



**HALEAD**  
2021 SUSTAINABILITY REPORT



# 2021 SUSTAINABILITY REPORT

**BENEFIT THE  
SOCIETY WITH BETTER QUALITY**



Disclaimer

This report may contain forecast information, including but not limited to the operation and product series of Zhejiang Hailide New Materials Co., Ltd. There are many uncertain factors in practice, which may lead to a certain difference between the actual results and the prediction information.

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ZHEJIANG HAILIDE NEW MATERIAL CO., LTD.

# 2021 SUSTAINABILITY REPORT

ZHEJIANG HAILIDE NEW MATERIAL CO., LTD.  
BENEFIT THE SOCIETY WITH BETTER QUALITY

**HALEAD**

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## About This Report

Zhejiang Hailide New Material Co., Ltd. strives to ensure the authenticity, accuracy, objectivity and integrity of the information in this report, and strives to comprehensively introduce the company's concept, action, performance and improvement measures on its annual responsibility fulfillment. We hope to strengthen communication with stakeholders and promote cooperation by issuing reports and other means, so as to enhance interest identity, emotion acceptance and value recognition and unite the joint forces for sustainable development.

The board of directors and all directors of the company guarantee that there are no false records, misleading statements or major omissions in the contents of this report, and they bear individual and joint liabilities for the authenticity, accuracy and completeness of its contents.

For ease of expression, "Hailide Company", "Hailide", "the company" or "we" in this report all refer to Zhejiang Hailide New Materials Co., Ltd.

### I. Time Range of This Report

The time range for this report is from January 1st, 2021 to December 31st, 2021. In order to improve the integrity of the report, some data may be beyond the above scope. The organizational scope of the report covers all business activities of Zhejiang Hailide New Materials Co., Ltd. and its subordinate holding subsidiaries, and is basically consistent with the scope disclosed in the company's annual report.

### II. Description of Data in This Report

The data and cases used in this report come from the company's official documents, statistical reports or public documents; we strive to meet the relevant standards of information disclosure commonly used in the industry, and highlight the characteristics of the enterprise based on the industry background. Unless otherwise specified, the monetary unit used in this report is RMB.

### III. Reference Standards of This Report

GRI Standards

Environmental, Social and Governance Reporting Guidelines (2020) of Hong Kong Stock Exchange (2020)

ISO 26000: Guidelines for Social Responsibility (2010)

Ten principles of the United Nations "Global Compact"

United Nations Sustainable Development Goals 2030 (SDGs)

Guidelines for the Preparation of China's Corporate Social Responsibility Report (CASS-CSR4.0) of Chinese Academy of Social Sciences

### IV. Content of Report

The selection of the content scope of this report follows the principles of materiality, stakeholder participation, sustainable development background and integrity of GRI, and determines the specific content of the report through industry benchmarking research, enterprise development strategy analysis, identification of key responsibility issues and stakeholder communication in combination with the actual situation of the enterprise.

### V. Selection of Indicators

Indicators disclosed in this report mainly considers the relevance, materiality and availability of specific indicators related to the performance of key issues. The indicators adopted are not only highly related to the main topics of social responsibility, but also can effectively reflect our performance on the corresponding issues. At the same time, they can be collected through the existing management system.

### VI. Acquisition Method of This Report

This report is published in electronic form. To obtain the electronic version of the report, please download from the website [www.halead.com](http://www.halead.com) of Zhejiang Hailide New Material Co., Ltd.

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## ◆ Leader's Speech

2021 was an extremely extraordinary year. We experienced multiple tests caused by the spread of the global epidemic, such as: shortage of raw materials, blocked logistics, dual control and upgrading of energy consumption, tight supply of labor and so on, which also brought severe challenges to the production and operation of the company. In the face of this unprecedented change, under the correct leadership of the board of directors, all employees of the company united together, worked hard and overcame the difficulties, and maintained the stable and orderly development.

### In the face of intensified competition in the industry, we adhered to independent innovation and development.

In 2021, by regarding the market demand as orientation, the customer demand as the objective, and differentiated high-end market as the main striving direction, the company established a fundamental material R&D team to strengthen the research of fine chemicals. The company invested and established Hailide New Materials Research (Shanghai) Co., Ltd. to further promote the in-depth innovation of the company's R&D business, improve R&D achievements, better introduce high-end R&D talents, provide solid technical support for the company's projects in production, construction and research, and further improve the company's comprehensive competitiveness. The company's automotive polyester industrial yarn enjoyed a high reputation in the industry, and the rate of excellent products and performance of products were much higher than those of peers. As the world's first mass production enterprise, the company's airbag yarn had become the standard of the industry. We relied on the leading technological advantages to drive the steady development of the enterprise, truly achieved "sole supply of products, or better quality of the same products", and continued to maintain the leading technological position of the company for differential chemical industry yarn, plastic materials and cord fabric in the subdivided industries.

The company always focuses on customer needs to conduct the research and development of global industry-leading products. The company takes provincial research institutes as the carrier and is equipped with high-end R&D talents. In 2021, a total of 33 scientific research projects were approved to officially start the research work, including 2 authorized invention patents and 14 utility model patents; Hailide was rated as famous export brand in Zhejiang province, and Zhejiang Hailide Flooring Co., Ltd. was recognized as Zhejiang intelligent factory; the company invested and established Hailide New Material Research (Shanghai) Co., Ltd. to further promote the in-depth innovation of the company's R&D business, improve R&D achievements and further enhance the company's comprehensive competitiveness.

