



# 2021

## **Sinoway Carbon Co., Ltd.** **Sustainability Report**

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## About the Report

As the first environmental, social, and governance (“ESG”) report (the “Report”) published by Sinoway Carbon Co., Ltd. (the “Group”), it aims to communicate the Group’s ESG philosophy, initiatives, and performance to the stakeholders while simultaneously responding to their needs.

## Reporting Period

Unless otherwise specified, the Report covers the Group’s performance on ESG matters from 1 January 2021 to 31 December 2022 (the “Reporting Period”).

## Reporting Boundary

Unless otherwise stated, the Report covers the headquarters, branches, and subsidiaries of the Group.

## Sources of Data

The financial data in the Report are from the 2021 annual financial report of Sinoway Carbon Co., Ltd., which was independently audited by Ernst & Young; other data are calculated according to the relevant rules of the Group. All data disclosed in the Report, unless otherwise specified, are related to the Group’s operations in mainland China.

## Basis of Preparation

This report has been prepared with extensive reference to the updated GRI Sustainability Reporting Standards (2016).

## Description of Designation

For ease of report writing, Sinoway Carbon Co., Ltd. is referred to as “Sinoway,” the “Group,” and “we” in the Report. The Group’s operating companies in Weifang, Shandong Province, and Ganyu, Jiangsu Province are referred to as “Shandong Company” and “Jiangsu Company,” respectively.

## Reporting Language

The Report is available in both Chinese and English for readers.

## Message from the Chairman

Adhering to the business philosophy of “people-orientation, integrity, pioneering and enterprise, and giving back to the society”, Sinoway has developed a business strategy comprised of the Talent Strategy, the Branding Strategy, and the Sci. & Tech. Innovation Strategy and established a good business goal and value system. The Group has evolved from a trading business to an industrial one during the last two decades. We have integrated the environmental, social and governance (ESG) management concept into all aspects of corporate operations to contribute to the material and spiritual well-being of all employees, the development of the industry and the country, and social progress so as to maintain our core competitiveness in the ever-expanding market.

Sinoway has always sought the balance of economic, environmental and social benefits and has actively promoted sustainable development in accordance with the Group’s characteristics. We maximise the value of our products during the process of production and operation. Based on our research and development (R&D) and upgrading, we provide waste heat steam and by-products such as sulfuric acid ammonia to boost the circular economy vigorously. We thoroughly implement the Xi Jinping thought on ecological civilisation, advance the improvement of environmental quality, and implement collaborative initiatives for greening barren mountains and deserts that are highly compatible with the environment-friendly development philosophy. We promote literacy and education and take social responsibility for education. We strengthen industry-university-research cooperation and provide financial assistance to students from low-income households to complete their studies to contribute to local workforce development. We accelerate village-enterprise collaboration for common development by constructing platforms, integrating social resources, and creating featured and branded projects and campaigns.

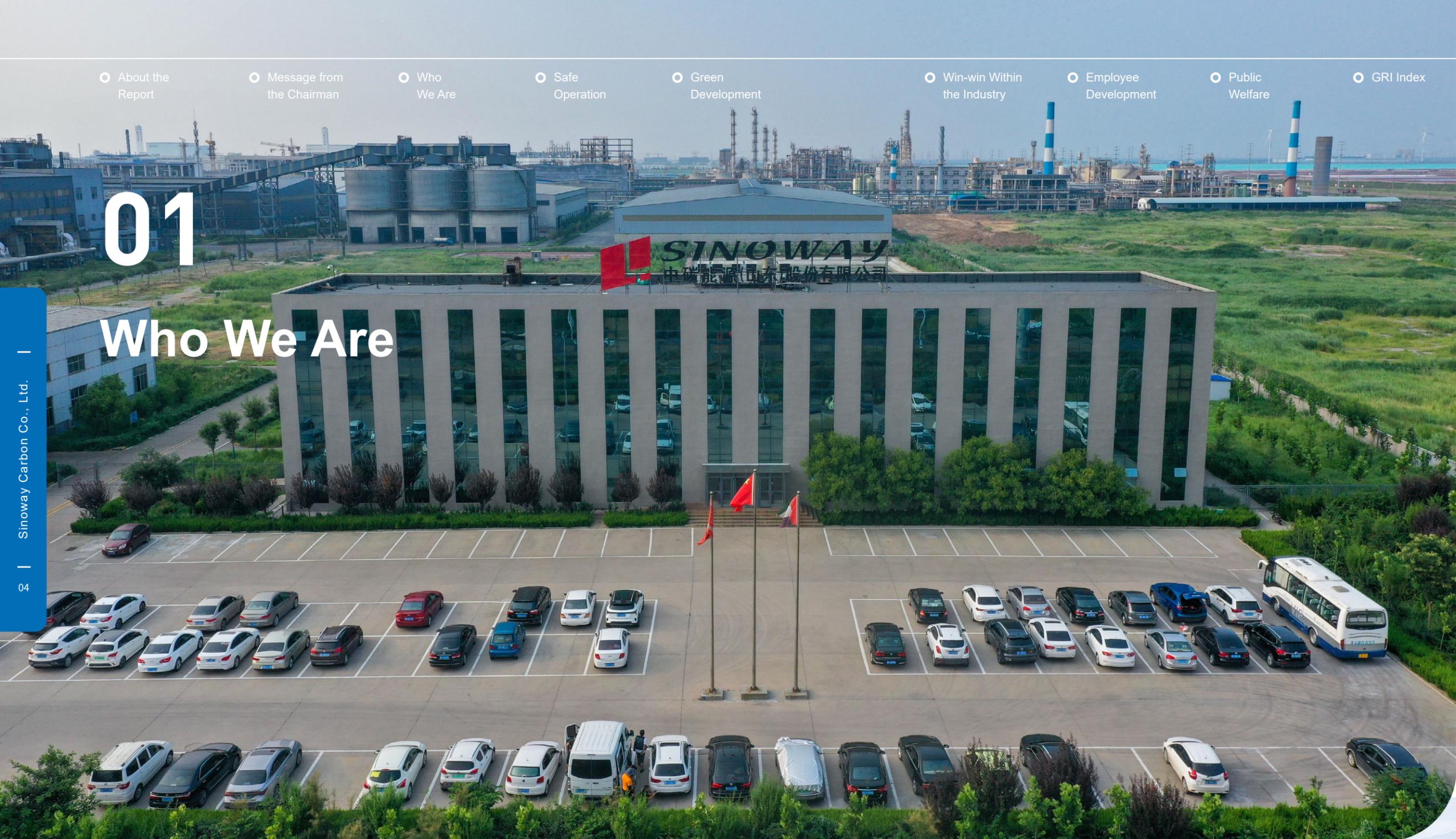
Sinoway always assumes social responsibility and promotes the sustainability of itself and society during development. In the future, we will keep moving forward relentlessly and bravely, rise above any challenges, and make more achievements!

Chairman of Sinoway Carbon Co., Ltd.

Liu Tao

# 01

## Who We Are



## About Us

Established in 2011, Sinoway Carbon Co., Ltd. ("Sinoway") is a joint venture between Shenzhen Sinoway Investment Holding Co., Ltd. and Dubal Holding LLC. Sinoway is mainly engaged in the production and sales of calcined petroleum coke ("CPC") and Steam as a by-product.

The Group currently has two production bases located in Weifang, Shandong Province and Lianyungang, Jiangsu Province, with Shandong Company boasting a calcined petroleum coke capacity of 560,000 tons and a waste heat steam capacity of 700,000 tons. The Lianyungang project is planned to have a calcined petroleum coke capacity of 840,000 tons and a waste heat steam capacity of 1 million tons, with a total investment of RMB1.3 billion. Phase I of the Lianyungang project, with a production capacity of 280,000 tons, will be put into operation in 2019. The planned capacity of the Phase II project is 560,000 tons. By then, the calcined petroleum coke capacity of Sinoway will reach 1.4 million tons and the waste heat steam capacity will be 1.7 million tons.

The calcined coke products of Sinoway are mainly exported to the Middle East, South Africa, Australia, France, India, and several other countries and regions. It has been supplying high-quality calcined petroleum coke to large international aluminum companies for a long time. Along with further expansion of production capacity, Sinoway is also expanding its domestic market share. It has established long-term and stable cooperative relationships with many large domestic aluminum companies and has earned a high reputation through these efforts. It uses waste heat from calcination to produce waste heat steam for other industrial enterprises in the industrial park. This generates good economic benefits and effectively reduces energy consumption, thus meeting the requirements of the circular economy.

Sinoway is committed to the Group's carbon neutrality cause. We established Sinoway Forest Resources (Beijing) Co., Ltd. in July 2021, which is dedicated to the control of barren mountains and desertification in Northwest China to achieve the Group's carbon neutrality goal. Moreover, projects for greening barren mountains and deserts will continue, contributing to a better ecological environment.



Safety, Environmental Protection, Quality, Benefit



Standardisation, Efficiency, Learning, Innovation



Talent Strategy, Branding Strategy, Sci. & Tech. Innovation Strategy



## Performance Highlights

### // Who We Are

We have achieved stable business performance, strictly adhered to business ethics, and took the lead in economic, social, and corporate governance.

- We optimized the Sinoway Carbon Business Philosophy and called on all employees to achieve the group's excellent business performance with efficient personal development, undertake corporate social responsibility, and contribute to low-carbon and sustainable development in China and the world.
- We carried out multi-faceted and full-coverage internal audit works, and the feedback rate of the Group's reporting information reached **100%**.
- We completed and defined the Critical ESG Issues Matrix for Sinoway, and clarified the direction of the Group's sustainable development management.

### // Value Products

Aiming to become a benchmark in the global carbon industry, we pursue high quality in production while ensuring profit.

- We obtained the quality management system certification (GB/T 19001-2016/ISO 9001:2015) and the Laboratory Accreditation Certificate issued by China National Accreditation Service for Conformity Assessment (CNAS).
- We improved 5 important factors affecting product quality and production efficiency.
- Our laboratory was awarded "Excellent Laboratory of Verification" by the Technology Centre of Qingdao Customs.
- We sold dust collection powder, ammonia sulfate, and waste heat steam to downstream enterprises, which has significantly increased the added value of products. Among them, the sales of dust collection powder rose by **19.70%** from 2020 and that of ammonia sulfate rose by **120.79%** from 2020.
- We obtained **3** invention patents and **17** utility model patents, invested over RMB **3.3871** million in R&D.

## // Work Safety and Green Production

Actively responding to the national green and low-carbon development strategy, we integrate green development with work safety, protecting the health of the environment and our employees.

All subsidiaries achieved their work safety targets. There were no safety incidents of minor injury, serious injury, casualty, fire, poisoning, or occupational diseases within the Group throughout the year.

Shandong Company hosted **42** safety training sessions (totalling **442** training hours) with an attendance of **1,753**. Jiangsu Company hosted **33** safety training sessions (totalling **106** training hours) with an attendance of **821**.

In 2021, the Group invested a total of over RMB **37.19** million in environmental protection.

In 2021, the Group applied the biological integration equipment to treat all wastewater and used the treated water to water plants to ensure zero sewage discharge from the factory.

## // Employee Development

We always take a people-oriented approach in employment. We regard employees as the most valuable asset of the Group and give them meticulous care to achieve common development.

The total workforce of the Group in the Chinese mainland is **411**, and the overall turnover is **20%**.

Jiangsu Company hosted **162** training sessions at the company, workshop, and shift levels, with a training coverage of **100%**.

In 2021, the Group appropriated RMB **300,000** as the bonus for the Reasonable Suggestion Award and awarded RMB **270,000**. Jiangsu Company awarded a total of RMB **200,000** as the bonus for environmental protection and production limit exemption. In 2021, there were no work-related casualties within the Group. **100%** employees received occupational health examination.

Shandong and Jiangsu Companies have obtained the ISO 45001 occupational health and safety management system certification.

## // Win-win Within the Industry

We join hands with peers, suppliers, and other stakeholders, continue to extend cooperation in more fields, and create greater value for the industry and society.

We have **65** raw material suppliers, **10** of which have obtained ISO 9000, ISO 14000, and other third-party certifications, and **8** companies have obtained the ISO 45001 system certification.

We hosted **6** online interaction activities with suppliers.

## // Community Public Welfare

We full leverages our industry advantages and consistently make effort in combating the COVID-19 pandemic, rural revitalisation, public welfare, and volunteering, which have been widely recognised by all sectors of society.

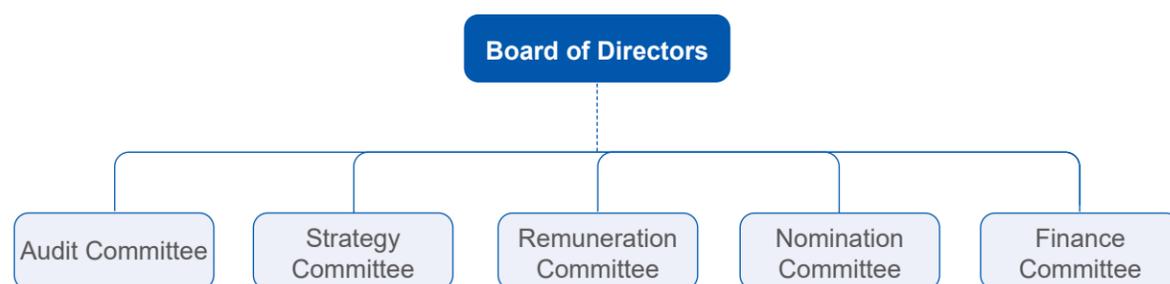
We have invested about RMB **6,437** thousand from 2016 to 2021 to support rural revitalisation, education development, community assistance, donations for disaster relief, and other causes.

