" production processes, including improving energy efficiency, introducing clean energy, and promoting technological innovation
- Invest in green low-carbon product development and explore cross-industry low-carbon cooperation

# **Climate Change Adaptation**

- Strengthen the strength of cable materials to ensure that the bridge withstands typhoons and other catastrophic weather
- Develop cable products with good corrosion resistance, high temperature oxidation resistance and fire resistance to cope with abnormal climate changes such as increased rainfall and sudden temperature rise

Climate Change Adaptation and Mitigation Strategies for PJI Group's Cable Business

TCFD Recommen	dations	PJI Group Response	
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	PJI Group has establish an organizationa structure for ESG and climate change management to clarify the Board's	
dovernance	b) Describe management's responsibilities for assessing and managing climate-relat- ed risks and opportunities.	oversight responsibilities for climate-re- lated risks and opportunities See <u>ESG Governance section</u> for more details	
	a) Describe the climate-related risks and opportunities the organization has identi- fied over the short, medium, and long term.	PJI Group will promote the assessment of transformation risks and the impact of physical risks on all aspects of	
Strategies	b) Describe the impact of climate related risks and opportunities on the organiza- tion's businesses, strategy, and financial planning.	business operations; and benchmark peer practices, synthesize industry trends and seize relevant opportunities in a timely manner	
	c) Describe the resilience of the organiza- tion's strategy, taking into consideration different climate-related scenarios,includ- ing a 2°C or lower scenario.	PJI Group will actively research mainstream climate scenario analysis methods	
	a) Describe the organization's processes for identifying and assessing climate-related risks.		
Risk management	b) Describe the organization's processes for managing climate-related risks.	PJI Group will strengthen the identifica- tion and assessment of ESG and climate-related risks and explore their integration into the company's current	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	risk management system	
	a) Disclose the metrics used by the organiza- tion to assess climate- related risks and opportunities in line with its strategy and risk management process.	PJI Group has disclosed GHG Scope I, II and III data and will disclose them in its annual ESG report to monitor its trends	
Indicators and targets	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	At the same time, we have set the double carbon neutral target of "carbor peak by 2025 and carbon neutrality by 2050" and will explore specific implementation paths to ensure the	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	reduction of emissions in a scientific manner	



Environmental indicators	Unit	2021
Greenhouse gas emissions (Scope I)	Tonnes of CO2e	141.69
Greenhouse gas emissions (Scope II)	Tonnes of CO2e	2,457.56
Greenhouse gas emissions (Scope III)	Tonnes of CO2e	138.04
Greenhouse gas emission intensity (Scope I+II)	Tonnes of CO2e / million revenue	1.21

1. Scope I greenhouse gas emissions refer to the greenhouse gas emissions generated by the consumption of diesel and petrol by PJI Group and its subsidiaries' own vehicles and natural gas used in the canteen. The emission calculation factors refer to the "Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines" issued by the National Development and Reform Commission.

2. Scope II greenhouse gas emissions refer to the greenhouse gas emissions generated from the consumption of purchased electricity by PJI Group and its subsidiaries. The emission calculation factors refer to the "Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines" issued by the National Development and Reform Commission, where the reference regional grid average emission factors are issued by the Ministry of Ecology and Environment, PRC.

3. Scope III greenhouse gas emissions, refers to the carbon footprint generated by the flight travel of the employees of PJI Group and its subsidiaries, the calculation formula comes from China Climate Change Information Network (https://www.ccchina.org.cn/) - Carbon Footprint Basic Calculation Formula.



# Building Technology-driven Innovation Ecosystem

Scientific Innovation Industry Contribution In every step of mankind's journey, innovation has always been used to break through barriers and build connections with technology. Since its inception, PJI Group has been committed to the field of high-end manufacturing, focusing on "innovation" and "connecting" the future. With the determination to turn the "momentary leadership" into "constant leadership", we have been integrated into the main track of national innovation and entered the main battlefield of independent innovation.

# **Innovation Systems**

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The innovation system is the foundation of innovation development and determines whether the independent innovation capability can be continuously and steadily improved. PJI Group has established a technology innovation system that is enterprise-oriented, market-oriented and closely integrated with industry, academia, research and application, and has urged its subsidiaries to continuously improve their innovation systems.

## **Pujiang Cable**

With the goal of "intelligent products, intelligent equipment and digital process", we promote the strategic deployment of intelligent manufacturing; relying on Shanghai Bridge Engineering Technology Research Centre, we gather R&D talents, overcome technical research difficulties and improve our core competitiveness.

### **Ossen Innovation Materials**

A post-doctoral research station was established to jointly train post-doctoral fellows with the post-doctoral research station of Anhui University of Technology's Materials Science and Engineering Departments to overcome technical problems related to prestressed materials.

PJI Group's R&D strengths by business line



### International Superconductor

Equipped with process workshop, low-temperature and vacuum laboratory, high-voltage testing laboratory and data centre, it has achieved the international first-class level in terms of advanced equipment, technical innovation and quality stability.

The R&D team members stem from various fields such as cable design, insulation research, engineering refrigeration and intelligent monitoring. It is a research team with excellent world-class technical strength for the industrial application of superconducting cables.

# Ossen Jiujiang

Close integration of industry, academia, research and application, the R&D staff of the enterprise engineering technology centre, together with Jiangxi University of Science and Technology, Jiujiang University and Jiujiang Vocational and Technical College, formed an innovative R&D team to complete a number of research topics on prestressed materials.

### R&D Innovation Platform Recognition

In 2017, Pujiang Cable was awarded the honorable title of "National Intellectual Property Advantage Enterprise" recommended by Shanghai Intellectual Property Administration and promulgated by China National Intellectual Property Administration.

Pujiang Cable Technology R&D Centre was accredited as a "Jiaxing Key Laboratory" (Category B).

Ossen Innovation Materials was recognized as "Anhui Province Postdoctoral Research Station" by the Department of Human Resources and Social Security of Anhui Province.

The International Superconductor Laboratory was included in the first batch of national scientific research laboratories in China by CNAS and was also the first scientific research laboratory in China (CNAS RL0001).

Ceremony for the Establishment of the Shanghai International Superconductor Technology Innovation Centre





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# Pujiang Cable builds a technology R&D centre to fill the R&D capacity in the cable field

In order to enhance the company's independent R&D and scientific and technological achievements transformation capability, and to meet the market demand for cable products and technological advancement, Pujiang Cable has invested RMB 60.4 million in a project to expand its technology R&D centre, purchase advanced R&D laboratory equipment, widen the scope of its R&D team, and conduct R&D on cutting-edge topics in the industry. The project is expected to be completed in 2022.

Upon completion, the company will form a modern technology R&D centre integrating technology research, testing, achievements transformation and product development, which will effectively enhance the company's core competitiveness in the cable field, consolidate and strengthen its position in the industry.

# Innovation Incentives

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PJI Group's subsidiaries develop and improve innovative R&D incentive mechanisms to attract first-class technical talents in the industry, create high quality R&D teams and enhance the company's scientific research competitiveness.

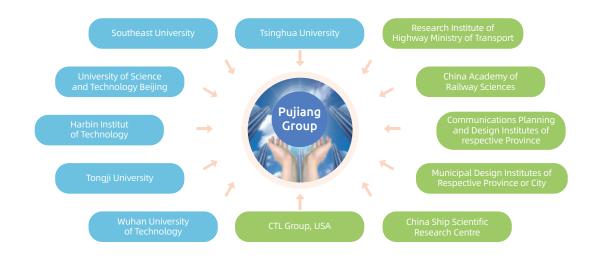
# Pujiang Cable improves the innovation incentive mechanism to thrive innovation

Through the "Science and Technology Incentive Management System" and the "Performance Assessment Management System for R&D Personnel", Pujiang Cable has developed a set of technical incentive mechanisms and a perfect technical R&D management system in order to give full play to the role of a good internal technological innovation incentive fund and fully encourage innovation. At the same time, within the R&D system an order of scientific and technological leaders and key skill leaders is established to increase the assessment and reward for this part of the talent. In addition, engineering and technical personnel who have made special contributions to technical work can be promoted regardless of their academic qualifications and working years, so as to create better conditions for the upgrading of their knowledge and skills.

