

CETC 中国电科

CHENGDU SIWI SCIENCE AND TECHNOLOGY COMPANY LIMITED

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

Stock Code: 01202



2022

CHENGDU SIWI SCIENCE AND TECHNOLOGY COMPANY LIMITED
Environmental, Social and Governance Report

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Openings



A Message from the Management

2022 was an extraordinary year. This year, the frequent occurrence of extreme weather caused a great threat to human survival, the severe geopolitical conflict and the turbulent international situation put the industry in danger, and China began to stride towards its second century goal.

2022 was crucial for the Company to carry out deep reform and to pursue for service integration and development. In this year, facing the complexity and uncertainty of the internal and external environment, the Company took the initiative to assume the responsibility for governance, environment and society, and integrate the sustainable development of the Company into our operations and management based on the development concept of "strategic guidance, refine the main business, solidify the foundation".

We achieved standardized and efficient governance by focusing on formulating rules and systems. We optimized the basic system and supporting system of each business segment through establishing a decision-making mechanism focused on a list of responsibilities, improving the framework of the Company's system and mechanism, organizing each functional department to design and plan the system by category and in batches and phases, and thoroughly sorting out the shortcomings and weaknesses of the system. Our corporate governance capability was improved by continuously strengthening the foundation and carrying out reforms and innovations.

We promoted green and low-carbon development through strict control of production safety and environmental protection. We fully guaranteed our environmental performance and strived for the "3060" carbon reduction target by advancing technological innovation, continuously promoting green transformation and supporting energy consumption reduction and addressing climate risks. We have established various special management systems and emergency management mechanisms to ensure the production and delivery of the Company under abnormal conditions such as, high temperature and power shortage, restrictions on production due to environmental protection, etc., stabilizing the safety situation in the park, and laying a solid foundation for achieving the annual target.

We contributed to the building of a better life by honoring our social responsibilities. We positioned and arranged the four major business segments by clarifying the integration and development strategies, focusing on the main responsibility and main business, introducing cable assembly business and increasing the efforts in the research and development of new products, thus promoting cost reduction and efficiency improvement. Meanwhile, we strengthened the construction of our talent team by reforming the salary system, optimizing human resources allocation and performance assessment, etc., so as to effectively contribute value and strength to the growth of employees and society.

Staying true to our original aspiration, we will further improve our sustainable development capability, and work hard to achieve a fairer and better society with more vigor and energy.

About us

Company Profile

Chengdu SIWI Science and Technology Company Limited (formerly known as Chengdu PUTIAN Telecommunications Cable Company Limited) was established in 1958 and listed in Hong Kong (HK01202) in 1994. In June 2021, upon the approval of the State-owned Assets Supervision and Administration Commission of the State Council and China Electronics Technology, Chengdu PUTIAN Telecommunications Cable Company Limited was merged into the 29th Research Institute of China Electronics Technology Group Corporation from the original China PUTIAN Corporation. The 60% of the shares of the Company was transferred at nil consideration to Chengdu Siwi Electronic Co., Ltd, and the Company became a subsidiary of the 29th Research Institute of China Electronics Technology Group Corporation. In July 2022, approved by the Chengdu Market Supervision and Administration Bureau, the Company was renamed as "Chengdu SIWI Science and Technology Company Limited".

Chengdu SIWI Science and Technology Company Limited, headquartered in Chengdu, Sichuan Province, currently has more than 500 employees and total assets of RMB1.02 billion. It has four major business segments: optical cable assembly, cable manufacturing, optical fiber and optical devices, and park operations.

With the philosophy of "pursuing mission, innovation, synergy and pragmatism" and the spirit of "being stringent, excellent, realistic and pioneering", the Company is committed to become a leading electrical interconnection and optoelectronic interconnection benchmark enterprise and a supply chain development demonstration base for military electronics industry in China.



Development History

Early stage of development (1958-1978)

became the first professional communication cable factory in newly-established China, and gradually became the most influential communication cable factory in China with the successful development of various types of cable products, and made contribution to the first major access projects in Beijing, Tianjin, Shanghai and Hangzhou.

Stage of comprehensive take-off (1989-1998)

with the H shares of "Chengdu Cable" listed on the Hong Kong Stock Exchange, it quickly grew into a first-class team in the domestic cable industry, and entered a comprehensive development stage. It won a number of honors such as the "Golden Horse Award", the highest national enterprise management award.

Stage of exploration and transformation (2008-2020)

the Company entered the business transformation and adjustment stage, laying the foundation for subsequent development.

The stage of technological progress (1979-1988)

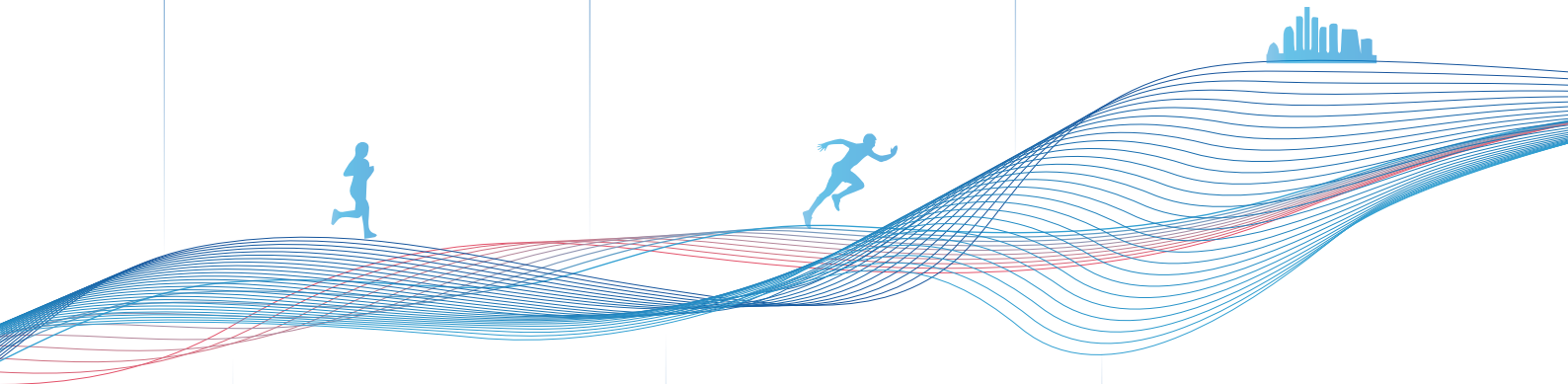
introduced the first domestic all-plastic city phone cable production line, leading to trial production of the first all-plastic city phone cable in line with the REA international standard. The cable won many major awards such as the National Gold Medal Award for Quality and the National Science and Technology Progress Award.

Stage of consolidation and adjustment (1999-2007)

the Company fully expanded its businesses and became an industrial enterprise with great competitiveness and brand influence nationwide, and established the industrial base of China Putian.


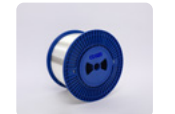


Stage of integrated development (2021 until now)

the Company entered the stage of innovation-driven development and ushered in a new situation of deep integrated development.



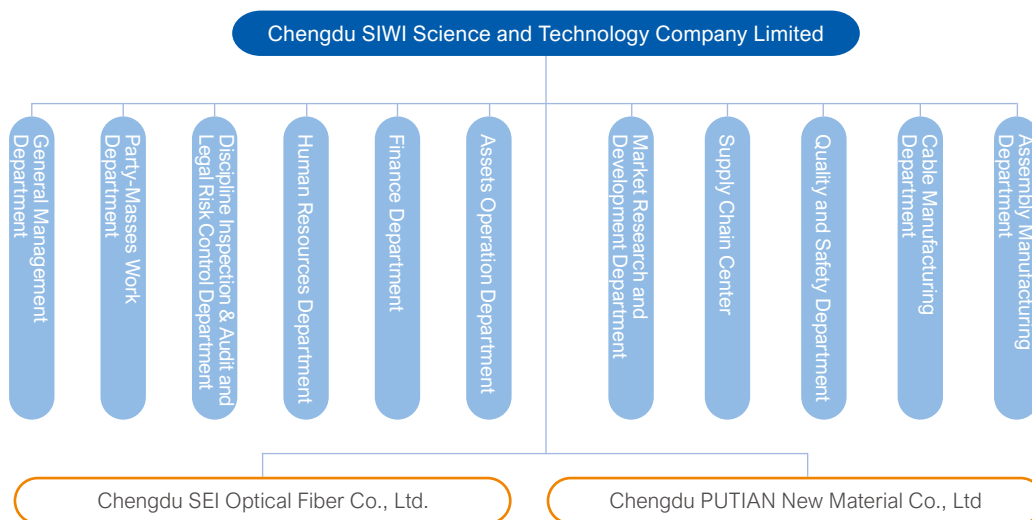
Core Business

© Core Business Segments of SIWI Science and Technolog

<p>Optical cable assembly business</p>	<p>➤ We introduce the cable assembly business, including high-frequency cables, low-frequency cables, cluster cables and optoelectric composite cable assemblies.</p>	
<p>Optical fiber and optical devices business</p>	<p>➤ Our products far exceed national standards in core indicators such as screening tension, cladding diameter fluctuations and temperature performance, and we are also developing specialty fiber products such as low-loss fibers and optical devices such as wavelength division multiplexers to create a spectrum of optoelectronic interconnect products.</p>	
<p>Cable manufacturing business</p>	<p>➤ Based on our railroad cable business, we are continuously developing new products such as silicone rubber cables, fluoroplastic insulated cables, and nuclear-grade cables as our main products.</p>	
<p>Park operation business</p>	<p>➤ Our park positions the supply chain development base for military electronics industry as the demonstration site for “strengthening the supply chain in a well-established ecosystem”, promoting industrial cluster development.</p>	

Organizational Structure

In order to remain competitive in a complex environment, SIWI SCI & TECH streamlined and adjusted its organizational structure in 2022 when it was at a critical time of integrated development, to fully leverage the Company’s business synergy, financial synergy and management synergy, so as to promote the transformation of the Company from a traditional manufacturing enterprise to a technology innovation-oriented enterprise.



ESG Governance

Adhering to the basic principles of environmental, social and governance, the Company continuously implements ESG strategies, and builds a top-down ESG management structure. While achieving sound development of the Company, we join hands with stakeholders to create sustainable value.

ESG Governance Structure

In 2022, SIWI SCI & TECH boosted ESG governance capabilities by formulating ESG plans, conducting regular assessments and implementing risk management. By continuously improving a more scientific, efficient and orderly ESG governance structure, we continued to provide strong organizational safeguards for the Company to promote ESG management

© ESG Governance Structure





Board of Directors

As the highest decision-making body of the Company in ESG governance, it is responsible for the overall planning and coordination of ESG matters.

- Approves the Company's ESG-related objectives.
- Coordinates the identification and management of risks and opportunities related to ESG.



Strategic Development Committee

Responsible for formulating the sustainable development strategy of SIWI SCI & TECH, defining medium and long-term sustainable development goals, establishing ESG governance system and strategic framework, and monitoring and supervising the Company's environmental, social and governance performance.

- Approves the Company's annual Environmental, Social and Governance Report, sustainability policy documents and other ESG-related disclosures and make recommendations to the Board of Directors for approval.
- Provides routine monitoring and reporting on the implementation progress of risk management and related work.



ESG Governance Group

The ESG Governance Group continuously integrates risk management related to society, environment and governance into the ordinary operations of the Company, and coordinates with all subsidiaries and business systems to promote the implementation of related work.

- Strengthens the consensus and strategic synergy of sustainable development among all departments, and promote the implementation of ESG management standards and sustainable development culture.
- Coordinates the collection of relevant information and preparation of report on environment, society and governance of the Company.
- Regularly reports to the Company's management and the Strategic Development Committee of the Company's Board of Directors on the implementation of ESG targets.



Heads of Departments

ESG related departments include: general management, laws and regulations, stakeholder management, R&D and manufacturing, quality and safety, environmental management, supply chain management, human resources, financial risk, etc.

- Collaborates to promote the implementation of various ESG tasks under the guidance of the ESG Governance Group.

In March 2022, we arranged Hong Kong lawyers' trainings on the Listing Rules related to corporate governance and ESG for the directors, supervisors and senior management. In August, the Board of Directors inspected the implementation of annual ESG targets in the first half of the year and requested relevant units with poor performance to formulate rectification plans and ensure implementation.

ESG Governance Policy

SIWI SCI & TECH conducts ESG risk and opportunity analysis by combing macro policies, social and economic environment, strategic plans, production and operation of the Company and stakeholder communication. By formulating sustainable development strategies and goals, SIWI SCI & TECH takes related actions in combination with the SDGs.

© SDGs and SIWI SCI & TECH's Actions

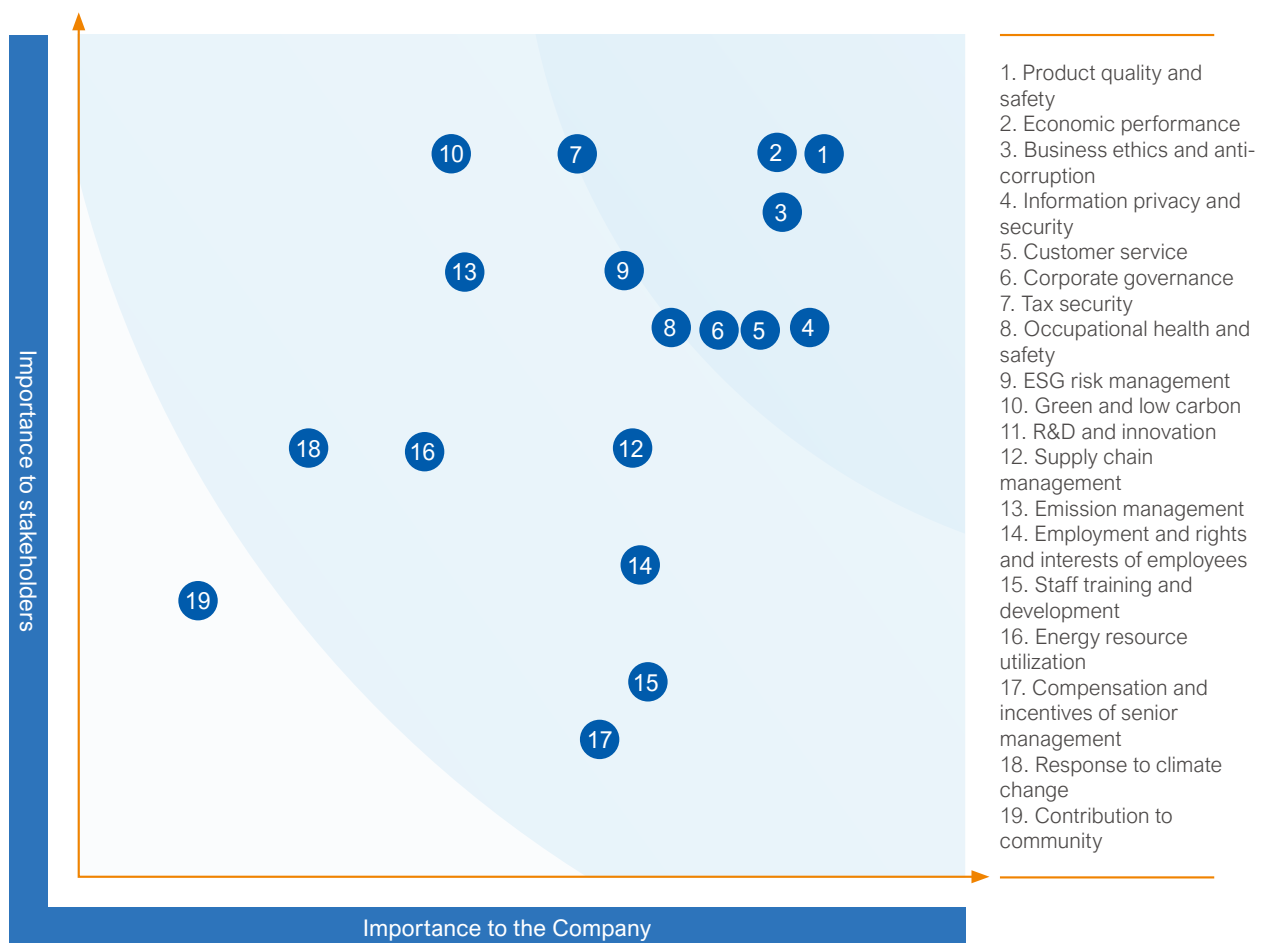
Our Theme	UN Sustainable Development Goals	Our Actions
Responsible governance, lawful operation	<ul style="list-style-type: none"> Establish ESG governance structure Enhance communication with stakeholders Management in compliance with the laws and regulations Strengthen risk control Protect customer privacy 	   
Practicing green to protect the environment	<ul style="list-style-type: none"> Improve environmental management system Set up climate risk assessment Establish carbon reduction target Monitor pollutant discharge Use clean technology Promote green office Build green plant 	  
Working together to contribute to society	<ul style="list-style-type: none"> Responsible products Promote Innovation-driven development Promote intellectual property protection Customer satisfaction management Supplier management Park development 	  
	<ul style="list-style-type: none"> Equal employment opportunity Diversified talent recruitment Good compensation and benefits Staff training and development Occupational health and safety Enhance communication with employees 	   

Materiality Assessment

We attach great importance to stakeholders' feedback and suggestions on sustainable development issues. Through industry benchmarking, stakeholders survey and expert analysis, we identified the ESG risks and opportunities of the Company and screened out and determined 19 material issues of great importance or impact to the Company and its stakeholders. These issues are highlighted and responded to in this report from three perspectives, namely "Responsible Governance and Compliance Operation", "Practicing Green Sustainability and Protecting the Environment" and "Join Hands to Contribute to Society".