We transported **16,000** kg of fresh vegetables, **1,280** packs of mineral water, **690** boxes of instant noodles, **100** sets of raincoats and boots, and emergency medicines to areas severely affected by flood in Henan, to support the local disaster relief with practical actions.

# Corporate Governance

To create a clear governance structure and improve management efficiency, Sinoway has established an Audit Committee, a Strategy Committee, a Remuneration Committee, a Nomination Committee, and a Finance Committee under the Board of Directors.

Structure of Sinoway's Board of Directors and its committees



The primary responsibilities of the Audit Committee include reviewing the Group's financial information and internal control systems. It directs and oversees the establishment and implementation of the internal audit system, reports to the Board of Directors on these matters, and ensures adequate supervision within the Group. The Audit Committee must also coordinate between the internal audit department and external audit entities, such as accounting firms and national audit agencies.

The Strategy Committee needs to study and make suggestions on the Group's long-term development strategic planning, major investment and financing plans, major capital operations, and asset management projects so as to effectively facilitate science-based significant decisions of the Group, improve investment decision-making procedures, and promote the benefits and quality of significant investment decisions.

The Remuneration Committee develops remuneration plans or schemes that are based on the primary scope, responsibilities, and importance of the positions of directors and senior management, as well as the remuneration of relevant firms and positions. These plans or schemes include but are not limited to the standards, procedures, primary appraisal system for performance appraisal and significant reward and punishment plans and strategies. It is also in charge of implementing the Group's remuneration system.

The Nomination Committee recommends the size and composition of the Board of Directors based on the Group's business activities, asset size, and equity structure and reviews director candidates and senior management candidates.

The Finance Committee offers financial policy recommendations based on the Group's general principles for budget preparation to maintain and improve the Group's financial health and proper operation. Furthermore, the Finance Committee needs to organise the demonstration and review of medium and long-term development plans and annual budget reports submitted by the Group's management according to the Group's overall planning goals and organise the revision of the Group's medium and long-term budgets and annual budgets.

# Risk Control

Sinoway enhances the risk management and control system by avoiding operational risks and strengthening anti-corruption management. Based on the internal control system, an Audit Department has been set up to carry out comprehensive internal audits covering business, finance, legal affairs, safety, and environmental protection. Moreover, a third-party service team is also employed to detect and control operational hazards and improve operational stability. In 2021, in order to further enhance the Group's risk control capacity, improve the internal audit supervision and management system, and enhance the credibility of the Group's information disclosure, Sinoway updated the *Audit Management Measures of Sinoway Carbon Co., Ltd.* according to the *Audit Law of the People's Republic of China*, the *Regulations of the National Audit Office on Internal Audit*, the *China Internal Audit Principles*, the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange*, and the *Articles of Association*. This move has regulated the audit work and comprehensively improved internal audit quality.

Sinoway strictly abides by the *Oversight Law of the People's Republic of China* and other applicable laws and regulations, and the Group's management systems for corruption, fraud, and other unethical behaviours are constantly improved. Employee reporting boxes have been set up in the Group's offices to improve monitoring over corruption, anonymous reporting channels are available on the Group's management platform "Voice of Heart", and whistle-blower protection measures are strictly implemented. All suppliers are required to sign the Letter of Responsibility for Integrity in Win-Win Cooperation to regulate trading behaviours, guarantee fair competition, and prevent commercial bribery. The Letter specifies the responsibilities of both parties, promotes the observation of business ethics and market norms and encourages suppliers to work together to establish a fair, just, cooperative, and win-win business environment. The recipient's complaint and reporting hotlines, email addresses, and contact information are also made available for this purpose. At the same time, the Group organises regular annual training based on content on anti-corruption materials in *Our Way of Business* to guarantee the efficient operation and integrity of the Group. In 2021, the Group responded to 100% of the whistleblowing reports, and no corruption litigation cases occurred throughout the reporting period.



# Responsibility Management

Sinoway communicates with stakeholders through multiple channels, actively listens to and accepts reasonable opinions and suggestions of internal and external stakeholders, and provides clear responses to diverse needs to improve its social responsibility performance.

Stakeholders	Demands and expectations	Ways of communication and response
 Government	Compliance with laws and regulations	Practice in accordance with the relevant regulations
	Pay taxes according to the law	Pay taxes according to the law
	Support local development	Respond to local government requirements
 Client	Stable supply	Sign long-term agreements
	Provide high-quality products and services	Guarantee the quality of services
	Build a sustainable supply chain	Improve sustainability performance
 Employees	Protect the rights and interests of employees	Provide reasonable salary and benefits
	Develop a sound development path	Improve career development channel
	Protect occupational health	Provide employee training
	Balance work and life	Enrich employee care initiatives
 Partners	Open and fair procurement	Strict bidding and procurement process
	Honoring contracts	Fulfill contracts in accordance with the law
 Community and society	Participate in community development	Community Communication
	Support public welfare	Investing in education and charity

Sinoway evaluates the Group's critical ESG issues matrix by incorporating engagement and communication with stakeholders, a benchmark analysis of peers' sustainability disclosure issues, and reference to the industry issues of mainstream ESG-related ratings and indices in the capital market. In 2021, we actively monitored the changes in the industry, benchmarked outstanding peers, and evaluated the important challenges identified in the 2020 ESG Sustainability Report. After evaluation, the number of issues and the ranking of their impacts on Sinoway has not altered, which is consistent with the 2020 Sustainability Report.

Sinoway's Critical ESG Issues Matrix in 2021



# 02 Safe Operation



Sinoway considers safety management as the core of corporate operation activities. We work hard to develop a safety management system for the Group and take various safety management and control measures for potential hazards in operating activities. We actively carry out work safety training and promotion to raise employees' sense of safety and responsibility and establish a safety culture within the Group. With all these practical actions, we protect the life and health of every employee.



## Safety Management System

We strictly adhere to the *Work Safety Law of the People's Republic of China* and other applicable laws and regulations and implement the management policy of "safety and prevention first to achieve comprehensive management". We have formulated a *Work Safety Target Management System*, a *Safety Education and Training System*, a *Work Safety Reward and Punishment Management System*, and a *Work Safety Management System Review and Revision System*. These internal safety measures ensure that the Group's work safety responsibilities are fulfilled.

Based on the current scenario, the Group has formulated a *Work Production Responsibility Management System*. A top-down accountability structure is implemented, with appraisal targets set for employees at all levels and defined as the primary subject of safety responsibility. To ensure that the safety responsibilities of the Group are assigned to specific persons, we set the details and standards of the safety responsibilities of each post from multiple dimensions, including work safety laws and regulations, operation procedures for specific positions, risk management and control, and emergency response. We adopt a quantitative scoring system for effective safety responsibility supervision and link work safety responsibilities with performance.

Sinoway has also established a Safety Committee and a Work Safety Leading Group. In addition to supervising work safety capital investment and the implementation of work safety control measures, they draft the Group's work safety rules, regulations, and operational procedures. They also oversee and inspect the review of contractors' work safety qualifications, major hazards safety management, and work safety education and training.

## Work Safety Targets

Based on the current situation, the Group's subsidiaries set their annual work safety targets at the beginning of the year. Every month, they score and assess the progress of the work safety accountability system at all levels, review and evaluate the progress of indicators at all levels every quarter, and prepare quarterly evaluation reports. This regular inspection is part of the Group's safety standardisation system. In 2021, Sinoway's subsidiaries achieved their work safety targets. Throughout the year, there were no safety incidents of minor injury, serious injury, casualty, fire, poisoning, or occupational diseases within the Group.

Safety Management Targets and Results in 2021

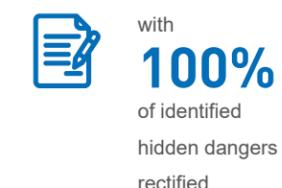
Annual Target	Result
No accidents occurring throughout the year, including fire and explosion, major equipment accidents, major production accidents, serious injuries, food safety, occupational disease, and environmental pollution	Achieved
Minor accident rate ≤ 3%	Achieved
0 injury incidents to contractors	Achieved
100% coverage of occupational health physical examination	Achieved
Carrying out risk identification by all and urge and implement potential hazard elimination, with a rectification rate of 100%	Training conducted as required
100% implementation of "three simultaneities" for project safety and occupational health (The safety devices of a project must be designed, built, and put into production or use simultaneously with the main part of the project.)	Achieved
Supervising and implementing employee safety education and training to ensure a 100% training rate for all employees; 100% of the special operation personnel certified	Held regularly
Organising emergency drills and fire rescue activities, no less than 1 for each	Achieved
Progress made in the double prevention mechanism and work safety standardisation	Achieved
Safety investment funds appropriated fully and 100% invested in time	Achieved

## Safety Management Measures

Sinoway has actively improved rules and regulations, operating procedures, and standard codes of conduct to strengthen the Group's work safety management and established a long-term mechanism for investment in work safety. Furthermore, we carry out risk identification, hidden danger investigations, and closed-loop rectification. To ensure work safety and eliminate or reduce potential accident hazards, we regulate the permit management and approval procedures for hazardous operations. We have set up early warning, alarm, protection, and emergency response facilities to improve emergency response and accident handling capabilities. We have formed a corporate culture where "everyone takes part in the management and takes responsibility".

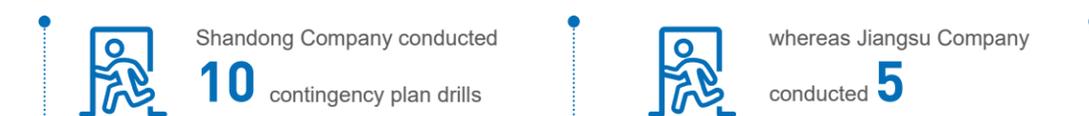
### Safety Audit

Safety inspection measures, including comprehensive self-inspection of all employees and third-party safety audits, have been implemented to ensure work safety within the Group effectively. During the reporting period, Shandong and Jiangsu Companies screened safety problems and hidden dangers in daily employee inspections, with 100% of identified hidden dangers rectified.



### Safety Emergency Accident Management

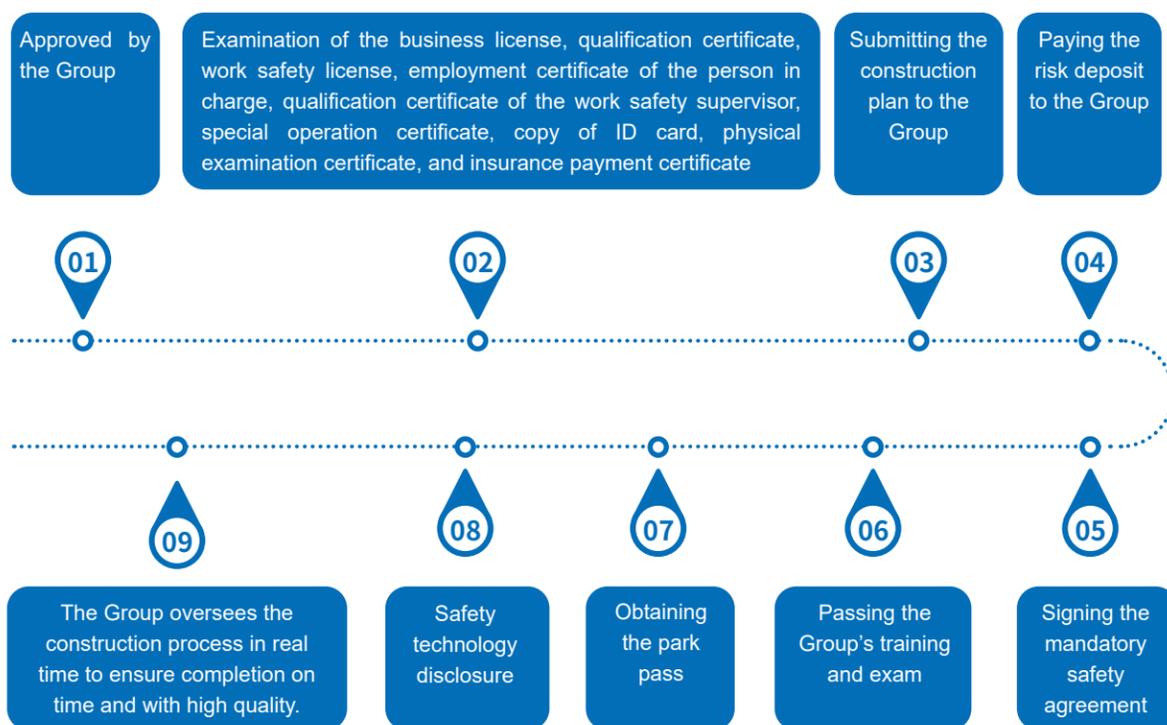
Contingency plans for safety accidents and emergency preparedness and response control procedures have been set up, and the emergency management mechanism has been vigorously improved. A three-level emergency rescue system consisting of a *Comprehensive Contingency Plan*, *Special Contingency Plans*, and an *On-site Response Plan* has been formed. Shandong Company conducted 10 contingency plan drills in 2021, whereas Jiangsu Company conducted 5, covering chemical leakage, dust explosion, fire, heat stroke, boiler accident, and poisoning. They have effectively improved the accident handling capacity of the safety and environmental protection departments.