Ossen Jiujiang sets up several types of innovation awards to encourage staff to invent and create

Ossen Jiujiang has formulated the "Intellectual Property Reward and Punishment System", setting up various innovation incentive awards such as Innovation Achievement Award, Technology Improvement Award, Technology Invention Award, Rationalization Suggestion Award or the Design Solution Award Section. These rewards are a combination of "spiritual" and "material" reward to promote the development of the company's intellectual property work.

The deep collaboration of industry, academia and research is an important element in deepening the reform of the science and technology system, which can achieve the deep integration of the main bodies of industries, universities and research institutes, and form a synergy of innovation. PJI Group's subsidiaries actively cooperate with a number of universities, colleges and research institutes to tackle cutting-edge technologies in the industry.



Pujiang Cable has actively built a "circle of friends" in science and innovation

In 2021, PJI Group and its subsidiaries (including International Superconductor) invested

# RMB102,770,800

in R&D.

# Ossen Innovation Materials postdoctoral research station starts ostdoctoral training

The postdoctoral research station of Ossen Innovation Materials jointly recruited a doctor in November 2019 with the postdoctoral research station of Anhui University of Technology in the discipline of material science and engineering to conduct research on the postdoctoral topic of "Prestressed Steel Strand for LNG Storage Tanks". During his stay at the station, the doctor completed the research and development of the drawing technology and heat treatment technology of prestressed steel strand for LNG storage tanks. Through the experiments and research on three aspects of raw materials, drawing process and stabilization treatment, the main performance indexes of the steel strand were improved.

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### Ossen Jiujiang joins forces with a number of universities to develop industry-academia-research cooperation

# Ossen Jiujiang has joined hands with Jiangxi University of Science and Technology, Jiujiang University and Jiujiang Vocational and Technical College to form an innovative R&D team with the Enterprise Engineering Technology Centre to carry out a number of university-enterprise cooperation projects to enhance its R&D capabilities.

Joint projects such as "Research and Development of Manufacturing Technology for High Strength Corrosion Resistant Zn-Al High Performance Rare Earth Alloy Steel Wire for Large Bridges" and "Research and Development of Preparation Technology for High Performance Corrosion Resistant Zn-Al-RE Alloy Steel Wire for Bridge Cables" have contributed to the industry's cutting-edge technology research and development.

# Innovative Achievements

PJI Group has continued its efforts in innovation in bridge cables, prestressed products and superconducting materials, completing a series of key research projects.

# **Bridge Cables**

- The new product verification test and appraisal of "Φ 6.0mm-2,060MPa Zn-Al-Mg alloy coated steel wire main cable strand" for Lingdingyang Bridge of Shenzhen-Zhongshan-Passage was completed, filling the gap of cable industry at home and abroad.
- The research and test work of "Smart Lanyard" was completed and successfully applied on Hedong Bridge.
- A number of scientific research projects such as "carbon fiber composite cable" are in progress.

### **Prestressed Products**

- "High-performance Corrosion-resistant Galvanized Aluminum Rare Earth Alloy Steel Wire for Bridge Cables" was selected as a major science and technology project in Jiujiang City.
- The invention patent of "A High-strength Prestressed Steel Wire Drawing Method" won the Fourth Jiangxi Provincial Patent Award.
- "A Production Method for Stabilization of Prestressed Galvanized Steel Wire Joints" won the third prize of Jiangxi Provincial Technical Invention Award.
- Successfully developed Φ 6.0mm 600-800MPa special steel wire with shaped groove for bridge cables and applied it in the project.

### Superconducting Materials

- Constructed the world's first 35 kV kilometer-grade superconducting cable demonstration project and put it on the grid in the central district of Shanghai.
- International Superconductor participated in the National Key R&D Project "Basic Research on Superconducting DC Energy Pipeline".

2021 Research and Innovation Achievements

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# International Superconductor research on superconducting DC energy pipelines to help green energy transition

International Superconductor led the completion of the "Basic Research on Superconducting DC Energy Pipeline" project under the National Key Research and Development Program, "DC Insulation Characteristics and Terminal Technology under Large Temperature Gradient". The company has designed an integrated LNG transmission and superconducting power transmission terminal, making the terminal no longer dependent on circulating refrigerant for cooling, making large length energy pipelines possible, and providing a fundamental exploration of fuel/electricity hybrid transmission pipelines, leading the way in low carbon energy transition.

# Intellectual Property Management

"Innovation is the first driving force leading development, and protecting intellectual property rights is protecting innovation". PJI Group is fully aware of the importance of intellectual property rights and promotes the creation, application, protection and management of intellectual property rights to activate innovation productivity.

# Intellectual Property Management Policy

In order to protect the intellectual property rights held, strengthen the management of intellectual property rights and encourage invention and creation, PJI Group has developed a series of intellectual property management policies and established a comprehensive management system in accordance with the relevant national laws, regulations, rules and systems as well as the requirements of the national standard "Corporate Intellectual Property Management Code".

# Pujiang Cable implements an intellectual property protection system to safeguard its own and others' intellectual work

Pujiang Cable has established an intellectual property management department, which is responsible for retrieving and analyzing information relating to intellectual property rights in the countries or regions where products are sold, and clarifying the legal status of the relevant intellectual property rights to avoid infringing on the intellectual property rights of others. Within the company, all employees are entitled to the responsibility of protecting the company's intellectual property rights from infringement, and all employees are encouraged to actively collect and research information on intellectual property rights related to the company and the industry, creating a fair and honest research atmosphere.

Ossen Jiujiang improves its intellectual property management system and enhances the awareness of respecting and protecting intellectual property rights

Ossen Jiujiang has established an intellectual property management system and an intellectual property information platform to update information and data related to the company's technology, products and industry sectors in a timely manner and to strengthen the protection of the company's intellectual property rights.



Indicators	Unit	2021
Total number of patent applications	/	61
Total number of patents granted	/	28
Number of patents granted for cables	/	19
Number of patents granted for prestressed materials	/	5
Number of patents granted for superconducting materials*	/	4

\*The number of patents for superconducting materials is derived from International Superconductor.

In order

In 2021, PJI Group and its subsidiaries (including International Superconductor)

conducted 6 training sessions on patent application.

# Intellectual Property Protection Training

In order to raise the awareness of IPR protection among staff, the Company has organized many IPR training activities for the staff. 2021, two employees of Pujiang Cable obtained the "Shanghai IPR Worker Certificate" after participating in the training of the Shanghai IPR Service Industry Association.



Online IP training for the staff at Ossen Innovation Materials

# **Industry Contribution**

"One person can go fast, a group of people can go far". PJI Group is willing to share technology and resources with partners in the same industry and promote common development of the industry by participating in the formulation of industry standards, joining industry associations and industry forums, etc.

Standardization is a necessary prerequisite for the implementation of modern development. In 2021, PJI Group subsidiaries thus participated in or presided over the development of a number of national, industry and group standards, promoting the development of industry standardization and reflecting the influence of enterprises in the industry.

Indicators	Unit	2021
Total number of industry standards developed with participation	/	9
Number of industry standards involved in the development of cables	/	6
Number of industry standards involved in the development of prestressed materials	/	2
Number of industry standards involved in the development of superconducting materials	/	1

\* The number of superconducting materials involved in the development of industry standards is derived from International Superconductor.

The Company actively participates in industry associations, industry forums and various exhibitions. We showcase our own style while understanding industry trends and seeking cooperation opportunities.