The analysis results of materiality issues in 2022 have been reviewed and confirmed by the ESG Governance Group.

© Materiality Issues Identification Results



Stakeholder Engagement

During the Reporting Period, the Company continued to communicate and exchange with stakeholders, using various communication channels to understand and respond to the expectations and demands of stakeholders in a timely manner. These expectations and demands were taken as important references for the Company's ESG management, achieving a two-way communication and win-win cooperation between the Company and stakeholders.

© Communication between SIWI SCI & TECH and its Stakeholders

Stakeholders	Issues of Concern	Communication and Response
 Governmental and regulatory authorities	Compliance operation Product quality and safety Business ethics and anti-corruption.	Policy implementation, event reporting, participating in research and visits, assisting with evaluations, conducting meeting communications, etc.
 Shareholders and investors	ESG risk management Economic performance Tax security Executive compensation and incentives	Convening the meeting of board of directors, supervisory committee, general meeting, announcing and publishing on various with evaluations, information disclosure websites, and regularly holding various types of investor meetings and setting up hotlines.
 Customers	Customer service R&D and innovation Emission management	Conducting customer satisfaction surveys, open discussions and visits, and interacting with various social medias such as WeChat public accounts and company website
 Employees	Occupational health and safety Employment and rights and interests of employees Employee training and development	Collective bargaining with employees, employee representative meeting, organizing various employee activities, conducting employee satisfaction surveys
 Partners	Supply chain management Energy and resource utilization Green and low-carbon initiatives	Conducting supplier evaluations, non-periodic industry exchanges, conducting daily cooperation negotiations and business training
 Universities and research institutions.	Addressing climate change R&D and innovation	Developing school-enterprise cooperation, conducting various academic exchanges, and linking industry cooperation, etc.
 Communities and the public	Contribution to communities Emission management.	Conducting daily media communication, engaging in social media communication, and participating in volunteer activities

Responsible Governance and Compliance Operation

Compliance governance is a core measure that the Company adopts to practice sustainability and an important means to enhance our risk management level. We achieve standardized governance by taking actions such as internal controls, clean and compliant operations, and information disclosure in accordance with laws and regulations.

Governance Performance in 2022

- Female directors accounted for **22%**.
- Female executives accounted for **43%**.
- We held **3** general meetings and **3** supervisory committee meetings.
- We held **21** Board meetings, at which **50** proposals were considered, including **48** proposals relating to “Three Key and One Major” matters.

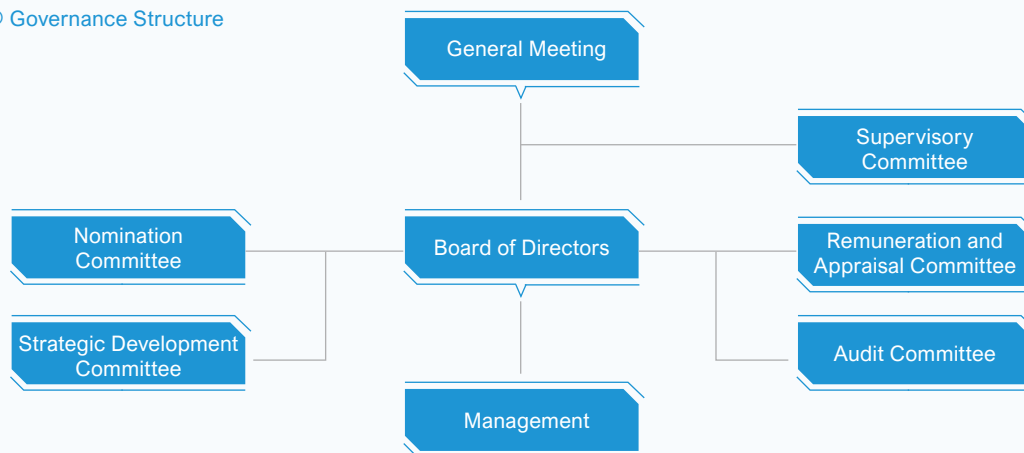


Standardizing Corporate Governance

Corporate Governance Principles

SIWI SCI & TECH has established a sound and standardized organizational and management mechanism, and have effectively formed a governance structure with clear responsibilities, coordinated operations, and effective balance in accordance with the Company Law of the People's Republic of China (the "Company Law"), Special Provisions of the State Council Concerning the Overseas Securities Offering and Listing by Limited Stock Companies (the "Special Provisions"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and relevant regulatory requirements for state-owned enterprises.

© Governance Structure



Operation of the Three Committees

Siwei Technology organizes board meetings and shareholders' meetings in strict accordance with the Company Law, the Listing Rules, the Articles of Association and other laws and regulations, and timely convenes the Board meetings based on the duty and responsibility of "Three Key and One Major" decision making matters, and implements construction of relevant systems related to the function and power of the Board.

The Board of the Company is committed to maintaining a sound corporate governance structure and complying with applicable statutory and regulatory requirements. In addition to being responsible for reviewing and approving various significant matters of the Company, the Board also assumes responsibility for environmental, social, and governance strategies and reporting.

The Board has four specialized committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic Development Committee, to fully leverage the coordinated operations between the decision-making body and the supervisory body.

© Operation of Special Committees under the Board

Strategic Development Committee	<ul style="list-style-type: none"> • Researching the Company's strategic plans for medium and long-term development and major issues, and providing recommendations while inspecting the implementation of various affairs • There are currently five members, including three independent non-executive directors and two executive directors • In 2022, one meeting of the Strategic Development Committee was convened, with a 100% attendance rate
Remuneration and Appraisal Committee	<ul style="list-style-type: none"> • Providing recommendations to the Board on the remuneration policy and structure for directors and senior management of the Group • There are currently five members, including three independent non-executive directors and two executive directors • In 2022, two meeting of the Remuneration and Appraisal Committee were convened, with a 100% attendance rate
Nomination Committee	<ul style="list-style-type: none"> • Responsible for leading the procedure of appointing board members, identifying and nominating candidates for approval by the Board • There are currently five members, including three independent non-executive directors and two executive directors • In 2022, four meetings of the Nomination Committee was convened, with a 100% attendance rate
Audit Committee	<ul style="list-style-type: none"> • Mainly responsible for financial reports, risk management, internal control matters, etc. • The Audit Committee consists of three independent non-executive directors • In 2022, three meetings of the Audit Committee was convened to deliberating on six proposals, with a 100% attendance rate

Board Diversity

SIWI SCI & TECH attaches great importance to board diversity and has formulated the Board Diversity Policy. The composition of the Board includes but is not limited to gender, age, cultural background, and ethnicity, in addition to educational background, professional experience, skills, knowledge and service terms. This is conducive to bringing a diverse perspective to the Board and enhancing the overall effectiveness of the Board.

The composition of the Board (including gender, age, and service terms) will be disclosed annually in the corporate governance report, and the Company's nomination committee will report on the board's diversity composition annually in the corporate governance report and supervise the implementation of relevant policies. The Company has soundly implemented its policy on board diversity in recent years, and will continue to do so in the future when identifying director candidates.

As of the end of the Reporting Period, the Board of the Company consists of nine members, with female directors accounting for 22% and independent directors accounting for 33%. Each director has a diverse and rich professional background and is experienced in different sectors including communication technology, securities and finance, wire and cable industry, corporate management, financing accounting, project management and capital operation, etc.

© Information on the Board members of SIWI SCI & TECH

Name	Age	Gender	Position
Li Tao	51	Female	Chairman
Wu Xiaodong	53	Male	Executive director
Hu Jiangbing	55	Male	Executive director
Zhu Rui	47	Male	Executive director
Jin Tao	37	Male	Executive director
Chen Wei	36	Male	Executive director
Fu Wenjie	54	Female	Independent non-executive director
Zhong Qishui	47	Male	Independent non-executive director
Xue Shujin	65	Male	Independent non-executive director

Note: Changes in the Board of Directors and Management

Li Jianyong resigned on 6 September 2022; Chen Wei was appointed on 6 September 2022; Xiao Xiaozhou resigned on 6 September 2022; Xue Shujin was appointed on 6 September 2022.

Comprehensive Risk Management

Compliance Management

By always adhering to the principles of integrity and compliance, SIWI SCI & TECH establishes a sound compliance management system, through strengthening the supervision responsibility of disciplinary inspection and monitoring, and has achieved significant results.

We thoroughly implement the compliance supervision and management norms as prescribed by our higherranking department, including the "Main Responsibility and Main Business List," "Regulatory Negative List" and "Escalation Control List," and strictly supervise compliance with these lists.

In 2022, the Company continued to optimize its legal affairs management system by issuing five legal management systems, with a primary focus on updating the contract management system (with 8 standard form contracts issued). A corresponding authorization management system and company authorization process have also been established. We strengthened legal review and implemented the requirements of contract review management. As of now, In 2022, the contracts involved a total amount of approximately RMB417 million, the review rate of which was 100%.

In 2022, the Company issued the Internal Audit Implementation Measures, Management Measures for Economic Responsibility Audit, Management Measures for Rectification of Issues Identified during Internal Audit, Audit Procedures for Settlement of Construction and Installation Works. The Company also updated the compliance evaluation report and comprehensively identified the list of laws and regulations applicable to the Company. Meanwhile, the Company organized two specific training on risk prevention on the basis of contracts for employees at all levels, which helped the Company's business operations better aligned with legal requirements and reduced issues related to contract compliance."

As of the end of the Reporting Period, the Company had 133 operating rules and regulations, including 44 newly-established rules and regulations (including 9 basic regulations), 48 revised rules and regulations, and abolished 85 original rules and regulations.

Internal Control

In 2022, the Company's legal system construction leading group, compliance committee and risk management committee further improved its scientific internal control management mechanism and business process system by fully constructing the Company's institutional framework, refining the basic and supporting systems in various business areas, and enhancing quality and rigidity of each system, aiming to establish a sound, effective and practical system to adapt to the current business development of the Company and ensure the orderly operation of various functional departments and of business activities at each level. During the Reporting Period, the Company organized relevant departments to timely improve the internal control system and compiled the Internal Control Manual of SIWI SCI & TECH. At the same time, we arranged relevant personnel to attend the training on standardized internal control guidelines organized by our our higherranking department, which contributed to an improvement in the internal control management level of the Company.

In 2022, self-inspection and self-correction of internal control construction in four areas, namely, funds, contracts, procurement, and sales, were carried out. A total of 10 internal control defects were identified, all of which have been rectified. As of the end of the Reporting Period, all the 37 defects identified during the internal control self-assessment in 2021 have been rectified.



Risk Management

SIWI SCI & TECH has established a system and procedures for identifying, assessing, managing, and controlling risks, including legal, credit, market, concentration, operational, environmental, behavioral, and various risks that may affect the development of the Company. A risk classification indicator system is in place, with quarterly monitoring of major risks, timely alerting and tracking of risk items, and the development of countermeasures and risk event reporting mechanisms.



In 2022, the Company took a series of risk management measures, which yielded certain results.

- The Company formulated or revised various regulations such as the Risk Management Regulations, Risk Monitoring Procedures, and Risk Assessment and Response Procedures to timely improve the risk management process.
- The Company implemented the indicator system for the quarterly monitoring of significant risks and risk classification and detection to track, alert and develop countermeasures for Identified risks. As of the end of 2022, there were **4** instances of exceeding thresholds, but no major risk events had occurred.
- The Company carried out risk screening at all levels of the Company and identified **6** key management and control risks in 2022, as compared with **5** in 2023.
- The Company organized a comprehensive screening of compliance risks in business operations, and identified **6** issues relating to business compliance management and **3** corporate governance issued. Among which, **3** issues relating to system and development strategies were rectified as of the end of the Reporting Period, and the rest will be continuously rectified in 2023.
- The Company established a special leadership group for network security testing, which regularly conducts network security testing and rectification for various units, and organizes relevant personnel to participate in online network security training. In 2022, a total of **37** types of network security risks were identified, including VPN systems, mobile phone terminals for OA systems, and other types of network security risks.
- The Company formulated the Internal Control Measures for Online Banking Payment Business and Monetary Fund Management System to manage financial risks.
- The Company rectified the content of the lease contract to sign leasing agreements that reflect the actual situation and reasonably allocate the proportion of rent and property fees to avoid tax risks. During the reporting period, a total of 150 person-time attended training on the topic of confidentiality. No major security violations, discipline and leakage of confidentiality occurred.
- The Company strictly abided by the Related-party Transaction Management System, and issued the Management Measures for Special Related-party Transactions in 2022. During the Reporting Period, four related-party transaction briefings were prepared and released, and the list of related-parties was updated and disclosed. All continuing connected transactions have been reviewed and approved by the Stock Exchange and the general meeting of the Company.



Anti-Corruption

The Company strictly complies with domestic and foreign laws and regulations, and absolutely prohibits behaviors such as bribery, extortion, fraud, money laundering. It prohibits any form of illegal activities, including misappropriation, theft, concealment, abuse of company property or tampering with records, and other illegal activities. Meanwhile, the Company fully implements clean governance in business activities such as procurement and sales, protects the legitimate rights and interests of all parties in accordance with the principles of fairness, justice, and openness. During the Reporting Period, there were no litigation cases relating to corruption of the Company.

In 2022, focusing on its main responsibilities and main businesses, SIWI SCI & TECH deepened the supervision and accountability work and comprehensively promoted the construction of the "Three No Corruptions" institutional mechanism, thus creating a good political environment of clean governance, law-abiding and compliance.

