

A Responsible Steel Company, A Beautiful Future



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Board's Statement on ESG Governance

Dear readers,

Based on the *Three Year Action Plan for ESG Management of Angang Steel Company Limited (2022-2024)*, Angang Steel has established and improved a three-level ESG governance structure from from the top down, implemented the decision-making, supervision, and leadership role of the board of directors in ESG work, and continuously improved ESG governance and risk management.

As the highest leadership body of the Company's ESG work, the Board of Directors fully plays a decision-making and supervision role, supervises the Company's ESG opportunity and risk identification process, determines major ESG risks and opportunities, and reviews and confirms important issues determined by the Company's ESG Leading Group. The Company in accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, relevant regulations of China Securities Regulatory Commission, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules)*, *Guidelines No. 1 of Shenzhen Stock Exchange for Self-regulation of Listed Companies – Standardized Operation of Companies Listed on Main Board*, Set key ESG targets such as the comprehensive energy consumption of steel/ton, carbon dioxide emissions/10,000 yuan (comparable price), sulfur dioxide emissions, nitrogen oxide emissions, etc. The Board of Directors reviews and discusses the completion of relevant goals, and discloses them in the annual CSR and ESG report.

The CSR and ESG Report 2023 of Angang Steel Company Limited systematically discloses the philosophies, actions, practice and effects of Angang Steel Company Limited in 2023 regarding environment, social responsibility, and corporate governance in an objective, standard, transparent, and all-around way. The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements, or significant omissions in the content of this report, and assume individual and joint liability for the authenticity, accuracy, and completeness of its content.

Angang Steel Company Limited

March 2024

Time horizon

This Report describes events of the Company during the period from January 1, 2023 to December 31, 2023. In order to ensure the consistency and comparability of contents, part events may happen beyond the above-mentioned time horizon.

Release cycle

This Report is an annual report which is usually released in March of the next year.

About company name

For the convenience of expression and reading, "Angang Steel Company Limited" is also expressed as "Angang Steel", "the Company/it", or "we/us/our" in this Report. "Anshan, Yingkou and Chaoyang production bases" are expressed as the "three bases" in this Report.

Scope of the Report

Angang Steel Company Limited and its subsidiaries, branches and direct affiliates

Data source

All data used in this Report are from the official documents and statistical reports of Angang Steel Company Limited.

Basis of compilation

Environmental, Social and Governance Reporting Guide by The Stock Exchange of Hong Kong Limited

Guidelines No. 1 of Shenzhen Stock Exchange for Self-regulation of Listed Companies – Standardized Operation of Companies Listed on Main Board

GRI Standards by Global Sustainability Standards Board

2030 Agenda for Sustainable Development by the U.N. (SDGs)

Guidance for State-owned Enterprises to Better Fulfill Social Responsibility (GZFYJ [2016] No. 105) by State-owned Assets Supervision and Administration Commission of the State Council

GB/T 36001-2015 Guidance on Social Responsibility Reporting

Language and version

This Report is made in both Chinese and English. If there are differences in the contents between the Chinese and English versions, the former shall prevail.

Acquisition of the Report

You can download the electronic version of this Report from the official website of Angang Steel Company Limited (<http://www.ansteel.com.cn/>).

Message from Chairman

On September 7, 2023, General Secretary Xi Jinping presided over a meeting on promoting the full revitalization of Northeast China in the new era, emphasizing that "we should accelerate the development of a modern industrial system with the characteristics and advantages of Northeast China". Steel, as one of the most important foundational materials for national economic development, is known as the "bread and butter" of industry. Ansteel Group Corporation Limited ("Ansteel" for short), hailed as the "firstborn of the iron and steel industry of the Republic" and the "cradle of the iron and steel industry of the P.R.C.", is the birthplace of China's iron and steel industry. It has witnessed the magnificent process of China's great rejuvenation, and become an important pillar supporting the development of China's iron and steel industry in the process of building a modern industrial system.

The year 2023 marks the first year of fully implementing the guidelines of the 20th CPC National Congress, as well as the crucial year of pushing forward the 14th Five-Year Plan. As a core enterprise of Ansteel, Angang Steel Company Limited ("the Company" or "Angang Steel" for short) has always kept in mind its original mission of bearing in mind the responsibilities as the eldest son of the People's Republic of China and dedicating itself to serving the country. It has firmly undertaken the mission of "manufacturing better materials for creating better life", deeply embedded the concept of social responsibility into its lifeline, and integrated the concept into its mission, vision, development strategy, and daily operations, thus promoting the sustainable development of the enterprise itself as well as the society and environment.

Creating greater diversified values. We have advocated and practiced a responsible development principle, comprehensively considered factors such as economy, society, and environment in our business decision-making process, and regarded ESG factors as essential components of corporate risk management and internal control. We also have persisted in scientific and technological self-reliance, making superior steel products and further improving our independent controllability. Some high-end products have already transitioned from following others to leading the pack. Besides, we have actively promoted the deep integration of digital technology with steel production, and explored the management model with precise data integration, resulting in the constant improvements in the enterprise vitality, competitiveness, and risk resistance capabilities.

Safeguarding the clean environment with heart. We have formulated the transition strategies, pathways, and goals for carbon dioxide peaking and carbon neutrality, taken the initiative to develop low-carbon technologies and products, and sought the scheme to accelerate the transition to green and low-carbon development of the entire industry chain, making sufficient preparations and setting a good example for combating climate change. We are committed to achieving cleaner and more efficient production and operations, and adopt ultra-efficient manufacturing technologies to develop the circular economy. Besides, we have continued to advance the "Blue Sky Action", and built "Clean and Beautiful Factories", making green a defining feature of high-quality development, and forging a path of green, low-carbon, and high-quality development that prioritizes eco-environmental protection.

Creating and sharing a better life together. We firmly believe that "a large-scale enterprise should shoulder heavier responsibilities" and actively inherit the corporate culture of Ansteel to promote the common prosperity of both the enterprise and society. We assume our responsibilities to provide support for rural revitalization, and continue to improve the self-development capabilities of the assisted areas. Making it our mission to promote common development of stakeholders such as employees, communities, suppliers, and peer companies, we are committed to creating a broad platform of employee development, and working with them to build a valuable industrial chain, thus sharing the fruits of development with all sectors of society and contributing our strength to the building of a better society.

The year 2024 marks the 75th anniversary of both the founding of the People's Republic of China and the establishment of Ansteel, making it a significant year for the Company to achieve its goals outlined in the "14th Five-Year Plan". Facing the great changes unseen in a century, economic, social, and climate changes have posed severe tests for humanity. With the belief that "sustainable development is the golden key to addressing current global issues", we will fully implement guiding principles contained in the the important speeches by General Secretary Xi Jinping at the meeting on promoting the full revitalization of Northeast China in the new era, and carry out the decisions and plans made at the third session of the second meeting of the Staff and Workers' Representative Congress of Ansteel Group Corporation Limited. All these are to accelerate transformation and innovation, improve the quality of development, and work hand in hand with all stakeholders to create a sustainable future.

Chairman of Angang Steel Company Limited

WANGJUN

王军





About Us

Angang Steel Company Limited (hereinafter referred to as "the Company" or "Angang Steel") is a large-scale steel production and sales enterprise in China. It was established by Ansteel Group Corporation Limited, the only founder, on May 8, 1997 and was listed on the Stock Exchange of Hong Kong and Shenzhen Stock Exchange respectively. At present, the Company, headquartered in Anshan City, Liaoning Province, registers capital of RMB 9.384 billion.

» Main businesses

As a super-large modern iron and steel complex in China, the Company has been the core enterprise of Ansteel Group Corporation Limited-the "cradle of steel industry for New China". The Company is mainly engaged in steel manufacturing and, in the mean time, pays due attention to other sectors relating to steel industry, including steel processing and distribution, chemical engineering, green energy, e-commerce, and clean power generation. It has three production bases in Anshan, Headquarters, Chaoyang and Bayuquan respectively, as well as sales service and processing, distribution institutions in Dalian, Shenyang, Changchun, Tianjin, Shanghai, Wuhan, Hefei, Zhengzhou and Guangzhou. It also has international businesses relying on the overseas sales institutions of Ansteel Group.

» Diversified products

Angang Steel has diversified products including plates, pipes, sections, rods, wires, etc. It has relatively complete product categories and specifications covering hot-rolled coils, medium plates, cold-rolled sheets, galvanized sheets, color-coated sheets, cold-rolled silicon steels, heavy rails, profiles, seamless steel tubes and wire rods. Its products are widely used in the sectors including machinery, metallurgy, petroleum, chemical engineering, coal, power, railway, watercraft, vehicle, building, home appliance, aviation, etc. In addition, It ranks 1st in China regarding sales volume of steel for shipbuilding and railway. It owns famous brand products such as products with high technology content, for example electric steel and steel for vehicle, nuclear power, petroleum and petrochemical product, home appliance and container. Besides, it is an international leader in the research & development of new types of ship plates and railway rails and the production technology of steel rails. It is also leading in the industry regarding the technical and technological level of a series of products such as the high-strength thick-walled pipeline steel for high-pressure oil & gas transportation in deep sea. The Company also has China's first national key laboratory of metallic materials for marine equipment and their application. The Company has gained high popularity and good reputation, and won the title of "China Famous Brand Product" by virtue of its steel for railways, steel plates for containers and shipbuilding plates.

Key performance in 2023

Iron production volume
25.4564 million tons

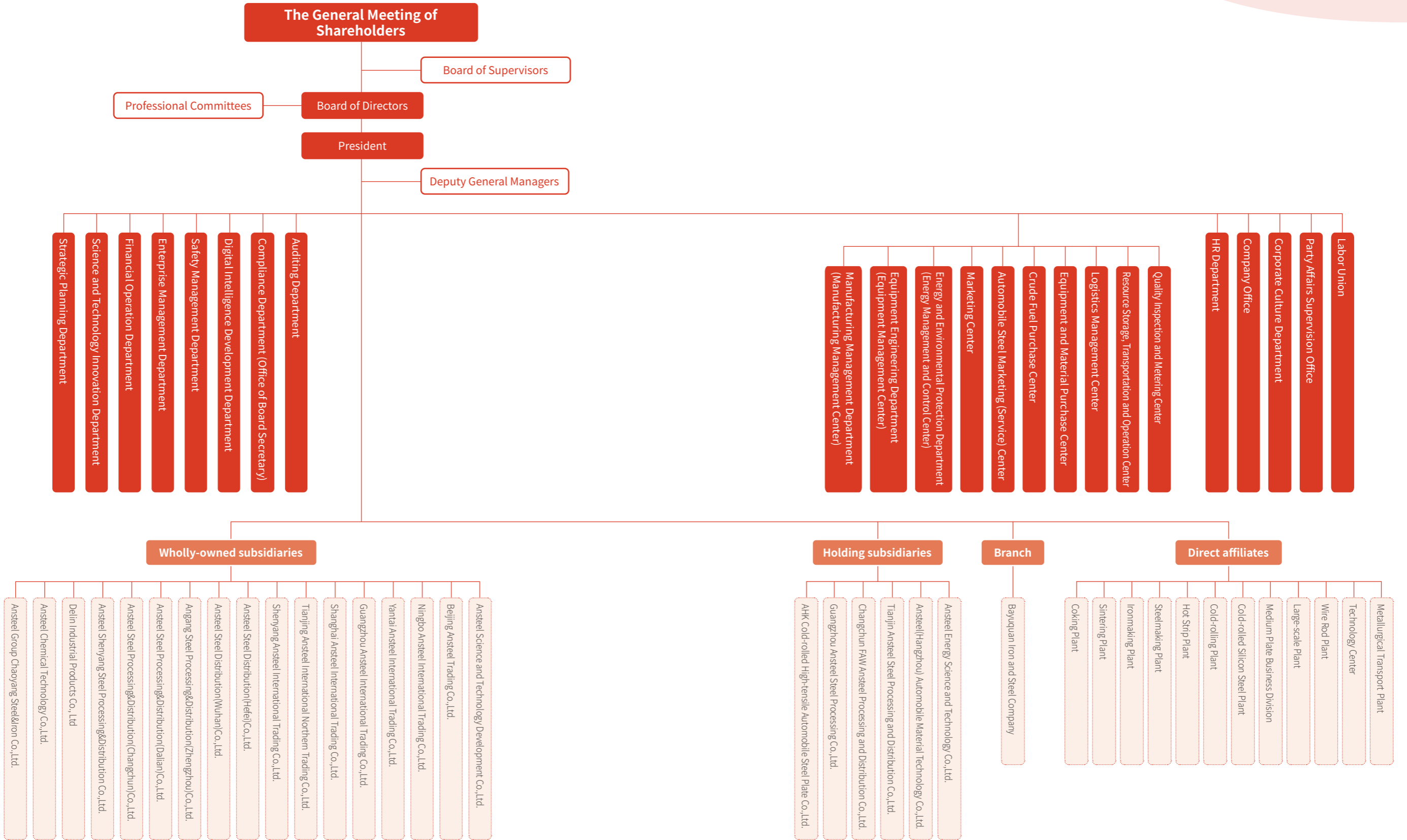
Steel production volume
26.6274 million tons

Steel product production volume
24.6005 million tons

Total assets
97.014 billion

The total number of employees
was **26,964**

» Organizational chart



Figures of 2023

Governance

The Company's Board of Directors consisted of **8** directors.

The number of independent non-executive directors accounted for **50%**.

The Company held **14** meetings of the Board of Directors.

The Company held **6** meetings of the Board of Supervisors.

The Company held **4** shareholders' meetings.

The Company held **16** investor communication activities.

The Company organized **5** internal and external trainings related to corporate governance.

The Company held **3** anti-corruption training at the Board level.

The anti-corruption trainings covered **100%** of the directors.

Environment

The Company invested RMB **3.22** billion in environmental protection projects.

The total energy consumption was **15,282,414** tons of standard coal.

The comprehensive energy consumption of steel/ton reached **572** kg standard coal/ton.

The energy consumption per 10,000 yuan output value reached **2.048** tons of standard coal/10,000 yuan.

Carbon dioxide emission per 10,000 yuan output value (comparable price) reached **5.54** tons/10,000 yuan.

Total water consumption reached **86,041,676** tons.

The water consumption of steel/ton reached **3.23** tons/ton of steel.

The water recycle rate reached **98.34%**.

The recycling rate of scrap steel reached **100%**.

The investment in environmental protection training reached RMB **258,000**.

Environmental protection trainings covered **7,800** persons.

100% was reached by the Company in terms of the implementation rate of "three simultaneousness" principle for environmental protection of construction projects.

100% was reached by the Company in terms of the up-to-standard disposal rate of hazardous waste disposal.

100% was reached by the Company in terms of the up-to-standard use rate of radioactive sources.

0 major environmental pollution accident happened.

The Company had **0** environmental violation.

Society

The Company had a total of **26,964** employees.

The employee turnover rate was **1.61%**.

The proportion of female managers was **4.29%**.

The rate of signing labor contract maintained **100%**.

The coverage of social insurance reached **100%**.

100% of its employees took physical examination.

0 major safety accident happened.

The number of days off due to work injuries was **0**.

The Company held **2** congresses of workers and staff.

5 proposals from worker's representative were handled.

The democratic evaluation rate of grassroots units reached **100%**.

The safety investment reached RMB **172,119,800**.

The safety and health investment reached RMB **165,414,300**.

An investment of RMB **6,705,500** was made in safety training.

The safety training covered **213,190** persons.

The coverage of training to employees maintained **100%**.

The per capita training time of employees was **66.1** hours.

The investment in rural revitalization and assistance reached RMB **16,401,000**.

The Company implemented **7** assistance programs.

The Company spent RMB **26,050,000** in buying products from poor villages.

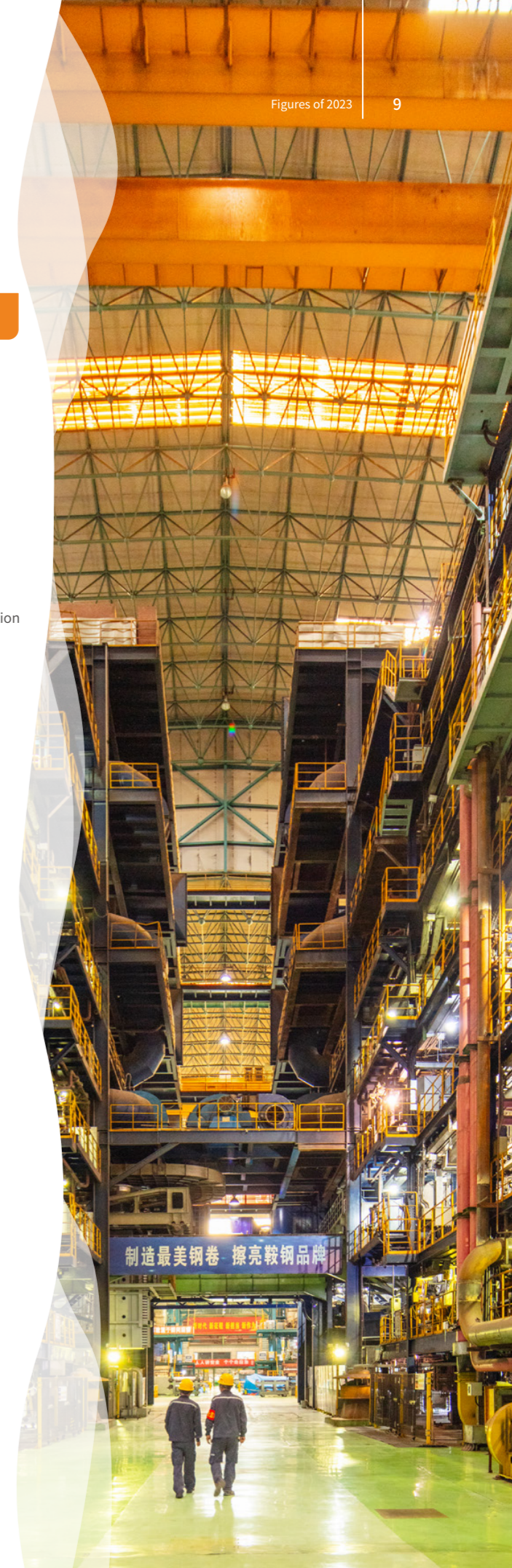
The Company had **3,426** volunteers.

The accumulated duration of volunteer service reached **11,730** hours.

A total of **9,775** employees participated in volunteer service activities.

The Company had a total of **2,450** suppliers.

The social responsibility training covered **276** suppliers.