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2	計單中影响科技有限公司,中國特許增加條正並設 计研究院有限公司、加速科技物研究局,中国副 利因稱工程會研究局限公司	8.5ITTFT-LCDWIRNA	7.2H-A159
3	利门子 (中国) 有限公司上和第二分公司	<b>间门子院周围的</b> 新新统	6.1H-8053
4	上海长江电气设施集团的限公司	CXAMBRANTARI	5.1H-6016
5	上海新时间市场出版的有限公司	SC30-8 #3402002	7.1H-E019
6	北京期京和波人和旧有限公司	新一代七自由用力的利用用	8.1H-F012
7	上海临节重工业团 (股份) 有限公司	新型白板投稿机 (天祭可)	2.1H-A133
8	上海电气磁电影曲有限公司	2930-9-880-9-6585223	1.1H-8118
9	中国科学院近代数型研究所。""州和近秦基新技术 有限类任公司	机用能调 子经常器	6.2H-D001
10	复四大学	XINSORM生物可除解支架	6.2H-6006
11	东南大学一无偏衡虚电直技术把印所	和压动中驱动石片	6.2H-A003
12	西北江安大学	18*##145#8%	6.2H-E011
13	+000750×700590	·@+#: 023328人图+3847858	6.2H-D001
14	4480/010683286 (±30) 8240/0805293	电振振合等离子体(ICP) 制致设备	6.214-A001-1
15	青岛海东工业的管理完成有限公司	基于数字争生技术的工业"人取同" 若能作 业或指平台	5.2H-A066
16	英W尔 (中国) 和限公司	教理家山-16正边结孙羽斯决方案	5.2H-E100
17	LAPRINNSH	"天时一号" 大型探测但常环绕器	5.2H-T1
18	IPAC-IPADAD (BEED FARISSI)	17.4万立方来LNG浮式服作两气化温度	5.2H-T2

International Superconductor participated in the "23rd China International Industry Fair". High temperature superconducting cables were reviewed in multiple rounds and finally shortlisted for the Top 18 of the CIIF Award - the only exhibit shortlisted in the superconducting industry.

#### Dr. Tang Liang, Chairman of the Board of Directors of PJI Group, attended the 4th Chinese Enterprise Forum to advocate technology innovation to drive green development in the industry

Dr. Tang Liang, Chairman of the Board of Directors of the Company and Director of the Green Development Committee of the China Federation of Industry and Commerce, was invited to attend the 4th Chinese Enterprise Forum and delivered a keynote speech on "Chinese Enterprises in the New Development Landscape: Mission and Path".

Dr. Tang Liang believes that there are four important grips for the new development pattern of China's manufacturing industry: Firstly, enterprises should adhere to the principle of giving priority to development and break new ground in developing production, so that they can adapt to the new era and situation and grasp the initiative in the market. Secondly, enterprises should adhere to the innovation drive, and be keen to seize the historic opportunity of the new round of scientific and technological revolution and industrial change, and accelerate the transformation of scientific and technological achievements into productivity. Thirdly, enterprises should adhere to green development, accelerate the elimination of backward production capacity, and speed up the green and low-carbon transformation. Fourthly, enterprises should adhere to the action-oriented approach of high-tech "landing", see the future trend, endeavour to pursue healthy economic benefits.







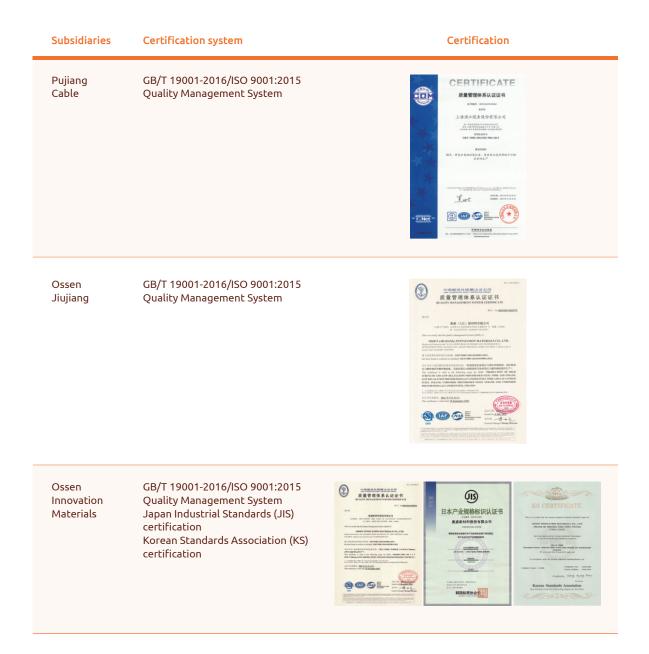
# Satisfying Customers with Excellence in Quality

Quality Management Customer Service 73

# **Quality Management**

Product quality is the foundation of an enterprise's survival and development. PJI Group strictly abides by the laws and regulations of the People's Republic of China, including the "Product Quality Law", promotes entrepreneurship and craftsmanship, establishes a strong awareness of quality first, and sets up a scientific quality supervision and management mechanism. The Company instructs all subsidiaries to formulate "Quality Manuals" in strict accordance with international and national quality management system standards, and supervises the operation as well as the implementation of that system.

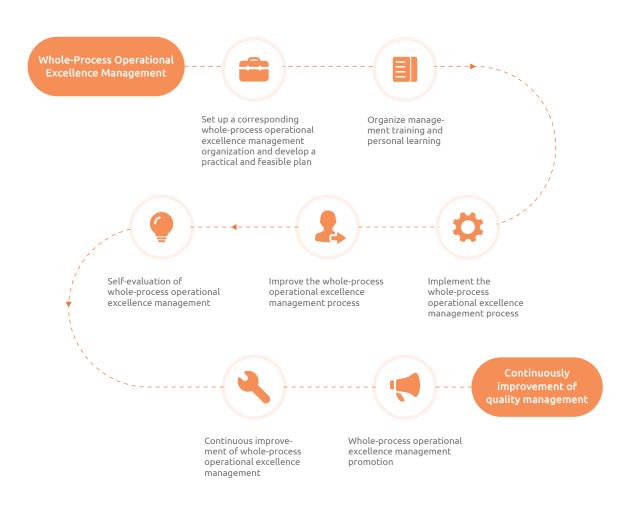
Learn more about the "<u>Pujiang International Group</u> Limited Safety, Quality and Environment Policy"



International Superconductor ISO 9001 Quality Management System



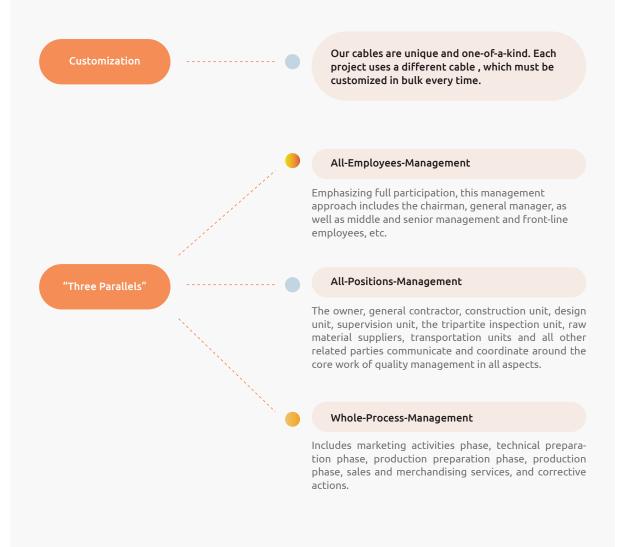
The Company implements a whole-process operational excellence management model that integrates all management methods. The model can be used to improve the quality of the Organization's products (and services), processes, operations and development, thereby effectively improving the overall performance and capabilities of the Company and better creating value for customers and other relevant parties.



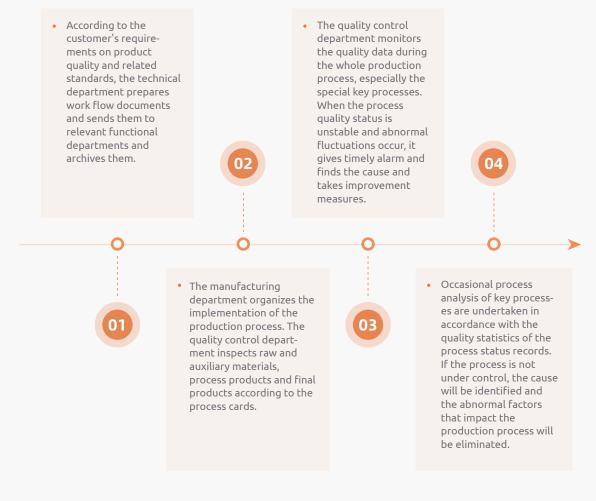
PJI Group's whole-process operational excellence management

#### Pujiang Cable's "Customization and Three Parallels" performance excellence model

In addition to the effective operation of the quality management system, PJI Group has developed a performance excellence model based on "Customization and Three Full Parallel" through the practice of many projects, and has widely applied this model to the quality management of major projects.