## // Third-party Safety Management

Sinoway adopts special management measures for outsourcing installation and construction contractors and has formulated a Construction Project Safety Management Agreement and an Entry Process for Construction Teams. The Group will collect the business license, the work safety license, the safety management agreement, and other qualification certificates during contractor admission, and will also require candidates to pass the Group's training and examination to avoid security threats caused by third-party entities due to negligence in management. At the same time, the Group provides special training and education to strengthen further the safety management of outsourcing installation and construction personnel.

### The entry process for construction teams



## // Work Safety Month

The Group held the Work Safety Month campaign with the topic "Safety responsibility fulfilled and safe development promoted". During the month, we organised various activities to create a safety culture and enhance employees' safety awareness and capacity.

### Safety-themed Education

- ▶ The Safety and Environmental Department of Shandong Company organised employees to watch the warning education film *Life First, Alarm Bell Ringing*.
- ▶ The Safety and Environmental Department of Jiangsu Company organised employees to watch the special TV series *Life of Paramount Importance: General Secretary Xi Jinping's Important Propositions on Work Safety*.

### Safety Promotion

- ▶ Promotional tools such as banners, slogans, billboards, employees' WeChat groups, and the Cloud Home software were used to carry out an extensive variety of safety promotion campaigns.



Shandong Company's Safety Month promotion banner



Employees attending a safety lecture

## // Safety Training

The Group actively carries out work safety promotion, education, and training and has formulated a *Safety Training and Education System* and an annual safety training and education plan. We mandate that all new employees take safety training and education at the company, workshop, and shift levels. In 2021, Shandong Company hosted 42 safety training sessions (totalling 442 training hours) with an attendance of 1,753. Jiangsu Company hosted 33 safety training sessions (totalling 106 training hours) with an attendance of 821.

	Shandong Company	Jiangsu Company	Unit
hosted	42	33	sessions
attendance	1753	821	persons
training hours	422	106	hours

### Hidden Hazard Screening and Treatment in the Safety Month

- ▶ Shandong Company identified more than 20 safety hazards through self-examination and self-correction in workshops and safety inspection by the company and made rectifications in strict accordance with the requirements of the State Administration of Work Safety. Many employees were mobilized in this cause.
- ▶ Jiangsu Company carried out the "Safety Red Armband", "Sweeping Hidden Hazards Off", and "Be a Safety Whistleblower" campaigns, in which the company made thorough and meticulous self-examination and self-correction in key parts prone to accidents and casualties to enhance treatment from the source.

### Emergency Rescue Plan Drills

Sinoway conducted emergency rescue plan drills to improve employees' awareness of accident prevention and their ability to deal with accidents, as well as to improve the effectiveness and feasibility of emergency rescue plans. In 2021, the Group carried out fire drills, sudden power failure and water shortage drills for boilers, and drills of heat stroke at the top of the calcining plant, among other emergency drills.



Shandong Company carrying out emergency rescue drills

### Work Safety Quizzes

The EHS department of subsidiaries of Sinoway led in organising work safety quizzes, which effectively guided and improved all employees' awareness of work safety and created an atmosphere where all employees emphasise safety. In 2021, Jiangsu Company awarded one first, one second, and one third prizes.



Shandong Company hosting work safety quizzes

## Occupational Health and Safety

employees received occupational health examinations **100%**

To fully protect the health and safety of employees, Sinoway complies with all relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. Sinoway also continuously improves the *Occupational Health Management System*, the *Labour Products and Health Care Products Management System*, the *Health Inspection System for Personnel Working in Limited Spaces*, and other internal policies. During the reporting period, there were no work-related injuries or loss of working days within the Group. 100% of employees received occupational health examinations.

In 2021, Jiangsu Company further revised the Labour Products Distribution Standard. The company regularly distributes labour protection products according to employees' usage and personal needs and promptly replaces and replenishes damaged labour protection products. According to the requirements of occupational health management, we also steadily carry out annual occupational hazard detection and employee physical examination and build occupational health files to provide employees with a safe workplace. By 2021 end, Shandong and Jiangsu Companies obtained the ISO 45001 occupational health and safety management system certification.



Certificates of the ISO 45001 occupational health and safety management system

### Jiangsu Company's Requirements on Occupational Health Management

Annual Detection of Occupational Health Factors

- Main detection subjects: dust, high temperature, poisonous and hazardous gas, and noise
- Detection sites: sites where occupational hazards concentrate in the workshop
- In 2021, the value of all occupational hazard factors within the company met the standard.

Maining Complete Occupational Health Files

- Mainly including:
- Files of the "three simultaneities" of occupational health for projects
  - Occupational health management files
  - Occupational health promotion and training files
  - Files of occupational disease hazard detection and its evaluation
  - Files of the employer's occupational health surveillance
  - Files of the employer's occupational health surveillance on individual employees

Physical Examination for Occupational Hazard Factors

- Physical examinations before taking the post, on the post, and before leaving the post
- In 2021, Jiangsu Company provided 160 individual physical examinations.

We also put effort in creating and promoting a corporate health and safety culture. In 2021, Jiangsu and Shandong Companies carried out a *Law on the Prevention and Control of Occupational Diseases* Promotion Week and training activities such as a session themed by "Occupational Hazards: Basic Knowledge of Pneumoconiosis", to continuously improve the health and safety awareness and occupational disease protection skills of employees at all levels.

### The Law on the Prevention and Control of Occupational Diseases Promotion Week

In 2021, Jiangsu Company carried out the Occupational Health Week 2021 for all employees. The company organised all employees to take special training on occupational health, and put up campaign posters and arranged promotion banners to effectively enhance employees' attention to occupational health protection. A total of 2 keynote presentations were carried out in this event, with an audience of 113 people.



The Law on the Prevention and Control of Occupational Diseases Promotion Week

### The "Occupational Hazards: Basic Knowledge of Pneumoconiosis" Training Session

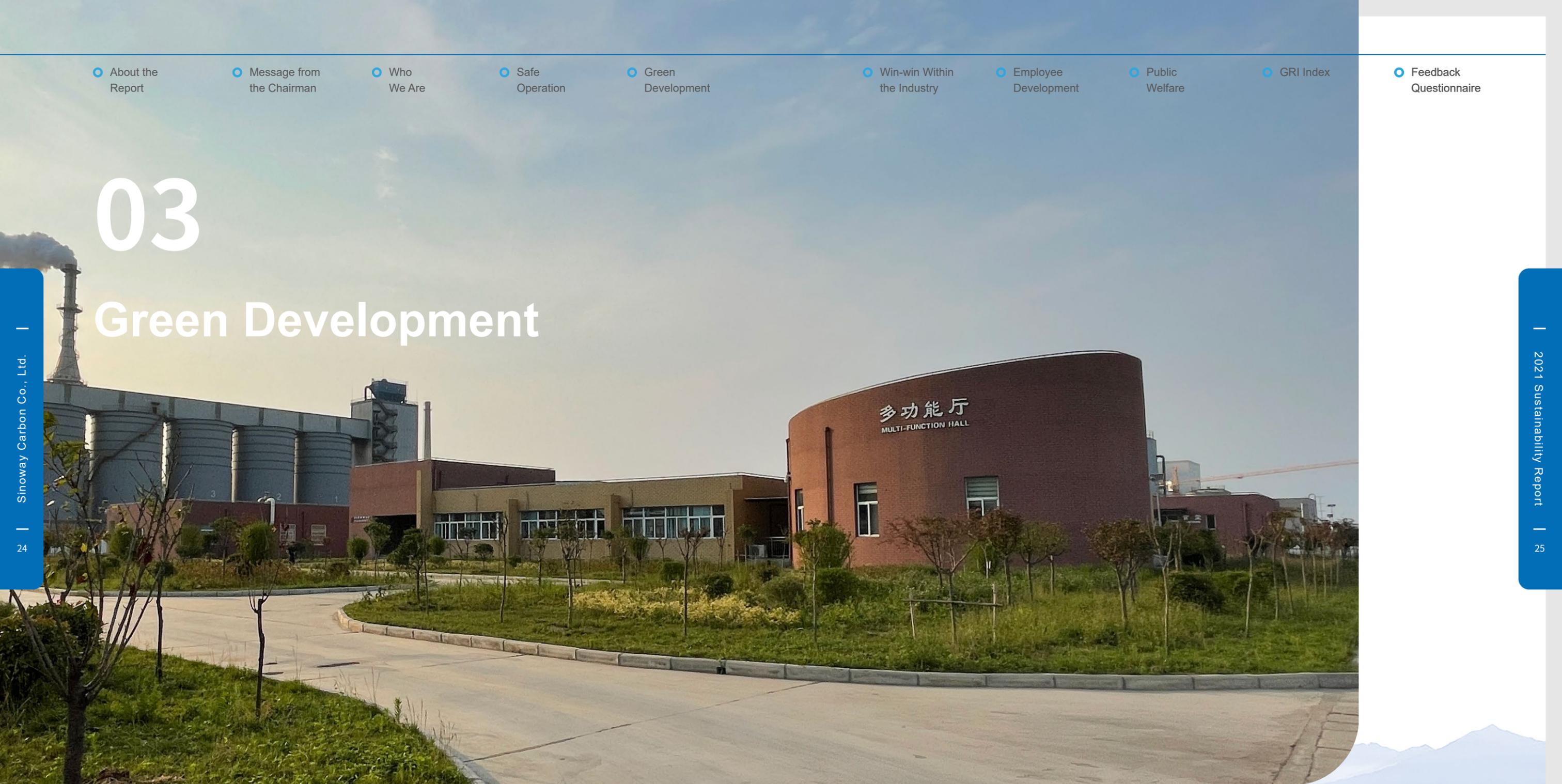
In April 2021, Shandong Company launched a training session themed by "Occupational Hazards: Basic Knowledge of Pneumoconiosis" for all employees of the calcination workshop. The session was mainly about the basic concepts, preventive measures, and personal protection of pneumoconiosis. It systematically taught employees about on-site occupational hazards and how to carry out occupational protection, so as to prevent and reduce occupational harm to the human body.



The "Occupational Hazards: Basic Knowledge of Pneumoconiosis" training session

# 03

## Green Development



Sinoway works to achieve the Group's environmentally friendly and low-carbon operations by implementing the state's green and low-carbon development strategy and continually improving the Group's environmental management system based on laws, regulations, and internal systems. We take precautions to reduce climate-related risks and work to create an environmentally friendly enterprise.



# Environment Management

We strictly abide by the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Noise Pollution Prevention and Control*, and laws and regulations on environmental protection of the places where we operate. Taking into account the status quo of its environmental protection work, the Group has formulated an *Environmental Protection Management System*, an *Environmental Protection Statistical Work Management System*, an *Environmental Protection File Management System*, an *Environmental Protection Facility Operation Management System*, an *Environmental Protection Reward and Penalty Management System*, and a *Management System for Environmental Protection Safety Inspection and Hazard Rectification*. These systems have formed a group-wide environment management system with systems and specifications as the core. In 2021, the Group invested a total of over RMB 37.19 million in environmental protection.

## Environmental Impact Assessment

- ▶ Before the construction of new projects and expansion projects, a qualified third party will be entrusted to carry out environmental impact assessment and analyse possible environmental impact in the whole life cycle of the project in accordance with the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Regulations on the Administration of Construction Project Environmental Protection*, and applicable laws and regulations.

## Environmental Monitoring

- ▶ An online monitoring system for pollutants has been installed.

## Environmental Emergency Management

- ▶ According to the Interim Measures for the Administration of Environmental Emergency Response Plans, the Measures for the Administration of the Filing of Environmental Emergency Response Plans of Enterprises and Public Institutions, and other applicable policies, environmental emergency response plans have been prepared and filed with the environmental protection authority.

## Environmental Audit

- ▶ Environmental ISO certification and audit are carried out on a regular basis. By the end of the reporting period, Shandong and Jiangsu Companies obtained the ISO 14001 environmental management system certification.

## Environmental Inspection

- ▶ Regular inspections are carried out. The safety and environmental protection department oversees the implementation of the Group's environmental protection management system and the implementation of environmental protection ledgers and records.

- ▶ The equipment department is required to regularly check the environmental protection performance of production equipment and process technology.

## Environmental Protection Training

- ▶ A variety of environmental protection training sessions are carried out to improve environmental protection managers' and operators' understanding of environmental protection regulations and their professional knowledge in this regard. During the reporting period, the Group held three special training sessions, with an attendance of 156 people and a pass rate of 100%.



Shandong Company's environmental protection management training

# Emission Control

Sinoway minimises all types of pollutants produced during production and operation processes and adheres to the principles of up-to-standard discharge and control from the source. Sulfur dioxide, nitrogen oxides, smoke, and particulates produced during the production process are the main components of the exhaust gas that the Group emits. To ensure up-to-standard emission of non-fugitive waste gas, we use SNCR denitrification, high-efficiency bag filters for dedusting, and an ammonia desulfurisation tower to desulfurize the gas. Additionally, we have strengthened the park's rate of greening by installing dust sheds, bag filters, gas collecting hoods, and airtight calcination workshops. We use physical means to strictly regulate fugitive waste, such as dust and particulate matter, helping the Group achieve its goal of clean production. In order to monitor gas pollutants in real-time, Jiangsu Company installed an online monitoring system for fugitive ammonia in the main exhaust pipe in 2021.

The majority of the Group's wastewater is domestic sewage. To ensure there is no wastewater discharge from the plant, we treat all wastewater with biologically integrated equipment and use the up-to-standard wastewater to water plants. The Shandong Company finished optimising the water treatment system in 2021.