Annual Honors

Unit	Name of award and honor	Awarding organization
Efficient Governance		
Angang Steel	On the Top 100 Pioneers among China's ESG-Listed Companies" List	Jointly released by Central Radio and Television Station, the State-owned Assets Supervision and Administration Commission of the State Council, and the All-China Federation of Industry and Commerce
Angang Steel	Responsible Brand Award	CSR Cloud Research Institute
Multiple Values		
Angang Steel	"Digital leadership" enterprise; Demonstration factory for intelligent manufacturing; Demonstration enterprise for development of big data industry; Typical Case for Quality Improvement in Industrialization and IT Application, List of 5G Factories	Ministry of Industry and Information Technology
Bayuquan Steel Branch of Angang Steel, Chaoyang Iron & Steel Co., Ltd.	Demonstration Base for Intelligent Manufacturing Pilot	Ministry of Industry and Information Technology
Angang Steel	Third Prize in the Professional Competition for Innovation in Digital Application of State-Owned Enterprises	State-owned Assets Supervision and Administration Commission of the State Council
Angang Steel	The Development and Industrialization of Key Technologies for the Third-generation Steel for Ultra-large Capacity, Low Temperature, High Pressure Pipeline was awarded the Special Prize of the Metallurgical Science and Technology Award	China Iron and Steel Association
Angang Steel	The Comprehensive Control Process of Whole-process Manufacturing Techniques and Quality of Advanced High-strength Automotive Steel won the Metallurgical Science and Technology Award	China Iron and Steel Association
Angang Steel	The hot-rolled ribbed steel bars were awarded the Golden Cup Product, and the steel rails for high-speed railways were honored as the Golden Cup Product and the Golden Cup Excellent Product	China Iron and Steel Association
Angang Steel, Chaoyang Iron & Steel Co., Ltd.	Typical Application Cases of Digital Transformation in the Iron and Steel Industry	China Iron and Steel Association
Angang Steel	The Development of Intensive Ultra-high-strength Galvanized Dual-phase Steel Products Based on Pre-oxidation Technology won the Liaoning Science and Technology Progress Award	The People's Government of Liaoning Province
Angang Steel, Bayuquan Steel Branch of Angang Steel	Pilot Demonstration of Fully-Connected 5G Smart Factory and the Pilot Area for Integrated Application of 5G Industrial Internet	Department of Industry and Information Technology of Liaoning Province

Unit	Name of award and honor	Awarding organization
Clean Environment		
Angang Steel Bayuquan Steel Branch of Angang Steel	Benchmark Enterprise for Green Development of Steel	China Iron and Steel Association, China Metallurgical News
Chaoyang Iron & Steel Co., Ltd.	National Exemplary Organization of Metallurgical Greening	China Iron and Steel Association, China
Chaoyang Iron & Steel Co., Ltd.	2023 Provincial-level Water-saving Surveyor's Pole Enterprise	Department of Industry and Information Technology of Liaoning Province, Liaoning Provincial Department of Water Resources, Liaoning Provincial Development and Reform Commission, Liaoning Administration for Market Regulation
Better Society		
Angang Steel	New Pentium • Golden Horse Award	FAW Pentium
Angang Steel	Excellent Supplier Award	Trumpchi
Angang Steel	Golden Supplier	China State Shipbuilding Corporation
Angang Steel	Outstanding Strategic Partnership Award	BYD
Angang Steel	Excellent Supplier Award	Dongfeng Nissan Passenger Vehicle Company
Angang Steel	Core Supplier	Faw Jiefang Automotive Co., Ltd.



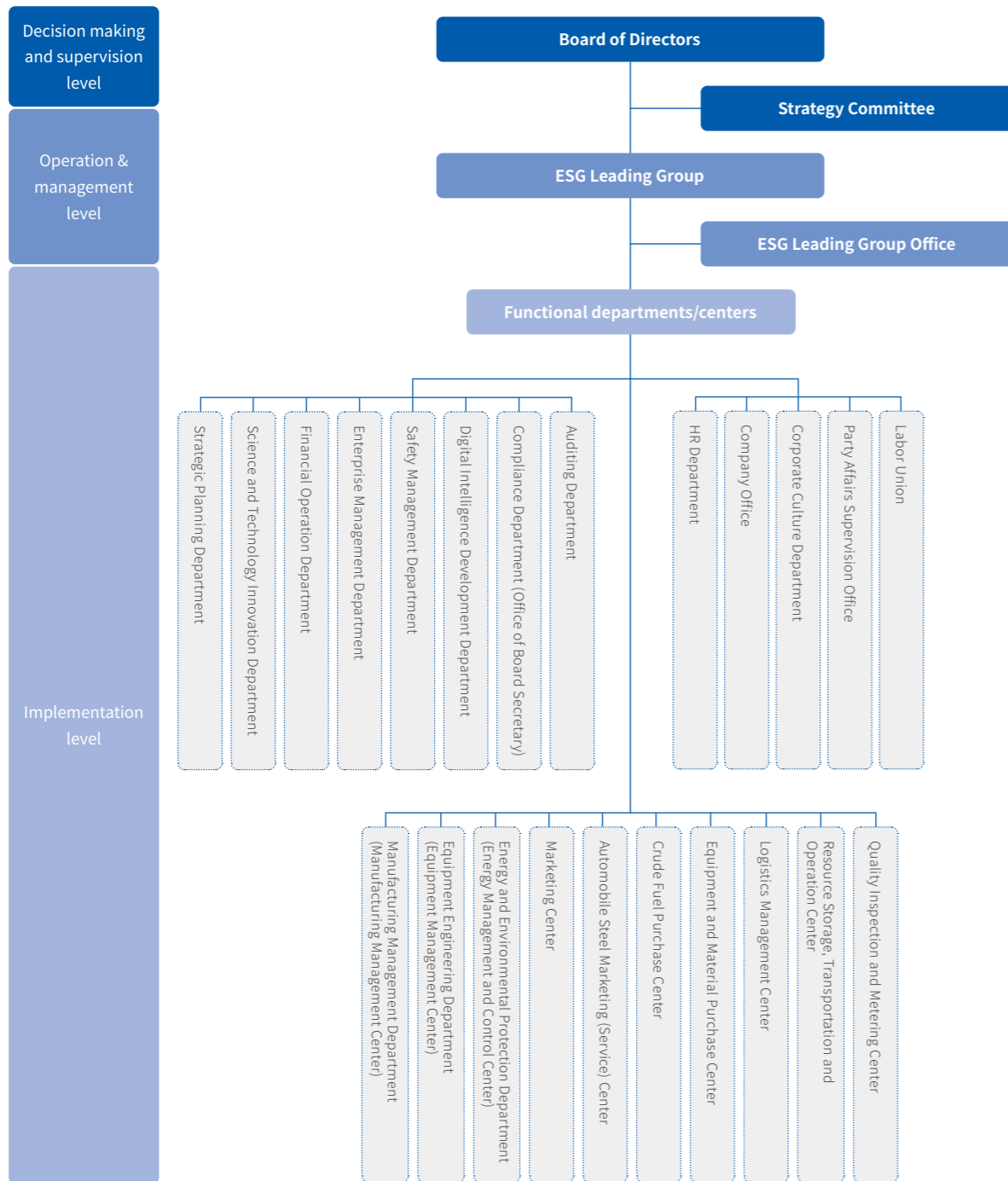


1 ESG management

Angang Steel has improved ESG governance, and established a three-level management structure composed of decision making & supervision, operation & management, and implementation levels to strengthen the management and implementation of ESG indicators from the top down, improved its ability to create comprehensive values in economy, society and environment and strengthened its sustainable development.

Governance structure

The Company has established a three-level management structure composed of decision making & supervision, operation & management, and implementation levels, to integrated ESG indicators into every aspect of its management and operation.



▲ ESG governance structure of the Company

Decision making & supervision level	<ul style="list-style-type: none"> » Board of Directors <ul style="list-style-type: none"> » Examine and approve the Company's ESG vision, management principle and planning. » Examine and approve ESG disclosure policies and reports. » Supervise the Company's ESG opportunity and risk identification process, and determine important ESG risks and opportunities. » Strategy Committee <ul style="list-style-type: none"> » Supervise and guide the identification and assessment of the Company's major ESG risks and opportunities. » Supervise and guide the implementation of ESG management planning. » Periodically review the progress of ESG goals and put forward improvement suggestions. » Review the Company's annual ESG report and other relevant reports and submit them to the Board of Directors.
Operation & management level	<ul style="list-style-type: none"> » ESG Leading Group <ul style="list-style-type: none"> » Establish the general strategies and goals of ESG management. » Organize and guide the establishment of the Company's ESG management system and mechanism. » Organize the compilation of the Company's ESG work plans, programs and reports, and report to the Board of Directors. » ESG Leading Group Office <ul style="list-style-type: none"> » Identify and survey internal and external ESG opportunities and risks; make a risk evaluation and establish response plans for the ESG opportunities and risks deemed as important ones by the Board of Directors. » Determine important ESG indicators and objectives; manage the ESG indicators and objectives approved by the Board of Directors to facilitate the fulfillment of the objectives. » Establish the ESG Report Preparation Group composed of ESG liaison officers of each department/center to prepare the annual ESG report. » Follow up the capital market and investors' evaluation of the Company's ESG work; reply to the questions and suggestions about ESG put forward by the investors. » Collect the investors' opinions and suggestions about ESG; report to ESG Leading Group.
Implementation level	<ul style="list-style-type: none"> » Functional departments/centers <ul style="list-style-type: none"> » Establish the management objectives of its own department/center's ESG indicators. » Take charge of the daily follow-up, management and statistics of its own department/center's ESG indicators in the ESG information disclosure indicator system. » Provide relevant information and data for the ESG Leading Group Office to respond to the investors.

▲ ESG governance structure of the Company

ESG Promotion program

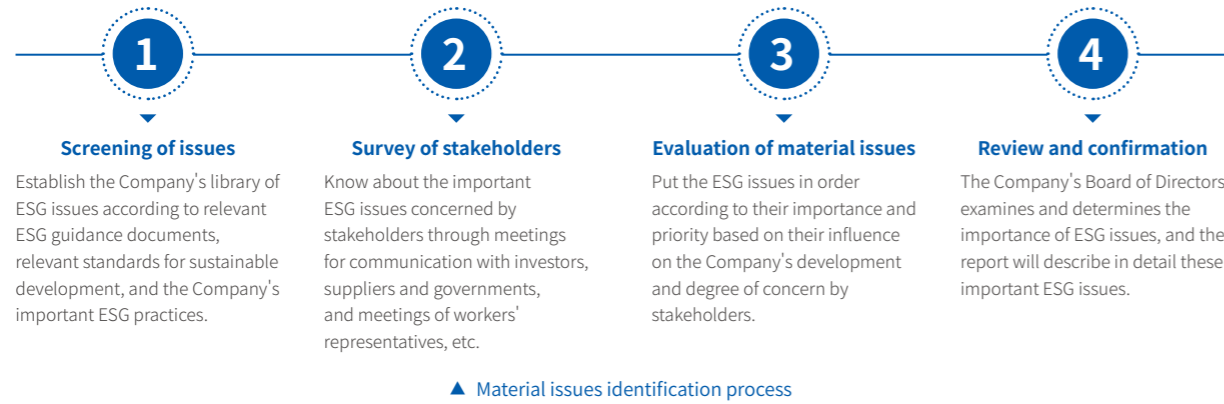
The Company has formed an "A-STEEL" Program based on the industrial characteristics, its own development and core cultures. Specifically, it's composed of six aspects, namely, Aim, System, Transparent, Enhance, Effort, Leader, to support the implementation of the strategic vision.



▲ A-STEEL promotion program of the Company

Material issues

Based on an analysis of macro policies, industry policies, sustainable development standards and guidelines, combined with capital market requirements and industry characteristic issues, the Company has established an ESG topic library. According to the two dimensions of "impact on stakeholders" and "importance to company development", the Company identified and screened important issues closely related to the industry to develop proactive and targeted response plans, meet the expectations of stakeholders.



Communications with stakeholders

To better meet the needs and collect the suggestions of stakeholders, the Company established smooth channels of communication with stakeholders, and built diversified internal and external communication platforms to fully safeguard stakeholders' right to know, right of participation, and right of supervision. The Company promptly disclosed ESG information or activities through its official WeChat platform and mainstream media websites, and issued ESG reports annually to disseminate its sustainable development concepts and news.

Stakeholders	Expectations of stakeholders	Communication and response
Government	<ul style="list-style-type: none"> » Comply with laws and regulations » Respond to policies » Promote regional development 	<ul style="list-style-type: none"> » Receive visitors » Participate in government-organized meetings
Regulatory authority	<ul style="list-style-type: none"> » Ensure open and transparent information » Meet the supervision requirements 	<ul style="list-style-type: none"> » Release notices periodically » Accept inspections of the supervision department
Shareholder	<ul style="list-style-type: none"> » Maintain and increase value of assets » Ensure open and transparent information 	<ul style="list-style-type: none"> » Hold performance presentations » Release annual reports periodically
Customers	<ul style="list-style-type: none"> » Ensure smooth communications » Guarantee product quality 	<ul style="list-style-type: none"> » Open customer hotlines » Conduct customer satisfaction surveys
Employee	<ul style="list-style-type: none"> » Guarantee wage and welfare » Ensure employee health and safety » Provide fair promotion and development opportunities » Care for employees 	<ul style="list-style-type: none"> » Convene meetings of workers' representatives » Carry out recreational and sports activities » Conduct employee satisfaction surveys
Partner/supplier/industry	<ul style="list-style-type: none"> » Keep commitment » Ensure transparent purchase » Promote industrial progress 	<ul style="list-style-type: none"> » Carry out strategic cooperation » Communicate on a regular basis » Disclose purchase information » Participate in industrial exchanges » Develop industry standards
Environment	<ul style="list-style-type: none"> » Strengthen environmental management » Promote energy conservation and emission reduction » Boost the realization of the carbon dioxide peaking and carbon neutrality objectives 	<ul style="list-style-type: none"> » Release reports periodically » Disclose environmental information
Community	<ul style="list-style-type: none"> » Serve the local economy » Improve local people's livelihood » Conduct public charity activities 	<ul style="list-style-type: none"> » Carry out rural revitalization activities » Provide charitable contribution and volunteer services
Media	<ul style="list-style-type: none"> » Disclose information in an open and transparent way 	<ul style="list-style-type: none"> » Release important information and news in time » Accept media's interviews actively





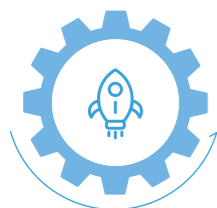
2

Efficient Governance

Bearing in mind our founding mission of "manufacturing better materials for creating better life", the Company Built a scientific and efficient corporate governance system, promoted the improvement of the enterprise's risk management system, internal control system, and compliance management system, took the sustainable development of enterprise economy, society and environment and the comprehensive value maximization as our fundamental purpose, and contributed to the high quality development of new Ansteel construction.

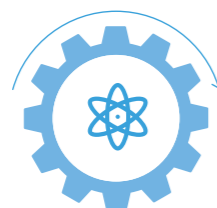
Development strategy

We advocated and adhered to the development philosophy of responsibility, and integrated economic, social and environmental considerations into business decision-making to generate sound management and operations. Our core objective in ESG management is "A Responsible Steel Company, A Beautiful Future". To be specific, it is aimed to promote sustainable development of the enterprise economy, society, and environment and realize maximization of comprehensive values, build an image of responsible steel enterprise, and create a better life together with stakeholders.



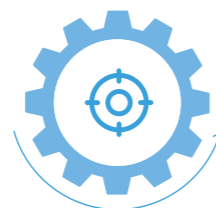
Original intention

Manufacturing better material for creating a better life



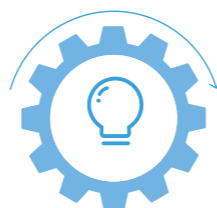
Core values

Innovation, realistic spirit, hard work, and dedication



Strategic objectives

Focus on the "main line"
Optimize the three "major layouts"
Enhance the six "major abilities"



Principle

Intensive, lighter, and smart customer services

Corporate governance

Angang Steel in accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, relevant regulations of China Securities Regulatory Commission, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules)*, *Guidelines No. 1 of Shenzhen Stock Exchange for Self-regulation of Listed Companies – Standardized Operation of Companies Listed on Main Board*, the Company has established its *Articles of Association*, *Rules of Procedure for Shareholders' Meeting*, *Rules of Procedure for Board of Directors*, *Rules of Procedure for Board of Supervisors*, *Working System for Independent Directors* and other relevant rules and regulations. The Company formed a governance structure and effective internal control system, in which the Shareholders' Meeting, Board of Directors, Board of Supervisors, and Management divided their work and shouldered their responsibilities respectively with effective checks and balances, thus ensuring shareholders' rights and interests and creating long-term values for them.



Identification of risks and opportunities

- » Incorporation of the concept of sustainable development into the Company's governance system can help to promote common value growth among the enterprise and its stakeholders such as employees, supply chain partners, communities, and the environment.



Our actions

- » The Company's Board of Directors established four special committees.
- » The Strategy Committee is responsible for instructing and supervising the ESG management works carried out by Ansteel Leading Group for ESG Work and its Office, further improving the sustainable development capabilities.



Our achievements

- » The Company's Board of Directors consisted of **8** directors.
- » **4** internal executive directors.
- » **4** independent non-executive directors.
- » The number of independent non-executive directors accounted for **50%**.
- » The Company held **14** meetings of the Board of Directors.
- » The Company held **6** meetings of the Board of Supervisors.
- » The Company held **4** shareholders' meetings.

Protection of shareholders' equity

The Company strengthened interactions with investors through various channels. It established smooth communication channels between investors and the Company, and made every effort to ensure the truthful, accurate, complete, timely, and fair information disclosure, making its value more recognized in the capital market.



Honors and Awards

The Company won the "Grade A" evaluation of Shenzhen Stock Exchange 2022-2023 Annual Information Disclosure.

<p>Identification of risks and opportunities</p>	<ul style="list-style-type: none"> » A reasonable and balanced equity structure, as the foundation for the long-term and stable development of enterprises, is able to improve their competitiveness and is beneficial for safeguarding the interests of shareholders. » Promoting the protection of minority shareholders' interests and increasing their involvement in decision-making can balance the interests of all parties and promote the constant improvement of enterprise value.
<p>Our actions</p>	<ul style="list-style-type: none"> » The Company actively fulfilled its responsibility for information disclosure, timely and accurately conveyed its operational performance to the capital market to make sure that investors can promptly understand its business condition, and protected investors' legitimate rights and interests. » The Company also conveyed its investment value accurately by means of telephone conferences, strategy meetings, and reception of on-site investigations.
<p>Our achievements</p>	<ul style="list-style-type: none"> » 54 provisional notices were disclosed. » The Company held 16 investor communication activities. » The Company organized 5 internal and external trainings related to corporate governance.

Timely and Transparent Communication with Investors

The Company took advantage of performance presentations to accurately pass on its production and operation status as well as industrial development trends.

The Company held 2022 Interim Performance Presentation, with a total of 30 investors from 16 institutions attending the event on-site. It also held the 2023 Interim Performance Presentation, with a total of 16 investors from 11 institutions participating in the event via telephone conference.

The Company took an active part in the communication with domestic and foreign investors by means of telephone conferences, strategy meetings, and reception of on-site investigations.

The Company held 8 telephone conferences with investment institutions, received 3 on-site investigations from these institutions, and participated in 3 strategy meetings organized by these institutions.

The Company strengthened daily communication with investors, and actively responded to the issues cared by investors.

The Company answered 95 hotline calls from investors and responded to 68 inquiries on the interactive platform of Shenzhen Stock Exchange.

Precise and Fair Information Disclosure

The Company implemented information disclosure management requirements, with a focus on ensuring the truthful, accurate, complete, timely, and fair information disclosure.




The Company disclosed 4 regular reports and 19 related documents, and issued over 100 provisional notices at home and abroad, achieving a 100% compliance rate in mandatory information disclosure.



▲ 2022 hold performance presentations of Angang Steel

Risks and opportunities

Angang Steel is fully aware that sustainable development is of crucial importance for its development and stakeholders. Therefore, it considered ESG factors an important part of its risk management and internal control. Through the identification and assessment of risks and opportunities, it optimized the resource utilization efficiency in business operation, and increased its development resilience and adaptability to uncertainties in economy, society, and environment.