#### Ossen Innovation Materials and Ossen Jiujiang adopts the quality management model of "customization and full monitoring" to continuously improve and ensure product quality



Ossen Jiujiang Quality Management Model

# International Superconductor undertakes quality management responsibility in pursuit of quality excellence

In accordance with the ISO 9001 Quality Management System, and with a view to delivering better quality products that meet customer expectations, International Superconductor has devised the "Quality Manual of Shanghai International Superconductor Technology Co., Ltd", and ungraded a host of management programs, including the "Procedures for Management of Quality Integrity", "Procedures for Management and Control of Quality Information", "Control Procedures for Management of Product and Service Requirements", and "Quality Responsibility Tracking and Incentive Procedures".



Product quality indicators	Unit	2021
Number of products voluntarily recalled	10,000 RMB	0
Number of passively recalled products	10,000 RMB	0
Recalled products as a percentage of total products sold	%	0

## Quality Monitoring

PJI Group's business lines are equipped with specialized testing personnel and professional testing equipment to ensure timely and effective product quality testing in order to guarantee a high-quality final product.

Established in 1998, Pujiang Cable's laboratory is equipped with seven sets of large test equipment, which are calibrated annually by the East China National Measurement and Testing Centre of the Shanghai Institute of Measurement and Testing Technology and other units. At the same time, the laboratory is equipped with professionally qualified testing personnel and has established a laboratory management system. The laboratory can carry out the basic self-inspection of raw materials, testing of finished test ropes and testing of new product development to ensure the stable and reliable performance of the products.



Some of the test equipment in the quality inspection laboratory of Pujiang Cable

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Ossen Jiujiang's quality inspection laboratory is equipped with imported testing instruments to meet a number of domestic testing requirements



International Superconductor has a superconducting cryogenic and vacuum laboratory, a superconducting electroconductive high voltage testing laboratory, and is equipped with inspection equipment for each process

### Quality Culture

PJI Group attaches importance to the comprehensive upgrading of quality philosophy, quality values, quality ethics and quality code of conduct, and urges its subsidiaries to carry out various forms of quality culture activities, such as quality month and quality conference, in order to cultivate craftsman's spirit and enhance quality culture.

#### Ossen Innovation Materials and Ossen Jiujiang's multi-pronged approach to rooting a culture of quality

## Organize quality control skills training

The company conducts job skills training for relevant quality inspection personnel once a year, and after the training, conducts relevant theoretical knowledge examinations and hands-on machine tests to ensure compliance with the quality inspection process. Thereby high-quality products can be guaranteed.



#### Set "Quality Award" performance bonus

The company sets up Quality Award performance bonus for employees to promote the enterprise to improve quality and increase efficiency.

#### Hold quality briefing and exchange meeting

The company holds quality briefing and exchange meeting every Thursday, in which information about product quality of the previous week is exchanged, prevention measures of possible quality problems are taken, corrective measures are proposed, and implementation of changes are supervised and verified to strengthen quality awareness from management.



Ossen Jiujiang quality knowledge training assessment



Ossen Jiujiang held a quality briefing and exchange meeting

### Smart Manufacturing

Smart manufacturing is the main direction of the construction of a strong manufacturing country, and the degree of its development is directly related to the quality level of the manufacturing industry. PJI Group is firmly committed to smart manufacturing as a key direction to promote technological change, optimization and progress.

Pujiang Cable takes "intelligent products, intelligent equipment, process digitalization " as the strategic deployment target of smart manufacturing, and takes the annual research plan about intelligent cable and intelligent equipment transformation as the key work direction, and the smart manufacturing achievements have been successfully implemented.

Intelligent Products	<ul> <li>Intelligent research and development of the main products of cable-staying and suspension ropes are carried out, so that the products have an intelligent sensing system.</li> <li>In 2021, the preliminarily developed "Smart Stay-Cable" was applied in the Guangzhou Hedong Bridge. The "intelligent cable strand of the main cable of suspension bridge" is expected to be applied in suspension bridge in 2022.</li> </ul>
Intelligent Equipment	<ul> <li>The company carries out intelligent upgrades of cable manufacturing equipment, has introduced automatic controlling and sensing devices to realize automatic identification, evaluation and feedback of the state.</li> <li>At present, we have already completed the intelligent upgrade of the main cable release device and the dynamic watertightness test equipment of the cable.</li> </ul>
Process Digitization	<ul> <li>With digitalization as the core driving force, the data in each manufacturing process is collected.</li> <li>Through the accumulation and analysis of data, we can provide guidance for manufacturing and traceable data for products.</li> <li>The final objective is to create a digital factory.</li> </ul>

Pujiang Cable's smart manufacturing strategy deployment



#### International Superconductor establishes the first data centre for superconducting cable projects in China

Using information technology and intelligent control technology, International Superconductor has established the first data centre for superconducting cable projects in China, realizing an unattended, highly reliable superconducting cable demonstration project substation. Combining engineering operation data and the accumulation of product development data over many years, the data centre carries out modelling calculations under special conditions and has pioneered the establishment of an operational safety level assessment system for superconducting cables, which enables real-time monitoring of superconducting cable operating parameters and basic parameters of cooling systems by means of wireless network transmission.



# **Customer Service**

### **Protection of Customer Rights**

PJI Group strictly abides by the laws and regulations of the People's Republic of China, such as the "Product Quality Law" and the "Protection of Consumer Rights and Interests". While winning the trust of customers with high-quality products, we focus on customer service, constantly improving customer satisfaction and seeking long-term and stable cooperation.

#### Customer Complaints Handling

The Company takes customer feedback and complaints seriously, formulates and strictly implements internal systems and procedures such as "Product Quality and Safety Management System", "Project Returns and Exchanges Rules" and "Sales Management Rules". When customers have complaints about product quality or other reasons for product traceability requirements, the Company's Quality Department is responsible for cooperating with customers to implement traceability and develop corrective measures. This way it is ensured that non-conformities do not occur again or are, at least, reduced. The objective is to reduce losses and to win back the security and trust of customers. Also, the Company makes returns and exchanges at the reasonable request of the customer in accordance with the terms and conditions signed in the contract.

Indicators	Unit	2021
Total number of complaints	/	0
Number of complaints about product quality, safety or service quality	/	0

#### Customer Privacy Protection

Respect and protection of user privacy is the guarantee on which the Company's development depends. The Company strictly abides by the confidentiality agreements with its customers and has set up a comprehensive internal confidentiality system that requires all employees to keep corporate secrets. At the same time, the Company's employee handbook stipulates that all employees should take care to keep the Company's trade secrets as well as internal information, and should not disclose or improperly or illegally use trade secrets learned through their work or in other ways.

As to data and information security, to safeguard enterprise information security, Pujiang Cable has formulated several security protocols, including the "Enterprise Information System Management System", "Information Security Management System", and "Information Security Development Technology White Paper", among others. In 2021, PJI Group engaged a professional third-party organization to conduct an audit of its IT environment to ensure the security of the Company's information and data and further ensure the privacy of its customers.



#### Customer Satisfaction Enhancement

Through customer visits and customer satisfaction surveys, PJI Group's subsidiaries understand customers' needs for products and services. Therefore they can continuously improve their service levels and customer satisfaction. International Superconductor has also created the "Customer Satisfaction Measurement Control Procedure", providing customers with first-class products and services by keeping an effective pulse on customer satisfaction via regular tracking.