- The Company issued the Disciplinary Measures for Employee Violation (員工違規違紀處理辦法), the Accountability Measures for Irregular Business Investment (違規經營投資責任追究辦法) and the Management Measures for Special Connected Transactions (特殊關聯交易管理辦法), and revised the Implementation Rules for Routine Supervision and Strengthening Political Supervision (做實做細日常監督強化政治監督實施細則) and the Provisions on Reporting their Work and Efforts to Perform Duty Honestly by Mid-level Management (中層領導幹部述職述廉規定).
- In terms of anti-corruption and integrity promotion, the Company shared 3 integrity-related articles on the Company's Wechat official account and Wechat group of mid-level cadres. The Company also carried out supervision and inspection during the Mid-autumn Festival and National Day holidays and screening of irregular purchase and use of high-end alcoholic beverages.
- The Company forwarded the Notice on Rectification of Five Expense-related Issues (關於五項費用相關問題的整改通知書) and sent a letter to SEI to inquire about travel expense reimbursement irregularities and followed up the progress of rectification.
- The Company sent its key staff to attend the seminar of China Electronics Technology on Strengthening the Integration of Party Disciplines and National Laws and Continuing to Strengthen High-Pressure Deterrence on Anti-Corruption in 2022. The Company also organized a warning education and training session on Party integrity for mid-level management personnel and branch secretaries.



© Company Disciplinary System



Investor Relations Management

Communication with Investors

SIWI SCI & TECH has always attached great importance to investor relations management and maintained continuous communication with shareholders through comprehensive communication policies and channels, with the aim of ensuring that its investors receive effective, balanced, and timely corporate information, and guaranteeing their right to be informed.

In addition to publishing annual reports and interim reports, the Company also regularly discloses various major transaction announcements. We actively respond to routine inquiries from the CSRC and the Hong Kong Stock Exchange, and listen to the opinions and advice of the Hong Kong Securities Clearing Company Limited, shareholders, and fund managers. In recent years, in response to the widely concerned issue of climate change, the Company has also made full disclosures and responses to its efforts to address climate-related risks.

We provide timely and accurate information about the Company's significant business developments through announcements, press releases, and the Company's website (<http://www.cdc.com.cn>), enhancing the Company's transparency and protecting the legitimate rights and interests of our Shareholders.

Information Disclosure

The Company fulfills its obligations of information disclosure by strictly adhering to the requirements of laws, regulations, and normative documents such as the Securities Law and Listing Rules, so as to ensure that the information disclosed is true, accurate, complete, and timely. The Company strictly implements various systems to standardize the reporting, transmission and confidentiality procedures of major information, and no insider information leakage has occurred, effectively safeguarding the legitimate rights and interests of investors.

Indicator	Unit	2020	2021	2022
Number of interim announcements and regular reports released	Time	43	45	64
Number of investor visits and exchanges received	Time	8	6	4



Party Building Leads Development

Strengthening the Foundation of Party Building

Party building is the foundation for maintaining political stability and ensuring strong leadership. We focus on improving the organization building, perfecting the system and rules, and implementing the functions of power and responsibility, continuously strengthening the foundation of party building, and enhancing the management ability of party organizations.

Improving organization building

In 2022, we completed the re-election of the Company's party committee and disciplinary committee. We adjusted the division of labor among the leadership team based on the Company's organizational structure, and completed restructure of six Party branches. We also organized joint party building, signed the "Strong Foundation Action" agreement, and received guidance on paired construction. In addition, we awarded three party building brands to party branches, set up a team of publicity correspondents, and completed the re-election of the 13th Youth League Branch Committee. We managed the young members of our subsidiaries' Youth League and seriously carried out grassroots organizational activities.

Perfecting the system and rules

In 2022, we formulated/revised more than 10 party building system measures, such as the Party Committee Working Rules, the Learning Management Measures of the Party Committee's Theoretical Learning Center Group, and the Management Measures of Democratic Appraisal of Party Member. We also completed the formulation of News Propaganda Management System, Propaganda Manuscript Remuneration Management Measures, Propaganda Correspondent Construction Management Measures, strengthening the management of party organizations through institutional construction.

Implementing the functions of power and responsibility

In 2022, we held more than 40 Party Committee meetings, and strictly implemented the review of matters according to the "Three Key and One Major" accountability table, giving full play to the role of the Party Committee in "managing and promoting". We completed the annual leadership team's democratic life meeting, branch organizational life meeting, and democratic appraisal of party members. According to the rectification plan of the Party Committee's inspection, we carried out dynamic management of the rectification work, supervised the orderly progress of the rectification, organized a special democratic life meeting for the leadership team's inspection and rectification, and led the formulation of 32 rectification measures for specific problems, of which 28 have been completed. We cooperated to complete the self-examination for Related Regulations, and produced self-examination and rectification reports.

Deepening Ideological Education

We place propaganda and ideological work in an important position in overall work. Through continuous regular learning, thematic training, and diverse organizational propaganda activities, we enhance the abilities of Party members, and consolidate the common ideological foundation of Party organizations.

Continuous learning and training

In 2022, we formulated the Party Committee's theoretical center group study plan and organized 10 learning sessions.

We organized mobilization meetings for studying and promoting the spirit of the 20th National Congress of the Communist Party of China and special party lectures by the Party Secretary. We organized excellent Party workers and members' participation in two sessions of Party education and training.

Organizing propaganda activities

We organized the "Striving for Excellence and Advancing in Adversity" ideological discussion to unify the thoughts of cadres and workers. We carried out cultural heritage activities to understand corporate culture and spirit, integrate and concentrate efforts to promote development. We organized a special event "Celebrating the 20th National Congress and Striving for a New Journey." During the static management period, we organized Party members and Youth League members to watch red movies, and carried out Party member "card display" activities to inspire Party members, Youth League members, and young employees to be based on their posts, take on responsibilities, and enhance the "spirit and energy" of overcoming difficulties.



In July 2022, the Party branches and key departments of the Company conducted an ideological discussion with the theme of "Improving the System and Enhancing Management". Focusing on the common mission, starting from the common goal, and seeking common vision, the discussion aimed to promote business departments to play a greater value and contribute to the Company.

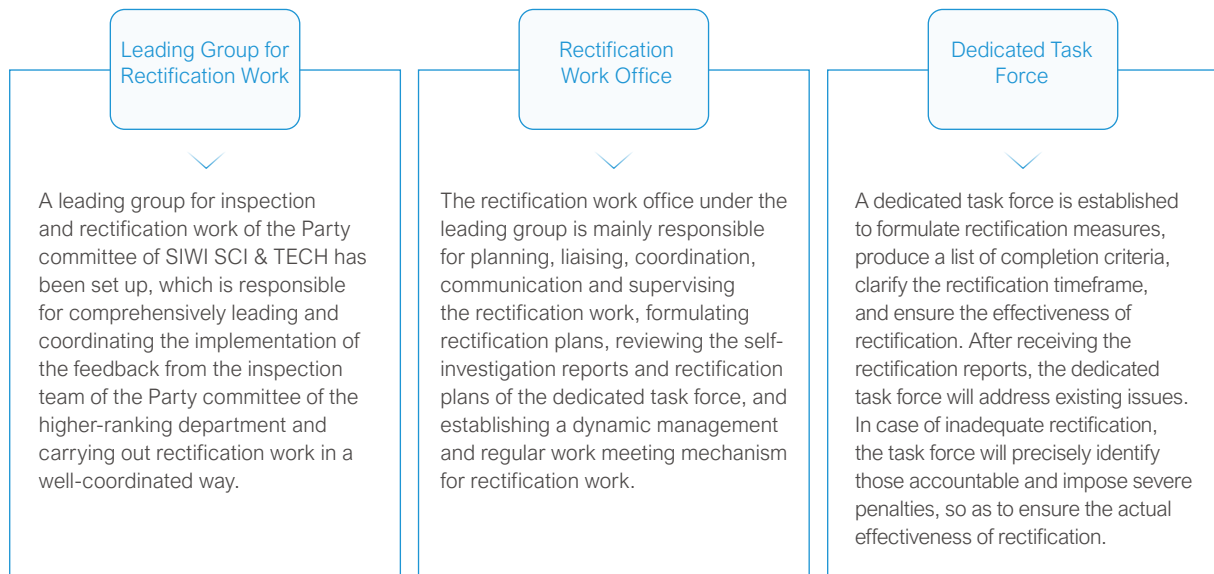


In November 2022, the Company held a mobilization meeting to study and implement the spirit of the 20th National Congress of the Communist Party of China. By seriously studying and promoting the spirit of the 20th National Congress, the meeting aimed to deeply understand the decisive significance of the "Two Establishments", strengthen the "Four Consciousnesses", firmly establish the "Four Confidences", and achieve "Two Maintenances", thus unifying the thoughts and actions of all cadres and employees.

Implement problem rectification

Since the feedback from the Party Committee inspection, the Party Committee of the Company has implemented the requirements of the inspection work deployment of the party committee of our higherranking department, adhered to seeking truth from facts, led by example, divided responsibilities at different levels, integrated with the Company's central work, adhered to openness and transparency, faced problems squarely, analyzed the causes, found the crux of the problems, and effectively implemented the requirements of strict Party governance in all aspects of the Company. The Party Committee has focused on addressing the prominent issues raised by the inspection team, strived to improve the standardization level of the Company's Party building work, continuously improved the overall quality of the Company's management, and provided strong ideological, political and organizational guarantee for achieving the Company's annual goal of "reform and overcome difficulties, turn losses into profits".

Inspection and Rectification Mechanism of SIWI SCI & TECH



According to the Company's Party Committee inspection and rectification plan, the rectification involves 41 issues in 19 aspects, with a total of 70 rectification measures, including 25 long-term measures.

As of the Reporting Period, 59 rectification measures have been completed, among which 23 long-term measures have achieved phased results, and the remaining 11 measures are being promoted according to the plan.

The rectification situation will be reviewed to ensure that there is no rebound. Attention will be paid not only to the quick and effective results of the current rectification work but also to the continuous deepening of the work in the long run, thus continuously improving the overall quality of the Company's management.

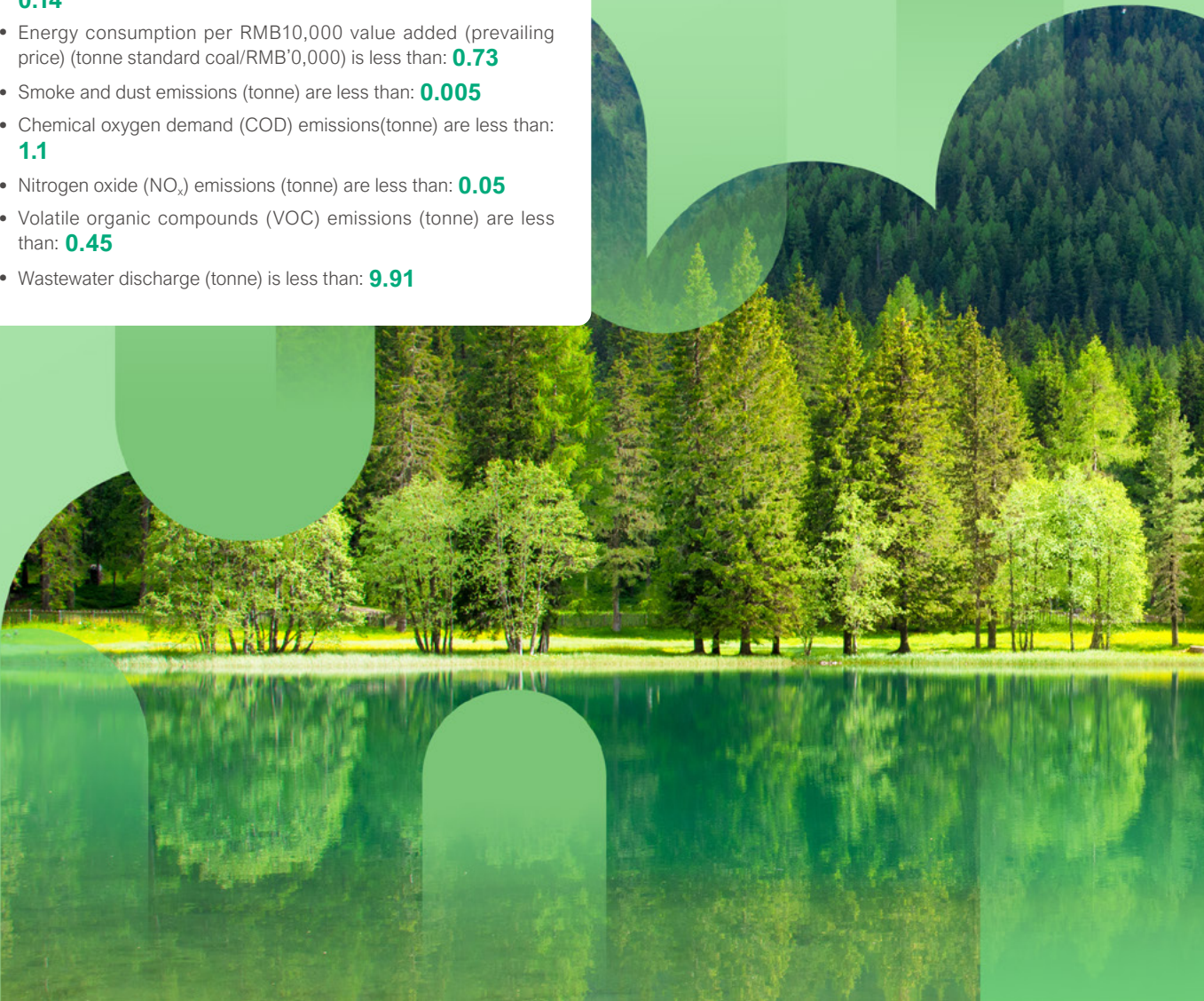


Practicing Green Sustainability and Protecting the Environment

Adhering to the concept of "people do not betray the green mountains, and the green mountains will not betray people," we have made a long-term commitment to environmental protection and actively safeguard the ecological environment, creating green and sustainable value for the Company and stakeholders.

Environmental performance in 2022

- Energy conservation and emission reduction targets set at the beginning of 2022:
- Energy consumption (10,000 tonnes of standard coal) is less than: **0.34**
- Energy consumption per RMB10,000 operating income (prevailing price) (tonne standard coal/RMB'0,000) is less than: **0.14**
- Energy consumption per RMB10,000 value added (prevailing price) (tonne standard coal/RMB'0,000) is less than: **0.73**
- Smoke and dust emissions (tonne) are less than: **0.005**
- Chemical oxygen demand (COD) emissions(tonne) are less than: **1.1**
- Nitrogen oxide (NO_x) emissions (tonne) are less than: **0.05**
- Volatile organic compounds (VOC) emissions (tonne) are less than: **0.45**
- Wastewater discharge (tonne) is less than: **9.91**



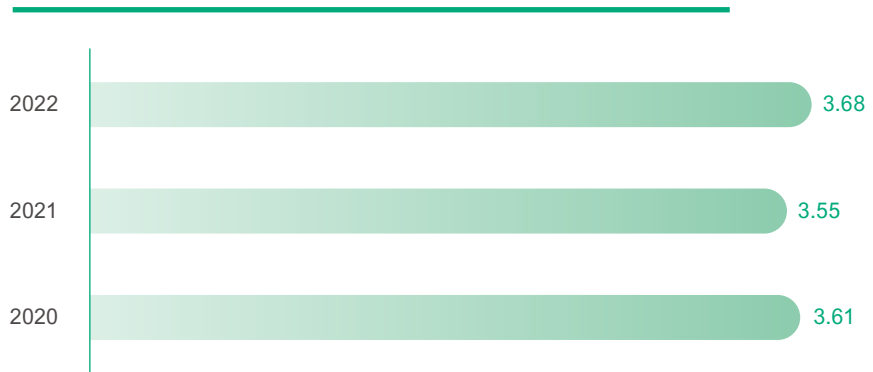
Improving Environmental Management

In strict compliance with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other laws and regulations on environmental protection, SIWI SCI & TECH actively responds to the impact of global climate change.