 <p>Identification of risks and opportunities</p>	<ul style="list-style-type: none"> » The Board of Directors substantially participates in the supervision of ESG-related matters, which is beneficial for it to timely detect and deal with the adverse impacts arising from risks associated with climate, biodiversity, employees, health, and safety.
 <p>Our actions</p>	<ul style="list-style-type: none"> » The Company established a risk control and management system under the overall leadership of the Board of Directors and promoted by the competent department, with coordination and assistance from business departments. » With a focus on six major risks at the company level, the Company organized responsible departments to closely monitor these risks, and promptly identify and address new risk hazards and events in the business operation process.
 <p>Our achievements</p>	<ul style="list-style-type: none"> » The Company set criteria for risk assessment from 8 aspects including safety, environmental protection. » The Company identified and determined 6 major risks at the company level, and summarized and analyzed the corresponding response measures for each major risk category as well as the monitoring and handling status of major risk events quarterly. » The Company compiled a list of 26 risks in 5 categories at the company level.

» Identification of risks and opportunities

External environments (such as international steel market) and industrial trends (such as low-carbon transition of energy) brought risks in supply, business operation, regulation and safety, as well as great opportunities.

External environment and industry trend	Description of risks and opportunities	Our actions
<p>Slowdown in global economic growth</p>	<ul style="list-style-type: none"> » According to the International Monetary Fund (IMF), in 2023, over one-third of the global economic entities were in recession. » The world iron and steel industry stressed that the issue of excess capacity would persist, and that iron and steel demand was expected to increase by 1%. » Domestically, as the iron and steel industry was affected by the periodic fluctuation in the steel market, the iron and steel demand decreased, and an increase was seen in excess crude steel production. 	<ul style="list-style-type: none"> » Optimized the industry chain layout, strengthened the establishment of a sustainable supply chain, and helped upstream manufacturers reinforce risk management.
<p>Sluggish recovery in domestic economy</p>	<ul style="list-style-type: none"> » With a weak recovery in the domestic infrastructure projects and real estate market and small stimulus measures initiated by the government, the demand for steel materials is likely to see a small and steady increase. 	<ul style="list-style-type: none"> » Strengthen the market survey and analysis; grasp the market laws; follow up the market trends; determine the output according to sales prospects.

External environment and industry trend	Description of risks and opportunities	Our actions
<p>Industrial structure optimization</p>	<ul style="list-style-type: none"> » The company's industrial structure continues to optimize, its internal institutional mechanisms become smoother, its operations become more flexible, its efficiency significantly improves, and its reform vitality is effectively released. 	<ul style="list-style-type: none"> » Provided employees with equal and diversified employment opportunities and a stage for them to realize their values.
<p>Low-carbon transition in the steel industry</p>	<ul style="list-style-type: none"> » With relatively weak R&D on low-carbon technologies, it might affect the competitive edge of the Company's products. 	<ul style="list-style-type: none"> » Increased input in low-carbon technology research and development, and developed more competitive products. » Expanded substitution with renewable energy sources, shut down outdated production facilities, and fully unleashed the potential of energy conservation and carbon emission reduction.
<p>Requirements in work safety</p>	<ul style="list-style-type: none"> » Steel production relates to the hazard sources such as hazardous chemicals, as well as upstream and downstream enterprises; therefore, we also face work safety risks caused by the inadequate supervision or inspection. 	<ul style="list-style-type: none"> » Carried out special campaigns to ensure the work safety, and facilitate the building of a dual system for the hierarchical management of safety risks and hazard investigation & elimination.
<p>Fiercer competition in the steel sector</p>	<ul style="list-style-type: none"> » Steel enterprises suffer from fierce external market competition, and huge pressure from environmental governance. In addition, they face low added value of products and low effectiveness of application of scientific and technological achievements. 	<ul style="list-style-type: none"> » Innovated mechanisms & systems and launched more pioneering, revolutionary and strategic projects based on science & technology leadership plan.

» Risk management

The Company established a strict, standard, comprehensive, and effective risk control system driven by risk management with a focus on compliance management and supervision, and continuously improved the effectiveness of the risk control system.

<p>Improving the Risk Management and Control Mechanism</p> <ul style="list-style-type: none"> » A risk assessment and compliance review mechanism has been established, and significant matters are not allowed to be submitted to the Company for review and decision making without risk assessment and compliance review. For significant matters, the responsible department will immediately organize and implement risk assessment and compliance review in the project initiation phase, prepare specific risk assessment and compliance review reports, and submit them for "6+X" joint review, thus providing effective support for scientific decision-making. 	<p>Improving the Risk Management and Control System</p> <ul style="list-style-type: none"> » The Company comprehensively clarifies systems related to its internal control, risk, and compliance management, and promptly establishes internal rules and regulations based on external legal and regulatory requirements. » The Company effectively integrates the internal control regulations into the entire process of production and business management, ensures that all employees adhere to these regulations, and works continuously to make the internal control system more scientific, systematic, and effective. 	<p>Strengthening Risk Management and Control Capabilities</p> <ul style="list-style-type: none"> » The Company has established a sound mechanism for quarterly monitoring and reporting of major risks, ensuring the early prevention, detection, and handling of major risks, and effectively preventing the spread and accumulation of major risk events. » Paying special attention to six major risks at the company level, the Company summarizes and analyzes the corresponding response measures as well as the monitoring and handling status of major risk events quarterly.
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Ethical policy and practice

Angang Steel strengthened its internal control, and comprehensively implemented the rule of law, thereby consolidating the foundation for its sustainable development. It complied with business ethics regulations such as the *Anti-fraud Management Measures*, and firmly opposed commercial bribery, monopolies, and unfair competition in market transactions.

 <p>Identification of risks and opportunities</p>	<ul style="list-style-type: none"> » The government attached great importance to anti-corruption and integrity work, and took a series of effective measures to redouble the anti-corruption and integrity efforts. » Eliminating corruption is a long-term and arduous task for the whole society, requiring people to continuously cultivate correct values and moral concepts.
 <p>Our actions</p>	<ul style="list-style-type: none"> » Strengthening anti-corruption education. The Company organized anti-corruption training for the Board of Directors, all leaders and personnel in key positions. » The Company publicized its report hotline and letter box to receive supervision by all parties and strengthened employees' consciousness of clean practice and self-discipline in all aspects.
 <p>Our achievements</p>	<ul style="list-style-type: none"> » The Company held 3 anti-corruption training sessions for the Board of Directors, covering a total of 20 persons. » All directors received anti-corruption training, with a coverage rate of 100%, and the average training duration per person was 4 hours. » 3,326 employees were organized to visit the Party Conduct and Clean Government Education Hall of Ansteel. » 951 sessions relating to anti-corruption education were held, covering all the leaders and personnel in key positions.

» Compliance with laws and regulations

Based on the overall planning of Ansteel for developing its compliance system, the Company, taking consolidation of the institutional guarantee for compliance management as a key task, improved its compliance management mechanism, rigorously assumed the primary responsibility for developing the rule of law, advanced the mechanism for operation in compliance with laws, and strengthened governance in key areas and supervision of key links to effectively prevent compliance risks and lay a solid foundation for high-quality development.

Key performance in 2023

The duration of compliance training reached **74** hours.

The compliance training covered **1,552** people.

* The Company participated in the Law Lecture held by SASAC and organized trainings on contract management, compliance management, trademark practice, and the rule of law related to foreign affairs.

Case Outstanding Compliance Cases Are Shared at the China Enterprise International Compliance Forum

On September 6, 2023, Angang Steel Company Limited was invited to attend China Enterprise International Compliance Forum at 2023 China International Fair for Trade in Services, where it shared outstanding cases in written form. It was awarded the Excellent Compliance Cases Sharing Certificate jointly issued by the Forum Organizing Committee and IC500, an international compliance think tank, becoming the only iron and steel enterprise among the 11 award winners at this forum. This award is a commendation from the organizer for the Company's outstanding exploration, practice, and innovative contributions in compliance effectiveness, reflecting the Company's significant achievements in establishing the compliance system and ensuring its operations in compliance with laws and regulations.



▲ Angang Steel is invited to share outstanding compliance cases at the China Enterprise International Compliance Forum

» Clean governance

The Company adopted innovative supervision methods to strengthen the development of a culture of integrity and maintain a positive atmosphere. It disclosed its reporting hotline and mailbox to widely accept the supervision from all parties.

<p>Demonstrating the Deterrent Effect of "Having No Audacity to Commit Corruption"</p> <ul style="list-style-type: none"> » The Company conducted supervision based on big data regularly, and carried out joint verification by the disciplinary committees, the government supervision agencies and functional departments in coordination with the audit and legal departments to investigate and handle clues and problems, thus comprehensively improving the operating efficiency of the supervision system. » It emphasized on the supervision over key sensitive positions, and established and improved integrity archives. It also strengthened supervision over personnel selection and appointment, and ensured integrity rigorously. 	<p>Establishing Sound Systems to Eliminate the Possibility of Corruption</p> <ul style="list-style-type: none"> » The Company systematically reviewed the manifestations of issues and clues and the areas where they were intensively reflected, and formulated the <i>Work Plan for Special Administration of Anti-Corruption, Anti-Bribery, and Anti-Fraud</i> which identified 28 items of 6 categories in 3 aspects. » It insisted on promoting corrections and governance based on cases, and issued the disciplinary inspection proposal to urge relevant parties to improve their systems, and supervise business departments to fulfill the primary supervisory responsibilities. 	<p>Raising the Awareness of "Being Unwilling to Corrupt"</p> <ul style="list-style-type: none"> » The Company deepened its development of the integrity culture. To be specific, it set up a column of "Discipline Classroom" on its official WeChat account, organized visits to the Party Conduct and Clean Government Education Hall of Ansteel, and regularly notified typical cases to pursue deeper and more substantive integrity education to specific positions.
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» Intellectual property protection

To improve its core competitiveness and expand its international operations, the Company put great efforts to create high-value core patents and proprietary technologies, applied for the registration of intellectual property achievements in time, standardized the licensing and transfer, and strengthened the protection of business secrets and trademarks. It used the intellectual property rights of others in accordance with laws and regulations, and strictly prevented infringement acts.

- » The Company established a three-tier intellectual property management system covering more than 10 departments and over 30 units.
- » It focused on strategic priorities, strengthened its intellectual property layout, and formed a patent cluster consisting of 55 invention patents in 9 key areas including ultra-high-strength hydrogen embrittlement-resistant steel for automotive.
- » It established a systematic and efficient framework and mechanism for patent navigation. It conducted research on patent navigation projects, and gave full play to the role of patent navigation in guiding and supporting technological innovation.
- » With a focus on addressing practical enterprise issues, it continuously improved the quality and proportion of invention patents. In 2023, it obtained 521 licensed patents, including 301 invention patents, accounting for 57.8%, showing a year-on-year growth of 8.6%.

Key performance in 2023

The Company obtained **7** PCT international innovation patents with a year-on-year growth rate of 40% ↑

The number of high-value invention patents reached **1,355** with a year-on-year growth rate of 29.7% ↑

The number of industrialized invention patents reached **1,971** with a year-on-year growth rate of 12.3% ↑

» Information security protection

The Company strictly abided by laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*. It established a sound cybersecurity boundary protection and defense-in-depth system, improved its situational awareness platform, and continuously raised its security technology protection capabilities to effectively prevent external illegal intrusion and access, and information leakage.

It revised and improved the *Methods for Authorization Management of Integrated Smart Operation Management & Control System*, and implemented classified and hierarchical management of internal legitimate access according to authorized permissions, thus ensuring effective protection of relevant information in the system. In 2023, the Company had 0 incidents of data leakage.



3

Multiple Values

Aiming at creating the maximum comprehensive value, Angang Steel actively pushed forward the digital transformation, fostered the strength of its brand with high product quality and considerate customer services, and built the image of "a Smart Ansteel", "an Innovative Ansteel" and "a Branded Ansteel", thus leading the way to high-quality development.

State-of-the-art manufacturing

The Company strengthened the construction of "a Smart Ansteel", promoted the digital transformation by means of intelligent manufacturing, focused on the R&D of products featuring higher performance, better quality and better experience, and provided customers with "one-stop" material solutions, so as to build itself into a world first-class enterprise of outstanding brand.

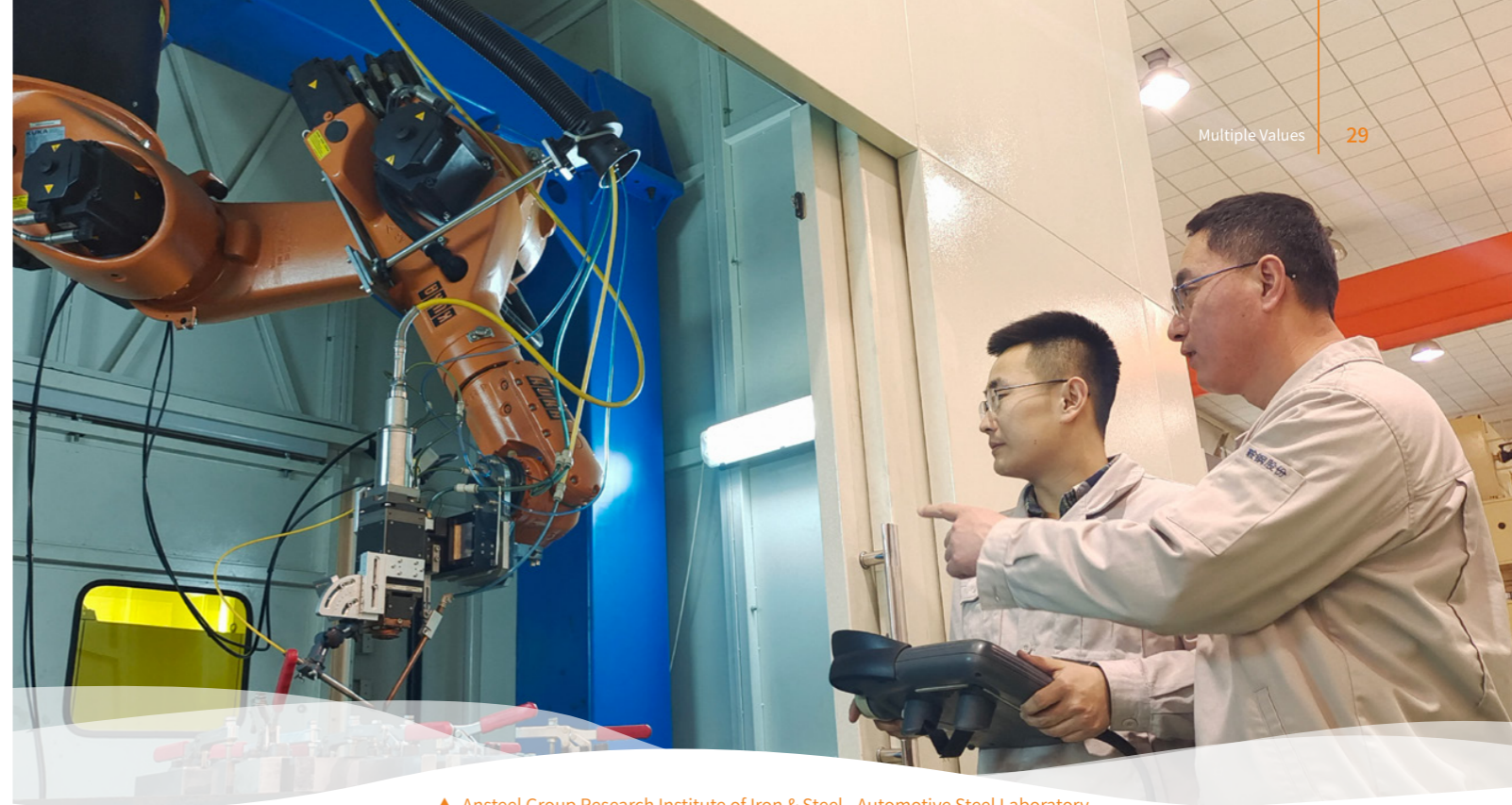
Identification of risks and opportunities	Our actions	Our achievements
<ul style="list-style-type: none"> » The Company strengthened the construction of "a Smart Ansteel" to effectively stimulate the new vitality of digital economy for Ansteel. 	<ul style="list-style-type: none"> » The Company forged an integrated smart operation system to facilitate the corporate development via IT application. » The Company took charge of and participated in the formulation and revision of standards to promote the quality standardization. » The Company built up the one-stop customer service system covering the whole process, and created the optimal value chain oriented for customer relations, so as to offer considerate services to customers. 	<ul style="list-style-type: none"> » The Company promoted the application of integrated smart operation system to cover the management of 15 subordinate units, and launched 6 intelligent production lines. » The Company took the lead in formulating 6 international standards, participated in the formulation of 2 international standards, and took the top spot in terms of the number of international standards formulated in the industry.

» Intelligent manufacturing

The Company speeded up the construction of "a Smart Ansteel", pushed forward the data governance, consolidated the foundation for network and information security, and accelerated the integrated system applications to guarantee its high-quality development.

Key performance in 2023

The Company invested in **34** informatization and intellectualization projects with total input of RMB **200** million.



▲ Ansteel Group Research Institute of Iron & Steel - Automotive Steel Laboratory

Pushing forward the data governance

- » The Company set up the data governance committee, built the organizational system for data governance, and created the evaluation system for big data management ability.
- » The Company conducted the inventory check of data assets, classified data in categories, created the unified data asset directory, and reinforced the data application.
- » The Company built an ironmaking big data platform to provide the technicians and the development team of blast furnace model with basic data services.

Consolidating the network and information security

- » The Company revised the management measures on security of network and information system, management measures and emergency plans for confidentiality, and other relevant network and information security systems.
- » The Company reinforced the network security monitoring, standardized and simplified the alarm handling procedure, and monitored its internal network around the clock to discover the potential risk and alarm events in time.
- » The Company coordinated, audited and monitored its network system in a unified way to reduce the risk of virus infection and intrusion.

Forging an integrated system

- » The Company implemented an integrated system to cover the management systems of **15** subordinate units (including 5 modules relating to procurement, equipment, engineering, finance, and cost).
- » The Company promoted **6** intelligent production lines



Honors and Awards

The Company was ranked among the "digital leadership" enterprises in China.

The "data-driven smart factory covering whole steel manufacturing process" of Angang Steel was listed as a demonstration factory for intelligent manufacturing by the Ministry of Industry and Information Technology.

4 technologies including "asymmetric measurement and control of unmanned driving for hot rolling line" were named the demonstration scenarios for pilot operation of intelligent manufacturing by the Ministry of Industry and Information Technology.

"5G steelmaking plant" was listed as a 5G factory by the Ministry of Industry and Information Technology.

» Excellent quality

In strict accordance with the *Product Quality Law of the People's Republic of China* and other relevant laws and regulations, the Company built up its quality management system, controlled the quality risks, improved its product traceability system, and kept upgrading the product quality, thus promoting the brand image of Ansteel.

- » The Company improved its product traceability system. Each product is provided with a QR code label for users to trace the origin of product.
- » The Company steadily solved the quality problems, and carried out 72 quality improvement programs, of which 55 programs had achieved the goals with excellent efficiency.
- » Strengthen the digital management of quality, continuously optimize the new quality system, promote the construction of quality standardization, focus on key quality control points, and improve the level of quality management.