Pujiang Cable conducts a customer satisfaction survey to learn where its services have to be improved

The cable products of Pujiang Cable are project-based construction industry products, which are different from general products with a long product time span, and even more different from general consumer goods. In 2021, the customer satisfaction rate of Pujiang Cable was approximately 97.2% and the indicators with low customer ratings have been analyzed and improvement measures have been taken in order to further enhance customer satisfaction.

Pujiang Cable Customer Satisfaction Rate:

### 97.2%

Ossen Jiujiang Customer Satisfaction Rate:

100%

Ossen Innovation Materials Customer Satisfaction Rate:

### **99%**

International Superconductor Customer Satisfaction Rate:





# Staying Safe and Sharing the Dividends of Growth

Occupational Health and Safety Employee Rights Staff Development Staff Care

# **Occupational Health and Safety**

PJI Group has always put the value of "safety and efficiency" as its corporate social responsibility. In order to ensure the safety and health of all employees during production operations and the smooth completion of production tasks, the Company fully implements the "Work Safety Law of the People's Republic of China" and requires all subsidiaries to implement relevant safety management systems and procedures, maintaining safety in the workplace and keeping the bottom line of safe development.

Learn more about the "<u>Pujiang International Group</u> Limited Safety, Quality and Environment Policy"

Subsidiaries	Certification system	Certification
Pujiang Cable	GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management Systems	<image/>
Ossen Jiujiang	Work Safety Standardization Certificate - Work Safety Standardization Level 3 Enterprise	の たたまで の たたまで たた た た た た た た た た た た た た
Ossen Innovation Materials	Work Safety Standardization Certificate - Work Safety Standardization Level 3 Enterprise	<image/>

Occupational health and safety certification status

### Security Management Practices

PJI Group urges its subsidiaries to continuously improve their safety risk management systems and safety management organizational structures, identify occupational disease hazards, and conduct inspections of hazard sources where safety accidents may occur, and strengthen the safety management of relevant hazard sources. In addition, the Company has issued safety protection equipment and tools to employees in special positions, established sound occupational health records for employees, optimized and upgraded production processes, thereby protecting the life and safety of every employee.

Number of work-related injuries:

#### 1

Lost working hours due to work injury:

### 2 days

Work-related deaths:

**0** (0 work-related deaths in the last two years)

Accident rate per 200,000 man-hours worked:

### 0.21

Number of near accidents:

0

Pujiang Cable compiles a safety risk list and emergency plan to build up a comprehensive safety line of defense

Pujiang Cable strictly implements environmental and occupational health and safety operational control procedures, prepares a summary table of hazard sources, a list of key control hazards and a questionnaire of hazard sources in each department, maps all possible accidents and establishes emergency plans in a classified manner to prevent accidents before they occur. At the same time, the company conducts monitoring of occupational disease hazards once a year for special positions, and no health accidents have occurred to employees in special positions since the establishment of the company.

# Ossen Jiujiang organizes regular environmental safety inspections to create a safe production environment

To ensure accountability for safety in the production process, Ossen Jiujiang has developed several safety management protocols, such as the "Major Safety, Quality and Environmental Accident Reporting System", "Occupational Disease Prevention Management System", and "Fire Safety Management System". Additionally, we also regularly organize our staff to carry out safety inspections of the internal production environment and develop corrective measures to complete the rectification, and uploads to the Jiangxi Province Safety Hazard Identification System every month to implement the responsibility for safety in production. In addition, the company has invested in galvanized acid mist dust towers and transformed light rectification dust hoods to reduce waste acid fugitive and particulate emissions in production, effectively reducing health and safety hazards to employees.

### Safety Culture Awareness

Safety culture activities are the main way to improve the safety awareness and skills of all employees. PJI Group urges all subsidiaries to carry out various safety culture activities, aiming to make all employees "understand safety, want safety, know safety, can be safe, ensure safety", and build up the foundation of safe production.

#### Pujiang Cable conducted a variety of safety activities to promote a culture of safety

In order to further implement the idea of "implementing safety responsibility and promoting safe development", during the 20th national "Safety Production Month" Pujiang Cable carried out a total of five aspects of safety production activities: safety production publicity, safety education and training, safety production work analysis meeting, hidden danger investigation and rectification, and emergency response drills. The objective was to strengthen the company's safety management by strictly investigating safety hazards and eliminating all kinds of safety accidents.

In addition, Pujiang Cable conducts safety training once a month to enhance theoretical safety knowledge. At the same time, three safety accident emergency drills are conducted annually, involving fire and equipment injury and other types of safety accidents, in order to enhance the staff's emergency ability to cope with unexpected accidents.



Pujang Cable safety training and fire drill

Ossen Innovation Materials Safety Management System

#### Ossen Innovation Materials implements induction safety training to enhance staff safety awareness

Each employee of Ossen Innovation Materials is required to complete three levels of safety education and training before joining the company, i.e. company education, section education and team education. Through the three-level safety education, employees can learn the safety production rules and regulations, clarify the safety production operation procedures, and build an awareness for safe production.

- "Management System of Safety Inspection and Controlling Hidden Safety Hazards"
- "Emergency Rescue Plan for Safety Accidents"
- "Management System of Safety Accidents"
- "Safety Operation Procedures"
- "Management System of Occupational Health"
- "Management System of Dangerous Goods and Dangerous Sources"
- "Management System of Labor Protection Supplies (Equipment) and Health Products"

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#### Ossen Jiujiang organized a series of safety trainings to make every employee aware of their responsibility for safety in the production process

To bring health and safety to every employee, Ossen Jiujiang has released the "Health and Safety Code". In 2021, Ossen Jiujiang conducted a number of occupational health and safety training sessions to make cadres and employees at the first production line aware that with production naturally comes safety accidents. Also they should understand the importance and scientific nature of prevention work to guarantee safe production.

> In January, five people, including the general manager, were organized to participate in the training for the "main responsible and safety management personnel" - all of whom passed the examination.

 In March, a safety training was conducted for all employees of the company to resume work after the holiday and learn about the new "Work Safety Law of the People's Republic of China".

 In April, a fire safety emergency drill "Using Fire Extinguishers and Fire Hoses to Extinguish Fres" was organized by the Publicity Section of the Fires Brigade of the Development Zone, and all the participants of the drill and assessment were certified correspondingly in November.

 In May, the whole field team safety knowledge training, hidden danger investigation and management training was conducted.

 In June, in the "month of safe production" the whole staff participated in safety education courses and training. Publicity pictures, columns, videos and other content forms were used to carry out a variety of educational activities. Furthermore emergency drills were carried out to test and evaluate the reasonableness and perfection of the emergency plan, while organizing the company's staff in all departments to participate in safety knowledge competitions and watch warning education films.

 In November, all employees were trained on safety operation rules, team safety management, laws and regulations, rules, job duties and accident case analysis. At the same time, all staff were given a lecture on fire control knowledge in "Fire Safety Month".

Ossen Jiujiang 2021 occupational health and safety training event

Number of fire drills:

4

The average number of hours of safety training received by employees:

### 4.52 hours/person

Total number of hours of safety training received by employees:

#### 1,292 hours

浦江国除集围

1.

# **Employee Rights**

PJI Group and its subsidiaries always adhere to the "people-oriented" management philosophy, and improve various human resources management policies and systems in accordance with the requirements of the "Labour Law", the "Labour Contract Law" and other relevant laws of the People's Republic of China. They are committed to providing a positive and harmonious working environment for all employees.

### Protecting the Basic Rights of Employees

PJI Group implements an 8-hour work day. Some positions and types of work may implement additional timing and quota systems. We ensure that employees are paid in full (not less than the minimum wage required by the state and the region) to their salary cards before the stipulated monthly payday, and that social security and provident fund services related to salary are handled for employees in strict accordance with the prescribed standards. Employees are entitled to all benefits, wages and leave as provided for by law, including sound employee health management (insurance, medical check-ups, labour protection supplies, etc.), paid annual leave and other leave (such as wedding leave, bereavement leave, maternity leave and paternity leave), etc.