The Company has been comprehensively coordinating and promoting various green development works, such as green management, green innovation, and green operation. By reducing energy consumption, efficiently utilizing resources, responsibly managing waste, and controlling greenhouse gas emissions, we have comprehensively reduced our impact on the environment. Through the promotion of a green and low-carbon production and lifestyle, we are contributing to ecological and cultural prosperity.

In 2022, we were recognized as an honest and trustworthy enterprise in the environmental credit evaluation.

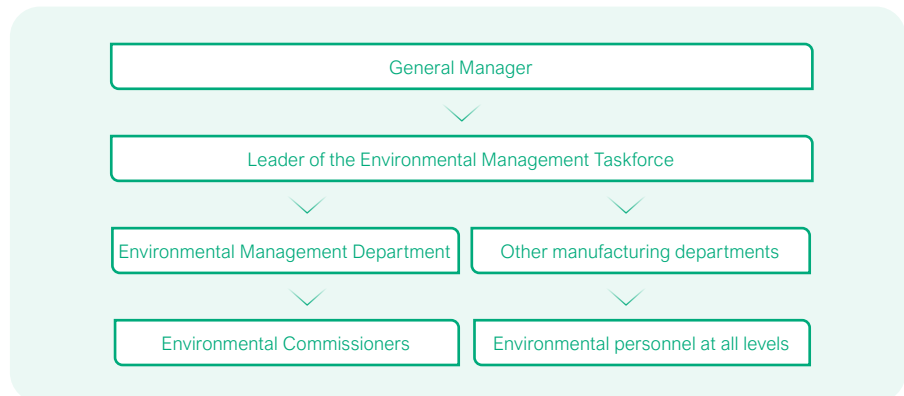
Investment in environmental protection in the past three years (RMB0'000)



Environmental Management Organizational Structure

We have established an environmental management taskforce, which is responsible for conducting a series of environmental protection analyses and tracking, proposing corresponding strategic measures for various risks and issues, and verifying and implementing them during our operations.

© Environmental Management Organizational Structure



Environmental Management System Certification

We continue to coordinate and promote environmental management certification programs, with an aim to achieve goals of each production department for environmental management system. As of the end of the reporting period, SIWI SCI & TECH and SEI have once again passed the environmental management system certification.



Environmental management system certification

Environmental Management Systems and Initiatives

In order to strengthen our environmental management capabilities, our Company developed more than 10 environmental management systems in 2022, including the Environmental Management Ledger System, the Environmental Position Responsibility System, and the Environmental File Management System. With the goal of green and low-carbon development, and taking system construction as the guide, we promote energy conservation and carbon reduction comprehensively, systematically, and deeply, and continuously improve the Company's level of environmental sustainability.

© Environmental management measures of SIWI SCI & TECH

Management of environmental facilities	<p>➤ We ensure the normal operation of environmental protection facilities by strengthening the daily maintenance of these facilities to maximize their effectiveness and ensure the Company's compliance with emissions standards.</p>
Management of environmental protection inspection	<p>➤ Environmental protection inspection is an important mean of environmental protection. Through various forms of supervision, we implement corrective actions to ensure the implementation of various environmental protection systems.</p>
Management of environmental emergencies	<p>➤ We effectively prevent and properly handle environmental emergencies through emergency management measures to minimize the impact on the ecological environment.</p>

Our main environmental impacts and measures are

Energy consumption - Adjust our production methods to improve our energy consumption.

Water consumption - Strengthen water use and management to control our water consumption.

Waste - Limit waste production and improve the efficiency of waste disposal to reduce its potential impact on various environmental matrices.

Greenhouse gas emissions - Fully control gas emissions at both the energy use and production stages.

In 2022, the Company formulated the Environmental Risk and Hazard Investigation system, aiming to comprehensively and accurately identify potential risk and hazards through investigation. The Company promoted the registration and evaluation of hazards such as climate risk, implemented rectification measures, and gradually established a long-term mechanism for investigating and monitoring risks and hazards.

Improving Energy Efficiency

We actively promoted the transformation of production equipment, energy-saving innovation and green upgrading, and improved the total energy utilization efficiency by strict control of equipment procurement, implementation of energy-saving responsibilities and energy-saving indicator requirements

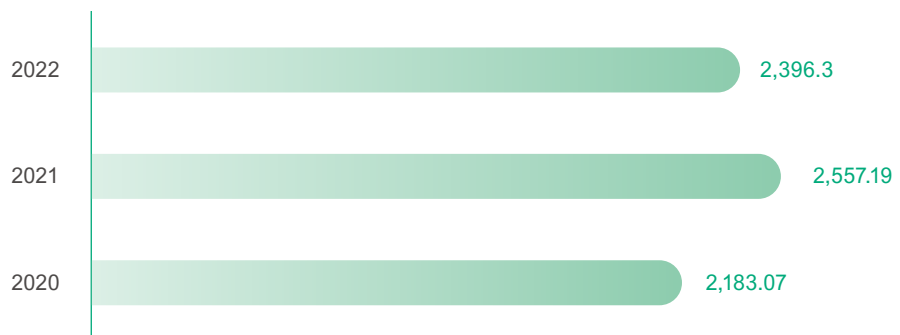
Energy Consumption

Our energy consumption targets for 2022

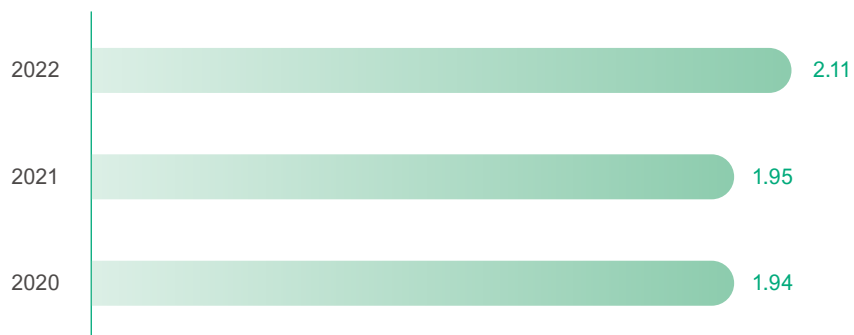
- Electricity consumption: ≤ 29 million kWh / year
- Natural gas consumption: $\leq 30,000$ m³/year

In 2022, the total energy consumption generated by the park of SIWI SCI & TECH(including leasing companies), was 24,226,800 kWh, of which electricity consumption was 23,963,000 kWh, accounting for over 99% of the total energy consumption; natural gas consumption was 263,800 kWh. All energy consumption were controlled within the targets set at the beginning of the year.

Total electricity consumption in the past three years (10,000 kWh)



Gas consumption in the past three years (10,000 tonnes)



Energy Conservation Measures

Equipment Management

Daily inspections of the capacitor box of each low-voltage station are conducted to ensure the normal operation of the circuit system. transformation is carried out through timely replacement and installation of capacitors, and the power factor of the power supply system is improved to reduce the power loss of transformers and transmission lines.

Park Management

According to seasonal changes and lighting conditions, the clock controllers for streetlights are adjusted in a timely manner. During the summer, the opening time of streetlights is reduced, and the nighttime start and stop time of the park's streetlights are scientifically and elastically adjusted to avoid energy waste. The electricity load of each unit is strictly monitored, and by strengthening inspections and power monitoring, measures such as cutting off power to units that violate regulations by using excessive loads are taken to avoid high energy consumption.

Production Management

Shift production is adopted to reduce the number of temperature increases and energy consumption. The number of starts is reduced to reduce the amount of waste material from the locomotive. Production efficiency is increased by using negative tolerance setting in production standards.

Technical Management

A helium gas recovery project is carried out to achieve maximum reuse of helium gas, improve production efficiency, and reduce product defects.

Green Innovation and Technological Breakthroughs



The Company has established technology task force in key and challenging production processes with high consumption to thoroughly investigate and solve problems and reduce consumption. During the Reporting Period, we established task forces in the conductor processing and extrusion processes. In the production of large-section conductors, the consumption of frame stranding was about 0.75%. We conducted a detailed inspection of the tension of each frame of the frame stranding machine, adjusted and corrected the tension of each frame, and increased the effective length of the conductor through reducing the short-board effect. As a result, the consumption of frame stranding was reduced to about 0.5%, achieving the goal of reducing consumption.



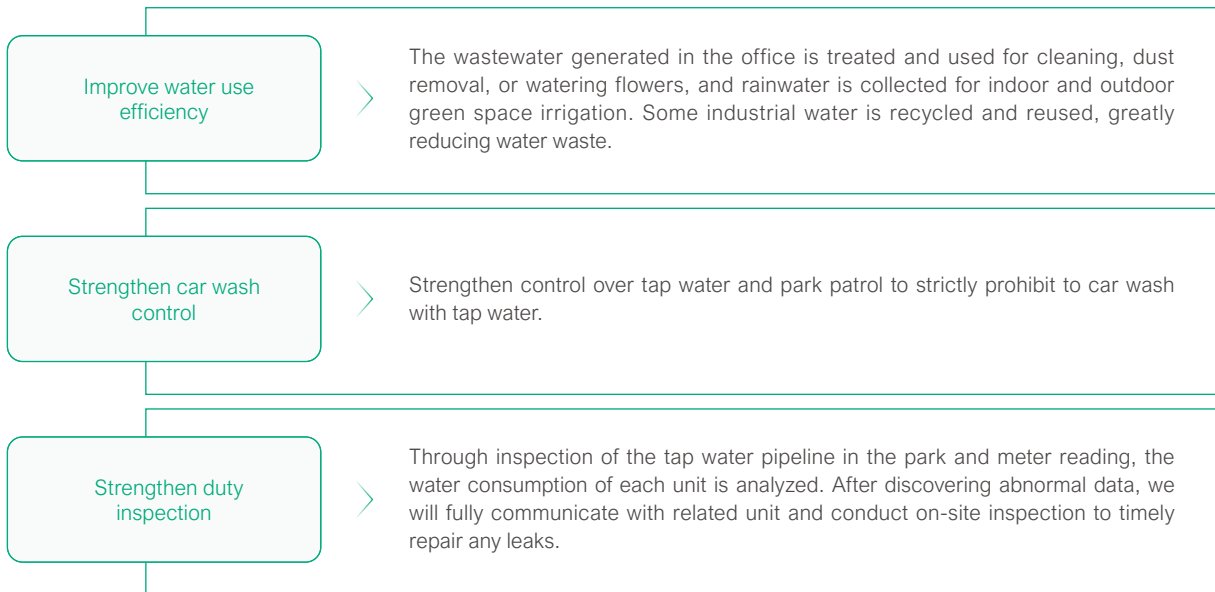
Optimizing energy utilization

SIWI SCI & TECH has always been committed to optimizing the management and utilization of natural resources and strengthening the protection of the natural ecological environment by adhering to the principle of resource conservation and protection as priority.

Water Resource Usage

We strictly adhere to the relevant requirements of the Water Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China, strengthen daily water-saving management, and take various measures to improve water resource utilization. During the Reporting Period, the main water sources used in production and daily office are all supplied by the municipal government without any water pollution risks.

The Company has taken various measures to reduce water waste during its business operation and development.



The Company's water consumption target for 2022 is 100,000 tonnes. The actual total water consumption was 91,600 tonnes (including the park), of which the total amount of recycled water was 54,600 tonnes, with a recycling rate of 86%.

Total water consumption in the past three years (10,000 kWh)



Packaging Materials Usage

The Company continuously enhanced the efficiency of packaging material use through optimizing production materials and improve production methods. It also adopts methods such as recycling and recovery of packaging materials to reduce packaging material waste.

Plates

We mainly purchase biodegradable and environmentally friendly packaging materials, and are committed to recycling them after repair. By strengthening the reuse of plates and purchasing products with complete sets, we minimize the environmental footprint of packaging and transportation.

Other materials

Including wooden strips, end caps, and foam, which are be managed and recycled jointly by the Company and customers, conducive to reducing costs and minimizing the impact on the environment.

SEI	Unit	2020	2021	2022
Total amount of packaging materials used for finished products (tonnes)	Tonnes	2	152.1	151.6
Amount of packaging materials used per production unit	(tonnes/ 10,000 km of core optical fiber)	1.5	0.24	0.26
Amount of recycled packaging materials used for finished products	Tonnes	0.5	18.95	12.02
Percentage of packaging materials recycled per production	%	25.00%	12.46%	7.93%



Strengthening Emission Compliance

SIWI SCI & TECH continued to further promote the pollution prevention and control by effectively implementing environmental protection measures and strictly controlling emission compliance so as to drive green development with high standards and improve the quality of the ecological environment.

In 2022, the Company introduced an environmental facility operation management system, set up environmental facility ledgers and identification accounts and implemented compliance identification to take measures to reduce emissions of wastewater and waste gas.

During the Reporting Period, the emissions of wastewater, waste gas, noise and related indicators of the Company were measured by the Mineral Resources Supervision and Testing Center, and all met the relevant standards such as the Technical Specifications for Wastewater Monitoring (HJ91.1-2019), Technical Specifications for Monitoring of Fixed Source Waste Gas (HJ/T397-2007), and Emission Standards for Industrial Enterprises Environmental Noise at Boundary (GB12348-2008), with a 100% compliance rate.

Waste Gas Emissions

The Company strictly implements the environmental protection system and promotes compliant emissions through strengthening daily environmental protection inspections, introducing new instrument and equipment, and increasing fund investment.

Environmental protection inspection	> by implementing the mode of "one factory, one policy", the inspection records of the park and all kinds of equipment are properly maintained to ensure the timely handling and updating of environmental protection incidents.
Equipment upgrade	> we purchased PLC air purification device and active carbon device filter, ensure the replacement of active carbon in organic waste treatment facilities every six months, and conducted continuous automatic treatment of waste gas through the Company's waste gas treatment system to reduce waste gas emissions.
Professional treatment	> The waste gas outlet was cleaned and disposed by a third-party professional company.

© Waste gas emissions over the past three years

Type of emission	Emission in 2020	Average detection value in 2020	Emission in 2021	Average detection value in 2021	Emission in 2022	Average detection value in 2022
Tin and its compounds ¹	0.23 kg	0.00034 mg/m ³	0.3314337 kg	0.717 mg/m ³	0.3521109 kg	0.719 mg/m ³

Note: No sulfur dioxide or nitrogen oxide was detected in 2022.

1.The standard Implemented represents the Standards of the second level in Table 2 of the Comprehensive Emission Standards for Air Pollutants (GB16297-1996) (with a statutory standard of 8.5 mg/m³)



In 2022, we purchased a new PLC air purification device to treat VOCS emissions. After the installation of the equipment, the relevant emission concentration at the outlet of the organic waste gas vent is far below the concentration limit, which greatly controls the total emission of waste gas.