Improving product quality

- » The Company incorporated the comprehensive yield rate of steel products and relevant indicators into its key performance indicators, and urged the manufacturing plants to tackle the key problems affecting the yield rate and continued to improve product quality.
- » The Company employed the information system data to evaluate the product quality and process, so as to promote the quality management for all processes and product types.
- » The Company adopted SPC and other tools to promptly control the abnormal fluctuation, so as to promote the quality management for key processes and products.
- » The Company organized the monthly quality evaluation, review and closed-loop rectification with a focus on quality objection, quality accident and other typical problems, so as to effectively control the key quality problems.

Strengthening the quality management and control

Promoting quality authentication

- » The Company organized and accomplished the CE authentication (European Union), JIS authentication for cold rolling products (Japan), and KS (South Korea) authentication for deformed steel bars. The Company attained the TIS (Thailand) authentication for cold rolling products, hot rolling products and medium-thick plates. The Company attained the SIRIM (Malaysia) authentication for cold rolling products, hot rolling products and medium-thick plates, and the API authentication for seamless steel; SCS authentication for recycling of cold rolling scrap steel; CRCC authentication for hot-rolled corrosion resistant steel for freight cars and heavy rails, and; other related authentications.
- » 6 products of the Company, including the hot-dip galvanized aluminum-magnesium steel plates, were named the "Golden Cup" products in China's metallurgical industry. Moreover, the steel rails for high-speed railway were approved and named as "Golden Cup Outstanding Products".

Cultivating the quality talents

- » The Company improved the quality awareness and quality management capabilities of employees by holding the weekly production scheduling meeting, carrying out the annual campaign for national quality month, and organizing the employees to take part in the annual quality contest as well as internal and external quality training courses.



▲ QR code labels of product

Key performance in 2023

The Company formulated **20** national/industrial/association standards.

1 standards developed by the Company was granted the third prize for **China Metallurgical Science and Technology Award**.

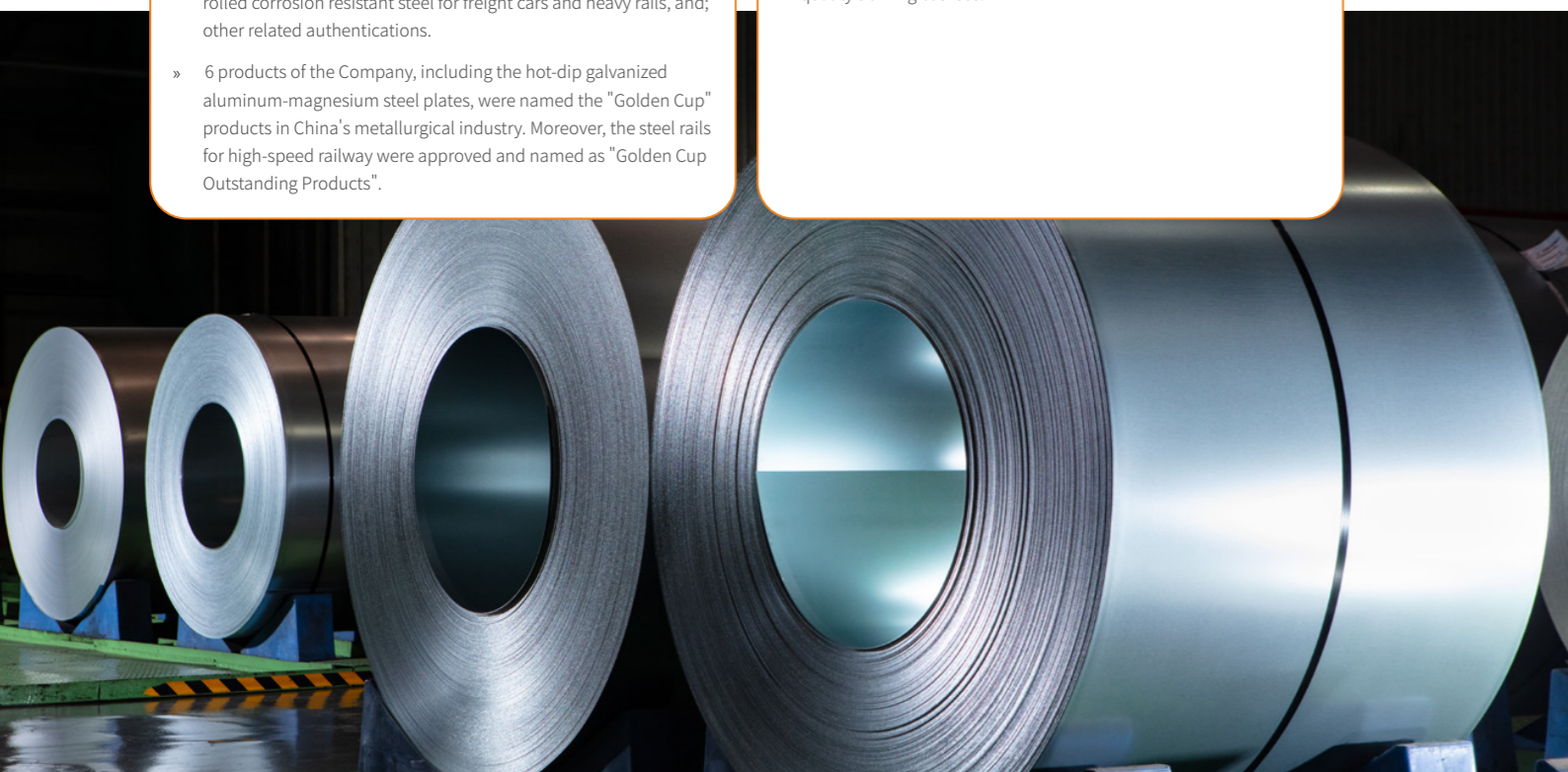
Indicator	2021	2022	2023
Passing rate of products (%)	99.4	99.4	99.3
Percentage of sold or delivered products to be recovered due to safety and health considerations (%)	0	0	0
Violation concerning health and safety of products and services (Nos)	0	0	0

Case Supplying high-quality steels for important national infrastructure projects

The Company supplied high-quality steels for important national infrastructure projects. In 2023, the Company supplied over 25,000 tons of steels for Tiantai Pumped Storage Power Station, thus contributing to the development and utilization of clean energy in China. The Company supplied the steel bars of "Ansteel" brand for the Centralized Procurement of Steel Bar Frameworks for Huajin-Aramco United Petrochemical Project, thus facilitating the successful implementation of model project for the energy cooperation between China and Saudi Arabia under the Belt and Road Initiative. The Company supplied 67,000 tons of pipeline steel for Heihe (Heilongjiang Province)-Shanghai natural gas pipeline project, a vital energy channel for East China, thus guaranteeing the energy supply and promoting the high-quality development of East China.

Case Supporting the construction of the northernmost nuclear power plant in China

The Company actively strengthened the research on localization of steels for nuclear power, tackled the technical bottlenecks, and mastered the core technologies of steels for nuclear power, thus filling the blank of such products in China. Besides, it participated in the development of new generation of high-strength and high-tenacity steel plates for the containment of nuclear reactor. It had output over 15,000 tons of such steel plates with the product specifications ranging 20-130 mm. In 2023, as the construction of Liaoning Xudabao Nuclear Power Plant, the northernmost nuclear power plant in China, started, the Company supplied over 2,200 tons of Grade-A steel plates for the containment of the project, thus contributing to the overall revitalization of Northeast China and the development of nuclear power in China in the new era.



» Considerate services

By sticking to the "customer-oriented" concept, the Company established the one-stop customer service system covering the whole process, and created the optimal value chain oriented for customer relations, so as to become the best partner for customers to create values.



Honors and Awards

In 2023, the Company won

- 2023 Award for Innovative Application of Home Appliance Materials from the China Iron and Steel Association
- Outstanding Strategic Partner Award from BYD
- Golden Supplier from CSSC
- Excellent Supplier from CIMC
- Strategic Partnership Award from Hisense
- 2023 New Besturn • Golden Horse Award from FAW-Besturn
- 2023 Excellent Supplier from GAC Trumpchi

Improving the customer service system

- » In order to provide one-stop customer services covering the whole process, the Company established a service system featuring quick internal response, efficient external coordination and optimal value experience for customers.
- » The Company built a "1+2+△" customer management system, and formulated and implemented differentiated service strategies for different types of customers, thus precisely matching the individual needs of customers.

Efficiently solving customers' problems

- » The Company established a management process of classifying customer needs, solving problems at different levels and clarifying responsibilities, to efficiently solve problems of key customers.
- » The Company developed an online intelligent service platform to handle objections in a closed loop from user complaint acceptance to internal rectification.

Optimizing customer service experience

- » Through the service system, the Company was able to clearly and efficiently accept and convey the customer compliant information, and improve the efficiency of problem solving and objection handling for customers. In 2023, the customer compliant handling period was shortened to 1.85 days, and the objection (non-logistic) handling period was shortened to 5.6 days.
- » The Company entrusted a third party to investigate the customer satisfaction, and took rectification measures and offered feedbacks to the complaints from customers, so as to improve the customer satisfaction.
- » The Company strictly abided by the laws and regulations such as the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, *Advertising Law of the People's Republic of China*, and disclosed information about the product technology, quality and functions truly and properly.

Indicator	2021	2022	2023
Number of complaints about its products and service (Nos)	1,415	1,430	1,636
Percentage of complaints resolved (%)	100	95	97
Customer satisfaction (score)	95.05	93.57	94.09 (the first half of a year)
Number of complaints due to customer information disclosure (Nos)	0	0	0

Innovation-driven development

The Company upheld the fundamental principles and broke new ground, gave full play to its role as the main player of technological innovation, and kept exploring the integration of lean management and digital construction, thus unleashing the innovation momentum and enhancing its core competitiveness in an all-round way.

Identification of risks and opportunities

- » Only by upholding innovation as the most important momentum, the Company is able to realize the high-quality development, and forge its new advantages in cooperation and competition.

Our actions

- » The Company tried its best to strengthen the construction of national key laboratory, pushed forward the building of "place of origin" for original technologies, and implemented a host of coordinated researches on generic technologies, so as to enhancing its influence in the steel industry.
- » The Company integrated the digital construction and lean management to promote its efficient and robust operation.

Our achievements

- » The investment in research & development reached RMB **2,852,098,000**.
- » The Company employed **2,278** R&D staff.
- » The Company obtained licensing of **521** new patents.
- » 6 projects of the Company were listed as key tasks for future industries by the State-owned Assets Supervision and Administration Commission (SASAC), ranking the **first place** in China's iron and steel industry.
- » The Company realized the **first launch** of 3 new products and 3 new technologies.

» Scientific and technological innovation

The Company optimized its innovation mechanism, strengthened the construction of the innovation platform, and implemented the national key technology R&D projects, so as to boost its influence, technical support, and technical leadership in the industry.

Innovation mechanism

- » By relying on the National Key Laboratory for Marine Engineering Steel, Strategic Alliance for Technological Innovation of Corrosion-resistant Steel Industry, and other platforms, the Company kept improving its mechanisms for industry-university-research-inspection-application cooperation.
- » The Company continuously pushed forward the technology leadership plan, and improved the working model of "factory-research institute-laboratory collaboration". In 2023, the Company announced 122 projects for the 2nd technology leadership plan, and launched 2 projects for the "open competition mechanism to select the best candidates".
- » The Company provided awards and other incentives to the innovation talents, so as to stimulate their innovation impetus. In 2023, the Company granted 30 technology awards, and gave prizes to 100 excellent innovation achievements from the innovation studios of employees.

Innovation platform

- » The Company built up a major R&D innovation platform to promote the heat test of pilot plant test base for hydrogen metallurgy as well as the construction of Pilot Plant Test Base of NEU Shenyu Industrial Technology Research Institute.
- » The Company set up 4 new skilled talent work stations at company level. 1 work station was honored the National Skilled Talent Work Station, and 2 innovation studios of the Company were honored the Demonstration Innovation Studios for the Machinery, Metallurgy and Building Materials Industries of China.
- » The Company steadily promoted the coordinated researches by innovation studio alliance. In 2023, the innovation studio alliance of the Company completed 10 research projects, achieving the economic benefit of RMB 13.0662 million.



Honors and Awards

The Company won **1 golden prize of special commendation and 1 golden prize** by the judging panel of International Invention Fair of the Middle East.

3 products of the Company were included in **the national list for transformation and application of advanced technological products**.

The Project of Development and Industrialization of Key Technologies for the Third-generation Steel for Ultra-large Capacity, Low Temperature Pipeline was awarded **the Special Prize of the Metallurgical Science and Technology Award**.

The upgrading project of intelligent spot check system of Ansteel Group Chaoyang Iron & Steel was granted the bronze prize for the 10th "Young Innovators" **Innovation and Pioneering Contest** (for digital economy).

Innovation technologies

» The Company strengthened the research on key original technologies, and realized the efficient commercialization of 4 products developed by the Phase-1 research on key technologies.

Innovation achievements

- » The Company successfully developed the finished products of steel plates for the prototype of scale model for the pressure-resistant spherical shell of deep sea manned submersible equipment.
- » The Company became the first enterprise in the world to launch 3 products, including the 690 MPa low-temperature steel, and 3 key technologies for the manufacturing and welding of deep-sea steel.

Indicator	2021	2022	2023
Investment in research & development ('0,000 yuan)	264,361	262,145	285,209.8
Proportion of R&D investment in business income (%)	1.93	2.0	2.51
Number of proprietary property rights (Nos)	3,288	3,558	3,811
Number of new patent application (Nos)	592	598	741
Number of new patent licensing (Nos)	532	567	521
Total number of R&D staff (person)	1,806	2,185	2,479

» Managerial innovation

The Company continuously explored the integration of lean management and digital construction. By starting at the integrated system data value mining and the synchronic lean management for digital -intelligent projects, it actively pushed forward the deep integration of lean management and digital-intelligent construction, cultivated the new momentum for value creation, and promoted the enterprise growth by means of lean and digital-intelligent transformation.

By taking the integrated and coordinated management and control of Ansteel Group Chaoyang Iron & Steel as the pilot project, the Company simultaneously adjusted and optimized its management model and systematic procedures, and realized the fusion of management, technologies and operations, thus ensuring the borderless coordination of different modules and barrier-free potential exploration and efficiency improvement.



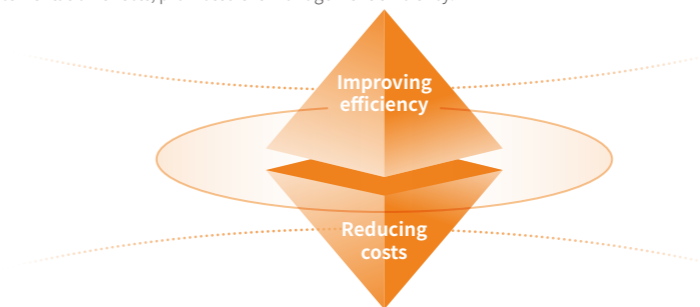
Improvement of quality and increase in efficiency

By focusing on the improvement of quality and increase in efficiency, the Company enhanced the control in management, production, operation and other links, and improved the quality and efficiency of business operation, and boost its vitality, competitiveness and anti-risk capability, thus promoting its sustainable growth.

Identification of risks and opportunities	Our actions	Our achievements
<ul style="list-style-type: none"> » The Company improved its production quality and efficiency to improve both the speed and quality of economic growth, optimize the industrial structure, and ensure more sustainable economic development. The Company was required to optimize its operation flow and product process to improve the quality, reduce the cost and increase the efficiency. 	<ul style="list-style-type: none"> » The Company learnt advanced management concepts and methods from the benchmarking enterprises of the industry, so as to improve its management level. » The Company realized the coordination among multiple professional departments to optimize the process flow, improve the production process, and boost the product quality and efficiency. » The Company built up a cost management model featuring "daily closing" to enhance the daily cost functions and applications, and strengthen the cost management and control. 	<ul style="list-style-type: none"> » Total assets 97.014 billions yuan » Total tax 1.342 billions yuan

- » The Company strengthened its market-oriented reform, improved its differentiated control and authorization systems, optimized the management functions, systematic procedures and organizational structure, and established the marketized management system and operation mechanism, thus facilitating the efficient enterprise management, control and decision-making.
- » The Company pushed forward the professional integration of processes at different levels, upstream and downstream enterprises, and internal and external resources, so as to continuously improve its resource allocation efficiency.
- » The Company learnt the advanced management process and working methods from benchmarking enterprises, and tracked the implementation of improvement measures, and reasonably assessed the implementation effects, promoted the management efficiency.

Key performance in 2023
 In 2023, RMB **1,650,000,000** was cut down in terms of for technology cost reduction and efficiency increase.



- » By relying on the intelligent operation system, the Company built up the cost management model featuring "daily closing". By sticking to the principle of "fairness, transparency, equality and competition", the Company expanded the scope for disclosure of procurement information, and selected the suppliers with high quality and low price.
- » The Company carried out the campaign themed on "exploring the coal and gas resources, reducing the electric consumption, lowering the volume of steam, and reducing the volume of nitrogen" to reduce the coal consumption, lower the discharge of waste gas, generate more electric power, and bring down the energy cost.
- » By relying on technological researches, the Company optimized its production process, and promoted the equipment upgrading, thus effectively reducing the consumption of raw materials and energy resources.





4

Clean Environment

Taking green as the defining feature for high-quality development, Angang Steel continuously strengthened the environmental management, actively pushed forward the actions of carbon dioxide peaking and carbon neutrality, and cultivated and enhanced the new momentum. Besides, it pursued more clean, efficient production and operation, and tried its best to become a model for coordinated increase of efficiency for reduction of pollution and carbon emission as well as green and low-carbon development, thus leading the steel industry towards green revitalization.

Progress in combating climate change

As more and more countries have realized the "climate crisis", and the green and low-carbon concept has become a global consensus, the steel industry nowadays faces greater pressure on low-carbon transformation. The Company improved the governance structure for climate change, and formulated the transition strategies, pathways, and goals for carbon dioxide peaking and carbon neutrality. It also took the initiative to develop low-carbon technologies and products, and sought the scheme to accelerate the transition to green and low-carbon development of the entire industry chain, making sufficient preparations and setting a good example for combating climate change.

Identification of risks and opportunities	Our actions	Our achievements
<ul style="list-style-type: none"> » After the World Steel Association promulgated the public policy document titled Climate Change and Steel Production, it has been a global consensus to actively respond to climate change and pursue low-carbon development. » The "3060" goal, which was proposed by Chinese government, represents an important strategic decision for domestic and international market. In China, the iron and steel industry, a vital industry for carbon emission reduction, faces many opportunities and challenges in terms of production, technology and energy. 	<ul style="list-style-type: none"> » By taking low-carbon transformation as an important engine for high-quality development, the Company further improved relevant mechanisms and systems, and formulated corresponding low-carbon development strategies. » The Company optimized its process flow structure, promoted the technological innovation, and enhanced the life cycle assessment (LCA) of steel products, so as to realize the vision for carbon dioxide peaking and carbon neutrality. 	<ul style="list-style-type: none"> » Total transaction of green power reached 790 GWh, accounting for 10.2% of the transacted electric quantity and marking year-on-year increase of 250 GWh. » Carbon dioxide emissions per 10,000 yuan output (comparable price) reached 5.54 tons/10,000 yuan, achieving the index set by Ansteel. » The Company was awarded the title of "Energy Efficiency Benchmark & Demonstration Factory and Cultivated Enterprise Practicing Carbon Dioxide Peaking and Carbon Neutrality Best".