### Eliminating Child Labour and Prohibiting Forced Labour

The Company strictly abides by the "Labour Law of the People's Republic of China", the "Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Minors", the "Provisions on the Prohibition of Using Child Labour" and other relevant laws and regulations in the employment of labour, and strictly prohibits the employment of child labour. We firmly resist and oppose any form of forced labour practices, including forced labour, undue punitive measures, etc. We strictly implement the recruitment and employment process in our "Employee Handbook", strictly control all aspects of recruitment, registration and labour contracts, and carefully check and verify employee identification information before joining the Company to ensure that personal information is true and valid, so as to avoid employing child labour due to work errors.

The Company has established remedial procedures and measures for the employment of child labor. Once the employment of child labor is found, the Company will immediately stop his work and report to the local labor department for review and confirmation. At the same time, the Company will conduct health examination and psychological counseling for him, to ensure that his body and mind are not harmed. If confirmed by the labor department, the Company will make the following arrangements according to the opinions of the labor department: Pay all salaries in full; Escort him home and hand him over to his guardian;Deal with the individuals or groups who introduce child labor into the factory in accordance with relevant laws and regulations; Investigate the causes of the misuse of child labor, and deal with those who neglect their duties.

2021 Environmental, Social and Governance Report



#### Ensuring Fairness in Employment

The Company has implemented the "Employees Diversity Policy", which takes the candidate's character, attitude, education, experience, skills and development potential as the benchmark for hiring, and fully assesses the suitability of the candidate for the recruited position. In terms of promotion, employees will never be graded and treated differently based on their ethnicity, race, gender, age, religious belief, disability, household registration, region, marriage, pregnancy or other such conditions. Following this approach the Company has built a diversified and diverse talent workforce. In addition, the Company actively promotes local employment in order to support the regional development.

Learn more about the "Employees Diversity Policy"

#### Protecting the Rights of Female Employees

In accordance with the provisions of the "Labour Law", the "Regulations Concerning the Labour Protection of Female Staff and Workers" and the "Provisions on the Scope of Prohibited Labour for Female Employees", the Company has formulated the "Management System for Labour Protection for Female Employees", arranged the labour positions of female employees scientifically and reasonably, and protected the rights and interests of female employees through various means. Pujiang Cable has taken out female health insurance for female employees, conducted regular gynaecological check-ups, organized Women's Day sympathy and care for female employees during pregnancy to effectively protect the rights and health of female employees. Ossen Jiujiang has established the "System for Protection of Female Employees and Minors" to honor its commitment to protecting the interests of its female employees.

#### Listening to Employees

The Company safeguards the freedom of association and the right to collective bargaining of employees, and each subsidiary company has established collective bargaining systems such as the development of the "System to Accept Practicable Advice and Proposals from Employees" and the "Recognition System for Outstanding Advice from Employees", and convenes staff meetings to discuss matters such as collective contracts and system amendments. In addition, the Company encourages employees to put forward rationalization proposals. Through regular production meetings, regular meetings of party members and declaration of rationalization proposals, the Company keeps abreast of and solves problems arising in the management system, safety production, equipment maintenance and logistic support, and constantly improves the rationalization, science and sustainability of the Company in all aspects.





Pujang Cable conducts a staff seminar

Ossen Innovation Materials conducts a staff congress

#### Pujiang Cable conducts staff satisfaction surveys and listens to staff demands

Pujiang Cable regularly conducts employee satisfaction surveys to understand the true demands of employees from six aspects, including their own work status, internal communication, company resources and environment, and personal development, and to obtain constructive opinions. The results of the employee satisfaction survey show that in 2021, the satisfaction rate of Pujiang Cable staff reached 94.5%. However, there are still some tasks that need to be improved. The survey collected suggestions from employees mainly on four areas: corporate management situation, corporate culture atmosphere, corporate development and personal development. Future improvements will be made to address these issues in order to increase team coordination and cooperation and achieve a win-win situation for both the company and the employees.

# Ossen Jiujiang establishes a "Staff Complaints Management System" to safeguard the legitimate rights and interests of employees

In order to identify and deal with hidden problems in a timely manner and to safeguard communication between employees and the company management, Ossen Jiujiang has set up a "Staff Complaints Management System". All active employees of the company can lodge complaints to protect their legitimate rights and interests by submitting applications to the relevant committee or the administrative office, or directly talking to the relevant management departments. The issues include (but are not limited to) performance appraisal, job transfer, recruitment and training, remuneration and benefits. This system is conducive to establishing harmonious labour relations, enhancing corporate cohesion and improving employee satisfaction.



Ossen Innovation Materials received the "2021 Labour Security Integrity A-level" certificate from Maanshan City and was named a "Demonstration Unit for Collective Bargaining" by the Cihu High-tech Zone.

**湔浦江国除集围** 

16.9%

19.8%

45.0%

18.3%

Employee

Structure by

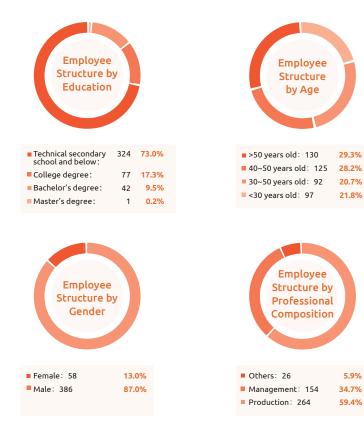
Geography

Anhui: 75

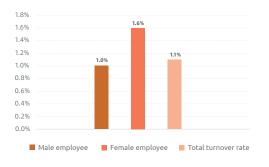
Jiangxi: 88

Zhejiang: 200

Shanghai: 81



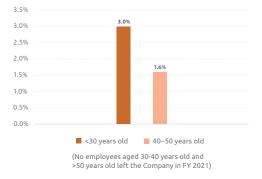




#### Employee turnover rate by region



Employee turnover rate by age





# Staff Development

The career development of employees is the key to driving the growth of the company. PJI Group is therefore committed to stimulating the full potential of its employees through staff training, staff promotion and salary incentives, and promoting the common development of employees and the Company.

### Staff Training

PJI Group has formulated the "Management Measures for Staff Education and Training", fully explored the work potential of existing personnel, formulated human resources development plans, management objectives and training plans for implementation. The Company's training focuses on practical training and combines theoretical input with practical implementation. Internal training includes induction training, transfer training, production staff safety education, quality awareness training, etc.; external training involves both process skills and job functions. At the same time, the training team uses the "Employee Training Opinion Questionnaire" to understand the feedback from the training and to assess the effectiveness of the training activities.



Ossen Jiujiang invited external experts to the factory for training

2021 Environmental, Social and Governance Report

Total number of trained employeesPersons379Development trainingPercentage of trained employees%85.36	
Development training Percentage of trained employees % 85.36	
	5
Total training hours Hours 32,43	30
By gender Male Hours/person 88.96 The average training	5
hours per person Female Hours/person 61.02	2
Production Hours/person 89.32 By function	2
The average training Management Hours/person 83.71 hours per person	1
Others Hours/person 59.52	2
By gender Male % 86.27 Percentage of trained	7
employees Female % 79.31	1
Production % 81.82	2
Percentage of trained Management % 92.21 employees	1
Others % 80.77	7

#### Staff Promotion

The Company adheres to the principles of "Fairness, Openness and Equity" to motivate and discipline every employee, and gives every employee equal rights and opportunities for promotion. The Human Resources Department is responsible for auditing each department's assessment processes and results, with the main indicators being: work performance, ability and attitude, and including special contributions such as groundbreaking technological innovations and solving major potential hazards in the assessment scope.

#### Ossen Jiujiang opens up promotion channels to help employees grow

Min line with the principles of fairness, reasonableness, progress and development, Ossen Jiujiang provides two promotion paths for employees: a promotion within departments and a promotion across departments. Employees who are working at the grass-root level but have outstanding abilities are also provided with equal promotion opportunities. For example, one employee in the company's warehouse packing position has been working actively and conscientiously since he joined the company, uniting with his comrades around him, learning and improving himself, and has been promoted to the company's safety supervisor after an assessment of his work, personal qualities and lifestyle. This fully reflects the management principle of Ossen Jiujiang that anyone who is talented will be promoted.