Waste Water Discharge

The Company fully controls the sewage disposal process, and carries out routine inspection and rectification of sewage to ensure the compliant discharge of COD, ammonia nitrogen, SO₂ and nitrogen oxides in the sewage pipe pools of the park. During the Reporting Period, we engaged a professional pipeline company to clean up the pipelines and sewage pipe pools in the park, which met the third-class standards and were discharged into the sewage treatment plant.

In 2022, we produced 9.16 tonnes of wastewater. The indicator of COD is 161mg/L, which is far lower than the level of 362 mg/L in 2021.

© Wastewater discharge in the past three years

Type of discharge	Statutory standard	2020	2020	2021	2021	2022	2022
		Discharge amount	Average detection value	Discharge amount	Average detection value	Discharge amount	Average detection value
Chemical oxygen demand (COD) ²	500mg/L	0.30tonnes	278mg/L	1.0775592 tonnes	362mg/L	14.7476 tonnes	161mg/L
Ammoniacal nitrogen ³	45mg/L	0.01tonne	36.1mg/L	0.0491832 tonnes	42.6mg/L	3.9846 tonnes	43.5mg/L

2. The standard Implemented represents the Standards of the third level in Table 4 of the Integrated Wastewater Discharge Standard (GB8978-1996)

3. Grade B standards in Table 1 of the Standards for the Quality of Wastewater Discharged into Urban Sewers (GB/T31962-2015)

Waste management

SIWI SCI & TECH strictly abides by the requirements of the Solid Waste Pollution Prevention Law of the People's Republic of China, and strives to achieve the goal of waste treatment and reduce the impact of waste on the environment.

Solid wastes generated in the production activities of the Company include general wastes and hazardous wastes. In 2022, we introduced the Hazardous Waste Management System, which incorporated the pollution prevention and control of hazardous wastes into the Company's development plan to implement unified supervision and management.

Through classified management and centralized disposal of hazardous waste, we realize the reduction, recycling and harmlessness of hazardous waste. We cooperate with solid waste disposal companies with professional qualifications to deal with hazardous wastes, so as to achieve compliance and legal disposal, while general waste is handed over to the greening and cleaning maintenance center of the park for timely removal.

In 2022, the Company produced a total of 29.99 tonnes of waste, of which hazardous waste accounted for 11.97% of the total waste, which was higher than that in 2021, which was mainly due to the increased replacement and renewal of extrusion oil, lubricant and solvent arising from maintenance requirements.

© Waste discharge in 2022

Type of solid waste generated (tonne)	Total in 2020	Total in 2021	Total in 2022
Hazardous waste	5.8	6.72	3.59
General waste ⁴	—	26.4	26.4

© Statistics of Hazardous Waste of SEI

Types of hazardous waste	2020	2021	2022
Waste mineral oil (tonne)	0.2	0.2	0.2
Waste packaging (tonne)	0.9	0.93	3.928
Waste organic solvent and waste liquid containing organic solvent (tonne)	1.8	1.8	0.8
Waste activated carbon (tonne)	0	0.43	0.9
Total (tonnes)	2.9	3.36	5.828
Density (unit output or hazardous waste generated by each facility) tonne/10,000 km of core cable	0.0052	0.0053	0.0096

© Statistics of hazardous waste of Zhongling

Types of hazardous waste	2020	2021	2022
Waste mineral oil (tonne)	0.2	0.2	0.04
Waste packaging (tonne)	0.9	0.93	9.00
Waste organic solvent and waste liquid containing organic solvent (tonne)	1.8	1.8	0.72
Waste activated carbon (tonne)	0	0.43	1.30
Total (tonnes)	2.9	3.36	11.06
Density (unit output or hazardous waste generated by each facility) tonne/10,000 km of core cable	0.0052	0.0053	0.02

4. The total general waste includes that from the enterprises in the industrial park.

Response to Climate Change

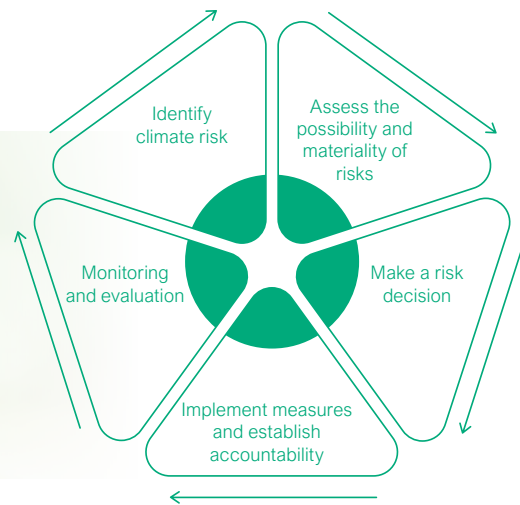
SIWI SCI & TECH actively responds to the national dual-carbon policy, continuously pays attention to the climate impact, and incorporates the responsibilities for managing climate change into the Strategic Development Committee of the Company's Board of Directors as one of the important contents of ESG management, as well as conducts regular supervision and evaluation.

Climate Risk Management

The Company has established a systematic climate risk system with corresponding risk system and risk management framework.



© Climate risk management framework

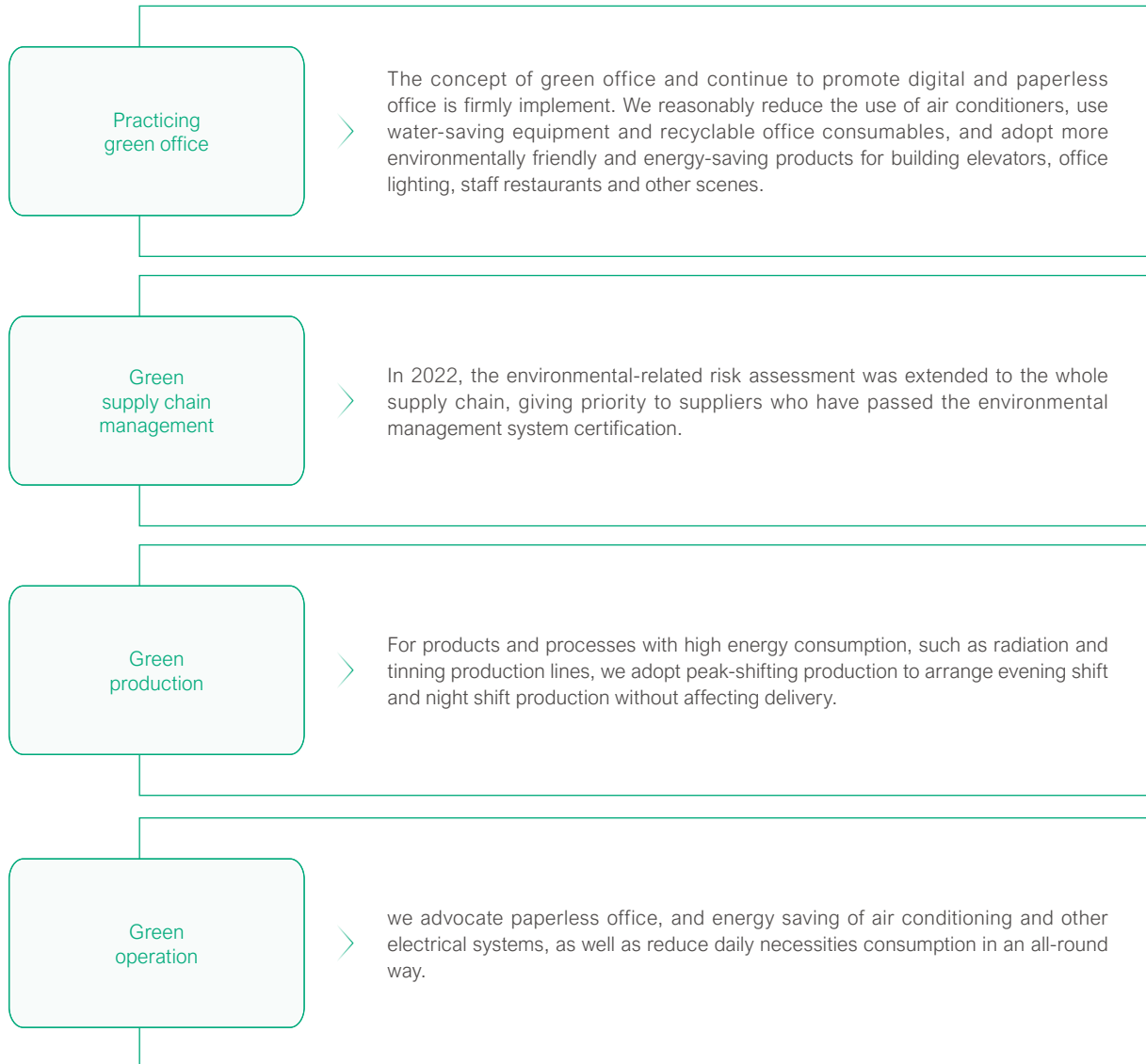


According to the classification of enterprise climate risk by TCFD (Task Force on Climate-related Financial Disclosure), we identify that the climate risk of SIWI SCI & TECH in 2022 mainly includes the following aspects:

Category	Risk	Response Measures
Physical risks related to climate change	<ul style="list-style-type: none"> Short-term risk: the increasingly serious extreme weather such as rainstorm, earthquake, flood and high temperature leave enterprises exposed to the risk of damage of production facilities and interruption of value chain of. Long-term risk: global and regional climate change in the long run will lead to the reduction of production, manpower and material output. 	<ul style="list-style-type: none"> Formulate and strictly implement the Emergency Plan for Sudden Environmental Events, strengthen emergency drills, and enhance response ability . Add new facilities and equipment, upgrade disaster protection, and ensure the normal operation of equipment and the occupational health of employees in extreme climate Optimize energy-saving and environmental protection facilities and improve energy efficiency Conduct relevant climate change-related training for employees.
Transition risks related to low-carbon economy	<ul style="list-style-type: none"> Policy risk: the government introduces stricter laws and regulations on environment and climate change. Technical reform: product performance and environmental protection indicators need to be further optimized. Market change: the trend of the market and the formulation of business strategy by enterprises. 	<ul style="list-style-type: none"> Promote the "green and low carbon" development strategy, carry out energy conservation and emission reduction work, and improve the green level of production and operation. Staggered power consumption is adopted, and production is stopped in heavily polluted weather. Strictly abide by the environmental protection requirements of products. Actively develop new products and technologies, improve industrial concentration and increase productivity and efficiency.

Carrying out climate action

SIWI SCI & TECH actively carries out green office, promotes green supply chain, green operation and green production, advocates and pushes forward energy conservation and emission reduction with practical actions to respond to climate change risks.



In 2022, we introduced Environmental Protection Training System to carry out various training courses. Through irregular training and education, we further enhanced the front-line employees' awareness of green production and strengthened their ability to implement related skills for environmental protection facilities and equipment posts.

In 2022, 7 people participated in environmental protection training, and the coverage rate of pre-job environmental protection knowledge training for new employees was 100%.

Greenhouse Gas Emissions

The Company's greenhouse gas emissions mainly come from the purchased electricity, natural gas, gasoline and diesel oil, which are indirect emissions. In 2022, the Company's total emissions were 14,226.36 tonnes CO₂e, of which the Scope II emissions accounted for more than 99% of the total emissions.

By setting annual energy-saving and emission reduction targets, the Company controls and tries its best to reduce the consumption of electricity, natural gas and gasoline, thereby reducing greenhouse gas emissions.

© Greenhouse Gas Emissions of the Company in 2022

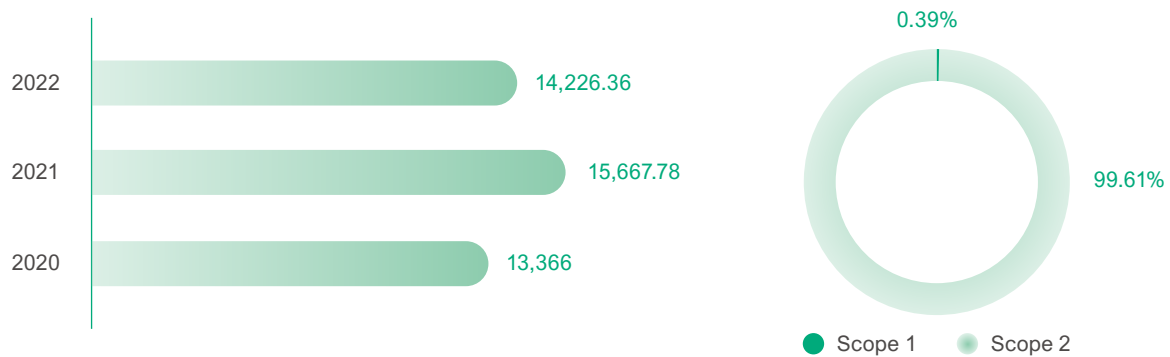
Scope of Carbon Emission	Type	Consumption	Carbon Dioxide Equivalent Emissions (tCO ₂ e)
Scope 1	Gasoline	3,900 liters	9.21
	Natural gas	21,100 m ³	45.68
Scope 2	Electricity	15,728,600.00 kWh	14171.47
Total carbon emissions			14226.36 ⁵

Accounting basis: GB/T 32150 General Principles for Accounting and Reporting of Greenhouse Gas Emissions for Industrial Enterprises, Standardization Administration

GB/T 32151 Requirements for Accounting and Reporting of Greenhouse Gas Emissions, Standardization Administration

© Carbon emissions in 2020-2022

Greenhouse Gas Emissions (tCO₂e)



5. The previous statistics include part of the enterprises in the park, and the statistics in 2022 is adjusted to the consumption of SIWI SCI & TECH.

Join Hands to Contribute to Society

SIWI SCI &TECH actively fulfills social responsibility in practice through striving to develop higher quality products, create a fair, inclusive and desirable working environment, and make a positive impact on community development.

Social performance in 2022

- Proportion of female employees: **19.87%**
- Training hours per employee: **12.81**
- Employee satisfaction rate: **94.1%**
- Number of valid patents: **49**
- R&D investment: RMB**10,986,700**



Product Responsibility

SIWI SCI & TECH is committed to continuously promoting the high quality production and impressing customers with premium quality products and services.

Stick to quality products

In 2022, SIWI SCI & TECH fully tapped the vertically integrated resources and opportunities focusing on the key links of the military industrial chain, introduced the cable assembly business, and gradually cultivated the core business and capabilities.

Meanwhile, based on the optical fiber manufacturing technologies of SIWI SCI & TECH accumulated in the traditional business, combined with the development trend of replacing copper cables with optical fiber cables, we explored the research and development and production of optical component products based on optical fiber, designed and develop new optical devices for the military industry, and continuously extended to the downstream of the optical communication industry chain.

Quality Management System

Adhering to the concept of quality-oriented, SIWI SCI & TECH strengthens the management of product quality to maintain the stable development, while undertaking the responsibility for customers, society and the country and making its contribution.

In the production process of our products, we strictly follow the process management system and inspection system, and fully implement the management and implementation of construction quality objectives through focusing on the process discipline inspection, providing daily on-site technical support, as well as carrying out the intermediate inspection and finished inspection, so as to ensure the quality management of all kinds of products in the whole production process.

- We implemented the GJB9001C standard, established, improved and released 36 implementation management system documents, and obtained the weapons and equipment quality management system certificate for the first time.
- We have established the defect examination system according to GJB571.
- We have established the ability of cable assembly inspection to conduct the inspection and quality control of cable assembly business of SIWI.
- We promoted the main business informatization and business system building by establishing asset management system, assembly business system and internal mailbox system.

During the Reporting Period, we devoted ourselves to integrating the quality, environment and occupational health and safety management systems, and revised 49 documents.