» Governance structure

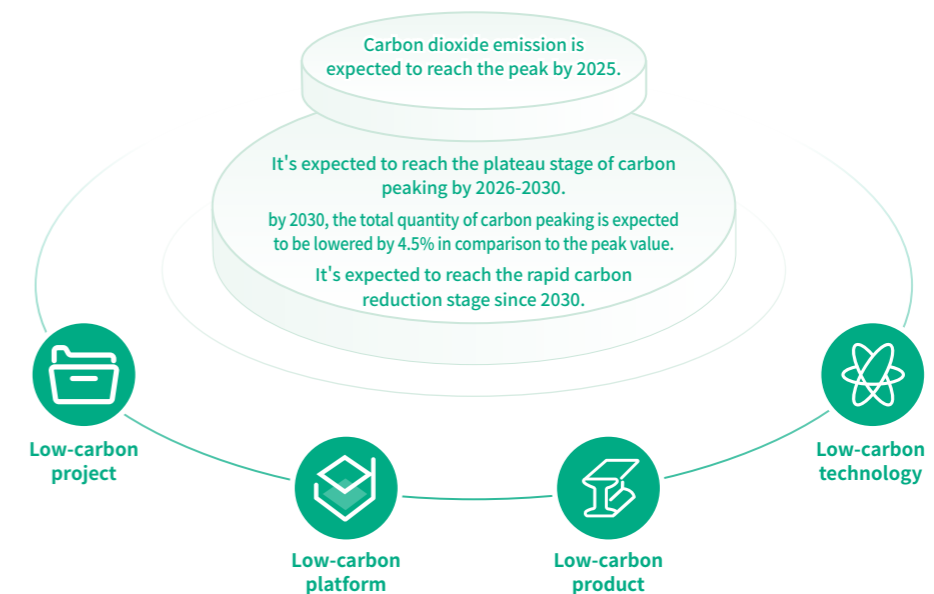
The Company attached much importance to the top-level design relating to the management of climate change, improved its carbon management system, and established a Leading Group on Carbon Neutrality. Comprised of the Office of Leading Group on Carbon Neutrality and 5 functional working teams, the Leading Group on Carbon Neutrality takes charge of formulating the special work plans for low-carbon development and pushing forward the low-carbon construction and others carbon emission reduction works in business operation, so as to provide the organizational guarantee for the low-carbon development of the Company.

Organizational structure	Job responsibility
Leading Group on Carbon Neutrality	<ul style="list-style-type: none"> » Review plans, overall strategies and goals for green and low-carbon management and development of the Company; » Organize the construction of green and low-carbon management system and mechanism of the Company; » Review the green and low-carbon work plans and reports of the Company, and submit reports to the Board of Directors.

Office of Leading Group on Carbon Neutrality	<ul style="list-style-type: none"> » Formulate plans, overall strategies and goals for green and low-carbon management and development of the Company in accordance with the low-carbon policies, rules and regulations promulgated by Chinese government and regulators; » Study and determine the key construction and investment projects and R&D projects for green and low-carbon development; » Study and determine the annual work plan for green and low-carbon development; » Conduct research on the development trend of green and low-carbon innovation technologies, and determine the key R&D direction; » Carry out coordinated inspection on the progress of carbon neutrality work, and urge the implementation of relevant tasks; » Coordinate internal and external resources of the Company to support the carbon neutrality work; » Coordinate the formulation of special plans and reports for low-carbon work of the Company; » Implement other tasks assigned by the Leading Group on Carbon Neutrality.
Strategic Planning Group	<ul style="list-style-type: none"> » Formulate low-carbon strategic plans, and take charge of the control and implementation of goals for low-carbon planning;
Low-carbon Technology Group	<ul style="list-style-type: none"> » Push forward the development of green and low-carbon innovation technologies, and carry out the R&D on key green and low-carbon technologies;
Accounting Group for Carbon Emission Reduction	<ul style="list-style-type: none"> » Organize the accounting and check of carbon emission reduction;
Carbon Assets and Finance Group	<ul style="list-style-type: none"> » Organize the financial management and transaction of carbon assets;
Low Carbon and Environmental Protection Group	<ul style="list-style-type: none"> » Organize the low-carbon environmental protection management, and implement the key low-carbon projects; » Implement other tasks assigned by the Office of Leading Group on Carbon Neutrality.

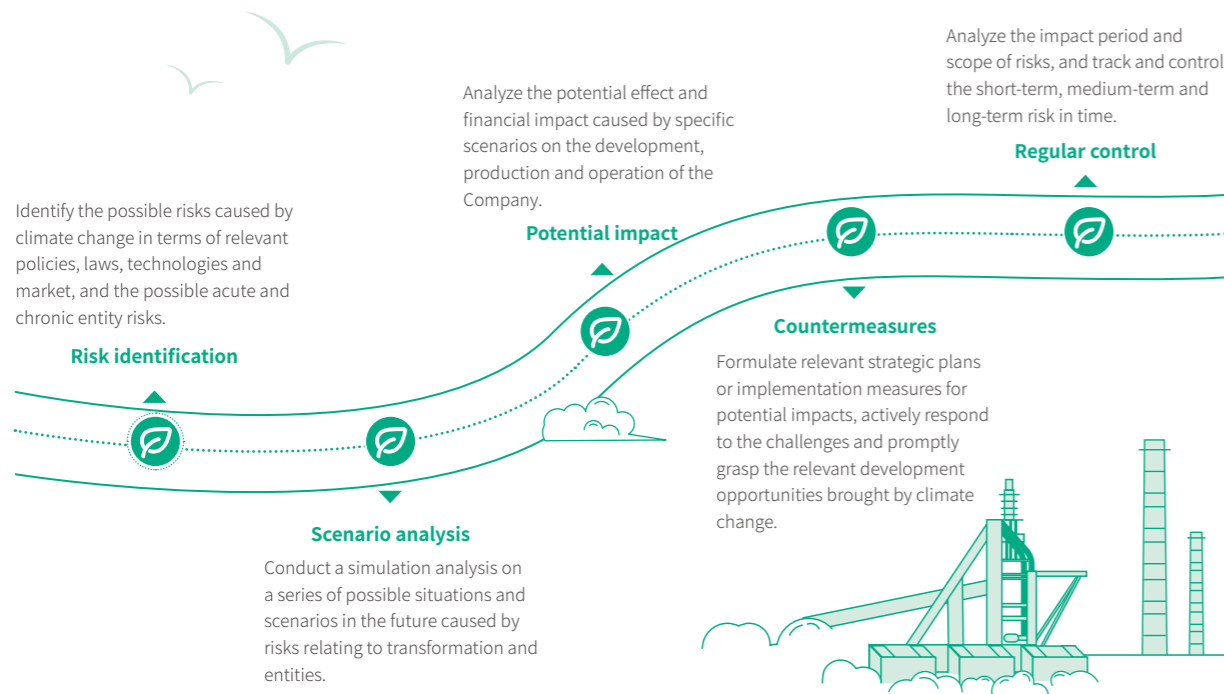
» Low-carbon strategy

The Company continuously tracked the relevant policies and systems on carbon dioxide peaking and carbon neutrality, gained understanding about the rules and trend for carbon transaction in steel industry, and set carbon neutrality goals for Ansteel. It also formulated the work plans for carbon dioxide peaking and carbon neutrality, and defined detailed paths for implementing goals, so as to keep pace with the trend of green development.



» Climate risk

According to the scenario analysis on global temperature rise of 2° C, the Company, after comprehensively considering the possible risk exposures caused by climate change in steel industry, formulated more flexible and robust plans and measures for the possible situations and potential impact in the future, and actively responded to the new challenges and risks brought by climate change on production and operation.



Risk identification	Analysis on relevant scenario	Potential impact	Countermeasures	Impact scope
Physical risks	Scenario 1: Anshan City is located in the southeastern border of Songliao Plain at middle latitude, which is characterized with mainland monsoon type climate in temperate zone. Heavy rain, hail, cold wave, draught & flood, frost, and other disastrous weather conditions frequently occur in different seasons and years in the city. In the context of global temperature rise by 2° C, disastrous weather may occur more frequently, and relevant adverse impact may be intensified.	<ul style="list-style-type: none"> » Stability for procurement and supply of raw materials may be affected, resulting in the productivity decline of the Company. » It may cause the losses of steel production assets, resulting in the production interruption and affecting the output. 	<ul style="list-style-type: none"> » Strengthen emergency management for the environment, and guarantee the efficient formulation and drill of emergency plans for disastrous weather. » Cooperate with the suppliers that can respond actively to climate change risks to improve the overall risk resistance capacity of the supply chain. 	Short-term
	Scenario 2: In the context of global temperature rise by 2° C, the sea level will rise, which will affect exports negatively due to postponement in transport.	<ul style="list-style-type: none"> » This may cause difficulties or interruption of transport, affecting the delivery time and contract performance capacity. 	<ul style="list-style-type: none"> » Actively explore diversified types of transport, and make rational arrangement for production and delivery periods to ensure the delivery of products as per the agreed time and quantity. 	Long-term

Risk identification	Analysis on relevant scenario	Potential impact	Countermeasures	Impact scope
Transition risks	Scenario 1: The European Commission announced the first "carbon tariff" plan in the world. In the context of global temperature rise by 2° C, there are higher indicator requirements for the carbon footprint of products, and higher demands for the carbon emission management of export products.	<ul style="list-style-type: none"> » Export costs may be higher and potential trade barriers may exist. 	<ul style="list-style-type: none"> » Actively implement the Environmental Product Declaration (EPD), and participate in the EPD authentication of steel products. 	Medium and long term
	Scenario 2: In the context of global temperature rise by 2° C, domestic regulators will continue to strengthen the supervision on environmental impact, energy conservation and emission reduction of enterprises, and relevant environmental protection policies will become more stringent.	<ul style="list-style-type: none"> » Stricter control may be imposed on the iron and steel industry, and environmental compliance costs may increase. 	<ul style="list-style-type: none"> » Actively respond to carbon neutrality goals, and invest higher amount of fund for R&D of low-carbon metallurgical technologies. 	Long-term
	Scenario 3: In the context of global temperature rise by 2° C, the price of resources such as energy sources, water sources and raw materials will become more sensitive to the policies on climate change, thus affecting the procurement cost of raw materials for steel products.	<ul style="list-style-type: none"> » Energy costs may increase due to rise in the price of clean energy. » In order to meet the environmental protection requirements, enterprises have to purchase the raw materials and fuels with low carbon emissions. Rise in the price of such raw materials and fuels will result in the increase of procurement cost. 	<ul style="list-style-type: none"> » Actively invest in and promote the development of clean energy to lower down the production cost, seize the market share in advance, and increase more economic benefits. » Build a mineral resource procurement platform covering the full supply chain, so as to reduce the impact of rising raw material cost on the Company. 	Long-term
	Scenario 4: In the context of global temperature rise by 2° C, low-carbon/zero-carbon steel products become the mainstreams on market. This is a need to develop low-carbon products to meet the requirements of customers for carbon emission reduction.	<ul style="list-style-type: none"> » This may result in the decrease in purchase orders and market share. 	<ul style="list-style-type: none"> » While strengthening de-carbonization efforts for business operation, take the initiative to research and develop low-carbon products to facilitate the carbon emission reduction for customers from automotive industry and other industries. 	Long-term



» Indicators and actions

The Company actively carried out the R&D on frontier low-carbon metallurgical technologies, continuously pushed forward the development of LCA, EPD and other low-carbon platforms and products, made plans for and adopted the green energy, and tried its best to promote the low-carbon transformation, thus realizing its vision for low-carbon energy, manufacturing, product, and industry.

Low-carbon energy

The Company set foot in hydrogen energy industry, and pushed forward the construction of Coke Oven Gas-based LNG and Hydrogen Co-production Project in the factory area of Bayuquan Steel Branch. It promoted the construction of photovoltaic projects in Anshan Base, Chaoyang Base and Putian Cold Rolling Base. After being completed and put into operation, the 5.4 MW photovoltaic project in Phase-1 of Chaoyang Base increased the power generation by 6 GWh annually. Besides, it upgraded 117 electric heavy-duty trucks for the production and operation in Bayuquan Base and Chaoyang Base.

Low-carbon platform

Based on the life cycle assessment method system and R&D of big data integration platform for steel products for automobile and nuclear power, the Company launched the "carbon emission and product life cycle assessment (LCA) platform". According to the function of quantitative analysis on production process, the platform realized the carbon footprint assessment and carbon emission data visualization for steel products, thus laying solid foundation for promoting the cooperation between upstream and downstream industrial chains, and reducing the carbon emissions of steel products throughout the life cycle.



▲ LCA platform

Low-carbon products

The Company accomplished the LCA calculation, report preparation and third party verification for 4 types of typical automotive steel products in Anshan Base, and issued the EPD assessment reports for 4 types of automotive steel products including the batch annealing cold-rolled steel strip, continuous annealing cold-rolled steel strip, chilled hard steel strip, and hot-rolled steel strip, so as to constantly enhance the competitive edge of low-carbon steel products.



▲ EPD assessment reports

Low-carbon projects

The Company continuously pushed forward the energy conservation and carbon emission reduction projects for the 2*135 MW surplus gas generating unit in Anshan headquarters, 135 MW generating unit in Bayuquan, and 100 MW subcritical generating unit in Chaoyang, so as to reduce the consumption of coal resources.

Low-carbon technologies

The Company promoted the hydrogen metallurgy project of green power and green hydrogen fluidized bed, and determined the efficient catalyst screening scheme for hydrogen production by alkaline water electrolysis. Besides, it completed the representation and performance tests for immobilization process, and accomplished the basic research on processes relating to the fluxed consolidation for fine iron ore powder pelleting and the direct reduced iron by hydrogen in fluidized bed. In addition, it carried out the R&D on substituting the high-pollution galvanized tower steel with new generation corrosion-resistant steel, and completed the formulation of preliminary scheme for the pilot application of new materials.

the goals for carbon emission reduction

Carbon dioxide emission per 10,000 yuan output value (comparable price) reached **5.54** tons/10,000 yuan.

The Company **achieved** the carbon emission reduction indicators set by Ansteel

Accumulative transaction of green power reached **790** GWh, accounting for **10.2%** of the transacted electric quantity, marking year-on-year increase of **250** GWh.



Honors and Awards of Carbon Emission Reduction

The Company was awarded the title of "Energy Efficiency Benchmark & Demonstration Factory and Cultivated Enterprise Practicing Carbon Dioxide Peaking and Carbon Neutrality Best".

Bayuquan Steel Branch of Angang Steel was recognized as the "Demonstration Green Factory" of first batch by the Ministry of Industry and Information Technology.

Bayuquan Steel Branch of Angang Steel was granted the "Award for Green Production Benchmarking Enterprise in Steel Industry".

Indicator	2021	2022	2023
Total amount of greenhouse gas emissions: direct (Scope 1) emissions (ton of carbon dioxide equivalent)	44,600,297	52,392,911	The carbon emission data of 2023 have not been checked by the Department of Ecology and Environment of Liaoning Province, but is expected to be disclosed in the ESG report of next year.
Total amount of greenhouse gas emissions: indirect (Scope 2) emissions (ton of carbon dioxide equivalent)	6,283,858	2,733,502	
Greenhouse gas emission density (per ton steel)	1.9	2.07	

*Due to the change in calculation methods, the carbon oxidation rate of fossil fuel was increased from 93%-94% to 98%, resulting in the increase of carbon emission and rise of greenhouse gas emission intensity.

Case Supporting the low-carbon development of automotive industry

The Company actively followed the requirements of national low-carbon strategy, gave full play to its advantages as a technical leader, and implemented the action plans for low-carbon and green development. It also employed LCA technology to improve the carbon footprint calculation platform for automotive steel and other steel products, and carried out the tests and researches on the process of manufacturing low-carbon steel from waste steel in the long process of "blast furnace-converter". As a result, it broke through the technical bottleneck of adding 40% of waste steel for blast furnace-converter, and accomplished the stable batch production of automotive steel products with 30% carbon emission reduction, thus providing more competitive steel products for the low-carbon transformation of customers, and supporting the downstream customers to achieve the goals for carbon emission reduction and decarburization.

Environmental management

In strict accordance with the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, the Company adhered to the principle of "putting environmental protection first", improved its environmental management system, and determined the goals and responsibilities for environmental protection, so as to guarantee more standardized, steady and efficient operations in the process of green development.

Identification of risks and opportunities	Our actions	Our achievements
<ul style="list-style-type: none"> Chinese steel companies face grim situations for the prevention and control of emergent and accumulative environmental risks. In steel plants, due to complicated production process and involvement of propane, gas and other substances resulting in environmental risks, it's of significant importance for steel plants to identify and assess the sources of environmental risk, establish and improve the environmental management and emergency management systems. 	<ul style="list-style-type: none"> While focusing on finding the defects according to relevant standards, the Company improved its environmental management system, strengthened the management and assessment of environmental objectives, and kept optimizing the environmental control mechanisms and systems. The Company actively upheld the bottom-line thinking and risk awareness, regulated the emergency management, and carried out the drills of emergency plan, so as to continuously improving its ability to control the risk and handle the emergencies for environmental incidents. 	<ul style="list-style-type: none"> The Company invested RMB 3.22 billion in environmental protection. 100% was reached by the Company in terms of the implementation rate of "three simultaneousness" principle for environmental protection of construction projects, the up-to-standard disposal rate of hazardous waste and the up-to-standard use rate of radioactive sources. The Company had zero case of major environmental pollution accidents, environmental violations, and penalties.

» Improving the environmental management system

The Company continuously enhanced the input in environmental protection, improved its environmental management system and organized the special supervision on environmental protection. It also strengthened the environmental assessment and environmental protection acceptance for projects, reinforced the control and emergency handling of environmental risks, and implemented the environmental protection responsibilities in all aspects.

<p>Improving the environmental protection system</p> <p>The Company formulated and revised its environmental management systems and measures, including the <i>Responsibility System for Environmental Protection</i>, <i>Measures for Investigating the Environmental Protection Responsibilities of Executives</i>, <i>Measures for the Environmental Protection Acceptance upon the Completion of Construction Project (Interim Measures)</i>, and <i>Detailed Rules for Special Check of Environmental Protection</i>, so as to gradually improve its mechanisms for environmental management.</p>	<p>Carrying out the environmental protection supervision</p> <p>The Company carried out 4 "second look inspections" for environmental protection and 45 special inspections relating to the operation of environmental protection facilities, management of solid and hazardous wastes, and pollutants discharge licenses, and took rectification measures for all the problems found, thus ensuring the stable operation of environmental protection facilities.</p>
<p>Strictly controlling the environmental protection acceptance</p> <p>The Company implemented the "three simultaneousness" principle for construction project to the letter. It organized the environmental impact assessment for 15 construction projects including the internal up-to-standard disposal of three hazardous wastes, and obtained the approval for the environmental impact assessment of 6 projects, and accomplished the environmental protection acceptance upon completion of 12 projects including the VOCs collection and control of chemical and technical coking wastewater station.</p>	<p>Strengthening the emergency plans for environmental protection</p> <p>The Company strengthened its emergency plans for emergent environmental incidents, and enhanced the identification of risk materials and assessment of environmental risks for important projects. It also revised the emergency plans for emergent environmental incidents, and carried out the drills of emergency plans at company level on the assumption of ammonia tank leakage, so as to improve its ability to handle the emergent environmental incidents.</p>

Indicator	2021	2022	2023
Total investment in environmental protection ('0,000 yuan)	223,500	87,715	730,573
Total investment in environmental protection technology reform ('0,000 yuan)	221,600	87,700	320,757

» Fulfilling the environmental performance indicators

The Company attaches great importance to the management of environmental objectives. At the beginning of each year, the Company will formulate the environmental protection indicators for energy conservation, water conservation and carbon emission reduction, and strength the supervision and assessment of environmental performance, and promote the environmental management according to relevant indicators, thus fulfilling the commitments for green development.