Shandong Company's water treatment project

## Sinoway's Pollutants and Waste Discharge in 2021<sup>1</sup>

Pollutant Category	Indicator	Unit	Jiangsu Company	Shandong Company	Total Discharge of the Group
Waste gas	Total waste gas emissions	m <sup>3</sup>	62,091.99	335,010.19	397,102.18
	SO <sub>2</sub> emissions	tonne	41.09	56.39	97.48
	Nox emissions	tonne	70.26	190.17	260.43
	Soot emissions	tonne	4.94	7.74	12.68
	Intensity of waste gas emissions	m <sup>3</sup> /RMB 10,000 of revenue	0.87	2.40	1.88
GHG	Total GHG emissions	tonne of CO <sub>2</sub> e	12,579.31	29,146.63	41,725.94
	Scope 1 <sup>2</sup> : Direct greenhouse gas emissions	tonne of CO <sub>2</sub> e	241.06	61.00	302.06
	Scope 2 <sup>3</sup> : Indirect greenhouse gas emissions	tonne of CO <sub>2</sub> e	12,338.25	29,085.63	41,423.89
	Intensity of GHG emissions	tonne of CO <sub>2</sub> e / RMB 10,000 of revenue	0.18	0.21	0.20
Solid Waste	Total general solid waste generated	tonne	60.00	4,908.00	4968.00
	Intensity of general solid waste discharge	kg/RMB 10,000 of revenue	0.839	35.17	23.54
Hazardous Waste	Hazardous waste generated	tonne	1.755	1.647	3.40
	Intensity of hazardous waste discharge	kg/RMB 10,000 of revenue	0.025	0.012	0.016

<sup>1</sup>The calculation of greenhouse gas emissions is based on the Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises and the consumption of gasoline, diesel, liquefied petroleum gas and natural gas. The calculation of electricity consumption is based on the Guidelines for Accounting and Reporting Corporate Greenhouse Gas Emissions: Generation Facilities (2022 Revised Edition).

<sup>2</sup>Direct greenhouse gas emissions (Scope 1): mainly include the emissions from gasoline and diesel consumption of administrative purpose vehicles and transport vehicles and the emissions from the use of natural gas.

<sup>3</sup>Indirect greenhouse gas emissions (Scope 2): mainly include the emissions from purchased electricity and purchased heat.

## Resource Utilisation

Sinoway effectively manages resources like fossil energy, production materials, and freshwater by setting annual quantitative targets and other strategies in strict accordance with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations. Based on the actual production and operations of our subsidiaries, we implemented the following resource conservation projects in 2021:

Project Description	Benefit
<p><b>01</b> Shandong Company eliminated 14 outdated motor devices. The replacement motor operates more efficiently, with reduced line loss and input power.</p>	<p>Each motor (eliminated) saves <b>6,000</b> kWh on average every year, and the <b>14</b> motors save a total of <b>84,000</b> kWh per year.</p>
<p><b>02</b> Shandong Company completed the rainwater recycling project, replacing fresh water with recycled rainwater.</p>	<p>About <b>23,900</b> tonnes of water can be saved throughout the year.</p>
<p><b>03</b> Shandong Company renovated the flue and added a heat exchanger. All the steam generated by the heat exchanger is used for the deaerator for water treatment.</p>	<p>About <b>60,000</b> tonnes of steam consumption is saved throughout the year.</p>
<p><b>04</b> Shandong Company completed the replacement of solar street lamps. The lighting system operates intelligently. During the day, the solar cell module charges the battery pack; at night, the battery pack supplies power to the LED lamps.</p>	<p><b>13,140</b> kWh of electricity consumption is saved throughout the year.</p>
<p><b>05</b> The Group's subsidiaries carried out rust removal and anti-corrosion projects for factory equipment.</p>	<p>It effectively reduces the number of equipment maintenance, greatly prolongs the service life of the equipment, and reduces the waste of materials caused by leakage.</p>

Shandong Company has created a flue gas waste heat recovery system specifically for the carbon industry to reduce the effects of the high flue gas temperature in the production system on subsequent production processes. A secondary heat exchanger has been added behind the boiler in addition to the removal of common ash and an increase in the efficiency of the heat exchange process. It produces steam, which is heated steam for the deaerator. It reduces the need for steam and maximises the use of thermal energy. The system completely addresses the corrosion of the production waste heat on the heat exchange system, increases economic benefits while recovering production waste heat, and increases the output of the calciner.

Sinoway's Resource Consumption in 2021

Resource Type	Unit	Jiangsu Company	Shandong Company	Overall Consumption of the Group
Purchased electricity	kWh	15,055,973.94	30,417,580.00	45,473,553.94
Gasoline consumption	L	4,272.86	19,452.13	23,724.99
Diesel consumption	L	84,299.86	3,405.55	87,705.41
Natural gas consumption	standard m <sup>3</sup>	3,789.00	4,420.00	8,209.00
Comprehensive energy consumption	tonne of standard coal	1,962.54	3,769.09	5,731.64
Comprehensive energy consumption intensity	tonne of standard coal/RMB 10,000 of revenue	0.027	0.03	0.027
Total water consumption	tonne	589,165.4	621,879.00	1,211,044.40
Total water consumption intensity	tonne/RMB 10,000 of revenue	8.23	4.46	5.74
Recycled water consumption	tonne	35,040.00	40,000.00	75,040.00

## Addressing Climate Change

As climate change is aggravated, how to adapt to its impact becomes an urgent issue of concern for enterprises. Sinoway attaches a great attention to the topic of climate change. We have identified and examined the climate change risks that the Group may experience during its production and operation based on how it currently operates. The development of the Group's carbon neutral strategy is accelerated by Sinoway's proactive response to the state's carbon dioxide peaking and carbon neutrality strategy plan. We are committed to achieving the target of zero emissions across the Group in the coming years using offset mechanisms like carbon reduction projects, carbon sinks, and CCER (China Certified Emission Reductions). We have created a workable and feasible emission reduction plan.

Sinoway Climate Change Risk Identification

Risk Type	Risk Description	Impacts on Finance	Impact Duration	Response
Transition risks	<p><b>Policy and legal risk</b></p> <p>Enhanced responsibility for emission reporting: The regulatory authorities have organised greenhouse gas emission reporting, review, and carbon credit approval to aid in the development of the national carbon market. They have also issued corporate greenhouse gas emission reporting guidelines, such as the Guidelines for Corporate Greenhouse Gas Emission Reporting Review (for Trial). In the future, the Group might be required to conduct third-party reviews and report carbon emissions to regulators, which would raise management costs.</p> <p>Inclusion into the national carbon emissions trading market: In 2020, the Ministry of Ecology and Environment rolled out the Measures for the Administration of Carbon Emissions Trading (for Trial Implementation), according to which national carbon emission trading will be launched in 2021, and the target of carbon emission peaking in 2030 and carbon neutrality in 2060 was also proposed. With the development and maturity of the national carbon emission trading market, the Group may be included in the carbon emission trading market as an emission-controlled enterprise in the future. Suppose the carbon credit price gradually increases and the number of credits obtained by the Group gradually tightens. In that case, it may face higher emission costs in the future in meeting compliance requirements.</p>	<p>Increased operating costs</p>	<p>Mid-term</p>	<p>Requesting the safety and environmental protection department to actively monitor the update of national policies on climate change and carbon emissions trading and strengthen the Group's internal GHG management capabilities</p>
	<p><b>Technology risk</b></p> <p>Transformation to low-emission technologies: To achieve the national strategic goals of carbon emission peaking by 2030 and carbon neutrality by 2060, the Group must use low-carbon technologies and processes to control carbon emissions, as well as eliminate outdated processes and equipment, which may result in an increase in corporate compliance costs.</p>	<p>Increased cost of adopting/ deploying new practices and processes</p>	<p>Short- and mid-term</p>	<p>Developing a plan to phase out outdated old equipment and processes gradually and to iterate and update other equipment and processes in a timely manner</p> <p>Introducing advanced low-carbon production technologies and concepts and using new processes and technologies to improve the energy use efficiency</p>
Market risk	<p>Changes in customers' demand: Most of the Group's downstream customers are large international aluminium companies, which often place high sustainability requirements on their suppliers. The Group needs to improve its sustainability performance, including low carbon emissions continuously, to enhance its products' competitiveness and meet its downstream customers' needs.</p>	<p>Lower demand for goods and/ or services due to changes in customer preferences</p>	<p>Short- and mid-term</p>	<p>Conducting carbon print verification at stakeholders' request</p> <p>Proactively disclose data on the Group's GHG emissions and highlights of energy conservation and emission reduction</p> <p>Developing a carbon-neutral strategy and investigating ways to reduce and offset carbon emissions.</p>

Risk Type	Risk Description	Impacts on Finance	Impact Duration	Response
Physical risks	<b>Acute risk</b> Increasingly severe extreme weather: Typhoons, rainstorms, and hailstorms occur more frequently and intensely around the world as a result of climate change, posing a direct threat to businesses' financial assets and external facilities like warehouses and employees' lives and health.	Increased operating costs	Mid- and long-term	Improving the emergency system further and giving the subsidiaries' safety and environmental protection department the go-ahead to form a disaster emergency response team in order to maximise the effectiveness of extreme weather warnings and head-off issues before they arise.  For construction and expansion projects, consult professional EIA agencies early in the construction process for the extreme weather issue to avoid the environmental, economic, and physical risks caused by extreme weather during project construction and operation.
	<b>Chronic risk</b> The rising average temperature: The rising average temperature may cause more frequent heatwaves, which could increase operational risks for companies (such as high-temperature blackouts, faulty power supplies, fires, and higher energy usage).	Increased operating costs	Mid- and long-term	Requesting that the subsidiaries' safety and environmental protection departments take heatwave prevention and control measures to ensure the safe operation and maintenance of equipment and facilities; at the same time, instructing the trade union to take heatstroke prevention and cooling down measures, as well as provide employees with benefits such as heatwave allowances.

### Sinoway's spring tree planting campaign

In March 2021, as an active response to the "New Infrastructure" green development plan proposed by the National Development and Reform Commission and other departments, Sinoway launched the spring tree planting campaign to improve the vegetation coverage of the parks of the Group's subsidiaries and create beautiful and green parks for the Group. The whole staff of the Group participated in the campaign. More than 30,000 trees, flowers, and shrubs from the Group's centralised procurement, suppliers' donation, and individual employees' donation were planted outside the factory walls and in office areas, production areas, and project reserved areas. It has greatly enhanced the vegetation coverage of the Group's factories.



The tree planting campaign

### The "Forest Factory" mid- and long-term strategic plan

In 2021, Sinoway formulated a mid- and long-term strategic plan, the "Forest Factory", and established Sinoway Forest Resources (Beijing) Co., Ltd. (Sinoway Forest) in July. In provinces with severe desertification in China, the company practically supports national and regional desertification control by carrying out large-scale afforestation, and vigorously works for the Group's green transformation goals.

- Sinoway Forest intensified its efforts in scientific research and completed the seed ball production experiment by selecting suitable tree species, grass species, and humus-rich peat soil for the arid climate.
- Sinoway Forest actively promotes the industry-university-research cooperation. It signed a technology R&D agreement with Shaanxi University of Science and Technology to jointly carry out a barren mountain greening project. In the process of serving social and economic development, it has realised the coordinated development of the university and the enterprise, and effectively helped improve the ecological environment in Western China.



Sinoway Forest's experimental forest in Xinjiang



The seed ball developed by Sinoway Forest

# 04 Win-win Within the Industry



Sinoway strictly regulates product quality and continuously enhances product quality and production efficiency via system optimisation and equipment modernization. We improve resource utilisation in product R&D and the production process and employ R&D innovation to enhance the fundamental competitiveness of our products. We work with peer companies, suppliers, and other stakeholders to expand cooperation in more areas and generate greater value for the industry and society while at the same time continuously exploring customer needs and striving to ensure customer service experience and safety.



# Products of Value

Sinoway abides by the *Product Quality Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China*, and the *Standardisation Law of the People's Republic of China*. We are committed to the continuous improvement of the product quality management, which provides assurance for the effective sustainable development of the Group in the long term.

## // Quality Control

Sinoway has set up a Quality Control Department to ensure product quality and pursue product excellence. The Group has set a quality management process and a reward and punishment mechanism in the *Quality Control Assessment Management Measures* for the staff at both workshops and laboratories. In order to continuously improve product testing quality and product quality, the Group has also formulated the Process Quality Control Management System, which clearly sets the management process and means for raw material quality, production process, product testing, and the weighbridge room. The Group has also developed management assessment measures and reward and punishment measures to build a sense of responsibility for quality among employees.

In 2021, we improved five important factors, namely, the dust collection system of the calcined finished product hopper, the vibrating feeder in the calcination workshop, the trolley track on the top of the calcination furnace, the dust collection at the discharge port of the calciner, and the flue gas treatment equipment. These modifications have effectively optimised the production path of calcined products and reduced energy consumption and noise. In addition, they have improved product quality while reducing dust in the workshop, promoting product quality and production efficiency.

### ✂ Improvement of the dust collection system of the calcined finished product hopper

After the modification of the reversible belt on the top of the bin, the dust collector of the dust collection system of the calcined finished product hopper sees a reduced workload, and the dust in the collector was easy to fall into the product, which affected product quality. In response to this problem, Jiangsu Company put forward two ideas for improvement. The first was to deactivate the two dust collectors on the top of the west bin, and incorporate the dust collection pipe into the suction port of the dust collector on the top of the finished product piling unit. Second, the blanking pipes of the two dust collectors on the top of the finished product piling unit retained the original path, and an additional dust collector was added directly to the finished product long bucket to reduce powder concentration.