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#### International Superconductor sets up a dual career path to guarantee the welfare of technicians

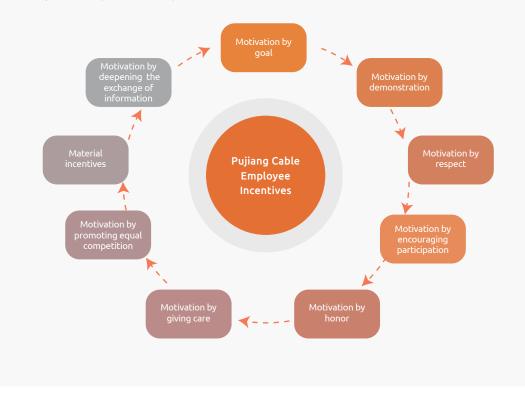
International Superconductor has set up a "dual-channel development" model for its employees, namely the "management channel" and the "technical development channel", providing employees with diversified development channels and ensuring that professional and technical staff enjoy competitive salaries and benefits. In addition, the company has formulated clear "Measures for Management of Recruitment, Training, and Performance Review & Assessment", along with the "Job Description" to clarify job responsibilities and competence requirements at each level, helping employees to develop their career paths in a targeted manner.

#### Staff Salary Incentives

The salary incentive policy helps to stimulate employees' intrinsic potential and realize the value of their positions. PJI Group continued to refine the salary incentive policy, implemented the employee stock ownership plan and granted the senior management and key employees of the Company Options. In June and October 2019, the Company granted 32 million shares and 10 million option shares to its employees through the option scheme respectively.

#### Pujiang Cable's employee incentives to meet the diverse needs of employees

Pujiang Cable has an employee incentives system, that follows the principles of fair competition, timing, effective strength, clear rewards and penalties. It uses a combination of material and spiritual rewards by implementing a staff shareholding plan, considering the work enthusiasm and work ability of talents and adopting different incentive policies for different types of talents. With this approach the Company meets the different needs of employees in terms of material, security, social and personal development.



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# Staff Care

Dr. Tang Liang, Chairman of the Board of Pujiang International, received the title of "National Outstanding Private Entrepreneur for Employee Care", in recognition of his commitment to employees. PJI Group has always attached great importance to the care of its staff, and issues benefits to them every year on holidays such as the 8th March Women's Day, Dragon Boat Festival, Mid-Autumn Festival and Spring Festival. Through the establishment of a staff union, the Company has been able to obtain and understand the actual needs of its staff, 10% of employees' bonuses will be provided to the needy employees through the foundation, and provide them with financial, material, human and spiritual assistance to help them overcome difficulties. In addition, PJI Group and its subsidiaries also enrich the spare time of employees, for example by building staff reading corners and staff sports rooms within the factory. It also organizes quality development and cultural performances.



Our Company's Table Tennis Club has won both the Women's Team and Men's Team Championship at the grand finals of the 2018, 2019 China Table Tennis Association Membership League.



Our Company's Baseball Club was the gold medalist at the final of the 2018, 2019 National Open Baseball Championship of China.

# "Hand in Hand, Over the Mountains" concert to celebrate the Company's "craftsman's spirit" and boost the morale of employees

The Company held the "Hand in Hand, Over the Mountains" concert of original music at the Shanghai Oriental Art Center. With the miracle of turning nearly 900 mountains around the world into thoroughfares as the background, the concert eulogized the ideal and spirit of the Chinese nation in promoting the "Belt and Road Initiative", extolled the craftsman's spirit of Chinese bridge builders under the theme of "Intelligent Manufacturing, From China to the World", and motivated all employees to forge ahead with their glorious dreams of creating the world's landmarks.



Live scene of the "Hand in Hand, Over the Mountains" concert

"The idea of holding this concert is inspired by the "Dream Chase Tour". We must not forget why we started our journey in order to find direction to our final destination. The future starts from now. We want to use this concert to show our pride in serving our country, and create more glories in the years to come."

——Dr. Tang Liang, Chairman of the Board of PJI Group

PJI Group and its staff work together to fight the epidemic and watch out for each other

During the COVID-19 in 2022, the Company efficiently mapped the situation of all employees and their families in the epidemic areas and actively helped solve many problems such as drug category, baby supplies and basic living. Particular attention was paid to the situation of employees in quarantine and the needs of front-line employees in the fight against the epidemic. In addition, the Company organized various online activities and psychological counselling for the psychological development of the staff, and constantly cheered them up.



PJI Group cares for staff affected by the epidemic

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# Sharing the Same Values and Social Responsibility

Supply Chain Management People's Well-being

# Supply Chain Management

On the basis of fully considering the interests of suppliers, PJI Group actively conveys the concept of corporate social responsibility through social and environmental impact management of supply chain. PJI Group formulated the "Pujiang International Group Limited Supplier Policy" and the "Pujiang International Group Limited Supplier Policy" and the "Pujiang International Group Limited Supplier's ESG Code of Conduct". Pujiang Cable incorporates supplier performance in quality, environment, safety and compliance into the supplier entry requirements, and strictly controls the supplier selection and review process to promote green manufacturing and the introduction of environmentally friendly production equipment and technology to create a sustainable supply chain. In addition, Pujiang Cable attaches importance to local sourcing and sets specific targets for local sourcing, requiring local suppliers to account for more than 50% of the list of qualified suppliers. To fulfill our corporate social responsibility in partnership with our suppliers, Ossen Jiujiang formulated the "Supplier's CSR Code of Conduct".

Learn more about the "Pujiang International Group Limited Supplier Policy" and "Pujiang International Group Limited Supplier's ESG Code of Conduct"

#### Pujiang Cable continuously improves supply chain management with high requirements and standards

Pujiang Cable takes suppliers' quality, safety and environmental certifications as well as other production and operation licenses as access conditions, and selects suppliers with a sense of social responsibility as partners. At the same time, the Company attaches great importance to the implementation of the environmental and safety responsibilities of suppliers, and signs the "Environmental and Safety Management Notice" and "Environmental Safety Protection Agreement" with suppliers to promote safety and environment management of suppliers.

In addition, the Company holds annual supplier evaluation meetings to review each qualified supplier according to the content of the evaluation indicators, forming the "Supplier Evaluation Record Form" and a new "Qualified Supplier List", encouraging suppliers to work together for common sustainable goals.

The suppliers of oil and chemical products should be qualified to prevent environmental pollution or accidents during transportation.

The products and raw materials, production process and services provided by the supplier shall meet the requirements of national laws and regulations on environmental protection and occupational health and safety.

Reduce packaging materials under the premise of ensuring product quality.

In the course of production, activities or services, the suppliers must establish plans and undertake measures to ensure that the pollutants emitted meet national or local emission standards.

In the process of production and construction, the suppliers should give priority to pollutionfree or less polluting production processes and construction equipment as well as advanced construction methods etc.

During the construction process, necessary measures to reduce pollution and to properly dispose waste from the construction site must be underaken.

Number of Suppliers	Unit	2021
Suppliers in Northern China	Companies	6
Suppliers in Eastern China	Companies	124
Suppliers in South China	Companies	6
Suppliers in Central China	Companies	3
Suppliers in Southwestern China	Companies	2
Suppliers certified to the ISO 14001 system	Companies	17

## **People's Well-being**

The society makes the enterprise, and the enterprise gives back to the society. Dr Tang Liang, Chairman of the Board of Directors of PJI Group, is the founder of the Ossen Charity Foundation and Mr Zhou Xufeng, Executive Director and CEO of the Company, is the Chairman of the Board. The charity is the business of all the Company's employees, and no employee is absent from loving actions. Dr. Tang Liang has been recognized as one of the Top 60 Influential Chinese Philanthropists. Under his leadership, the Company focused on meeting public needs, organized charity donations and volunteer activities, actively undertook social responsibilities, creating the image of a company with warmth, and establishing a win-win relationship with the society. The Company has achieved full participation in charity projects and all employees participate in charitable donations. We especially support young employees to teach in "Hope Primary Schools" and to regularly support rural teachers. In 2021, Dr Tang Liang, Chairman of the Board of Directors of PJI Group, made donations to the East China Normal University Education Development Foundation and the Chongqing Glory Foundation through the Ossen Charity Foundation, contributing to the harmonious development of the community.