The Company had **zero** major environmental pollution accidents.
The Company had **zero** environmental violations and penalties.

100% was reached by the Company in terms of the implementation rate of "three simultaneousness" principle for environmental protection of construction projects, the up-to-standard disposal rate of hazardous waste and the up-to-standard use rate of radioactive sources.

Achieving the energy conservation goals

Comprehensive energy consumption target per 10,000 yuan output value:
2.05 tons of standard coal/10,000 yuan.

Over-fulfilling the water conservation goal

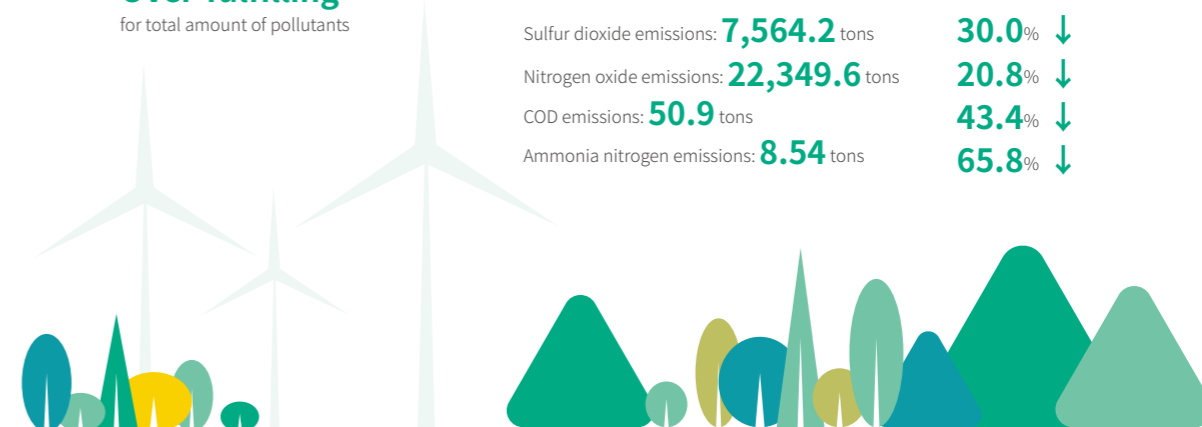
Water conservation goal: save fresh water by **350,000** tons

Achieving all waste reduction goals

Zero discharge of hazardous wastes
Disposal of harmless wastes **in compliance with relevant standards**

Over-fulfilling the indicators for total amount of pollutants

Emissions	Compared with emission goals
Sulfur dioxide emissions: 7,564.2 tons	30.0% ↓
Nitrogen oxide emissions: 22,349.6 tons	20.8% ↓
COD emissions: 50.9 tons	43.4% ↓
Ammonia nitrogen emissions: 8.54 tons	65.8% ↓



Energy and resource management

The iron and steel industry requires a large amount of resources such as iron ore, coal, and fresh water, making it a typical resource and energy intensive industry. In order to make rational use of energy resources, the Company optimized its energy structure, vigorously promoted the application of energy-saving technologies, and planned production and manufacturing characterized of ultimate energy efficiency. In addition, it actively developed circular economy, and achieved efficient utilization of resources and energy.

Identification of risks and opportunities

- » Although the energy consumption of China's iron and steel industry has significantly decreased, the energy structure features higher carbonization due to its large base number and its main characteristic of the long process structure of blast furnace-converter. With the significant improvement of environmental standards and increasingly strict requirements for environmental governance, it is inevitable to face energy bottlenecks and environmental emission restrictions.

Our actions

- » The Company strengthened its energy management system, upgraded process flow, recycled energy resources, and increased the use of non-fossil fuels, especially electricity and hydrogen, in order to comprehensively economize the resources and improve energy efficiency.
- » The Company strengthened the source management of water resource consumption, strengthened the management of water users and water resource certification, and tried its best to resolve prominent problems such as imbalance in water supply and utilization.

Our achievements

- » **21** energy-saving projects were approved and implemented, with an investment of RMB **110** million and an expected annual benefit of RMB **45** million.
- » **1** energy project under the contract was approved and implemented, with an investment of RMB **49.8** million and an expected annual benefit of RMB **18** million.
- » **10** new energy-saving projects were put into operation, with an additional revenue of RMB **30.7** million.
- » The water recycle rate reached **98.34%**.

» Ultimate energy efficiency

The Company formulated and issued the *Three Year Plan for Ultimate Energy Efficiency (2023-2025)*, forming a database of projects involving ultimate energy efficiency. It also carried out a special action of "precise regulation of water", strengthened supervision on energy consumption and energy-saving transformation, and improved energy efficiency through ultimate energy efficiency.

Strengthening supervision on energy consumption

The Company organized energy reviews for chemical technology, coking, sintering and pelletizing processes, as well as energy-saving tests for 23 industrial furnaces, and promoted the specialized energy inspections of 13 key energy consuming equipment or systems such as fans and heating furnaces. It also conducted 400 regular energy-saving inspections, reducing energy losses of RMB 80,000. It completed 11 energy-saving reviews and 4 energy-saving acceptance tests.

Implementing energy-saving transformations

21 energy-saving projects were approved and implemented, with an investment of RMB 110 million and an expected annual benefit of RMB 45 million. 1 energy project under the contract was approved and implemented, with an investment of RMB 49.8 million and an expected annual benefit of RMB 18 million. 10 new energy-saving projects were put into operation, with an additional revenue of RMB 30.7 million. High energy consuming equipment was timely eliminated and updated, achieving progress of 69.8% in updating high energy consuming motors and 79.3% in updating high energy consuming transformers.

Launching precise regulation

The Company took the special action of "finding coal gas, reducing electricity consumption, compressing steam, cutting down nitrogen and saving new water". It also strengthened the management of each production line to "improve energy efficiency and reduce energy consumption" and accurately regulated the balance of supply and demand of various energy media. All these were to fully explore the potential for efficient energy utilization while ensuring production of each production line.

Key performance in 2023

The comprehensive energy consumption of steel/ton reached **572** kg standard coal/ton.

The energy consumption per 10,000 yuan output value reached **2.048** tons of standard coal/10,000 yuan.

	Indicator	2021	2022	2023
Energy	Total energy consumption (ton of standard coal)	15,079,108	15,047,774	15,282,414
	Density (ton/ton of steel)	0.57	0.564	0.572

» Management of water resources

The Company fully implemented the water management concept of "reduction & intensification, science & efficiency, cost optimization and intelligent control", and put great efforts to water management from various aspects such as "water source structure optimization, pipeline network pressure reduction, scientific improvement of process, application of advanced technology, system simplification, mathematical analysis & control, and comprehensive process optimization" to ensure the efficient utilization of water resources.

The *Water Resources Certification Report* confirmed that the Company's operations had **no impact** on regional water sources.

The Company was awarded the honorary title of "Provincial Exemplar Enterprise for Water Conservation".

The amount of groundwater taken by the Company's headquarters **decreased by 4%** year-on-year.



Case The Beidagou sewage treatment system achieved efficient and high-quality recycling of sewage

The Beidagou sewage treatment system of Angang Steel is the core water treatment unit for the operation of the plant water system, and also the key to ensure the balance of water quantity and quality in the plant water system. The Company promoted the upgrading and renovation of the Beidagou sewage treatment system. By adopting physical and chemical methods and dual membrane classification treatment, it achieved the full reuse of water by type in the plant's fresh and circulating water system and industrial fresh water system, becoming an important recycling base for production wastewater and domestic sewage in the plant, and contributing to efficient and high-quality reuse of wastewater.



▲ Beidagou sewage treatment system of Angang Steel

	Indicator	2021	2022	2023
	Total water consumption (ton)	86,729,215	85,900,493	86,041,676
	Water consumption per ton of steel (ton/ton of steel)	3.28	3.23	3.23
	Water reuse rate (%)	98.43	98.6	98.34



» Resource conservation

The Company adhered to the principle of prioritizing conservation. To be specific, it formulated the "Management Measures for Renewable Resources", and promoted the sales of renewable resources as much as possible. Besides, it focused on the application of advanced technologies to achieve efficient utilization of raw materials, recycling of scrap steel and other waste materials, and comprehensively improve resource utilization efficiency.

Conservation and utilization of raw fuel

Through the improvement and optimization of technologies and processes, such as stabilizing the ore blending structure to ensure the grade of incoming materials, increasing the oxygen enrichment rate, improving coke gas utilization and raising the utilization coefficient of the blast furnace, the fuel ratio was reduced, achieving stable, efficient and low consumption operation of the blast furnace, and saving raw fuel.

Indicator	2023
Iron ore consumption (kg/t)	1,663
Blast furnace fuel ratio (kg/t)	569
Steel material consumption for steelmaking (kg/t)	1,058

*Data indicators in this table are from the Anshan headquarters

Recycling of waste materials

The Company formulated the *Measures for the Management of Scrap Steel and Iron, Measures for the Management and Recycling of Scrap Steel and Iron*. By utilizing handheld spectrometers and other technical means to solve the problem of excessive elements in waste steel, the Company comprehensively improved the disposal and utilization efficiency of waste materials. In 2023, 313.7 tons of copper blocks were recycled and reused from solid scrap copper, and 1,100,625.06 tons of scrap steel were received from various units within the Company.

Indicator	2023
Volume of recycled waste materials	8.975 million tons of water slag 6.529 million tons of steel slags 1.676 million tons of renewable resources
Total amount of scrap steel received	1,523,412.93 tons
Recycling rate of scrap steel	100%

Emissions management

With the continuous promotion of the concept of green and low-carbon development, the management of wastewater, exhaust gas and slag generated in the steel production process of the steel industry has been attracted much attention. The Company leveraged its professional and technical advantages to improve ultra-low emissions, and solve problems in hazardous waste treatment. It also standardized solid waste utilization, achieved harmless treatment of raw materials, clean production, and reuse of waste materials, and strived to build a green steel city with bluer sky and clearer plant.

Identification of risks and opportunities

- » Steel enterprises play a crucial role in China's economic development, but they have also encountered many problems such as environmental pollution caused by non-standard emissions during their development.
- » People have higher requirements for environmental quality, and steel companies are under many pressures.

Our actions

- » The Company promoted the "Blue Sky Action". To be specific, it introduced relevant environmental protection equipment, strictly controlled emissions, improved ultra-low exhaust emissions, and pressed ahead with green environment management.
- » The Company made a special work plan for the "Clean and Beautiful Factories". To be specific, it utilized facilities such as desulfurization, denitrification and dust removal devices to optimize the process and organization of production, ensuring reasonable disposal of hazardous chemicals, standard discharge of pollutants, and committing to building an environmentally friendly enterprise.

Our achievements

- » A total of **152** ultra-low emission projects have been approved, with a total investment of RMB **3.21** billion.
- » The disposal volume of hazardous waste was reduced by approximately **1,350** tons.
- » COD emissions decreased by **43.4%** compared with the planned target.
- » The ammonia nitrogen emissions decreased by **65.8%** compared to the planned target.

» Blue Sky Action

The Company implemented the "Blue Sky Action" campaign, carried out ultra-low emission transformation, and took multiple measures to control dust so as to promote more standardized and strict prevention and control of air pollution.

Enforcing ultra-low emission

The Company formulated an ultra-low emission implementation plan and corresponding assessment rules. Besides, it established a supervision mechanism, tracked and reported the recent developments on a weekly basis. In 2023, a total of 152 projects were approved, with a total investment of RMB 3.21 billion.

Continuing to implement the Blue Sky Action

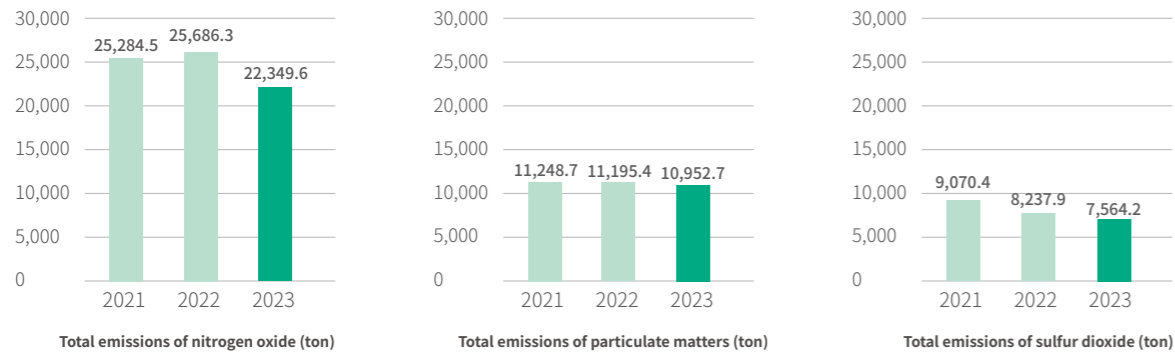
Exhaust gas tests were conducted on 7,039 vehicles entering the plant, effectively controlling the black emission from vehicles. The Company registered 10 new non-road mobile machinery and tested 242 non-road mobile vehicle emissions.

Taking multiple measures for controlling dust

The Company invested in the construction of closed sheds for mixing materials, car washing platforms, fog cannons and other facilities. It also covered the Lingshan material yard and slag storage yards with tarpaulins, spray films and greenery measures, and required vehicles to be cleaned on the car washing platform, and mechanical loading and unloading operations to be sprayed by fog cannons to realize the comprehensive dust suppression and control. In 2023, All materials were equipped with sheds at Lingshan Material Yard.



▲ Panoramic view of material shed



Model in terms of assuming responsibilities Bayuquan Steel Branch of Angang Steel is committed to building an exemplar steel enterprise with ultra-low emissions throughout the whole process

Bayuquan Steel Branch focuses on control goals of ultra-low emission, and determines treatment facility processes and optimizes parameter settings in a science-based way to ensure that pollutant emissions can reach ultra-low emission limit levels. In October 2023, the Company successively completed the assessment and monitoring of ultra-low emissions for the clean transportation and unorganized emission. According to the public announcement of China Iron and Steel Association, the Company became the first steel enterprise in Northeast China to complete ultra-low emission transformation and assessment & monitoring.

Clean transportation	Unorganized emission	Organized emission
By combining existing clean transportation methods such as water transportation, railway transportation and belt transportation, and purchasing 92 electric heavy-duty trucks, the Company improved the standards of transportation vehicles and achieved a clean transportation ratio of over 80% for bulk materials in its subsidiaries, meeting the requirements of ultra-low emissions and A-level enterprises.	The Company built the world's largest triplex shed-crossing chemical material yard, and completed the coal silo project, the project of fully enclosed scrap steel workshop, and the ultra-low emission transformation of belt transportation system, achieving ultra-low emissions requirements of no visible ore in utilization of ore, no visible coal in utilization of coal, no visible material in transportation of materials, and no visible dust in production".	The Company adopted efficient treatment technologies such as "electrostatic precipitator + activated carbon desulfurization and denitrification technology or SDA desulfurization + SCR denitrification technology for flue gas from sintering machine head", "SDA desulfurization + SCR denitrification technology for flue gas from pellet chain grate machine head", and "SDS desulfurization + bag filter for dry quenching coke", achieving ultra-low emissions in the process.

» Clean and beautiful factories

The Company complied with the requirements of laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*. To be specific, it strictly controlled the treatment and disposal of solid and hazardous wastes in the production, and carried out comprehensive management of clean and beautiful factories so as to create beautiful factories.

The management of discharge permit is more standardized	Implementing special rectifications	Transporting zero hazardous waste from the plant
<p>Pollution permits have been changed and new permits have been issued.</p> <p>4 special inspections of the implementation of pollution permits have been organized and all problems found have been rectified.</p> <p>4 training sessions on pollution permits have been conducted, to enhance the awareness of licensed sewage and a certificate-based management capacity.</p> <p>Complete the Black Niuzhuang waste site anti-seepage works, obtain sewage permits, waste site compliance operation.</p>	<p>A noise control project for the color coating line was built to achieve the compliance of factories with noise standards.</p> <p>The Company completed the project of VOCs treatment for coking wastewater station based on chemical technology and the environmental protection acceptance of the "one factory, one policy" comprehensive treatment plan for VOCs.</p> <p>A total of 13 scrapped radioactive sources from refining, cold rolling and other units were sent to storage after they were proven to be compliant with the requirements.</p> <p>The Company completed the construction of treatment facilities for 8 wastewater sources, including the recovery and utilization facilities of slag water from blast furnaces 2# and 3#, which passed environmental protection inspections.</p>	<p>The Company obtained the environmental impact assessment approval for internal disposal of 7 hazardous wastes, including waste containing liquid chromium and sludge containing chromium, legalizing the internal disposal.</p> <p>In 2023, the volume of hazardous waste disposed out of the plant was reduced by approximately 1,350 tons, saving disposal costs of approximately RMB 3 million.</p>

Indicator		2021	2022	2023
Packaging material	Density (ton/ton of steel)	0.41	0.4	0.38
	Total amount (ton)	0	0	0
Hazardous waste	Density (ton/ton of steel)	0	0	0
	Total amount (ton)	150,000	148,000	146,000
Waste	Density (ton/ton of steel)	0.00837	0.00835	0.00830



Biodiversity protection

The Company adhered to the coordination of economic development and ecological environment, practiced green office, and promoted greening and ecological restoration in the plant. It was committed to creating a forest style harmonious plant that integrated production, life and ecology, realizing the integration of enterprises and environment and co-prosperity with creatures, and contributing to the construction of a community of life on Earth.


Identification of risks and opportunities	Our actions	Our achievements
<p>» The ecological progress is a fundamental plan related to the sustainable development of the Chinese nation. The concept of "lucid waters and lush mountains are invaluable assets" indicates a new path to achieving coordinated development and protection. Green development is an inevitable requirement for the ecological progress.</p>	<p>» The Company actively practiced the concept of ecological progress, and incorporated the concept of green and low-carbon into its corporate culture. It enhanced energy-saving and carbon reduction awareness in a wide scope, focused on green office and afforestation, and implemented greening and ecological restoration to a deeper level. Besides, it intensified efforts in ecosystem protection and restoration, and improved the quality and stability of the ecosystem.</p>	<p>» The investment in environmental protection training reached RMB 258,000.</p> <p>» Environmental protection trainings covered 7,800 persons.</p>

» Promotion of green concept

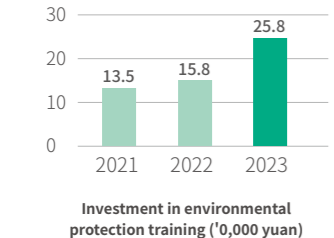
The Company attached great importance to promotion of environmental protection concepts, released promotional videos, and conducted trainings on environmental protection to timely publicize the latest environmental protection policies, and promote and implement the green development and harmonious coexistence concepts throughout the Company.