Part of the certificates obtained in 2022

Quality Management Training

During the Reporting Period, we carried out a series of product professional knowledge training and standardization knowledge training to improve the professional capability of employees and ensure the technical competitiveness of products.



In order to improve the corporate quality management in an all-round way, a special training activity on quality management knowledge was successfully conducted in October 2022, with more than 50 employees participated. Through this training, we further strengthened the awareness of quality management collaboration and laid a solid foundation for the Company's follow-up quality management work.

Production Quality Inspection

We sorted out the product production process and established the Product and Service Release Control Procedure, which stipulates the requirements for the whole process of incoming inspection, process inspection, final inspection, customer inspection (military products) and packaging inspection. In 2022, the confirmation and inspection regulations and actual measurement of key raw materials all included environmental protection requirements, which met Rohs requirements.

Product Inspection Performance

<p>Raw material inspection</p>	<p>> The inspection of materials and components in nearly 100 batches of rail transportation cable business and nearly 1000 batches of component business was completed in time.</p>
<p>Component product inspection</p>	<p>> The inspection of components in process and finished product was completed in time according to the production requirements, and the inspection of urgent and extra urgent components of each subject was guaranteed.</p>
<p>Inspection of rail transportation cable products</p>	<p>> The inspection of product in process of each process on the production site and the inspection of finished product before entering the warehouse were completed in time, and the trial production and trial inspection of products were completed according to the requirements of production and delivery.</p>

Improving Product Qualification Rate

We have improved and strictly implemented the product quality control documents. We supervise and manage the product realization process through internal audit and special inspection, and make rectification in a timely manner when problems are found.

- Special examination of process discipline and inspection discipline: strengthen the important content of process management, and provide guarantee for establishing normal production order, ensuring product quality and production safety, reducing consumption and improving efficiency.
- Internal audit and management review: put forward corrective and preventive measures by checking out the shortcomings of the work to make the Company meet the requirements of the review criteria.
- Technical upgrade: we have carryout out technology upgrading, including improving the concentricity instrument, solving the problem of optical fiber sub-plate breaking, introducing vacuum cleaners, and using helium gas recovery, which fully enhanced the production capacity and qualification rate.

© Qualification rate of main products of SIWI SCI & TECH in the past three years

Product category	2020	2021	2022
Bare (tinned) copper wire	100%	100%	100%
Electric cable for electrical equipment	98.14%	98.20%	99%
Fiber optic products	94.60%	94.33%	—
Rail transportation cables	98.14%	98.74%	—
Radio frequency and low frequency cable assembly	—	—	99.43%

Guaranteeing production against high temperatures

In August 2022, Chengdu continued to issue red warnings for exceptional heat and activated the highest level of emergency response for the first time, implementing power restrictions. SIWI SCI & TECH took proactive measures, on one hand, to scientifically implement various energy-saving and heatstroke prevention measures, ensuring the livelihoods of the people with staggered power usage. On the other hand, the Company actively coordinated production and implemented multiple measures to minimize the impact of power shortages on production schedules, fully ensuring the products required by the customers and safeguarding their interests.

In September, SIWI SCI & TECH gradually resumed its production order. Production Department and Comprehensive Security Department operated without interruption, leading to a gradual increase in production output, which minimized the impact of high-temperature and power restrictions on production schedules.



Supply chain responsibility management

We are committed to providing sustainable cooperation for the upstream and downstream of the supply chain, and push forward ESG practice and common development by incorporating relevant indicators of ESG into our supply chain evaluation.

In 2022, we increased three procurement-related management systems, including Procurement Management System and Procurement and Management Process of Heavy Metal Raw Materials, and revised three systems, including Centralized Procurement Management Measures, effectively strengthening the supply chain responsibility.

We implement standardized supplier admission procedures in accordance with the Company's Management Measures for External Suppliers and External Supply Process Control Procedures:

Admission evaluation management	<p>➤ application and evaluation will be made according to the admission conditions of new suppliers, and suppliers who satisfy the conditions will be admitted in the list of qualified suppliers.</p>
Routine supervision and management	<p>➤ the degree of control over external suppliers will be determined according to factors such as the influence of products, processes and services on product quality, functional characteristics, design complexity, design maturity, manufacturing complexity, historical quality and required quantity.</p>
Annual performance evaluation	<p>➤ the list of qualified suppliers will be upgraded in real time, including updating the rating of suppliers and eliminating unqualified suppliers.</p>

SIWI SCI & TECH incorporates some elements of ESG into supply chain management, including:

- Priority is given to suppliers who have passed the third-party certifications of environmental management system and occupational health and safety management system.
- Suppliers are required to strictly implement the laws and regulations related to environment and occupational health in the production process, so as to minimize the adverse impact on the environment and occupational hazards.
- Environmental friendly materials are preferred for procurement.

Item	Indicator	Unit	2020	2021	2022
Supplier	Total number	/	746	1844	2068
	Comparison and selection times	Time	14	15	64
	Quantity of supplier code issued	/	160	143	224
Statistics of suppliers by geographical region	Mainland China	/	731	1827	2051
	Overseas	/	15	17	17

Promoting Innovation-driven Development

We take practical actions in response to the call of increasing investment in scientific and technological innovation by centrally administered enterprises, and are committed to strengthening the basic management of scientific and technological innovation by building an efficient innovation team and establishing an effective innovation incentive model.

Improving the innovation system

- In 2022, a total of RMB**10.9867** million was invested in scientific research and development, and a government subsidy of RMB**140,000** was obtained.
- The Management System of Product R&D Projects and the Measures for Rewarding Scientific and Technological Achievements were introduced to standardize the management of scientific and technological innovation.
- The Measures for the Administration of Patents have been improved to realize the overall management of scientific and technological achievements.
- The construction of innovative talents was strengthened and scientific research team consisting of **20** scientific and technological R&D personnel was formed.

Promoting technology application

- Automatic equipment are adopted instead of manual process and other technical means, thus reducing the production cost of optical fiber.
- All production paints are managed centrally to improve its utilization rate.
- Through a large number of material optimization formula comparison and selection, the existing materials for rail transportation were modified.
- Thin-walled cable materials jointly developed with domestic material manufacturers have been put into production and application.

Transforming innovation achievements

The Company actively maintains its existing patents on an annual basis, and applies for new patents. In 2022, the Company formulated the Management Measures for Intangible Assets (無形資產管理辦法), Patent Management Measures (專利管理辦法), Knowledge Management Procedures (知識管理程序) and other systems and procedural documents, to manage intangible assets such as intellectual property rights.

As a Demonstration Enterprise with Intellectual Property Advantages in Chengdu (成都市知識產權優勢示範企業) in 2022, the Company received special funds for the development and protection of intellectual property rights in Chengdu.

- In 2022, the Company was granted **8** patent authorisations, including **2** invention patents and **6** utility model patents. The Company has **49** valid patents, including **12** invention patents and **37** utility model patents.

Service Quality Assurance

Taking a customer-oriented approach, we are committed to creating sustainable value by providing our customers with high-quality products and optimal solutions.

During the Reporting Period, there were no product recalls due to quality issues.

Customer information protection

Based on the ISO 27001 Information Security Management System, we take a multi-pronged approach to manage information security risk from aspects such as information asset management, human resources security, physical access management, and logical access management in strict compliance with the relevant confidentiality system of the Company, thereby ensuring information security. Customer information is entered into the MIS system based on a hierarchical authorisation system for protection and management.

In 2022, all employees of SIWI SCI & TECH signed confidentiality agreements. A number of confidentiality training sessions were organized to enhance our employees' awareness of confidentiality.



To enhance the national security awareness and confidentiality awareness of all its cadres and employees, the Company conducted confidentiality awareness training on 21 October, with over **150** employees participating in the training.

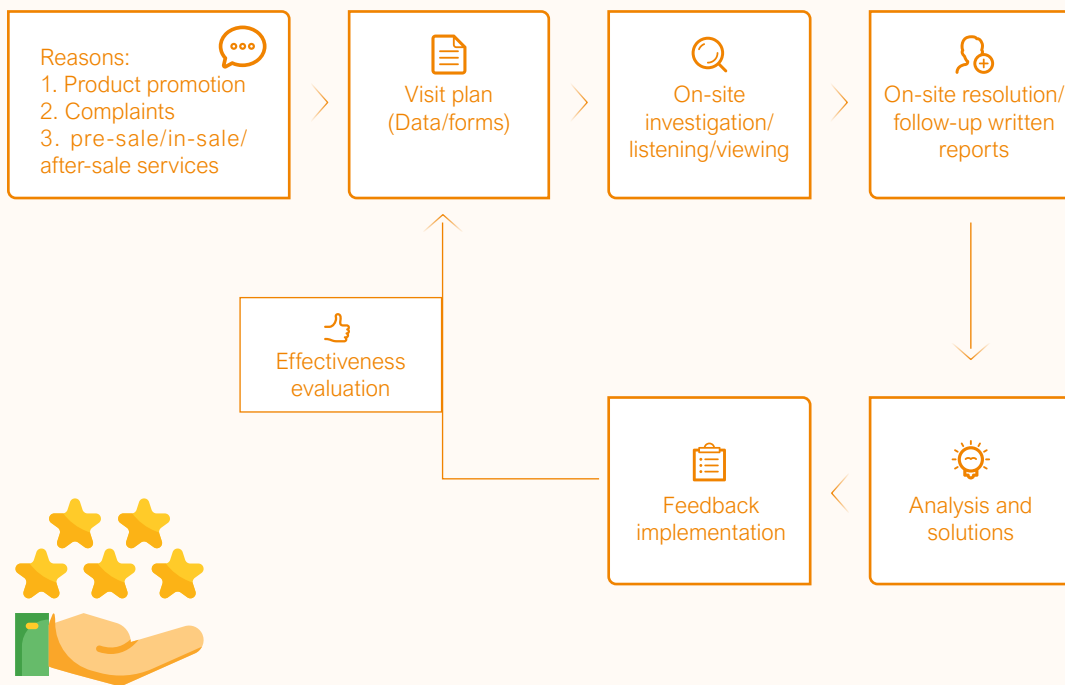
Customer service management



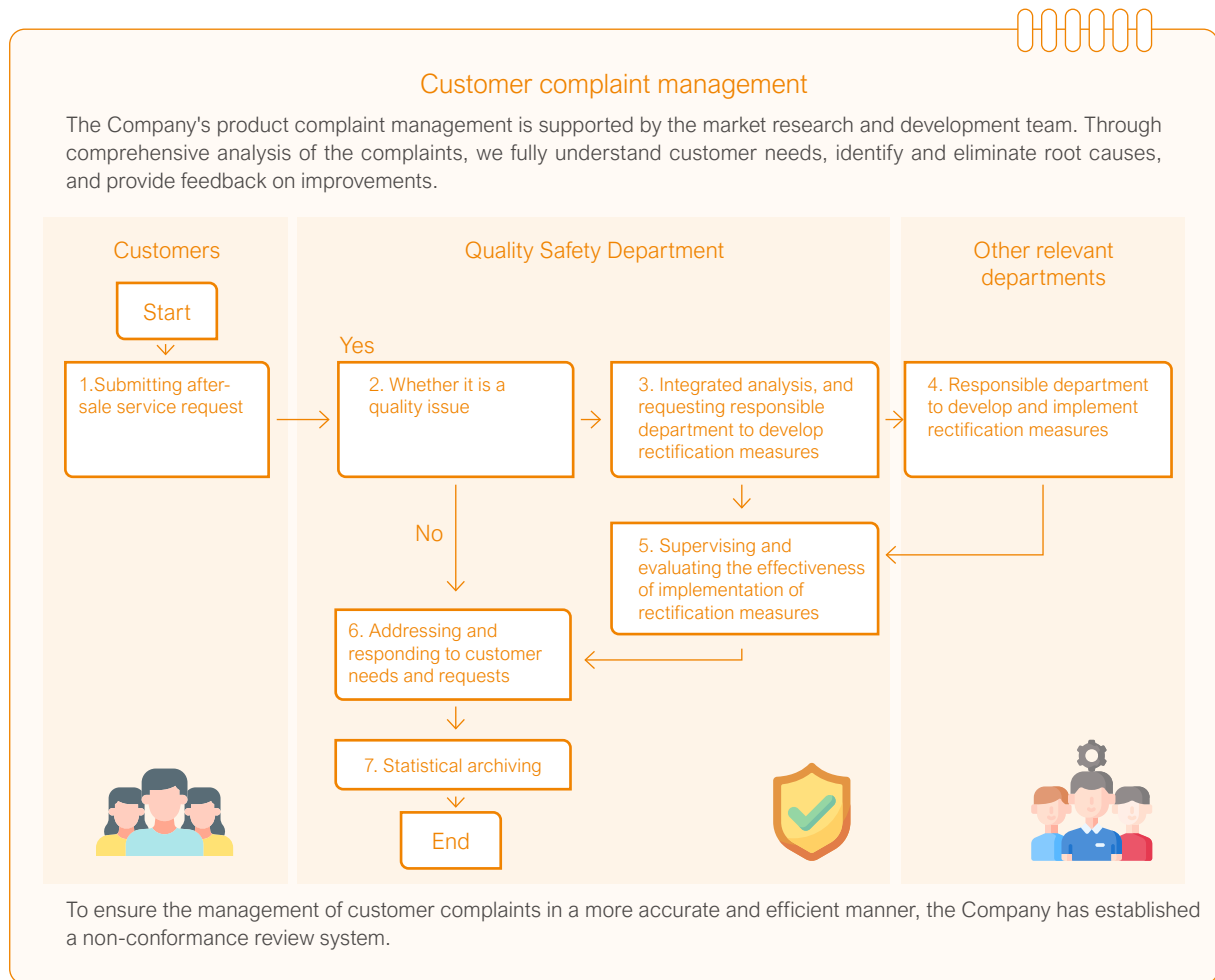
Customer satisfaction survey

The Company manages customer experience through specific plans and relevant questionnaires. These surveys allow the Company to assess various aspects such as products and services, customer support, transportation services, and sustainability, and identify the main drivers for each category. The questionnaires are distributed on a quarterly basis. After the results are summarized, we will promptly respond to customer feedback by addressing any issues in the most effective way.

© Satisfaction Survey Mechanism



Item	Index	Unit	2020	2021	2022
Customer satisfaction	SEI	%	96.69%	96.61%	95.80%
	Zhongling	%	92.83%	100%	100%



In 2022, SEI received two customer complaints. Through active analysis of the causes and careful examination of production data, a mutually agreed-upon solution was reached after negotiation between both parties.

- Number of products sold or shipped that need to be recalled due to safety, quality or other reasons: **nil**
- Customer complaint handling rate: **100%**

Park Development

We use information technology to enhance the park's security, operations, and information sharing capabilities and improve park operation services and value-added services, thus raising the quality of park services. Through 13 rounds of communication and site visit with service providers in the park, we have developed a preliminary implementation plan for park security management, fire safety integration, convenient access, visitor management, and other areas.

During the Reporting Period, we formulated the Park Comprehensive Management System Manual, improving the park's house lease management system and stipulating standardized lease contract terms and management.

- We made the leasing process more transparent through an open leasing process;
- We regulated the vehicles belonging to enterprises in the park, so as to create a good park management environment with the settled enterprises;
- We established standardized property maintenance and repair process of the park to improve park service efficiency.

Harmonious Workplace

Adhering to the strategy of talent-led development, SIWI SCI & TECH deepens the institutional mechanisms and reforms for talent development, creates the comparative and competitive advantages of talents, and makes every effort to cultivate, attract, and utilize talents, so as to promote structural changes in talent. At the same time, we effectively safeguard the legitimate rights and interests of our employees, actively give full play to their enthusiasm and creativity, and help them grow with our Company.