### ✂ Improvement of the vibrating feeder in the calcination workshop

Jiangsu Company improved the vibrating feeder in the calcining workshop, focusing on high vibration noise, defective installation position, uneven vibration, and deviation and leakage of materials during feeding by the belt on the top of the furnace. The vibrating feeder under the pre-calcining bin was removed and replaced with a belt. A discharge port was installed in the centre of the belt on the top of the furnace. It solves the production problem of belt deviation during feeding.

### ✂ Improvement of the trolley track on the top of the calcination furnace

The belt and the cloth trolley on the top of the calcination furnace used to share a belt rack. After the design change, the belt rack was lifted, and the material specification was smaller, causing reduced stability. The running stability of the belt and the trolley deteriorated, and the belt was easy to deviate. Jiangsu Company solved this problem by reinforcing the belt rack and adding a track to separate the belt from the track of the cloth trolley.

### ✂ Improvement of the dust collection at the discharge port of the calciner

To solve the problem of dust in the workshop caused by insufficient dust collection at the discharge and dust collection port of the calciner, Jiangsu Company rearranged the main dust collection pipes of four calciners. The company also added a dust collection port above the pipe joint of the discharge port of the discharge machine, and installed connecting pipes of appropriate size according to the actual dust collection volume.

### ✂ Improvement of the flue gas treatment equipment

The desulfurization process of Shandong Company used to use bags for dust removal. The bag filter of the flue gas treatment equipment needed manual unloading of 26 tonnes of ash per day. Ash unloading caused environmental pollution and environmental risks, and increased the cost of tonne bags and waste of labour. In October 2021, the company invested about RMB 600,000 to build an automatic ash discharge system. When the system was in operation, it saved more than RMB 200,000 of tonne bag cost per year and increased the stability of the negative pressure required by the entire process system, further ensuring product quality.



## // Laboratory Management

To enhance the laboratory management system, Sinoway has formulated *Laboratory Management Measures*, which clearly define the authority, content and means, and requirements for laboratory safety management, and provide details about operation processes such as storage of chemical reagents, disposal of waste, and equipment use.

The Group has also formulated *Laboratory Operating Procedures*, which define the laboratory's quality responsibilities, authority, and quality objectives, and describe the laboratory quality system and testing process. The Group also regularly updates relevant regulations in accordance with international, national, and industry standards, and strictly controls the standardisation and authority of laboratories to better serve production and business activities.

After the field assessment by China National Accreditation Service for Conformity Assessment (CNAS), Sinoway Laboratory obtained the CNAS accreditation certificate. The CNAS accreditation certificate provides strong technical support for the Group's industrial development. The Group will lead its peers to continue to innovate in testing technology, and provide more accurate and comprehensive testing technical services for product R&D, raw material input, quality control, and finished product delivery. In addition, in 2021, Sinoway Laboratory participated in the Verification Programme for Petroleum and Petroleum Products Proficiency organised by the Technology Centre of Qingdao Customs and obtained the "Excellent Laboratory of Verification" certificate.



Sinoway Laboratory is comprised of two laboratories, Shandong Laboratory and Jiangsu Laboratory. Sinoway Laboratory has more than 80 sets of instruments and equipment, worth over RMB 10 million, of which the key equipment is of international authoritative brands. At the beginning of its construction and operation, Shandong Laboratory received guidance from AJE (the US) and R&D (Swiss). It is now a CNAS accredited laboratory. The two laboratories carry daily testing and testing-related R&D experiments. They participated in the proficiency testing in petroleum coke for many times and achieved excellent results. Their testing capabilities are at the forefront of the industry.

## // Utilisation of By-products

Sinoway adheres to the circular development philosophy. For efficient utilisation of resources and higher production efficiency, the Group sells reusable by-products such as dust collection powder and ammonium sulfate to downstream enterprises. The dust collection powder is used as electrodes in smelters and ferrosilicon plants, and the ammonium sulfate is used as a raw material for fertilisers in agriculture, animal husbandry, and forestry. In 2021, the sales volume of the Group's dust collection powder was 5,547 tonnes, an increase of 19.70% compared with 2020; that of ammonia sulfate was 16,000 tonnes, an increase of 120.79%.

The production of Sinoway's tank calciner needs no external heat sources but relies on the volatile matter of petroleum coke, which provides sustainable fuel for the high-temperature calcination, thus ensuring the normal production of the calciner. At the same time, the heat pipe boiler effectively utilises the waste heat of flue gas generated during the calcination process to guarantee negative pressure for the calciner, with a steam production ratio up to 1:1.3. Except for a very small amount for self-use, more than 98% of the steam products produced by the waste heat boiler are provided as clean energy for more than 20 producers in the Weifang Binhai Industrial Park. In 2021, the Group's steam production capacity was 400,798 tonnes, which effectively reduced energy consumption and achieved a circular economy effect while generating good economic benefits.

We take the recycling transformation of the park, such as the reuse of steam energy, as an important way to promote the transformation of the park's economic development. By adjusting the economic structure, we enhance our comprehensive competitiveness and realise sustainability. Sinoway continuously optimises the spatial layout and industrial structure of enterprises in the park and promotes the extension and recycling of the industrial chain. The Group realises the interconnection between enterprises in the park, the recycling of materials, the cascade utilisation of energy, and the centralised treatment of pollutants. That way, the resource output and land output of the park are increased, pollutant emissions are reduced, and the park has become a circular economy demonstration site that conforms to sustainability principles.

## // R&D and Innovation

Sinoway is confident that R&D and innovation can maintain the Group's vitality. By virtue of its core technological advantages, the Group will generate substantial returns for shareholders and investors, increase the added value of its technologies and products for customers, and emerge victorious in market competition.

Sinoway adheres to the Scientific Outlook on Development and bases its development on R&D and personnel training. Our R&D centre employs a highly educated and experienced R&D team with a strong ability to innovate, who provide an inexhaustible drive to improve the Group's technological innovation capability and our products' market competitiveness. The Group has developed an R&D *Project Management System* in order to implement the *Interim Measures for the Administration of National Hi-tech Industry Development Projects* and the Group's development strategy, conduct effective R&D and innovation, and implement the Group's policy to invigorate the enterprise with technology.

The Group collaborates with Shaanxi University of Science and Technology and uses its academic prowess to its advantage. The two parties participate jointly in high-temperature corrosion-resistance tests in order to observe the relationship between microstructure and properties, comprehend the mechanical and thermodynamic properties of samples doped with various binders and stabilisers, and develop a production model for refractory bricks. On the basis of mastery of the proportioning composition and sintering process, the Group's working conditions-compliant sample bricks are being developed. It is the Group's most significant R&D project pertaining to high-temperature and high-sulfur calcined coke technology. In order to achieve this objective, the Group has established a strategic platform for talent and provided financial support to rapidly optimise products and actively develop new technology products that are market-leading and adaptable.



In 2021, the sales volume of the Group's dust collection powder was **5,547** tonnes  
an increase of **19.70%** compared with 2020  
that of ammonia sulfate was **16,000** tonnes  
an increase of **120.79%** compared with 2020

## // Technology Protection

The Group has developed a Non-Patented Technology Know-how System in accordance with *the Anti-Unfair Competition Law of the People's Republic of China and the Regulations on Science and Technology Know-how issued* by the State Scientific and Technological Commission in order to resolutely protect its legitimate rights and interests and avoid infringing on the intellectual property rights of others. Additionally, the Group has established a Technical Expertise Working Group led by the Technical Director. The working group consists of the director of the R&D centre, the financial manager, the production manager, the QEHS manager, and the assistant to the president. Document and filing personnel are responsible for managing technical documents on a daily basis. Thus, a technology protection working group with clear responsibilities and effective collaboration has been established to protect the Group's research, development, and innovation.

Sinoway is committed to enhancing product quality and competitiveness through process innovation, technological research and development, and production. Sinoway received 3 invention patents and 17 utility model patents in 2021 and invested over RMB 3.3871 million in R&D.

2021

- Sinoway received **3** invention patents
- 17** utility model patents
- invested over RMB **3.3871** million in R&D.

## Customer Service

Sinoway bases all of its work on the needs of its clients and is consistently product-oriented. We adhere to all relevant laws and regulations and uphold the principle of prompt, thorough, and kind service. We actively address customer needs, enhance the customer experience across all facets and from a variety of angles, and uphold the momentum of the Group's high-quality development. The Group had 14 customers in total during the reporting period, including 6 domestic clients and 8 clients from Hong Kong, Macao, Taiwan, and other countries.

We have established sound procedures and management measures for legal risk prevention and control, contracts, business sales, logistics carriers, and material suppliers in order to provide institutional guarantees for day-to-day operations. Likewise, the process quality control unit and the commercial company, as the quality control team, visit product sales targets on a regular basis in accordance with a sound mechanism for handling customer complaints and disputes. The management of customer complaints and disputes is standardised and systematic. Continuously identifying and resolving the Group's business process issues enhances the Group's external service.

### Sinoway's Customer Complaint Handling Process

Receiving the complaint	<ul style="list-style-type: none"> <li>Information such as the customer's name, contact information, and brief of the complaint will be recorded in a timely manner and reported to the quality control team.</li> </ul>
Investigation and analysis for the complaint	<ul style="list-style-type: none"> <li>The quality control team will investigate and analyse the cause of the incident based on the description of the customer complaint, and determine whether it falls in the responsibility of the Group.</li> <li>If it is not the responsibility of the Group, it is necessary to communicate with the customer, explain and analyse the cause of the incident, obtain the customer's approval, and help the customer solve the problem.</li> <li>If the incident is caused by the Group, it will be transferred to the responsible department for analysis and handling according to the type of problem.</li> <li>According to the responsibility determination and relevant systems, the responsible department will be assigned responsibilities and the handling progress will be tracked.</li> </ul>
Consultation after the investigation	<ul style="list-style-type: none"> <li>According to the cause of the incident and responsibility analysis, the Group will communicate and negotiate with the customer, and propose countermeasures to minimise the loss of the Group.</li> </ul>
Conclusion and reflection	<ul style="list-style-type: none"> <li>The results of handling the customer complaint will be analysed and summarised, and recorded and archived.</li> </ul>

## Responsible Supply

Sinoway strictly abides by the *Bidding Law of the People's Republic of China* and relevant laws and regulations. We have established a supplier management system that we are constantly improving. We also actively host supplier exchange events in order to create an efficient and environmentally friendly industrial chain. During the reporting period, the Group had 65 raw material suppliers, of which 10 were ISO 9000 and ISO 14000 certified, and 8 were ISO 45001 certified.

According to internal policies such as the *Contractor Management System*, the *Construction Project Safety Management Agreement*, and the *Acceptance Management Measures*, the Group has established an internal supplier management system and continuously improved it. The Group conducts supplier admission, evaluation, and communication at multiple levels and from multiple vantage points in order to establish a competitive supply chain.

In the supplier admission process, we strictly screen and review suppliers' basic conditions and professional qualifications, focusing on quality, speed, safety, and after-sales. In accordance with the Group's commitment to sustainability, we also require our suppliers to sign the "Letter of Responsibility for Integrity in Win-Win Cooperation" outlining their commitment to environmental procurement, green production, and equipment upkeep. This allows us to avoid ESG-related risks as much as possible.

During the reporting period, the Group had **65** raw material suppliers, of which **10** were ISO 9000 and ISO 14000 certified, and **8** were ISO 45001 certified.

### Sinoway's Supplier Admission Standards

Basic conditions	<ul style="list-style-type: none"> <li>Candidates must hold certificates applicable to the industry, such as the work safety license, the license for opening enterprises' bank accounts, and the business license.</li> <li>Candidates' feedback to the ecological environment, social welfare, and surrounding economy must be considered.</li> <li>The influence and the number of on-the-job employees of candidates must be considered comprehensively.</li> <li>Candidates must provide evidence that they meet the standards required for practice.</li> </ul>
Environmentally-friendly procurement	<ul style="list-style-type: none"> <li>Transportation vehicles must comply with the China V emission standard, and all transportation information must be recorded and entered into the system.</li> </ul>
Production	<ul style="list-style-type: none"> <li>Suppliers of ammonia water, fly ash, and dust filter bags must meet the indicators of environmentally-friendly flue gas emission.</li> <li>Ammonia vehicles must be fire- and explosion-proof.</li> <li>Environmental protection equipment must be regularly inspected and maintained to ensure its operation.</li> </ul>
Safety	<ul style="list-style-type: none"> <li>Construction entities working in the factory must sign a safety management agreement and take safety training for working in the factory.</li> <li>Construction workers must undergo a health examination and have insurance.</li> </ul>

In terms of supplier assessment, the Group conducts qualification accreditation for its suppliers on a regular basis in the areas of qualification level, delivery assurance capability, quality assurance capability, cost assurance capability, bad records, Group support, and credibility. Based on the results, the Group will assign ratings to suppliers. Suppliers with a score of less than 60 will be classified as unqualified and eliminated.

The Group conducted two audits, evaluations, or screenings of its suppliers in 2021, taking into consideration the suppliers' company qualification, material quality, cost, credibility, strength, risk, professional perspective, conscience, and altruism. The screening success rate was 40.2%.

The screening success rate was **40.2%**

## // Interaction with Suppliers

In the course of improving the quality of its products and services, the Group also actively shares relevant experience with suppliers and continues to help suppliers improve product and technical capabilities to achieve common growth with suppliers. In 2021, we hosted a total of 6 online interaction activities with our suppliers.

## External Cooperation

Sinoway actively hosts and participates in industry cooperation and exchange activities, leveraging its extensive experience. The Group continues to monitor industry dynamics, investigate new business opportunities, and collaborate with companies on all sides to advance the entire industry while maintaining long-term, cooperative relationships with its competitors.