Case Launching a themed activity of World Environment Day for publicizing environmental protection concepts

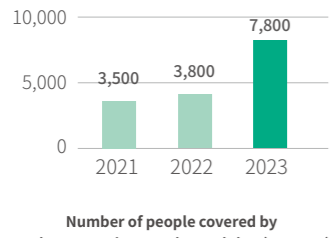
On June 5, 2023, Angang Steel collaborated with the Ecological Environment Bureau of Gaizhou City and the People's Government of Kuangdonggou Town to carry out the theme activity of "Realizing a Modern Harmonious Coexistence between Human and Nature" for World Environment Day on June 5. Through activities such as "brisk walking, picking and running", "I take the lead in garbage classification, and share green life", and "environmental knowledge competition", the Company protected potable water sources through physical and behavioral actions, and jointly practiced the concept of green ecology.



▲ Theme activity of "Realizing a Modern Harmonious Coexistence Between Human and Nature" for World Environment Day on June 5



Year	Investment
2021	13.5
2022	15.8
2023	25.8



Year	Number of people
2021	3,500
2022	3,800
2023	7,800

» Green office

The Company actively practiced the concept of green office, and optimized and upgraded the smart office platform. It adhered to promoting paperless office, and strengthened the management of procurement, receipt and use of office consumables. Besides, employees were encouraged to take specific actions and create a green office through internal control measures such as using environmentally friendly equipment, and turning off lights when they leave the office.

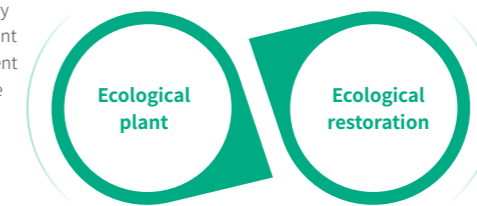
Indicator	2023 green office performance	Remarks
Office electricity consumption (kWh)	39,900	These data are the water and electricity consumption of two office buildings at the Company's first-level department
Office water consumption (ton)	21,000	

» Green plant

The Company integrated the concept of biodiversity conservation into its production and operation. By greening the plant area and implementing ecological restoration projects, it attracted a variety of animals such as birds to settle, contributing to biodiversity conservation.

By greening and planting, the Company aimed to create a forest style green plant and garden style ecological environment by actively improving the quality of the surrounding ecological environment.

In 2023, Angang Steel (Anshan Base) planted 56,200 trees, 136,700 shrubs, 13,200 vines, and 30,500 m² of alfalfa.



The impact of business operations on biodiversity and ecology was reduced through slag pile reclamation and ecological restoration projects.

In 2023, the Company completed the reclamation and restoration of some original slag yards in the slag mountain.





5

Better Society

With the idea that "social value is higher than corporate value" in mind, Angang Steel took promoting the common development of stakeholders such as employees, communities, suppliers, and peer enterprises as its responsibility. It created a platform that opened up indefinite possibilities for employees' development, and worked with other enterprises to build a value industry chain, as part of its efforts to contribute its share to building a better society.

Empowering employee development

Putting people first, the Company created a diverse, inclusive workplace, provided employees with a fair, excellent, and sound development platform, and established a heart-warming employee care system to enhance their sense of gain, happiness, and fulfillment.

Identification of risks and opportunities

- » Talents are the primary resource, with a strategic position in leading development. More measures are required to introduce, cultivate, retain, and support talents, in order to unleash a continuous stream of vitality for the high-quality development of enterprises.

Our actions

- » The Company offers fair opportunities for the personal development and promotion of different employees, and builds diversified teams of employees, so as to create a diverse and inclusive working environment.
- » Each year, the Company conducts the tests on occupational hazard factors, and carries out special trainings among the employees and occupational health management personnel, so as to improve their protection abilities in occupational health and safety.
- » The Company improves its talent cultivation mechanism, and holds differentiated trainings on occupational techniques and skills among the employees of different levels, so as to promote the individual growth of employees.

Our achievements

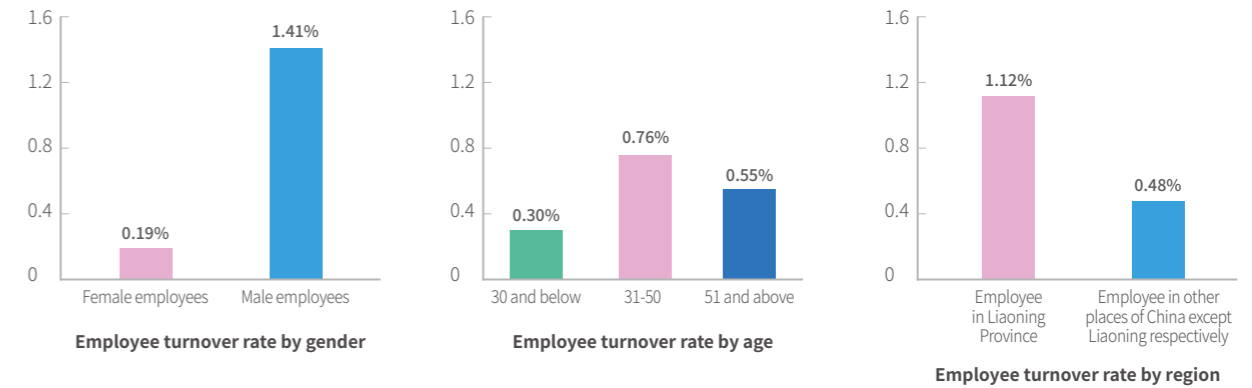
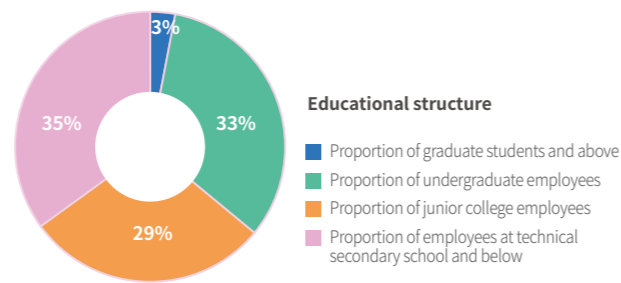
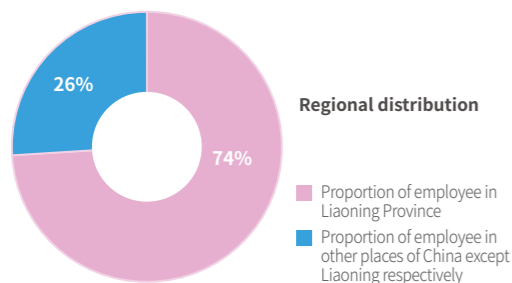
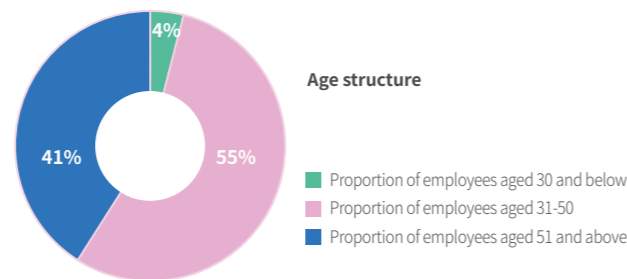
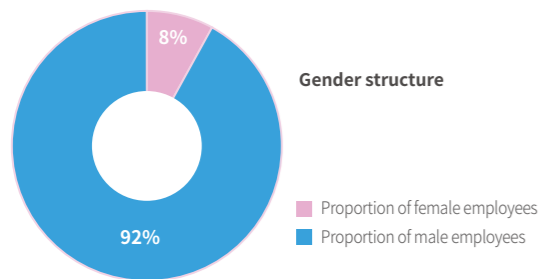
- » The proportion of female managers was **4.29%**.
- » The safety and health investment reached RMB **165,414,300**.
- » The coverage of training to employees maintained **100%**.
- » Employees' satisfaction scored **4.1** out of 5 points.

» Diversification and inclusiveness

Key performance in 2023

The employee turnover rate was **1.61%**.

The Company was committed to creating a diverse cultural atmosphere. It provided fair development and promotion opportunities for employees of different genders, ages, and regions, achieved diversity in the workforce, and ensured inclusivity in the workplace.



» Basic rights and interests

The Company strictly complied with national laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, while implementing internal employment rules and regulations such as the *Measures for Management of Labor Contract* to guarantee the rights and interests of employees in terms of equal pay for equal work, vocational education, technical training, promotion, and democratic management.

- » The Company upheld the principle of equal employment. It formulated and implemented recruitment and employment policies, defining the rights and obligations of both the Company and employees.
- » The Company maintained gender equality and diversity of ethnicity and beliefs, committed itself to equal pay for equal work, and specified protection of employees' privacy and completely prohibited the employment of children and forced labor.
- » The Company strictly abided by the *Special Collective Contracts for Protecting Female Employees' Rights*, implemented the *Regulations Concerning the Labor Protection of Female Staff and Workers*, and respected and protected female employees.

Equal Employment



- » The Company established a salary mechanism linked to performance, with market-oriented compensation as a benchmark, and continuously improved the employee compensation growth mechanism.
- » Guided by employee value realization and value creation, the Company implemented medium-term and long-term incentive policies for key core talents.
- » The Company also implemented the enterprise annuity plan, purchased the "enterprise aid liability insurance", and established a four-in-one medical security system consisting of the "basic medical insurance, excess medical insurance, corporate's supplementary medical insurance, and medical relief funds" for which it paid the insurance premiums in full amount and on schedule.
- » In addition, employees had access to the annual vacation with pay, and family reunion, marriage & funeral and maternity leaves in accordance with the law and other benefits.
- » The Company standardized the implementation of democratic procedures, and continued to play the role of democratic management platforms such as the congress of workers and staff to provide smooth communication channels between the Company and employees.
- » The Company practiced democratic management in such forms as "Factory Manager's Reception Day" event, collective negotiation and field visit to gain an understanding of and address employees' problems, and provide a convenient channel for employees to offer advices and suggestions.
- » The Company improved the labor protection supervision mechanism of labor union, and carried out a series of safety-related competitions and evaluations, as part of its efforts to continuously promote the building of safety culture.
- » The Company carried out democratic evaluations and appraisals to continuously improve the effectiveness of democratic management. In 2023, the Company achieved a 100% democratic evaluation rate for grassroots units.

Key performance in 2023

The total number of employees is **26,964**.

The Company had **141** new employees.

Its labor contract signing rate reached **100%**.

Its coverage of social insurance reached **100%**.

The Company held **2** congresses of workers and staff.

5 proposals from worker's representative were handled.

The democratic evaluation rate of grassroots units reached **100%**.

» Health and safety

The Company vigorously promoted and fully implemented relevant laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and revised systems such as the *Management Procedures for Occupational Health* and the *Responsibility System for Work Safety*. It improved the occupational health and safety management system, and established a centralized management department for occupational health and safety staffed with full-time management personnel, as part of its efforts to comprehensively prevent risks related to occupational health and safety and safeguard employees' health and safety.

Strengthening safety risk control

- » The Company pushed forward the information construction for safety management, and upgraded and improved the functions of the 0123 smart safety management platform, and strengthened the full chain management, including safety performance, hidden danger identification & control, and relevant party supervision.
- » The Company organized comprehensive safety risk identification, created the list of safety risk, regularly invited third-party organizations to evaluate 24 major hazards, and established targeted measures for prevention and control.
- » With regard to the equipment and manufacturing processes, the Company carries out the compliance assessment on safety management for all processes, eliminates the defects, and makes up the shortfalls, so as to intrinsically improve the safety level.

Occupational health and safety

- » The Company conducts tests on occupational hazard factors and occupational health examinations for employees every year. Units exposed to severe occupational hazards are evaluated in respect of occupational hazard status every three years.
- » The Company provided warning devices and necessary emergency rescue equipment in places prone to acute occupational diseases, actively identified and rectified occupational disease hazards, and ensured sufficient funding for occupational disease prevention and control.
- » Warning signs and bulletin boards for occupational hazards were set up in places of potential occupation hazards, so that the employees were notified to take proper measures to guard against occupational diseases.
- » The Company paid much attention to employees' physical health, adding cardiovascular and cerebrovascular disease testing items for employees aged 50 and above.

Improving safety emergency response capabilities

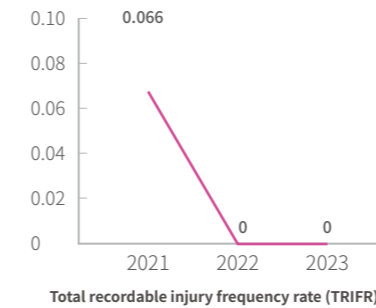
- » The Company promoted the building of a personnel positioning system for major hazard areas to monitor the situation of on-site personnel in real time and improve risk warning and emergency response capabilities.
- » In 2023, 2 comprehensive fire drills at the company-level and 1,640 factory-level comprehensive fire drills and special drills were conducted.

Strengthening occupational safety education

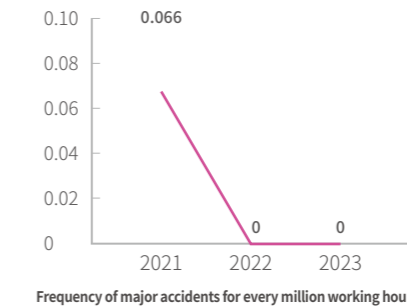
- » Third-party organizations were invited to provide occupational health training for the main leaders and occupational health managers of the Company, in order to improve their protection abilities in occupational health and safety.
- » Experts from the Center for Disease Control and Prevention were invited to provide special training on occupational disease prevention and control methods for employees, so as to improve their protection abilities in occupational health and safety.
- » The Company practiced unified management, and provided health and safety training for relevant parties simultaneously, strengthened the safety awareness of related parties.
- » The Company organized the 2023 "Ankang Cup" Safety Knowledge Competition to improve the knowledge and skills of employees.



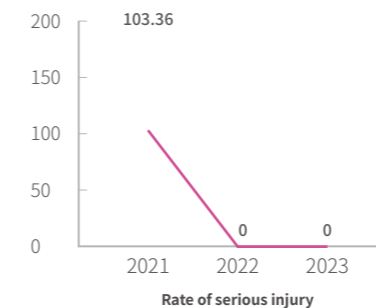
▲ Safety emergency drill



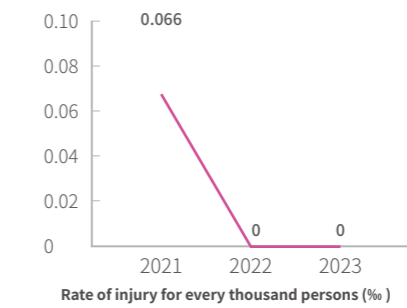
Total recordable injury frequency rate (TRIFR)



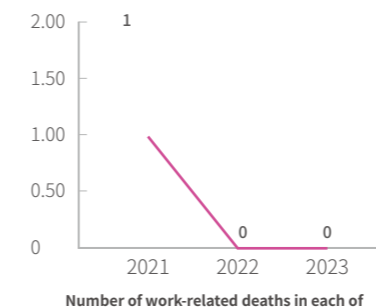
Frequency of major accidents for every million working hours



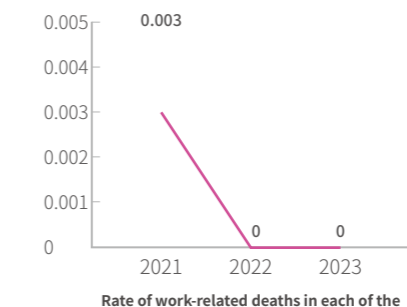
Rate of serious injury



Rate of injury for every thousand persons (%)



Number of work-related deaths in each of the past three years (persons)



Rate of work-related deaths in each of the last three years (%)

Key performance in 2023

- The safety investment reached RMB **172,119,800**.
- The safety and health investment reached RMB **165,414,300**.
- An investment of RMB **6,705,500** was made in safety training.
- The safety training covered **213,190** persons.
- Its coverage of safety training to employees reached **100%**.
- 100%** of its employees took physical examination
- The number of days off due to work injuries was **0**
- 0** major safety accident happened



▲ Emergency rescue training



▲ Bochuanglin, Youth Innovation Studio of Steelmaking Plant

» Development of capable people

The Company promoted the strategy of strengthening the enterprise through capable people, improved the capable people system, and introduced and cultivated managers, professionally trained and skilled people, and highly-educated people such as postdoctors. It was committed to building a leading team of capable people through a smooth development path and broad development platform and working together with its employees to achieve maximum value.

Key performance in 2023

The coverage of training to employees maintained **100%**.

The per capita training time of female employees was **66.1** hours.

The per capita training time of male employees was **66.1** hours.

The per capita training time of senior managers was **110** hours.

The per capita training time of middle-level managers was **90** hours.

The per capita training time of ordinary employees was **48** hours.

Improving the system of capable people

- » The Company established and improved an evaluation system for capable people that embraced innovation value, ability, and contribution, strengthened target assessment, and implemented the salary mechanism reform.
- » The Company developed an implementation plan for attracting capable people named "Dreamland for Capable People", and established a new path for attracting and utilizing capable people that enabled capable people to settle in central cities and serve production bases. It also established a reward mechanism for recommending capable people, opening up a new path for attracting and utilizing capable people.

Providing smooth development channels

- » The Company revised the management methods for the rank of engineering and technical positions and R&D positions, as part of its efforts to gradually establish a science-based and reasonable management system for capable people.
- » With a focus on down-to-earth attitude, performance, and responsibility in capable people selection and utilization, the Company promoted and introduced 45 outstanding management talents.

Strengthening talent cultivation

- » **Cultivating young managers:** The Company expanded and improved the "1123" young manager pool by level and class, recommended outstanding young managers to participate in advanced study and training programs, and selected young managers for on-the-job training to deliver versatile managers.
- » **Training technical and skilled workers:** The Company implemented a skill enhancement project, and launched a three-year action plan to enhance the skills and abilities of all employees, involving 8,050 persons in 34 job types. It strengthened skill competitions for employees to promote the improvement of both their professional ethics and skills, involving 725 persons in 10 job types, including steel rolling workers and steel heat treatment workers.
- » **Introducing highly-educated people:** The Company launched postdoctoral research project promotion activities, at which it promoted policies and research topics related to postdoctoral research workstations, in efforts to create a new picture of attracting and gathering capable people.

» Employee care

Focusing on the immediate needs of its employees, the Company put into action the idea of "Bringing Tangible Benefits to Employees" as part of its efforts to deepen the welfare programs. In this regard, it held recreational activities, such as track and field events, and table tennis competitions, aiming to build a comfortable and happy living and working environment for its employees, as well as a more harmonious labor relationship.

Assisting financially struggling employees

- » The Company visited its employees to send support to those who were in need.
- » The Company purchased enterprise aid liability insurance for all employees, reducing the incidence of illness-induced poverty. In 2023, the Company handled insurance claims for 184 critically ill employees.
- » The Company launched the "Education Assistance in Fall" event to help financially struggling employees alleviate their pressure from their children's education. In 2023, a total of 903 students were aided with a total amount of RMB 594,000.

Caring for female employees

- » The Company purchased health insurance for female employees, effectively reducing their medical burden.

Caring for disabled employees

- » The Company distributed supplies to 1,385 disabled employees on the International Day of Persons with Disabilities.