Dr. Liang Tang, Chairman of the Board of Directors of PJI Group, has led a team of Ossen volunteers to help build a Hope Primary School.

## PJI Group conducted "Heart" Health Children's Congenital Heart Disease Screening and Treatment Project through the Ossen Charity Foundation

Children's health is at the core of health for all. With the support of the United Front Work Department of the CPC Shanghai Committee and the Shanghai Municipal Health Commission and the assistance of Shanghai Xinhua Hospital, the Ossen Charity Foundation and Bijie Health Commission jointly launched the Bijie Ossen "Heart" Health charity program on the screening and treatment of children's congenital heart disease. The program aims to establish a city-wide network for screening newborn and children's congenital disease in Bijie, build a provincial-level platform for treating the disease, and organize a series of training, retraining and teaching programs to help Bijie city develop its technical workforce for the detection, diagnosis and treatment of congenital heart disease.



Live scene of the "Heart" Health charity program on the screening and treatment of children's congenital heart disease



Dr. Tang Liang, founder of Ossen Charity Foundation, presented Professor Chen Jiao with a commemorative trophy for the "Heart" Health charity event

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Leaders of Ossen Charity Foundation paid a cordial visit to the post-operative children

### "Shanghai with One Heart", PJI Group actively joined the battle against COVID-19

In the first moments of the outbreak in 2022, Dr. Tang Liang, Chairman of the Board of Directors, was on the front-line of the Company's production and made a pre-emptive response to the outbreak. The various production sections of PJI Group, whether bridge cable or superconductors, have changed their mode of operation and were in a state of "independent operation" according to the emergency plan, and have quickly switched to "closed-loop operation" to prevent and control the epidemic while not relaxing their research and production.

Pujiang cable shoulders the heavy responsibility, from enterprise leaders, technical staff to front-line workers, everyone overcame their family difficulties, intently devoted to the job, the first batch of cables for the Shenzhen-Zhongshan bridge were shipped from the factory on schedule.



PJI Group donated a timely batch of anti-epidemic goods and materials to some of the streets in Putuo and East China Normal University through the Ossen Foundation to provide support to front-line anti-epidemic workers and college teachers and students.



The staff of the Company carry forward the spirit of "start from me, start from around, start from now", overcoming the difficulties with solidarity. PJI Group adopts a new "localized" method under the new anti-epidemic situation, protecting the health of employees.



"The Company will make every effort to cooperate with the Shanghai Municipal Government in implementing the dynamic zero-COVID policy and join fellow Shanghai residents in guarding the city together. At this very moment, entrepreneurs with a sense of social responsibility must step up to the plate, and do whatever they can from their positions, and keep up the work on research and production while coping with the challenge of the pandemic!"

——Dr. Tang Liang, Chairman of the Board of PJI Group

# Outlook

PJI Group has already built the cables for more than 1,000 bridges around the world, turning countless natural moats into thorough and weaving the network of human communication and interconnection. We also hope to continue to create comprehensive ESG value through stronger actions, so that the sustainability path of the Company will be wider and further, helping to build a more equitable, inclusive and friendly society.

**Promoting green low-carbon production.** Focusing on green and clean production, PJI Group actively responds to the national carbon neutral target, continues to explore the low carbon potential in cable manufacturing, prestressed materials and superconducting materials, develops and promotes new technologies and techniques to achieve green products throughout the whole life cycle, creates the company's green and low-carbon benchmark products, and diversifies to show PJI Group's new image which is based on green and low-carbon concepts.

Staying at the forefront of research and innovation. PJI Group will insist on using science and innovation to drive "manufacturing" and move towards "quality manufacturing", winning the trust of the market with high-quality engineering, technology, materials and products, while promoting the cultivation of a scientific research talent pool and committing to benchmarking with international and domestic first-class standards in science and technology innovation. In addition, we will actively explore the application of cutting-edge IoT Technology in bridge cable works, realize the management of the whole life cycle characteristics of bridge maintenance, and promote the digitalization and intelligent upgrading of the infrastructure industry.

Building a solid foundation of integrity and pragmatism. PJI Group believes that no one can stand without trust and no business can prosper without trust. We will continue to improve our compliance management, uphold the highest standards of ethics, practice integrity, establish a good corporate brand and reputation, and work with all parties to build a market environment of integrity and fair competition.

**Creating a blueprint for win-win and prosperity for all.** While the building of bridges accelerates the pace of people travelling far and wide, we must also accelerate the process of addressing sustainable development issues such as environmental protection and social equity. PJI Group will continue to pay attention to the expectations and aspirations of all stakeholders, strengthen our ESG management capabilities, shoulder the new responsibilities entrusted to us by the times, and actively seek the optimal solution to balance the interests of all parties to move towards a more sustainable and better future.

### Hong Kong Stock Exchange Indicators Index

Level	Indicator Number	Indicator Content	Corresponding Chapters
	General Disclosure Items	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, dis- charges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management Green Production
	A1.1	The types of emissions and respective emissions data.	Green Production
A1: Emissions	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Responding to Climate Change
	A1.3	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Production
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Production
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Responding to Climate Change
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Production
A2: Use of Resources	General Disclosure Items	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Green Production
	A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Green Production

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	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Green Production
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Production
	A2.4	Description of whether there is any issue in sourc- ing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Production
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Production
A3: Environment and Natural Resources	General Disclosure Items	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management Green Production
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management Green Production
A4: Climate Change	General Disclosure Items	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Responding to Climate Change

Level	Indicator Number	Indicator Content	Corresponding Chapters
B1: Employment	General Disclosure Items	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruit- ment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Rights
	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographi- cal region.	Employee Rights
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Rights
B2: Health and Safety	General Disclosure Items	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
	B2.2	Lost days due to work injury.	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
B3: Development and Training	General Disclosure Items	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff Development
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Staff Development
	B3.2	The average training hours completed per employee by gender and employee category.	Staff Development

B4: Labour Standards	General Disclosure Items	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Rights
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights
	General Disclosure Items	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5: Supply Chain Management	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are imple- mented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmen- tal and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility	General Disclosure Items	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer Service
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Management
	B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Scientific Innovation

	B6.4	Description of quality assurance process and recall procedures.	Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Scientific Innovation
B7: Anti- corruption	General Disclosure Items	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Risk Control and Compliance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Risk Control and Compliance
	В7.2	Description of preventive measures and whistle- blowing procedures, and how they are implemented and monitored.	Risk Control and Compliance
	B7.3	Description of anti-corruption training provided to directors and staff.	Risk Control and Compliance
B8: Community Investment	General Disclosure Items	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	People's Well-being
	B8.1	Focus areas of contribution (e.g., education, environ- mental concerns, labour needs, health, culture, sport).	People's Well-being
	B8.2	Resources contributed (e.g., money or time) to the focus area.	People's Well-being



– Feedback

# Feedback

In order to continuously improve PJI Group's ESG management, we would like to receive your feedback, which will serve as an important basis for PJI Group to improve our ESG work.

We sincerely thank you for your valuable suggestions on the themes and topics of this report and the Annual Report 2021 despite your busy schedule.

### Your Information

### **Your Comments**

Name	1. What do you think of the PJI Group ESG Report 2021 in general :	
	Excellent Good Fair Poor Very poor	
Work Unit	2. How do you rate the volume of information that the PJI Group ESG Report 2021 discloses:	
	Excellent Good Fair Poor Very poor	
Telephone	3. How do you rate the quality of information disclosed in the PJI Group ESG Report 2021:	
	Excellent Good Fair Poor Very poor	
Mailbox	4. Which kind of presentation form should be enriched for the PJI Group ESG Report 2021:	
	Management idea elaboration Graphical data	
	Example of cases   Topics   Images	
	5. Topics you would like to see added to the PJI Group ESG Report 2022:	
	In terms of economic growth, specifically	
	In terms of environmental protection, specifically	
	In terms of social progress, specifically	
	In terms of other categories, specifically	



### Contact us

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