### Industry Interaction Events Sinoway Attended in 2021

#### Online Petroleum Coke and Carbon Industry Conference

As the main sponsor, the Group attended the online petroleum coke and carbon industry conference held by AZ CHINA, where it had friendly exchange with overseas customers and maintained close contact with customers.

#### Annual Industry Exchange Meeting

As the vice chairman, the Group attended the annual exchange meeting held by the China Nonferrous Metals Industry Association and the Aluminum Carbon Sub-Association to learn the policy trends of the domestic aluminum carbon industry and discover new business opportunities.

## // Industry-university-research Cooperation

Under the philosophy of green development, the Group advances industry-university-research cooperation projects. In the course of serving social and economic development, we collaborate with universities in the hope of establishing long-term industry-university-research cooperation with complementary advantages and shared accomplishments so as to realise the coordinated development of universities and businesses.

### Sinoway Forest and Shaanxi University of Science and Technology's afforestation research project

On 13 to 15 December, 2021, Sinoway Forest and Shaanxi University of Science and Technology signed a cooperation project for greening barren hills. The two sides had friendly and in-depth exchanges on project development goals and tasks, cooperation models, and technology development. The project was designed to improve the quality of the ecological environment and attracted great attention and strong support from university executives and senior management of the Group.



Agreement signing of the project for greening barren hills

# 05

## Employee Development



Sinoway always takes a people-oriented approach to employment. We regard employees as the most valuable asset of the Group. We are committed to creating a diverse and equal employment environment, a clear career development path, and an industry-competitive employee remuneration and benefits system. We give them meticulous care to achieve common development.



# Employee Rights and Interests

Sinoway attaches great importance to guarding the basic rights and interests of employees. We are willing to fully listen to employees' wishes and meet their reasonable demands for equal employment, remuneration, and benefits. That way, we will build a harmonious and warm workplace and continue to enhance employees' sense of identity and belonging to the Group.

## // Equal Employment

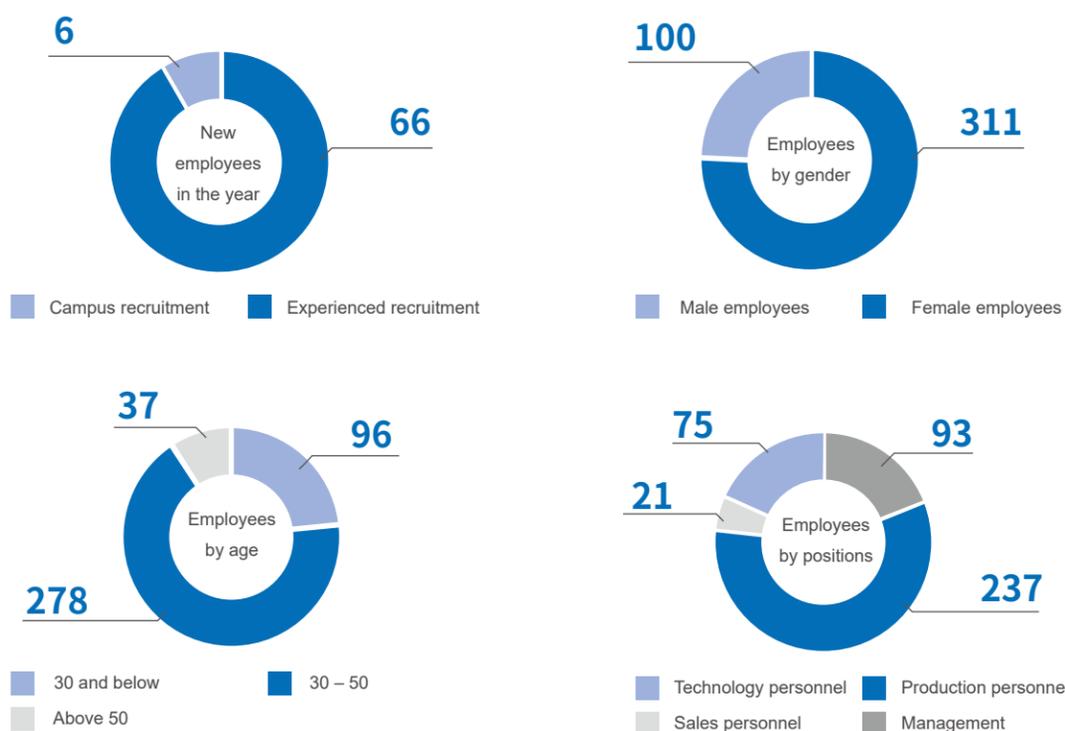
The Group adheres to the diversity and equality employment philosophy. In accordance with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other applicable laws and regulations, we have established and continuously improved an internal Personnel Management System to regulate the employment, attendance, vacation, and overtime of employees.

We employ social recruitment channels (like Zhaopin, local talent networks, QLRC.com, BOSS, and 58.com), universities, and the Group's internal talent pool to fill positions based on the development needs of the Group and local talent policy. We insist on giving each employee equal employment and professional growth opportunities during this process, and we welcome team members with talents from a variety of backgrounds. We vehemently reject any type of prejudice and unfair competition based on factors like gender, age, ethnicity, region, and religion. The Group employed 411 people on the Chinese mainland as a whole during the reporting period, and its overall turnover was 19%. Here are the specifics:

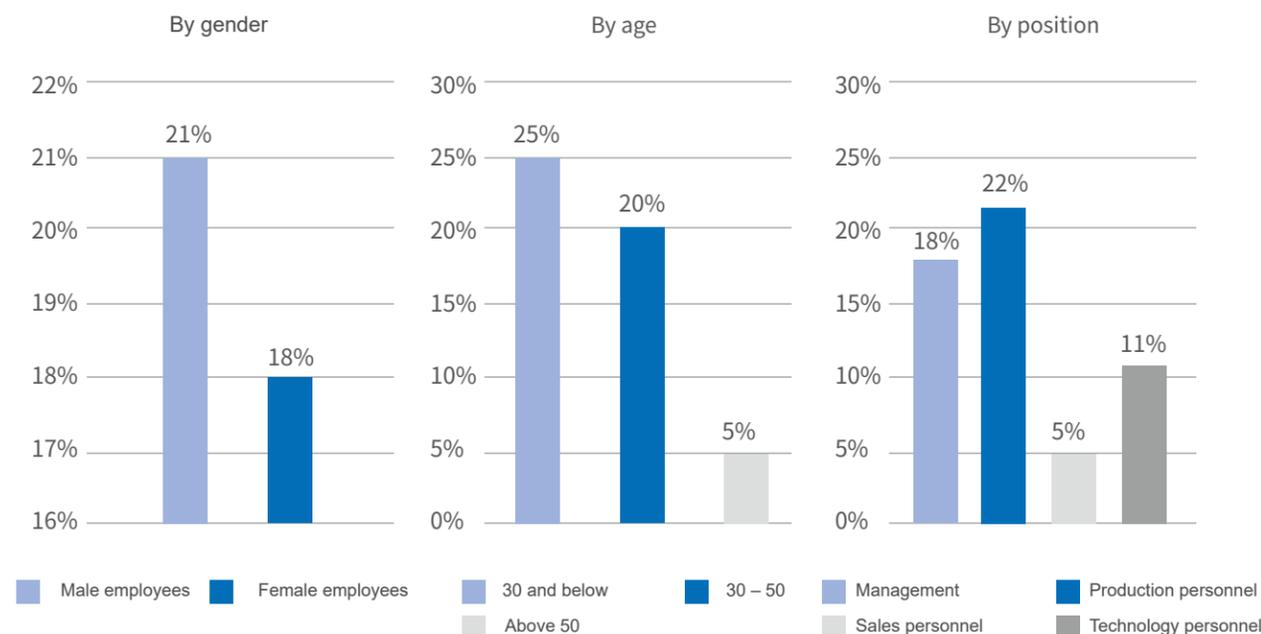


The Group employed **411** people on the Chinese mainland as a whole during the reporting period, and its overall turnover was **19%**

Sinoway's Employees by Different Categories in 2021



Sinoway's Employee Turnover by Different Categories in 2021



We strictly abide by the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of Using Child Labour*, and the *Universal Declaration of Human Rights*. We rigorously and thoroughly review and record employee identity information when entering it in order to completely eradicate the use of child labour, forced labour, and other forms of illegitimate labour. Any verified violation will be dealt with severely in accordance with the internal policies of the Group.

## // Remuneration and Benefits

The Group is convinced that its employees are essential to its survival, development, and growth. We adhere to applicable laws and regulations, as well as the *Comprehensive Management System*, and insist on constructing a sound and industry-competitive remuneration and benefits system to ensure that all employees can enjoy statutory and non-statutory benefits in accordance with the actual situation of the Group and share in its development results. During the reporting period, 99.38 percent of employees were covered by social insurance.

### Mandatory benefits

- Endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund
- Statutory leave: marriage leave, breastfeeding leave, paternity leave for male employees, bereavement leave, sick leave, annual leave, etc.
- Allowances: heat allowance in summer and festival allowance

### Non-mandatory benefits

- Performance bonuses: monthly operating profit bonus and the Reasonable Suggestion Award
- Employee care: funeral allowance, benefit for the 8th of March International Women's Day, birthday gifts, and physical examinations for employees
- Food: staff meals
- Housing: free dormitories for employees moving from other cities
- Travel: free shuttle buses

## // Democratic Management

A company's soul is its employees. The Group always listens to employee voices and works hard to ensure that employees have full rights in group governance and that corporate democratic management is realised. We collect employees' demands from all angles and provide timely feedback through online and offline communication channels such as "Voice of Heart" and suggestion boxes. We close the gap between management and employees and encourage employees to actively communicate with management, offering advice and suggestions for the Group's development.

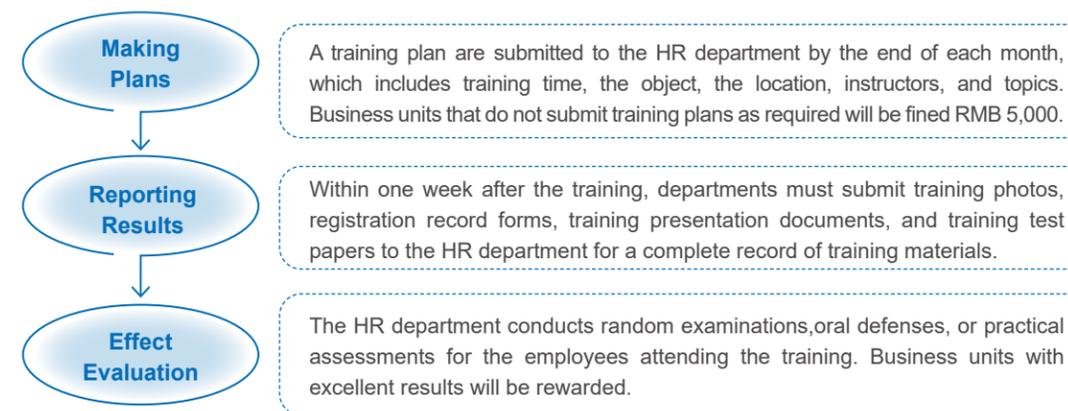
In 2021, we conducted an employee satisfaction survey in the Group's cafeteria, focusing on food taste, service staff attitude, dining time, dining environment, and tableware disinfection. We improved the Group's cafeteria's fruit supply and tableware hygiene based on the survey results.

## Career Development of Employees

Sinoway upholds the idea of "discovering, training, respecting, and developing talents." We have developed a scientific training, promotion, and incentive mechanism in accordance with the *Implementation Measures for Training Management of Group Companies* and other internal systems to continuously improve the general quality of talents and give employees a platform to realise their own self-fulfilment.

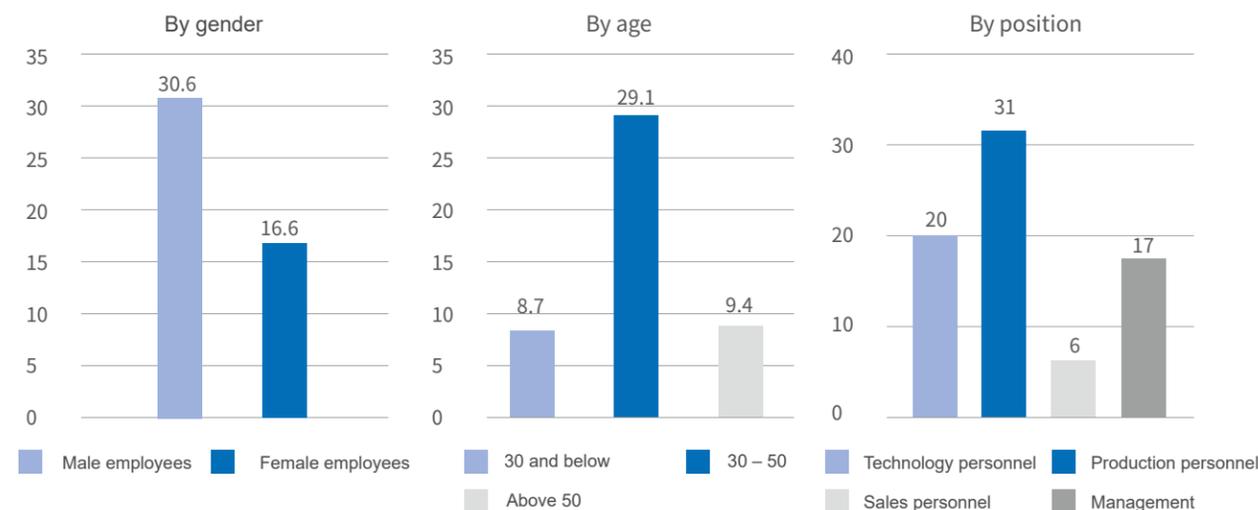
We have formulated and continuously improved internal training management measures for the Group. We steadily progress the monthly training plan and evaluation of its effectiveness to continuously enhance our employees' overall quality and improve their performance and organisational efficacy. On this basis, we meet the Group's sustainability requirements and train higher-level talent.