Caring for front-line employees

- » The Company continued the event themed with "Sending Coolness in Summer and Warmth in Winter", with more than RMB 300,000 in special funds allocated. It purchased items for 1,302 employees who had long been engaged in outdoor arduous work to keep them warm.

Key performance in 2023

The Company completed **63** major welfare projects at the company level and **383** at grassroots unit level.

Employee satisfaction reached **100%** in the evaluation.



▲ Quality development activity for new employees



▲ Parent-child activity



▲ Knowledge contest for the Mid-Autumn Festival



▲ Basketball game for employees

Realizing all-round rural revitalization

The Company prioritized the "Five Revitalizations", and leveraged the resource endowment advantages of the assisted areas to enhance their own capabilities in driving economic growth, and promoting employment and income growth for farmers and herdsmen in those areas.

Identification of risks and opportunities

- » It is an indispensable responsibility and obligation of central state-owned enterprises to serve rural revitalization and support agricultural and rural development, which helps to promote local economic development and improve people's livelihoods, while demonstrating the responsibility and good image of enterprises.

Our actions

- » The Company assisted in the preparation of the *Industrial Development Plan of Ta County*, establishing the industrial development goals of Ta County from 2023 to 2025.
- » The Company assisted in the construction of Tatikuli resettlement site and industrial assistance in Xinjiang, transforming the former wasteland into an oasis
- » The Company comprehensively built the whole industry chain of yak meat products in Ta County, pioneering the deep processing industry of plateau yak meat.
- » The Company constructed a gymnasium and ancillary facilities for a nine-year system school in Ta County, providing a new campus with high-quality equipment, complete functions, and strong comprehensive support capabilities for students of Tajik ethnic group.

Our achievements

- » The Company invested RMB **16,401,000** in offering aid.
- » The Company implemented **7** assistance programs.
- » The Company spent RMB **26,050,000** in buying products from poor villages.

Revitalization of industries

- » The Company invested RMB 2.8869 million to assist in the preparation of the *Industrial Development Plan of Ta County*, establishing the industrial development goals of Ta County from 2023 to 2025, and providing decision-making support for industrial development and characteristic resource development.
- » The Company continued to assist the Tatikuli resettlement site. It invested RMB 450,000 to improve 2,025 mu of land, with a good harvest of wheat and highland barley, and also bought and stored winter forage grass, benefiting 1,445 people from 358 poverty-stricken households. After that, the per capita income of relocated households increased by more than RMB 330.
- » The Company assisted in the settlement of 4 enterprises in Ta County, and in Feidi Industrial Park in attracting RMB 35.23 million in investment. It also provided coordination and investment of RMB 5 million in paid assistance funds, generating 182 employment opportunities.
- » The Company successfully launched a characteristic financing leasing business with high-quality biological assets as leased assets, and introducing RMB 5 million in funds for the beef cattle breeding plant of which it aided the construction, pioneering the financial service business in the supply chain in Ta County.

Key performance in 2023

The Company invested RMB **16,401,000** in offering aid. Investment of RMB **35.23** million was attracted.



Revitalization of skilled workforce

- » The Company provided trainings such as Training on Financial Market Analysis and Risk Control and Training on Development of Yak Industry, covering a total of 1,302 persons. These trainings enhanced the professional abilities of rural revitalization leaders, managers, and grassroots technicians.
- » It carried out special on-the-job training for skilled workforce from Ta County who visited Ansteel Group Corporation Limited for exchanges, strengthening the capacity building of cadres for the assisted county.



Revitalization of culture

- » The Company invested RMB 10.25 million to build a gymnasium and ancillary facilities for a nine-year system school in Ta County, providing a new campus with high-quality equipment, complete functions, and strong comprehensive support capabilities for students of Tajik ethnic group.
- » The Company invested RMB 21,000 to repair the doors and windows of Laqini Primary School in Tizinapu Township, and added student reading facilities, improving the learning and living environment for teachers and students.
- » In Fumin Village, Taxkorgan Township, the Company established a list of points for transforming outmoded habit and custom and promoting advanced rural culture to build a demonstration village for advanced rural culture.
- » The Company aided the construction of a cultural square in Shangtao Village, Chaoyang City, Liaoning Province, to tell stories of rural cultural tradition.



Revitalization of ecology

- » The Company collaborated with local industry sectors to refine and advance the work system for improving the living environment, actively participated in the building of 30 harmonious and beautiful villages by encouraging its upstream and downstream enterprises to provide voluntary assistance and donations, and renovated 35 household toilets and tourist toilets.
- » The Company launched the "Heart-warming Boiler" project, and invested RMB 998,000 in sweeping repair and renovation of 5,000 civil boilers in 47 administrative villages from 11 townships in Ta County, protecting the ecological environment and increasing the happiness and sense of fulfillment of farmers and herdsmen.



Revitalization of organizations

- » The Company invested RMB 1.495 million in the prioritized construction of 3 comprehensive community services in Ta County. To be specific, it constructed community activity centers and Party member activity rooms, enriching the cultural life of the public, and improving the integration of urban and rural public services.
- » The Company actively promoted the joint efforts with Party branches for co-building, and coordinated with Chaoyang Iron and Steel Inspection Center to purchase office supplies for the co-building village, effectively solving the actual difficulties faced by the co-building unit.



▲ Constructing a cultural square in Shangtao Village



▲ Aiding the construction of a patriotism education hall

Case Building a distinctive industry for yaks in the Pamirs Plateau

Angang Steel continued to deepen the achievements made in industrial revitalization by investing RMB 11.1 million to build a yak meat processing plant and a supporting product marketing center, and RMB 3.96 million to build a supporting forage grass planting base. It also supported the yak breeding base technically, and endeavored to build a whole industry chain of Ta County's yak meat products following the 4+N industry pattern encompassing grass planting, beef cattle breeding, product production and processing, and online product marketing, pioneering the deep processing industry of plateau yak meat, and promoting the high-quality development of the yak meat industry in Ta County.

The yak meat processing project in Taxkorgan County:

- ◆ Produced **100** tons of deep processed products from yak meat per year, with an output value of RMB **24** million and a tax payment of nearly RMB **1** million;
- ◆ Benefited **16,518** farmers and herdsmen from **4,051** households across the county, and generated fixed employment opportunities for over **70** farmers and herdsmen of Tajik ethnic group;
- ◆ Increased the per capita disposable income of farmers and herdsmen from RMB **8,537** in 2019 to RMB **19,544** in 2023, an increase of **229%**.

Case The former wasteland turned into an oasis - Aiding the construction of Tatikuli resettlement site and industrial assistance in Xinjiang

Tatikuli is one of the resettlement sites in Ta County, Xinjiang. It is located in the Gobi Desert where no grass grew here, and the lives of farmers and herdsmen were seriously affected. The working group of Angang Steel stationed in Ta County visited Tatikuli, and decided to plant crops on the Gobi Desert upon survey and repeated demonstrations to seek benefits from the Gobi Desert. Since 2018, the Company has invested a total of more than RMB 7 million in assistance funds, and sent several batches of aid cadres to the land, controlling over 3,000 mu of desertified land and turning this former barren land into a vibrant oasis. As a result, the conundrum of planting crops on the Gobi Desert was cracked down, and farmers and herdsmen were encouraged to work for income, so did their sense of fulfillment, happiness, and security. As of the end of 2023, the yield of this industry assistance project per mu had exceeded 200 kg, helping villagers increase their annual per capita income by RMB 400.

“ Thank the Party, and the cadres and employees of Angang Steel for their assistance. Because of them, we relocated and assured our people, and our people are now living a happy life. ”

- Village Secretary Maimaitibaik Nizarbaik at the resettlement site

Building harmonious relations with the community

The Company devoted itself to social public welfare undertakings to build an ecosystem that enabled harmonious co-existence between the enterprise and community, and attentively listened and actively responded to the community's needs to work together with the community towards sustainable development.

Identification of risks and opportunities

- » Closer relationship with stakeholders can effectively promote transparent operation of the enterprise, gather multiple forces, and form a strong synergy for development.
- » Contributing to the society by creating influential volunteer service projects can help shape the brand image of the central state-owned enterprise and gain more support and recognition from stakeholders.

Our actions

- » The Company established diversified public communication channels to promote information disclosure and public communication.
- » Focusing on five main aspects, including job dedication, donations for education, and community service, the Company launched a wide range of volunteer activities.

Our achievements

- » The Company had **3,426** volunteers.
- » The accumulated duration of volunteer service reached **11,730** hours.
- » A total of **9,775** employees participated in volunteer activities.

Transparent communication

The Company improved the public communication mechanism, established diversified public communication channels through WeChat official account, ESG report, Open Day and other forms, and held public communication activities, as part of its efforts to promote information disclosure and public communication, and increase public understanding of, support for and recognition of the Company.

Case Leaving Ansteel manufacturing etched in children's heart

In order to promote the spirit of science and demonstrate the important supporting role of scientific and technological innovation in the iron and steel industry for the development of national marine undertakings and other fields, Ansteel Group Research Institute of Iron & Steel launched an open day event of a national key laboratory for metal materials for marine equipment and their applications with the theme of "loving and respecting science". More than 50 primary and middle school students in Anshan went to the national key laboratory for metal materials for marine equipment and their applications to learn about the history of Ansteel's scientific and technological development and experience the strong scientific and technological innovation atmosphere of Ansteel.

“ This open day event allows children to further understand the story behind the 'Pillars of a Great Power' and learn a lot about the ocean and steel. We hope that Ansteel can hold more such kind of activities to increase children's scientific knowledge and cultivate their strong interest in loving and learning science! ”

- Said by a happy parent



Volunteer services

The Company endeavored to improve its public welfare brand by regularizing the "Following Guo Mingyi to Learn from Lei Feng" event and launching a wide range of volunteer activities to guide young people to dedicate themselves to their work. Focusing on five main aspects, including job dedication, donations for education, and community service, the Company carried out 105 volunteer activities involving 9,775 participants to learn from Lei Feng.



▲ The CCYL Committee of Bayuquan Steel Branch of Angang Steel is providing volunteer cleaning service in the 4A level scenic spot

Indicator	2021	2022	2023
Volunteer service activities (persons)	6,366	12,907	9,775
Accumulated duration of volunteer service (hours)	11,176	13,307.5	11,730
Number of volunteer (persons)	3,539	3,508	3,426

Deepening partnerships

The Company deepened partnerships with its stakeholders such as suppliers, customers, and enterprises to co-build an industry ecosystem of interests, and promote sustainable development of the industry.

Identification of risks and opportunities	Our actions	Our achievements
<ul style="list-style-type: none"> » The steel industry features a high degree of industrial correlation and a long supply chain. To promote the green and low-carbon transformation and development of the iron and steel industry, efforts must be made from the entire steel industry chain and supply chain. It is necessary to establish a close communication and cooperation model among industrial chain partners and build a community of shared interests and destiny for them for win-win cooperation. 	<ul style="list-style-type: none"> » The Company implemented a transparent and open tendering process, achieving transparent procurement. It managed suppliers in a digital manner throughout the process. » The Company set access thresholds in quality, environment, and occupational health, and implemented strict assessment and exit mechanisms, driving the enhancement of suppliers' capabilities in social responsibilities. 	<ul style="list-style-type: none"> » The Company had a total of 2,450 suppliers. » The local purchase rate accounted for 27.39%.

» Creation of a responsible supply chain

The Company continued to improve its supply chain management system, and strictly implemented supplier access, evaluation and exit mechanisms in the principles of transparent, green and smart procurement, as part of its efforts to continuously improve the level of suppliers' social responsibility and build a responsible supply chain.

Key performance in 2023

The Company had a total of **2,450** suppliers. Including **671** local suppliers.

The Company held **1** social responsibility training which covered **276** suppliers.

Supplier management

Access

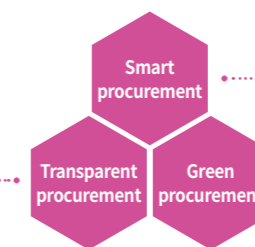
Evaluation

Withdrawal

- » The Company established and improved a supplier access mechanism, improved supplier access standards in terms of enterprise reputation, qualifications, technical capabilities, quality assurance system, etc., and reviewed suppliers' quality, environment and safety certificates and other management system certificates with stricter standards. In 2023, the Company audited 271 suppliers for equipment, materials and raw fuel.
- » The Company combined daily evaluation and annual evaluation, provided evaluation opinions and tracked improvement results, achieving dynamic management of suppliers, and continuously optimizing the supplier team.
- » The Company evaluated suppliers' performance in implementing their quality, environmental and social responsibilities, and listed prohibition of child labor as an important matter. It also evaluated the health and safety status of suppliers' factories, made rectifications in case of any problems, followed up the whole rectification process and verified the result.
- » Suppliers were required to hold all necessary environmental certificates and meet environmental requirements in manufacturing, transportation and storage. In addition, it incorporated the use of environmental products and services into the evaluation system of supplier social responsibility as an important basis for supplier selection, order increase, rewards and punishments.
- » The Company took measures for assessing suppliers in violation of regulations such as warnings, fines, termination of contract, and cancellation of qualifications, and kept the responsible atmosphere of the supply chain.
- » It continuously improved dynamic evaluation of supplier performance, phased out suppliers graded last in the annual evaluation.

Responsible procurement

The Company set the goal of establishing a "transparent, cost-reducing, safe and efficient", implemented the measure of transparent, open tendering and purchase through bidding, and formed a stable purchase relationship with the key suppliers with a stable production and shipment ability and a sound quality assurance system in the industry. Besides, it entered into an integrity agreement with suppliers to oppose corruption, monopoly and other unfair competition behaviors, took strict measures for punishments of adverse events, and supervised and urged suppliers to abide by laws and regulations.



The Company established a supplier collaboration platform that enabled digital operations throughout the entire process, from application for registration, contract signing, electronic order collaboration, to invoice reimbursement, and went through the tendering and procurement process online, improving procurement efficiency.

The Company practiced the idea of green procurement by purchasing low-sulfur and green raw materials, and required suppliers to deliver goods by using new energy vehicles or those meeting emission standards of Stage V or above, so as to reduce pollutant emissions during transportation.

Indicator	2021	2022	2023
Percentage of new suppliers selected according to the environmental standards (%)	0.55	0.60	0.63
Number of suppliers subject to the environment impact assessment (Nos)	16	17	18

» Cooperation with partners for a win-win scenario

The Company strengthened communication and cooperation with partners such as the government and suppliers, aiming to establish long-term strategic partnerships, expand areas of cooperation, and build a high-quality industrial chain, for a better future for industrial development.

Case Convening a supplier conference to seek cooperation for a bright future

In May 2023, Angang Steel held the Communication Conference for Integration of "Anshan City and Anshan Iron and Steel" and Conference for Suppliers of Anshan Iron and Steel Group Company Limited themed as "Practice Transparent Procurement, and Work Together for a Bright Future", bringing together over 300 well-known domestic and foreign enterprises. This conference aimed to promote the procurement concept of "openness, transparency, fairness, and competition" and the corresponding investment policies of Anshan City. On the sideline of the conference, the Company arranged parallel sessions and special reports on the development of metallurgical intelligent equipment and new green, low-carbon steel technologies to exchange ideas and co-build a win-win steel industry ecosystem.

“Anshan boasts a strong industrial foundation, obvious geographical advantages, and rosy prospects. Over the years, we have productively cooperated with Anshan and Ansteel, establishing a good cooperative relationship full of mutual trust. We are very positive about future development.”

- Representatives of suppliers

“Over the years, Anshan and Ansteel have relied on each other, prospered together, and made every effort to promote the integration and in-depth development of "Anshan City and Anshan Iron and Steel". The two sides have seen smoother communication and negotiation, and a succession of major projects. They have accelerated integration of industry and city, and broader extension of the industrial chain, with fruitful results produced in their integrated development, writing a wonderful chapter and establishing a model of cooperation between central state-owned enterprises and local governments.”

- The People's Government of Anshan Municipality



Outlook 2024

2024 marks the 75th anniversary of the founding of the People's Republic of China and also the 75th anniversary of the establishment of Ansteel Group Corporation Limited. Angang Steel will, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly study and implement the guiding principles of the 20th CPC National Congress and the 2nd Plenary Session of the 20th CPC Central Committee to pursue progress while ensuring stability, promote stability with progress and establish before destruction. It will shoulder its responsibility as a central state-owned enterprise to serve the national strategy, speed up the change and innovation to improve the quality of development, and remain committed to pushing forward the building of the Company into a world-class enterprise.



Improving governance efficiency

The Company will continue to improve its ESG governance system, identify and evaluate ESG risks and opportunities, and establish and implement targeted strategies for ESG development. It will also push the incorporation of ESG management into various processes of its business management under the guidance of the "A-STEEL" development path, ensure the integrity and compliance of business operations, and effectively safeguard the legitimate rights and interests of stakeholders, so that it can advance in stability.

Creating diversified values

With a longstanding commitment to the maximum comprehensive value, the Company will strive to build a digital and intelligent management system for its whole value chain to empower the development of the enterprise through lean, digital and intelligent transformation. Focusing on national strategic needs and industrial upgrading needs, it will develop a number of competitive, new products and technologies to provide customers with high-quality solutions composed of high-quality products, and promote the improvement of enterprise operation quality and efficiency from such aspects as intelligent operation, technological innovation, and product quality for coordinated development of economic, social and environmental benefits.

Protecting a green homeland

The Company always acts on the idea that "lucid waters and lush mountains are invaluable assets". To this end, the Company will establish a system for promoting carbon dioxide peaking and carbon neutrality, improve low-carbon planning in terms of process innovation, low-carbon technology R&D, and life cycle assessment, develop and apply low-carbon metallurgical technology, and explore a green and low-carbon production path. In addition, it will promote ultra-efficient projects, and improve the energy efficiency standards for production lines and key energy-consuming equipment. It will accelerate the promotion and application of sophisticated energy-saving technologies, and advance the building of "efficient demonstration plants". It will also promote the combination of industrial upgrading and green transformation, transform and enhance traditional kinetic energy, and accelerate the fostering of new kinetic energy, fueling the high-quality development of the enterprise with green economy.

Working together towards a harmonious community

With the idea of extensive consultation, joint efforts and shared benefits always in mind, the Company will provide employees with a vast platform to allow them to fully showcase their talents and enjoy a happy life. It will also collaborate with stakeholders such as suppliers, customers, and peer enterprises to create a community of shared interests, so as to share resources and co-create value. What's more, it will align its strategy with the national rural revitalization strategy, and actively engage in public welfare and charity activities, as part of its efforts to promote common prosperity, and make greater contributions to building China into a modern socialist country in all respects and advancing the rejuvenation of the Chinese nation on all fronts.

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Feedback Form

Dear readers,

Thank you for reading this report! We would like to listen to and adopt your opinions and suggestions about this report, for the purpose of providing an important basis for improving the quality of our CSR and ESG report.

Please put a mark of √ for what you have chosen.

Do you think the report has highlighted the Company's work and impacts on the economy, society and environment?

Yes Not bad No

Do you think the information and indicators disclosed in this report are clear, accurate and complete?

Yes Not bad No

Do you think this report is formulated with the appropriate contents and format for reading?

Yes Not bad No

Open questions:

Which parts in this report are you mostly interested in?

Which information that you want to know is not included in this report?

What are your suggestions on our future release of CSR and ESG report?

Would you please tell us something about you?

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