Employee Rights and Benefits

While adhering to the basic principle of people-oriented, SIWI SCI & TECH fully respects labor, talent, and creativity, legally safeguards the legitimate rights and interests of employees, and continuously improves the sense of happiness and achievement of employees.

Employee Rights Protection

- Strictly abide by relevant laws and regulations such as the Labor Law and establish the Employee Management System to improve the talent management system.
- Newly formulated the Employee Recruitment Management System and continuously improve the full-chain recruitment mechanism. In the recruitment process, we prohibit any discrimination against employees in terms of age and gender, and comply with the Regulations on Prohibiting Child Labor to eliminate the use of child labor.
- Newly formulated relevant systems such as the Labor Contract Management Measures, Internship Management Measures, and Labor Dispatch Personnel Management System in accordance with the Labor Contract Law to fully protect the rights and interests of employees.
- Ensure employees' right to leave and provide paid annual leave, marriage leave, funeral leave, maternity leave, and high-temperature leave in accordance with national regulations.
- Promote the implementation of parental leave and child care leave, guarantee job opportunities for employees during maternity leave, and actively promote a work-life harmony for employees.
- Enter into a collective contract and collective wage agreement with all employees every year, and make full contribution to the social insurance for employees, including pension insurance, medical insurance, work injury insurance, unemployment insurance, and maternity insurance.
- Reached a consensus in the 2022 Collective Wage Agreement to further narrow the gap between employees' wages and the average social wage, revise and improve the Company's remuneration management system and performance assessment management system, thus rationalizing our remuneration structure and changing it to a performance-oriented one in favor of core and key positions, to reflect the distribution principle of "fair pay for work" and "more work, more pay".

2022

- **100%** labor contract signing rate in 2022
- No incidents of labor law violations in 2022
- No incidents of employee abuse in 2022
- No incidents of labor disputes in 2022

Diversity and Equal Opportunities

We are committed to building a diverse workforce. We treat workers of different ethnicities, genders, and religions equally, fully ensuring that employees have equal rights in recruitment, employment, salary and benefits, training and promotion.

As at the end of the Reporting Period, the Company had a total of 634 employees, including 147 employees with a bachelor's degree or above, 9 employees of ethnic minorities, 26.50% of employees holding junior titles or above, and 53 employees holding senior titles.

Employee Composition		Unit	2020	2021	2022
By gender	Number of female employees	Person	111	96	126
	Number of male employees	Person	541	465	508
By employment type	Labor contract system	Person	640	558	592
	Labor dispatch system	Person	8	3	34
	Re-employ after retirement	Person	4	0	8
By age group	>50	Person	285	211	314
	30-50	Person	324	309	268
	<30	Person	43	41	52

Total number of new employees		Person	5	13	12
By gender	Female	Person	1	7	6
	Male	Person	4	6	3
By age group	>50	Person	0	2	0
	30-50	Person	1	5	4
	<30	Person	4	6	8
By region	Mainland China	Person	5	13	12
	Overseas	Person	0	0	0

Total number of departing employees		Person	21	17	14
By gender	Female	Person	4	6	6
	Male	Person	17	11	8
By age group	>50	Person	6	3	2
	30-50	Person	11	6	8
	<30	Person	4	8	4
By region	Mainland China	Person	21	17	14
	Overseas	Person	0	0	0

Remuneration and Benefits

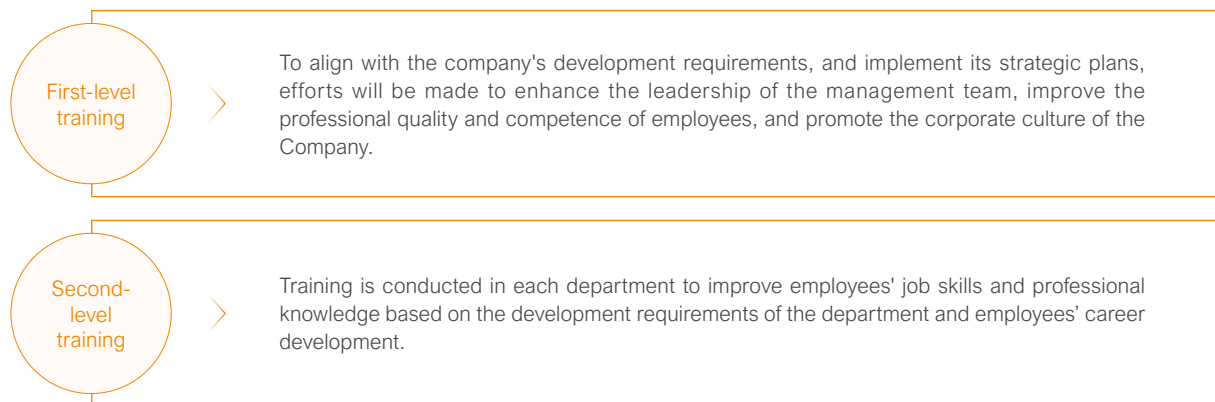
- We continuously optimize the Remuneration Management Systems, revise and improve our remuneration management system and performance assessment management system, thus rationalizing our remuneration structure and changing it to a performance-oriented one in favor of core and key positions, to reflect the distribution principle of "fair pay for work" and "more work, more pay". We also optimize the profit-sharing mechanism to achieve coordinated growth between labor costs and efficiency.
- To ensure the welfare level of frontline employees, we formulated and released the Remuneration Management Measures for Assembly Workers in 2022.
- We have improved the long-term incentive system and optimized flexible benefits to meet the diverse needs of our employees.

Occupational Training and Development

We cherish the value of every employee, actively explore their capabilities, and build a platform to facilitate their career development and promote the communication with and growth of employees.

Improving the Training System

The Company highly values the improvement of employees' business capabilities and has revised the Employee Education and Training Management System, which divides training sessions into pre-job training and on-the-job training sessions. The pre-job training includes new employee training, rotation training, and multitasking training, while on-the-job training includes in-house training, external training, self-study through book purchases, and online education learning.



In 2022, the Company appointed an external professional lecturer and 29 specialist institutions to provide training programs in the Company, where outstanding talents were invited from various fields within the Company to share their experiences.

The training covers a wide range of areas, including continuing education in finance, safety standardization series training, safety education training, official document training, confidentiality training, component-related technical training, procurement management-related professional training, hazardous chemicals and hygiene, and other special training sessions, which effectively improves the professional knowledge and business level of our employees.

During the Reporting Period, we conducted a total of 158 labor skill-related training sessions, with a total of 2,068 participants throughout the year. We ensured that the training covered all employees.

Employee Training for the Year	Unit	2020	2021	2022
Total investment in training for the year	RMB0'000	17.13	13.49	5.48
Total training attendance for the year	Person-times	1,606	2,134	2,058
Employee training coverage	%	26.69	29.77	100%
Male employee training coverage rate	%	21.65	22.15	23%
Female employee training coverage rate	%	62.16	66.67	85%
Training coverage rate for ordinary employees	%	23.31	24.95	26%
Training coverage rate for middle-level employees	%	96	100	100%
Training coverage rate for management-level employees	%	100	100	100%
Average number of annual training hours of all the employee	Hour	2.96	7.23	12.81
Average number of annual training hours of all the male employees	Hour	4.38	5.11	6.34
Average number of annual training hours of all the female employees	Hour	19.17	17.47	17.98
Average training duration of ordinary employees	Hour	1.57	3.07	14.38
Average training duration of middle-level employees	Hour	97.77	81.6	9.22
Average training duration of management-level employees	Hour	26.5	26.8	4.37

Maintaining Accessible Development Platforms

In addition to new Administrative Measures on Employee Performance Assessment, we have formulated and issued the 2022 Employee Assessment and Evaluation Plan to assess employees and issue corresponding performance-based bonus to the employees with excellent assessments.

On the other hand, we have revised the Administrative Measures on Middle-level Cadres and Administrative Measures on Middle-level Cadres Performance Assessment, and implemented a comprehensive procedure for selecting and appointing new middle-level cadres, including the initiation of proposals, nomination of candidates, democratic recommendations, organizational investigations, comprehensive analysis, decision-making, pre-appointment publicity, and appointment interviews. During the Reporting Period, the Company appointed a total of 6 new middle-level cadres.

We are fully committed to the self-development of our employees, and development of their technical skills through accessible platforms. In 2022, Chengdu Zhongling organized two skill competitions for frontline employees, with 26 participants. The Company also completed the selection of one "Chengdu Artisan" through the vocational promotion channel. In January 2022, the Company received the Excellent Group Award and Organizational Award for our participation in the vocational skill competition in 2021.

Award Name	Issuing Authority	Issuing Time
2021 National Industrial Vocational Skill Competition –4 th National Wire and Cable Manufacturer (Inspector) Vocational Skill Competition of "National Cable Inspection Cup"-Excellent Group Award	China Machinery Industry Federation China Employment Training Technical Guidance Center National Committee of China Machinery, Metallurgy and Building Materials Trade Union(中國機械冶金建材工會全國委員會)	January 2022
2021 National Industrial Vocational Skill Competition –4 th National Wire and Cable Manufacturer (Inspector) Vocational Skill Competition of "National Cable Inspection Cup"-Organization Award	China Machinery Industry Federation China Employment Training Technical Guidance Center National Committee of China Machinery, Metallurgy and Building Materials Trade Union(中國機械冶金建材工會全國委員會)	January 2022

Safety Production and Occupational Health

Adhering to the concept of people-oriented, health-care, and safe development, SIWI SCI & TECH fully guarantees the safety and development of employees.

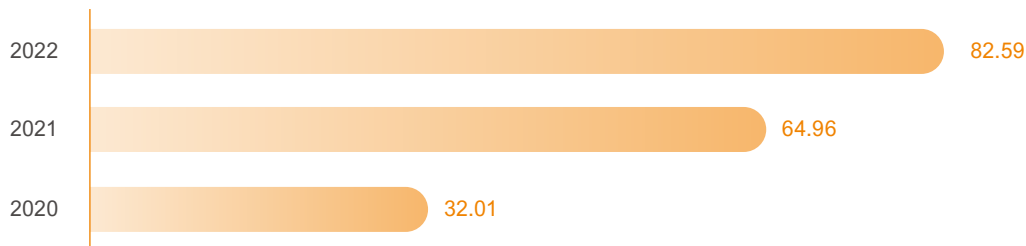
Safety Core Values: Safety accompanying employee growth and enterprise development

Safety Vision: A safe and healthy workplace, a happy home for all

Safety Policy: Safety first, prevention-oriented, comprehensive governance, continuous improvement

Safety Mission: Safety for all, safety in everything, safety at all times

Investment in safety production the past three years (RMB0'000)



Investment in occupational health in the past three years (RMB0'000)



Safety Production Management

The Company insists on thoroughly implementing laws and regulations such as the Law of the People's Republic of China on Work Safety, establishes a solid safety protection system, and builds a solid and effective safety protection system.

At the same time, the Company also attaches great importance to the safety management of the industrial park, and has drawn a map of risk level of the industrial park based on its full understanding of safety basic information and risk exposure of the enterprises in the industrial park, so as to create favorable conditions for the safety of enterprises in the industrial park and create a safety-first atmosphere.

During the Reporting Period, the Company established a safety production standardization system, revised, improved and issued the Compilation of Safety Production Standardization Management System which includes 60 systems such as the Compilation of Safety Production Standardization Management System, the Safety Production Responsibility System, and the Safety Technical Operating Procedures, with immediate implementation. At the same time, to ensure the smooth development of the three-level compliance assessment for work safety standardization, the Company established a self-evaluation working group, and formulated and organized the implementation of the three-level compliance implementation plan, successfully passing the three-level compliance assessment for work safety standardization.

SIWI SCI & TECH's Three-year Plan for Special Rectification on Production Safety

SIWI SCI & TECH has been carrying out the Three-year Plan for Special Rectification on Production Safety since 2020 and entered the final stage of rectification in 2022. During the three-year period, we earnestly implemented the three-year action deployment of the central, provincial, municipal governments, and China Electronics Technology on the special rectification of safety production, and carried out centralized rectification actions for production safety by highlighting key points, strengthening supervision, actively preventing accidents, and strengthening publicity, as well as comprehensively eliminating all kinds of accident risks, to ensure the sustainable stability of the Company's safety production situation. There was a total of 18 issues identified during the three-year special rectification of safety production, all of which have been rectified by December 2022.

In 2022, the Company did not experience any safety accidents or government penalties and obtained a compliance certificate from the safety supervision department of the local government. The Company passed the Chengdu Level III Compliance Evaluation for Safety Production Standardization and the acceptance of the Emergency Management Bureau of Chengdu high-tech zone. The Company achieved the overall goal of safety management and maintained a controlled safety status.

- **100%** signing of Safety Production Management Agreement by the enterprises in the Industrial Park;
- **100%** signing of Control and Commitment to Joint Prevention and Control of Accidents;
- **100%** of the construction of "One Enterprise, One File" for enterprise safety.

Safety Inspection and Assessment

The Company emphasizes the management philosophy of "prevention-oriented" and "safety first in the business management". Under the implementation of safety standardization, it effectively implements the safety production responsibility system, and integrates safety work into daily management and operation, as well as target management. By strengthening safety inspections and safety hazards investigation and management, we ensure the safe and normal operation of the Company and guarantee the personal safety of employees and our property.

SIWI SCI & TECH continues to monitor the implementation of safety objectives and improve its safety management mechanisms. We improve our safety management level through regular evaluations of the appropriateness, adequacy, and effectiveness of the safety management system.

In December 2022, the review team of the certification company conducted a review of all research and production units of the Company's safety production standardization requirements through methods such as listening to reports, verifying information, on-site assessments, and verification. It was recognized that Chengdu SIWI SCI & TECH has achieved the Level III Standard of Safety Production Standardization for the military system.

Safety Emergency Management

In 2022, the Company formulated a new "Emergency Plan for Safety Production Accidents", which established preventive measures for dealing with emergencies and major accidents, and was conducive to making timely emergency responses and reducing the consequences of accidents.

Emergency Drill in a Clean Room



To enhance employees' confidence and emergency awareness in responding to major accidents, in September 2022, the company organized a special emergency plan for a sudden fire in the clean room and conducted a fire safety and evacuation drill. Through the drill, employees fully understood the procedures and routes for emergency evacuation in case of an emergency and had a comprehensive theoretical knowledge and intuitive understanding of how to deal with fires.



Fulfilling Fire Safety Responsibility to Prevent Safety Risks



To promote fire safety knowledge, enhance the fire safety awareness and prevention capabilities of enterprises in the Industrial Park, the Company conducted a fire safety knowledge training on 6 December, which was attended by more than 40 personnel. The training further enhanced the awareness of learning fire safety knowledge among various enterprises in the New Materials Industrial Park, and improved the ability of employees to respond to emergency fire incidents, laying a foundation for the safe operation and production in the Industrial Park.



Occupational Health Management

The Company attaches great importance to the health and safety of its employees. It strictly complies with relevant laws and regulations such as the Occupational Disease Prevention and Control Law, the Labor Protection Law, the Regulations on Work-Related Injury Insurances, and the Measures for the Management of Occupational Health Examination, and strictly implement the Occupational Disease Hazard Prevention and Control Management System and the Labor Protection Equipment Management System. In 2022, the Company obtained the occupational health and safety management system certification.