### Sinoway's Employee Training Process



During the reporting period, based on the needs of employees and relevant training plans, the Group launched training programmes on chairman performance, basics of personnel, social security, and housing provident funds, and other topics for employees of different ranks, including new employees and senior executives. The training coverage was **100%**, and the average training time for employees was **40.8** hours. The details are as follows:

### Average Training Hours of Sinoway's Employees by Different Categories in 2021





Training on basics of personnel, social security, and housing provident funds

## Caring for Employees

Sinoway prioritises employee care and is dedicated to creating a harmonious and diligent workplace for employees. We hold a variety of cultural and sporting events, as well as sending comforts, for employees to relax their body and mind, as well as to convey the Group's concern and aspiration for common development to employees so that they will pursue further advancement.

### // COVID-19 Prevention and Control

In operation, the Group makes every effort to protect the health and safety of employees and customers. In 2021, in the face of the sudden COVID-19 pandemic, the Group developed an internal *Emergency Plan for Pandemic Prevention and Control of Infectious Diseases* in accordance with the *Law of the People's Republic of China on the Prevention and Treatment of Infectious Diseases*, the *Measures for the Administration of Information Reporting on Monitoring Public Health Emergencies and Epidemic Situation of Infectious Diseases*, and other relevant laws and regulations, to regulate personnel management, vehicle management, and pandemic prevention and control measures. This move ensures the safety of the whole product sale process and is responsible for employees and customers.

#### Sinoway's Emergency Pandemic Prevention and Control Measures in 2021

 <p><b>Prevention and Early Warning</b></p>	<p>The safety and environmental protection department must maintain close contact with the government's emergency centre to receive early warning and forecast of the pandemic and any confirmed cases among the Group's employees, and make arrangements for pandemic prevention and control.</p>
	<p>Once receiving pandemic warning and forecast, the safety and environmental protection department must report to the command in time and communicate the forecast information and group arrangements to each department, who shall notify every employee.</p>
	<p>Once a person infected is found, it must be reported immediately. The content of the report mainly includes the time, the place, the pandemic situation, number of people infected, handling and results.</p>
 <p><b>Daily Prevention and Control</b></p>	<p>The Group's emergency command must inform every employee of the latest pandemic situation and prevention guidelines every day, so that employees can strengthen their self-protection.</p>
	<p>A full-coverage investigation of enterprise personnel should be carried out, and a detailed and classified enterprise employee investigation list should be established and dynamically updated.</p>
	<p>Group access and personnel movement should be strictly approved and managed.</p>
	<p>Pandemic prevention and control measures for business trips should be strictly implemented. The requirements for returning to work after traveling to medium- and high-risk areas should be implemented.</p>
	<p>Pandemic prevention and control supplies such as medical masks, hand sanitizer (soap), disinfectant, and thermometers are adequately prepared according to the size of the Group and the number of employees, and are regularly distributed to employees.</p>
	<p>A safe dining environment should be ensured. Employees are divided into groups to dine at different time and seated separately and should bring their own utensils.</p>
	<p>Ventilation and disinfection are emphasised, and daily ventilation should be at least 30 minutes. The concentrated areas of offices and workshops should be cleaned by spraying alcohol at least twice a day.</p>

#### Training on Our Way of Business

On 14 July, 2021, Liu Tao, chairman of the group, hosted a special training on "Our Way of Business" for managers at all levels and some front-line personnel at the Weifang branch. The training was designed to emphasise the values, career outlook, and outlook on life in the Group's culture, help employees accept and understand the core content of "Our Way of Business", and help them achieve breakthroughs in personal development.



Training on Our Way of Business

We place a high value on our employees' professional growth and are dedicated to creating fair and equitable career development and promotion paths for them that are in line with the realities of their current positions. A perfect platform will also be created, based on a reliable assessment and scoring system, for all types of talents to realise their potential. The Group conducted assessments for staff members in each workshop in 2021 in accordance with the policy of allocating responsibilities to each post in each workshop. These assessments covered safety and environmental protection, technology, and personnel. Employees were graded by the Group based on the evaluation, and those who performed above expectations received monthly operating bonuses.

Additionally, the Group has set up a "Reasonable Suggestion Award" and a "Special Contribution Award". The two awards are incorporated into the Group's general policies and procedures to motivate staff to continuously advance and develop alongside the Group. The Group gave out RMB 270,000 in "Reasonable Suggestion Award" bonuses during the reporting period. Jiangsu Company gave out a total of RMB 200,000 as a bonus for observing production limits and protecting the environment.

### Emergency Measures

Upon the receipt of a pandemic report, the infected persons will be isolated in time, and the pandemic emergency plan of the Group will be activated.

Emergency treatment methods will be selected according to the occasion where the infected person shows symptoms.

Employees as confirmed or suspected cases will be tracked and managed, including screening their close contacts, arranging home or centralized isolation and medical observation, and taking body temperature at least twice a day.

Once a case is confirmed, the district disease control centre will be contacted in time, who will send medics and vehicles to the Group to transport the infected person to their place for treatment.

When the pandemic is effectively controlled, the emergency response to the pandemic will be terminated.

After the outbreak is over, the Emergency Response Management Office must collect and collate emergency response records, plans and documents. They shall also organise departments to summarise and evaluate the emergency response process and emergency response assurance and put forward suggestions for improvement, and submit the evaluation summary to the superior competent department.

### Termination of Emergency

## Employee Benefits and Care

The Group stays true to its original aspiration of "respecting talents", puts effort in closing the distance between employees, and achieves a work-life balance for employees. The Group and Shandong and Jiangsu Companies have set up specialised staff recreation rooms. During the reporting period, the Group held various cultural and sports activities such as giving festival presents, employee birthday parties, and fun sports meetings, which continuously increased employees' sense of happiness and belonging.

### Chinese New Year gifts

On 2 February, 2021, the Group and Shandong Company distributed Chinese New Year gift packs to all employees, conveying the executives' care, concern, and New Year wishes for each employee.



Distribution of Chinese New Year gifts

### Labour Day comforts

On 1 May, 2021, the International Labour Day, Jiangsu Company sent comforts and holiday blessings to the front-line employees who stayed in the workshop to thank them for their efforts for the company's development.



Labour Day comforts

### Quarterly employees' birthday parties

In 2021, the Group held employees' collective birthday parties for the second and third quarters in April and August, sending the sincerest birthday wishes to employees and letting them relax with laughter.



Employees' collective birthday parties for the second and third quarters

### Fun Sports Meeting

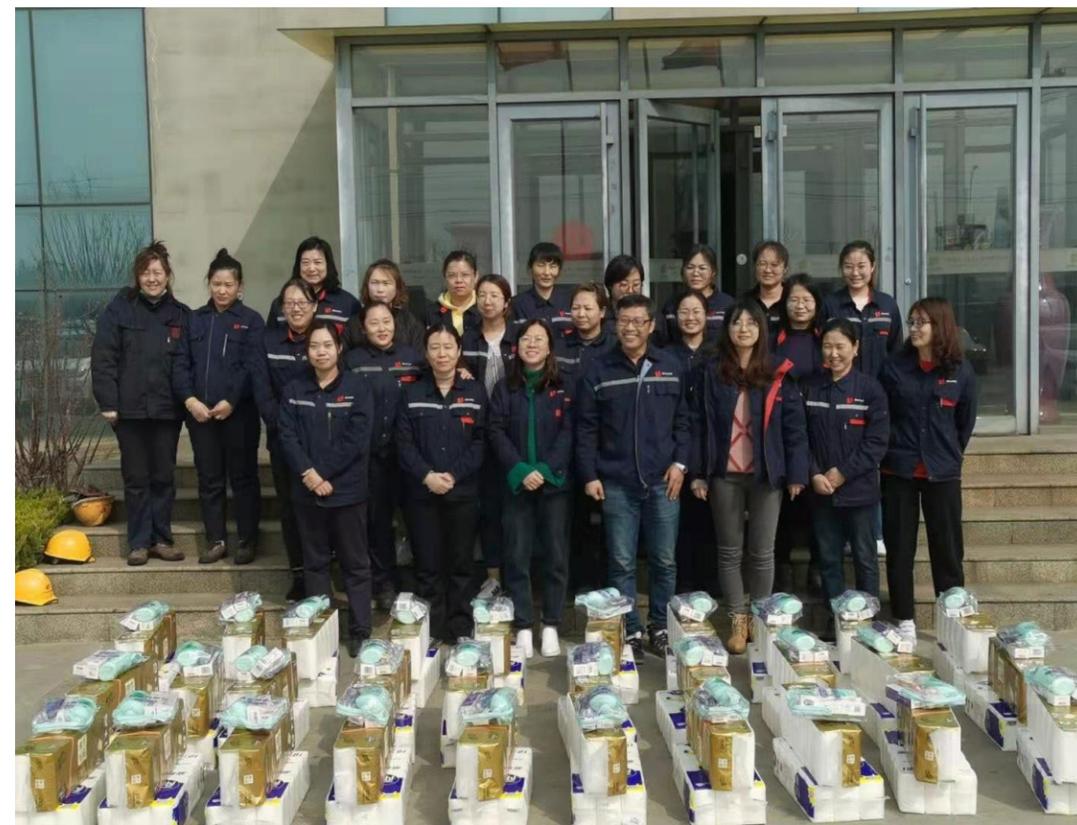
On 4 November, 2021, the Group held the first Fun Sports Meeting for employees, including eight events, namely tug-of-war, stepping on balloons, kangaroo jumping relay, shuttlecock, table tennis, one-legged train running, arm wrestling, and three-legged race. The meeting enhanced the cohesion of the staff and created a healthy, progressive, united, and harmonious atmosphere for all staff.



Group photos of the first Fun Sports Meeting

### Women's Day celebration

On 8 March, 2021, the Group's trade union hosted the Sinoway Women's Day celebration. On behalf of the Group, the chairman of the Group's trade union expressed festival wishes to front-line female employees. In the future, the Group's trade union will continue to strengthen the guidance on the work of female employees, work to create a favourable workplace for female employees, and give them more care and support.



Women's Day celebration

In the practice of employee care, the Group stresses care for female employees. We resolutely safeguard the basic rights and interests of female employees. We have set up maternity lounges in the Group's office building, and regularly carry out cultural, sports, and festival events closely related to female employees, to make them feel at home.



# 06

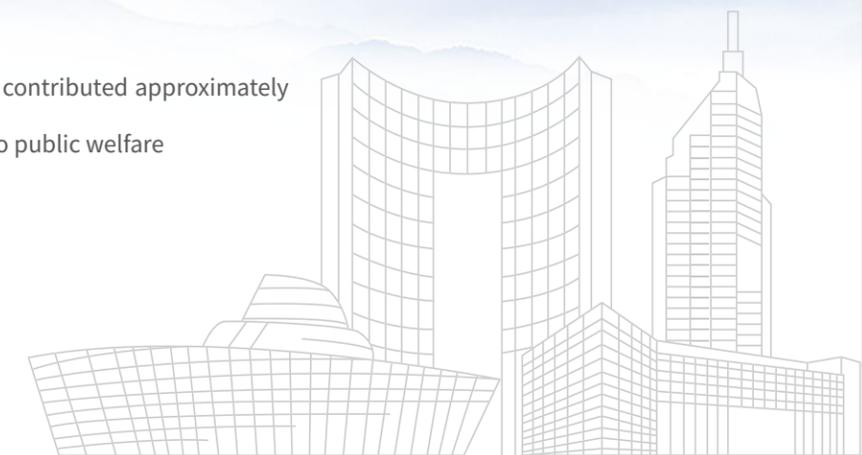
## Public Welfare



Sinoway's business philosophy is "people-orientation, integrity, pioneering and enterprise, and giving back to the society". While steadily promoting economic benefits, we fully leverage our industry advantages and make consistent efforts in combating the COVID-19 pandemic, rural revitalisation, public welfare, and volunteerism, which are widely acknowledged by all sectors of society. From 2016 to 2021, the Group contributed approximately RMB 6,437 thousand to public welfare.



From 2016 to 2021, the Group contributed approximately RMB **6,437** thousand to public welfare



# Rural Revitalisation

The Group focuses on rural revitalisation projects, integrates social resources actively, and is committed to developing brand projects and campaigns with a local flavour. During the reporting period, we collaborated with Yuyuan Village to carry out a village-enterprise joint construction project, which provided new ideas for expanding new rural construction and maximising the potential of village-enterprise cooperation.

## The village-enterprise joint construction project with Yuyuan Village

On 19 October, 2021, the Group and Yuyuan Village, Dajiawa Sub-district, jointly held a supply donation ceremony for the Women and Children's Home, which aimed to effectively focus on the needs of women and children, and build an activity zone and service platform with local characteristics for them. At the ceremony, the Group donated supplies worth of RMB 62,457.6 to the Women and Children's Home, including children's books, toys, and infrastructure such as air conditioners and fitness equipment.



The ceremony of supply donation to Women and Children's Home under village-enterprise joint construction

# Charity Cause

The Group is constantly concerned with society and makes sure to fulfil its social obligations. We actively participated in charitable activities like the Aspiration Student Grant, and disaster relief in Henan by donating cash and supplies during the reporting period. Our company's reputation was enhanced when the Huaxian Red Cross Society gave us the "Model of Supporting the Innovative and High-quality Development of Education Reform in Weifang City" award and the designation of "Caring Enterprise".

## Aspiration Student Grant

The Group is always concerned about education, and has set up a Sinoway Aspiration Foundation to reward outstanding teachers and students and assist students in difficulties in schools. It is an important part for the enterprise to deeply practice social responsibility and transmit positive social energy.

On 4 March, 2021, Jiangsu Company's Aspiration Student Grant was held in Haitou Town Junior High School, Ganyu District, Lianyungang City. At the event, Jiangsu Company donated RMB 200,000 to reward outstanding teachers and students and students in difficulties, contributing Sinoway force to local personnel training.



The Aspiration Student Grant donation

On 9 September, the Group held the 6th Sinoway Aspiration Foundation Awards Ceremony at Weifang Binhai High School, and awarded Sinoway Aspiration Award prizes totalling RMB 200,000 to outstanding teachers and students and students in difficulties.



The 6th Sinoway Aspiration Foundation Awards Ceremony



On 26 October, Jiangsu Company held the Sinoway Aspiration Student Grant Awarding Ceremony 2021 at Haitou Junior High School in Lianyungang City. More than 100 teachers and students received grants, scholarships, and other subsidies.



The Sinoway Aspiration Student Grant Awarding Ceremony 2021

### Relief for the disaster-hit areas in Henan

In 2021, Henan Province was hit by extreme rainstorms, and flood was severe in many places. The Group headquarters and subsidiaries kept close contact with the Henan Charity Federation, donated mineral water, vegetables, emergency medicines, and other necessary supplies to disaster-hit areas such as Huaxian County, Henan Anyang, and Henan Xinxiang, and worked together with disaster-stricken people to overcome the difficulties.



Relief for Huaxian County, Anyang, Henan Province

On 26 July, the Group transported 16,000 kg of fresh vegetables and emergency medicines to Huaxian County, Anyang, Henan Province and other severely affected areas to support local flood relief and disaster relief with practical actions.

On the same day, Jiangsu Company dispatched designated personnel to the flood-stricken area in Xinxiang, Henan, and donated 1,280 tins of mineral water, 690 boxes of instant noodles, 100 sets of raincoats and boots, and 300 boxes of emergency medicines to assist the people in the disaster-stricken area.



Relief for the flood-stricken area in Xinxiang, Henan Province

## Volunteering

The Group plays a leading role in providing volunteer services, holding charity activities, and practising the spirit of "gratitude for the source of benefit". At the same time, we encourage employees to start from the details and actively participate in volunteer activities, so as to jointly contribute to improving residents' happiness and building a prosperous community.

### The rubbish collecting campaign

On 28 May, 2021, Jiangsu Company organised 28 members of the volunteering team to carry out a rubbish collecting campaign. The activity enhanced employees' awareness of public environment and ethical standards, and created a clean, tidy, and beautiful working and living environment for employees.



The rubbish collecting campaign

# GRI Index

Classification of Disclosure	Disclosure Index	Disclosure Content	Chapter
General Standard Disclosure			
Organization Profile	102-1	Name of the organization	Who we are-About us
	102-2	Activities, brands, products, and services	Who we are-About us
	102-3	Location of headquarters	Who we are-About us
	102-4	Location of operations	Who we are-About us
	102-5	Ownership and legal form	Who we are-About us
	102-6	Markets served	Who we are-About us
	102-7	Scale of the organization	Who we are-About us Who we are-Performance Highlights
	102-8	Information on employees and other workers	Employee Development- Employee Right and Interests
	102-9	Supply chain	Who we are-About us
	102-11	Precautionary Principle or approach	Safe Operation-Safety Management System
	102-12	External initiatives	Win-win Within the Industry- External Cooperation
	Strategy	102-14	Statement from senior decision-maker
102-15		Key impacts, risks, and opportunities	Who we are-About us
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Who we are-Performance Highlights
	102-18	Governance structure	Who we are-Corporate Governance
	102-21	Consulting stakeholders on economic, environmental, and social topics	Who we are-Responsibility Management
Governance	102-29	Identifying and managing economic, environmental, and social impacts	Who we are-Responsibility Management Safe Operation Win-win Within the Industry
	102-30	Effectiveness of risk management processes	Who we are-Risk Control
	102-34	Nature and total number of critical concerns	Who we are-Responsibility Management
	102-35	Remuneration policies	Employee Development- Employee Right and Interests
	102-36	Process for determining remuneration	Who we are-Corporate Governance Employee Development- Employee Right and Interests
	Stakeholder Engagement	102-40	List of stakeholder groups
102-41		Collective bargaining agreements	Employee Development- Employee Right and Interests
102-42		Identifying and selecting stakeholders	Who we are-Responsibility Management
102-43		Approach to stakeholder engagement	Who we are-Responsibility Management
102-44		Key topics and concerns raised	Who we are-Responsibility Management

Classification of Disclosure	Disclosure Index	Disclosure Content	Chapter
General Standard Disclosure			
Reporting Practice	102-46	Defining report content and topic Boundaries	About the Report
	102-47	List of material topics	Who we are-Responsibility Management
	102-50	Reporting period	About the Report
	102-51	Date of most recent report	About the Report
	102-52	Reporting cycle	About the Report
	102-53	Contact point for questions regarding the report	Feedback Questionnaire
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report
	102-55	GRI content index	Global Reporting Initiative ("GRI") Index
	102-56	External assurance	We did not seek external assurance for the report.
	Specific Standard Disclosures		
Management Approach	103-1	Explanation of the material topic and its Boundary	(Corresponding to "Management Approach" from Index 201 to 419)
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
Economic Performance	Management Approach	GRI 103	Safe Operation Green Development-Environment Management Win-win Within the Industry-Customer Service Employee Development-Employee Right and Interests
	201-1	Direct economic value generated and distribute	Safe Operation Green Development-Environment Management Win-win Within the Industry-Customer Service Employee Development-Employee Right and Interests
	201-2	Financial implications and other risks and opportunities due to climate change	Safe Operation Green Development-Environment Management Win-win Within the Industry-Customer Service Employee Development-Employee Right and Interests
	201-3	Defined benefit plan obligations and other retirement plans	Safe Operation Green Development-Environment Management Win-win Within the Industry-Customer Service Employee Development-Employee Right and Interests
	201-4	Financial assistance received from government	Safe Operation Green Development-Environment Management Win-win Within the Industry-Customer Service Employee Development-Employee Right and Interests

Classification of Disclosure	Disclosure Index	Disclosure Content	Chapter
Specific Standard Disclosures			
Market Presence	Management Approach	GRI 103	Employee Development-Emission Control
	202-2	Proportion of senior management hired from the local community	Employee Development-Emission Control
Anti-Corruption	Management Approach	GRI 103	Who we are-Risk Control
	205-1	Operations assessed for risks related to corruption	Who we are-Risk Control
	205-2	Communication and training about anti-corruption policies and procedures	Who we are-Risk Control
Anti-Competitive Behaviour	Management Approach	GRI 103	Win-win Within the Industry-Value Products
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Win-win Within the Industry-Value Products
Materials	Management Approach	GRI 103	Green Development-Resource Utilisation
	301-1	Materials used by weight or volume	Green Development-Resource Utilisation
Energy	301-2	Recycled input materials used	Green Development-Resource Utilisation
	Management Approach	GRI 103	Green Development-Environment Management
	302-1	Energy consumption within the organization	Green Development-Environment Management
	302-2	Energy consumption outside of the organization	Green Development-Environment Management
	302-3	Energy intensity	Green Development-Environment Management
Water	302-4	Reduction of energy consumption	Green Development-Environment Management
	302-5	Reductions in energy requirements of products and services	Green Development-Environment Management
	Management Approach	GRI 103	Green Development-Emission Control
Emissions	303-1	Water withdrawal by source	Green Development-Emission Control
	303-3	Water sources significantly affected by withdrawal of water	Green Development-Emission Control
	Management Approach	GRI 103	Green Development-Resource Utilisation
	305-1	Direct (Scope 1) GHG emissions	Green Development-Emission Control
	305-2	Energy indirect (Scope 2) GHG emissions	Green Development-Emission Control
	305-4	GHG emissions intensity	Green Development-Emission Control
	305-5	Reduction of GHG emissions	Green Development-Emission Control
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Green Development-Emission Control

Classification of Disclosure	Disclosure Index	Disclosure Content	Chapter
Specific Standard Disclosures			
Effluents and Waste-2016	Management Approach	GRI 103	Green Development-Emission Control
	306-1	Water discharge by quality and destination	Win-win Within the Industry-Value Products
	306-2	Waste by type and disposal method	Green Development-Emission Control
Anti-Competitive Behaviour	306-4	Transport of hazardous waste	Green Development-Emission Control
	Management Approach	GRI 103	Win-win Within the Industry-Value Products
Environmental Compliance	Management Approach	GRI 103	Win-win Within the Industry-Value Products
	Management Approach	GRI 103	Green Development-Environment Management
Employment	Management Approach	GRI 103	Green Development-Climate Change
	401-1	New employee hires and employee turnover	Win-win Within the Industry-Responsible Supply
Occupational Health and Safety	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development-Employee Right and Interests
	Management Approach	GRI 103	Employees Development-Caring for Employees
	403-1	Occupational health and safety management system	Employee Development-Employee Right and Interests
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Development-Employee Right and Interests
	403-3	Occupational health services	Employee Development-Employee Right and Interests
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Development-Employee Right and Interests
	403-5	Worker training on occupational health and safety	Employee Development-Employee Right and Interests
	403-6	Promotion of worker health	Employee Development-Employee Right and Interests
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Development-Employee Right and Interests
	403-8	Workers covered by an occupational health and safety management system	Employee Development-Employee Right and Interests
Training and Education	403-9	Work-related injuries	Employee Development-Employee Right and Interests
	403-10	Work-related ill health	Employee Development-Employee Right and Interests
	Management Approach	GRI 103	Employees Development-Employees
	404-1	Average hours of training per year per employee	Development-Employees
	404-2	Programs for upgrading employee skills and transition assistance programs	Development-Employees
	404-3	Percentage of employees receiving regular performance and career development reviews	Development-Employees

Classification of Disclosure	Disclosure Index	Disclosure Content	Chapter
Specific Standard Disclosures			
Diversity and Equal Opportunity	Management Approach	GRI 103	Employee Development- Employee Right and Interests
	405-1	Diversity of governance bodies and employees	Employee Development- Employee Right and Interests
Non-Discrimination	Management Approach	GRI 103	Employee Development- Employee Right and Interests
	408-1	Operations and suppliers at significant risk for incidents of child labour	Employee Development- Employee Right and Interests
Freedom of Association and Collective Bargaining	Management Approach	GRI 103	Win-win Within the Industry- Responsible Supply
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Win-win Within the Industry- Responsible Supply
Child Labour	Management Approach	GRI 103	Employee Development- Employee Right and Interests
	410-1	Security personnel trained in human rights policies or procedures	Safe Operation-Occupational Health and Safety
Forced or Compulsory Labour	Management Approach	GRI 103	Employee Development- Employee Right and Interests
	412-1	Operations that have been subject to human rights reviews or impact assessments	Employee Development- Employee Right and Interests
Security Practices	Management Approach	GRI 103	Safe Operation
	412-2	Employee training on human rights policies or procedures	Employee Development- Employee Right and Interests
Human Rights Assessment	Management Approach	GRI 103	Employee Development- Employee Right and Interests
	413-1	Operations with local community engagement, impact assessments, and development programs	Public Welfare-Rural Revitalisation Public Welfare-Charity Cause
Local Communities	Management Approach	GRI 103	Public Welfare-Rural Revitalisation Public Welfare-Charity Cause
	414-1	New suppliers that were screened using social criteria	Public Welfare-Public Welfare
Supplier Social Assessment	Management Approach	GRI 103	Win-win Within the Industry- Responsible Supply
	416-1	Assessment of the health and safety impacts of product and service categories	Win-win Within the Industry- Responsible Supply
Customer Health and Safety	Management Approach	GRI 103	Win-win Within the Industry- Customer Service
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Win-win Within the Industry- Value Products
Customer Privacy	Management Approach	GRI 103	Win-win Within the Industry- Customer Service
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Win-win Within the Industry- Customer Service
Socioeconomic Compliance	Management Approach	GRI 103	Win-win Within the Industry- Value Products
	419-1	Non-compliance with laws and regulations in the social and economic area	Win-win Within the Industry- Value Products

## Feedback Questionnaire

Dear readers,

Thank you very much for reading the 2021 Environmental, Social and Governance Report of Sinoway carbon Co., Ltd. amidst your busy schedule. We are looking forward to your comments and suggestions on the report and our work. You can send us the completed questionnaire by mail, e-mail, or call us directly with your valuable comments. Thank you!

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1. What type of stakeholder is your workplace?

Shareholder  Employee  Supplier  Customer  Government

Community  Academic Institutions  Other (Please specify)

2. Do you think this report reflects the economic, social, environmental and other sustainable development impacts of Sinoway?

Yes  Average  No

3. Do you think the analysis of the stakeholders identified in this report and their relationship with Sinoway is accurate and comprehensive?

Yes  Average  No

4. Do you think the information provided in this report is comprehensive?

Yes  Average  No

5. Do you think the information provided in this report is readable?

Yes  Average  No

What would you like to see more of in addition to what has been disclosed in the report?

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## **Sinoway Carbon Co., Ltd.**

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