Establishing comprehensive files	>	We have established complete files for monitoring and taking care of employees exposed to occupational hazards.
Providing health check-ups	>	We provide pre-post and in-post occupational health check-ups for employees in vulnerable positions.
Conducting training	>	We provide relevant safety education and training to employees in vulnerable positions in accordance with safety standardization requirements.
Providing and maintaining facilities	>	We provide and maintain facilities and equipment related to occupational disease prevention and control.
Providing adequate supplies	>	We equip employees with protective equipment and emergency supplies that meet national standards.
Conducting regular reporting	>	We conduct annual reporting on occupational disease hazards and engage relevant institutions to conduct testing and publicize the results.
Conducting regular evaluations	>	We engage institutions to conduct a status quo evaluation of the occupational health situation every three years, and implement corrective measures according to the status quo evaluation report.

To prevent and control occupational disease hazards and protect the health and related rights of employees, in 2022, the Company established an occupational disease prevention and control leadership group and formulated the 2022 Occupational Disease Prevention and Control Plan and Implementation Plan. We also completed the Occupational Health Status Quo Evaluation Report and established various safety warning signs and publicity banners. In the meantime, the Company also revised several occupational health management systems, including the System for Hazard Identification, Risk Assessment and Risk Control, the Safety Operating Procedures for Temporary Storage of Hazardous Chemicals, the Occupational Health and Labor Protection Management System, and the Occupational Disease Prevention and Control Responsibility System. Through the identification of hazards and harmful factors, the Company gains an accurate understanding of the hazardous and dangerous factors in positions where employees may be exposed to them. We took targeted preventive measures to effectively reduce the risks accidents in occupational health and safety.

During the Reporting Period, there were a total of 45 employees working in special positions, and all of them underwent comprehensive health check-ups. In addition, there were four special training sessions conducted for these employees throughout the year.

In 2022, during a routine health check-up, one equipment maintenance worker was found to have an occupational contraindication. Upon receiving the Notice of Contradictions to Occupational Health Check from the hospital, the Company immediately informed the worker and promptly transferred him from his original position, providing appropriate arrangements for his health and safety.

During the Reporting Period

- Over **95%** of health check-ups for employees exposed to occupational disease hazards
- of health checkups for all employees
- The coverage rate of health checkups for employees reached **99.37%**
- **100%** of establishment of occupational health and safety monitoring files for employees
- **0** confirmed cases of occupational hazards in 2022
- **0** lost day due to work injuries
- **0** confirmed cases of death due to work in the last three years

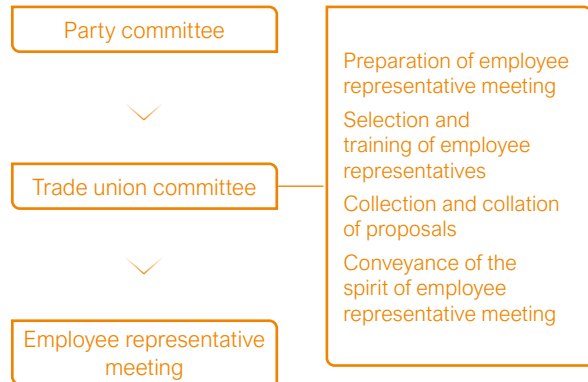
Employee Communication and Care

SIWI SCI & TECH is committed to developing constructive conversation with society and establishing effective communication with its employees, as it firmly believes that contributions made by social groups require a humane approach to maintain sustainable happiness.

Employee Communication

The employee representative meeting is a fundamental form of democratic communication that SIWI SCI & TECH regularly holds. During the meeting, equal consultation is conducted as an important approach to safeguard the rights and interests of employees. Additionally, proactive collective bargaining is also an essential form of communication that protects the legitimate rights and interests of both the Company and employees in a legal manner, which promote sustainable and healthy development of the Company and jointly builds a harmonious and stable labor relationship.

In 2022, we made improvements to several systems, including "Collective Bargaining and Collective Contract System," "Implementation Rules for Employee Representative Meetings," and "Implementation Rules for Trade Union Member Representative Meetings", to fully reflect the mass and representative nature of our employees, thereby protecting their right to information, participation and supervision, and facilitating smooth communication channels for employees.



Employee Representative Meeting Opens New Chapter of Development and Integration



On 8 July 2022, SIWI SCI & TECH held its 14th session of employee representative meeting, at which, by starting to understand the requirements of the employees under the work philosophy where “by centering on the core to serve the overall situation, we stay close to the front line to unite the people”, we have received the report on the supervision and review of the Collective Contract and entered into new “Collective Remuneration Agreements”. Furthermore, clear answers to issues of concern to employee representatives were provided, including main responsibilities, system construction, welfare and compensation, information disclosure, park improvement, and compliance management. Subsequently, over 10 articles in the relevant systems closely related to employees were revised to safeguard their legitimate rights and interests.



Employee Care

The Company adheres to the concept of caring for its employees, and continuously takes innovative measures to put it into practice by helping employees balance their work and personal life and creating a relaxed and caring work atmosphere, in order to enhance their sense of belonging and security towards the Company.



Regards and Assistance

We prioritize providing sincere assistance and expressing care and concern for our employees to help them feel supported and valued.

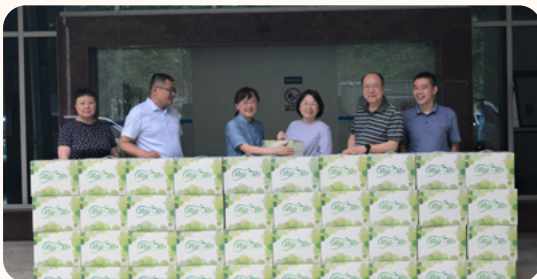
- Assistance for employees facing difficulties: We provided assistance or gifts to a total of 16 employees facing difficulties, including 5 employees who were inpatient due to illness and 5 employees for other reasons;
- Autumn scholarships: In 2022, we awarded scholarships to 5 children of employees who were admitted to universities;
- General benefits for employees: we provided gifts to 261 employees for the Spring Festival and 245 employees for "Cooler in Summer" activity. We also renewed the "Mutual Assistance and Protection Plan for Workers with Major Diseases and in Hospital (在職職工住院醫療綜合互助保障計劃)" for 419 employees;
- Gifts for holidays: We distributed gifts to 49 female employees on Women's Day, 322 employees during the Dragon Boat Festival, and 325 employees during the Mid-Autumn Festival. Additionally, we distributed birthday cake cards to 543 employees;



Gifts for Birthday



Gifts for Women's Day



Gifts for "Cooler in Summer" Activity



Autumn Scholarships



Cultural and Sports Activities

SIWI SCI & TECH supports employees in improving their physical fitness by actively organizing various forms of cultural and sports activities. In 2022, a total of [*] cultural and sports activities were organized.

In 2022, SIWI SCI & TECH launched various cultural and sports activities "SIWI SCI & TECH Cup", a friendly competition for badminton was organized A table tennis competition in the High-tech Zone the Women's Day Flower Artwork Activity the Children's Day Event for Employees and their Family; the Yoga Activity of "Do Yoga together for Reinvigoration"; the Running Event the Online Sports Challenge of "Manifesting the Spirits of Sports" in 2022 and all kinds of wonderful activities

Concerted Efforts to Seek Development Through Corporate Culture Review



In August 2022, in order to accelerate the integration of SIWI SCI & TECH into the overall development strategy of China Electronics Technology, which will further reach consensus and promote cultural integration, the Company organized over 60 middle-level cadres and young employees to partake in corporate culture review activities. During these activities, they learnt about vivid stories of the older generation of scientific researchers practicing "unity, dedication, truth and innovation", and reviewed the business development milestones of SIWI SCI & TECH, which helped everyone establish a sense of ownership and strengthen a firm confidence in the Company's future development.



Community Communication

At SIWI SCI & TECH, we adhere to the principle of resource sharing and acting within our capacity and take active actions in areas such as public health, community development, and volunteer services. Working hand in hand with the community, the Company promotes shared construction and development.

We have set up health check-in points in the Industrial Park, and more than 60 young volunteers from the Company have participated in the volunteer service, which not only provides convenience for the enterprises and all employees in the Industrial Park, but also provides services for the surrounding communities. In 2022, we provided health checks for more than 40,000 people, providing guarantees for the orderly production and operation of the Company's headquarters and the 24 enterprises in the Industrial Park, and creating a safe, healthy, and orderly environment for the surrounding communities and the Industrial Park of SIWI SCI & TECH.



Appendix

Description of Report Preparation

Report Description

This is the sixth Environmental, Social and Governance (ESG) report (the "Report") published by Chengdu SIWI Science and Technology Company Limited to disclose and demonstrate the ESG performance and responsiveness to major issues of concern to stakeholders. This report has been reviewed by the Board of Directors of SIWI SCI & TECH and we are accountable for the authenticity and validity of the information contained herein.

Reporting Period

Unless otherwise stated, this Report covers the period from 1 January 2021 to 31 December 2021, partial content of which may be beyond such time range.

Scope

This Report covers Chengdu SIWI Science and Technology Company Limited and its subsidiaries and branches, which is in line with the scope of the consolidated financial statements.

Information Source

All information and data contained in this Report are obtained from official and public documents disclosed by the Company. If there is any discrepancy between the financial data quoted in this Report and that of the annual report, please refer to the annual report. The financial figures in this Report are denominated in Renminbi ("RMB"), unless otherwise stated.

Basis for Preparation

This report is prepared in accordance with the Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities issued by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China ("SASAC"), and with reference to the Environmental, Social and Governance Reporting Guide of Hong Kong Exchanges and Clearing Limited ("HKEx"), the Guidance on Social Responsibility (ISO 26000) of the International Organization for Standardization (ISO), the Global Reporting Initiative(GRI), the Guidance on Preparation of Sustainability Report and the Taskforce on Climate-related Financial Disclosures (TCFD) Framework .

Reference Description

"SIWI SCI & TECH", the "Company", "our" and "we" will be adopted instead for the expression of Chengdu SIWI Science and Technology Company Limited (formerly known as Chengdu PUTIAN Telecommunications Cable Company Limited)

China Electronics Technology Group Corporation Limited will be referred to as "China Electronics Technology".

China PUTIAN Corporation Limited will be referred to as "China PUTIAN".

The 29th Research Institute of China Electronics Technology Group Corporation will be referred to as the "29th Research Institute".

Chengdu SEI Optical Fiber Co., Ltd. will be referred to as "SEI".

The former Chengdu Zhongling Radio Communications Co., Ltd. will be referred to as "Zhongling".

At the first 2022 extraordinary general meeting of the Company held on 27 September 2022, SIWI SCI & TECH was consolidated into SEI. As at the reporting period, SEI was already de-registered.

The industrial park at No. 18, Xinhang Road, the West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, the People's Republic of China will be referred to as "Industrial Park".

Availability

This report is available in Chinese and English versions, which are in electronic format and can be downloaded on the following websites:

Chengdu SIWI Science and Technology Company Limited
<https://www.hkex.com.hk>

Website of Chengdu SIWI Science and Technology Company Limited at

<http://www.cdc.com.cn>

Principles for Preparation

This Report has been prepared based on four principles: Materiality, Quantification, Balance and Consistency.

Principle of Materiality: Issues of concern to relevant stakeholders on ESG matters have been identified in the preparation of this Report and disclosed accordingly in this Report based on the reporting principle of Materiality.

Principle of Quantification: The data included in this Report is measurable, and targets to reduce a particular impact can be set.

Principle of Balance: This Report follows the principle of balance and presents an objective view of the ESG performance and status of the Company.

Principle of Consistency: This Report has been prepared in the same way as in previous years.

Reporting Indicator Index

HKEX ESG Reporting Guide

HKEX ESG Reporting Guide Index			
Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Index	
A. Environment			
Aspect A1: Emission	General Disclosures Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		P23-24,P27,P29,P31
	KPI A1.1	The types of emissions and respective emissions data	P29-31 P34
	KPI 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).	P34
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P31
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P31
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	P22,P29-30
	KPI 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.	P29-31
Aspect A2: Use of Resources	General Disclosures Policies on efficient use of resources including energy, water, and other raw materials.		P25-27
	KPI 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).	P25
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P27
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P25-27
	KPI A2.4	Description of any problems that may arise in determining the use of water sources, as well as the water efficiency established and the steps taken to achieve these goals	P27
	KPI A2.5	The total amount of packaging materials used in the finished products (in tonnes) and, where appropriate, the amount of each production unit	P28
Aspect A3: The Environment and Natural Resources	General Disclosures Policies on minimizing the issuer's significant impacts on the environment and natural resources.		P24,P27
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P23-24

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Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Index
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	KPI A4.1	Description of major climate-related issues that have and may have an impact on the issuer, and the response actions.	P33-34
B. Society			
Employment and Labor Practices			
Aspect B1: Employment	General Disclosures Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		P44-46
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	KPI B1.2	Employee turnover rate by gender, age group and geographical region	P45
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	KPI B2.1	The number and rate of work -related fatalities in each of the past three years (including the reporting year)	P48-51
	KPI B2.2	Lost days due to work injury	P51
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P49,P51
Aspect B3: Development and Training	General Disclosures Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		P46-47
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	KPI B3.2	The average training hours completed per employee by gender and employee category	P47
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	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	P44-45
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Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Index
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	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P39
	KPI B5.3	Description of the practice of identifying environmental and social risks in each link of the supply chain, as well as related implementation and monitoring methods.	P39
	KPI B5.4	Description of the management that promotes the use of environmentally friendly products and services when selecting suppliers, as well as related implementation and monitoring methods.	P39
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	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P40-41
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	KPI 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.	P17
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	KPI B7.3	Description of the anti-corruption training provided to directors and employees.	P17
Community			
Aspect B8: Community Investment	General Disclosures Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests.		P55
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P55
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P55

GRI Standards Indicator Index

GRI Content Index - based on GRI Standards Report		
Description	[Organization name] has reported, in accordance with GRI Standards, the information referenced in this GRI Content Index for the reporting period from [start date] to [end date].	
GRI1 adopted	GRI1: Basis 2021	
GRI Standards	Disclosure	Location
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Organization and its reporting practices		
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2-6	Activities, value chain and other business relationships	P3
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Governance		
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2-11	Chairperson of the highest governance body	P14
2-12	Role of the highest governance body in the supervision of impact management	P13-15
2-13	Authorization of responsibility for managing impacts	P6-7
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2-16	Communication about concerns regarding traditional Chinese medicine	P10
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GRI Standards	Disclosure	Location
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205-3	Confirmed incidents of corruption and actions taken	P17
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302-4	Reduction of energy consumption	P25-26
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GRI Standards	Disclosure	Location
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	c) Description of the targets used by the organization to manage climate-related risks and opportunities and the progress made towards achieving those targets.	P32-34

Reader Feedback Form

Dear Sir/Madam,

Thank you very much for reading the 2022 ESG Report released by Chengdu SIWI Science and Technology Company Limited. In order to give full play to the communication function of this Report and effectively improve the level of environmental, social and governance of SIWI SCI & TECH for the realization of mutual benefits between the Company and society, we sincerely look forward to your comments and suggestions.

1.What's your general comment on this Report?

2. What do you think about SIWI SCI & TECH in terms of stakeholder communication?

3. What do you think about SIWI SCI & TECH in terms of corporate governance?

4. What do you think about SIWI SCI & TECH in terms of product responsibilities?

5. What do you think about SIWI SCI & TECH in terms of environment, safety and occupational health?

6. What do you think about SIWI SCI & TECH in terms of responsibilities to employees?

7. What do you think about SIWI SCI & TECH in terms of ESG?

8. Do you think the content arrangement and layout design of this Report is easy to read?

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