### Standardized the operation mechanism and promoted the management transformation of the company

Focusing on the overall development plan of the company, the company regards the leader of the industry as its benchmark and constantly improves the management level. In 2021, based on the concept system, objective system and salary system, the company promoted the re-upgrading of the management system through organizational structure reform, information construction and management audit, so as to provide guarantee for the efficient operation of the company. At the same time, in order to adapt to the characteristics of parent and subsidiary companies and multi location operation, the company actively established and improved a benign communication and incentive mechanism, so that all divisions could be organically combined and contribute to the development of the company.

The company strengthened internal control and compliance management, carried out audit around five categories of projects: economic responsibility, capital construction projects, internal control, special projects and financial revenue and expenditure, completed 66 audit reports, discovered 99 problems and put forward 102 audit suggestions; optimized supplier admittance criterion, comprehensively considered supplier qualification, continuously optimized supplier performance evaluation mechanism, standardized supplier quality problem handling and claim process, and promoted the improvement of supply chain quality; systematized and standardized the customer complaint handling and claim process, improved the handling efficiency of customer quality problems and improved customer satisfaction; implemented the stock option and restricted stock incentive plan, further improved the company's incentive mechanism, fully mobilized the enthusiasm of key employees of the company, and realized the long-term development of both the enterprise and employees.

### Adhered to sustainable development and fulfilled social responsibilities

After entering the 14th five year plan, green development has become a consensus. In 2021, the company actively practiced social responsibility, attached great importance to it at the strategic level, formulated development plans and guided the company's green development path; Issued the annual social responsibility report to all stakeholders and responded to the demands of all parties; obtained silver medal through EcoVadis social responsibility rating; actively carried out carbon emission reduction and rating through the third-party CDP; carried out life cycle analysis (LCA) evaluation of cord fabric 1300D/2 products to meet the needs of core customers.

In terms of environmental protection, the company continued to take ISO14001 environmental management system as the starting point, took laws and regulations and local government requirements as the criterion, strictly implemented various management requirements, such as: water, gas, sound and slag, actively responded to the government's low nitrogen combustion transformation plan of gas-fired boilers, reviewed and continued to maintain the type of B-level control enterprises in heavily polluted weather; on the basis of improving and implementing the safety standardization system, the company had introduced ISO45001 occupational health and safety management system, promoted the construction of dual prevention mechanism of risk identification and control, as well as the hidden danger investigation and treatment, to systematically identify, evaluate and prevent the company's safety and occupational health risks.

In addition, the research institute of the company was also implementing the R&D strategy of "sustainable development". Through nearly two years of R&D, some green, low-carbon and environmental protection products, such as: recycled materials, bio based materials and biological manufacturing had entered the sample use stage, and it is expected to take the lead in carbon emission reduction in the future.

While affirming the achievements, we should clearly understand that the company is facing some new situations, new problems and new challenges in its development. We must keep a clear mind, set up the development confidence, resolutely make up mind for development, to meet the challenges with a fearless spirit and ensure the steady development of the company.

Chairman of Board: Gao Limin

## Chapter I About Us

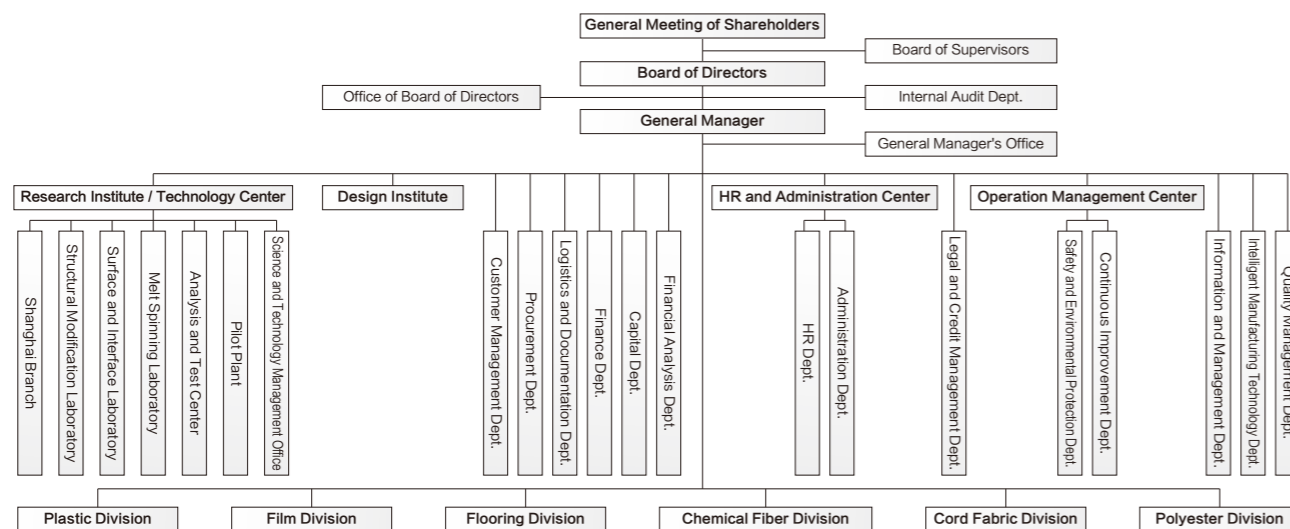
Zhejiang Hailide New Material Co., Ltd. was established in May 2001, headquartered in Haining City, Zhejiang Province, and it has 3317 employees. With the strategic thinking of global operation, internationally advanced core technologies, leading manufacturing capability and excellent corporate brand, the company is committed to the construction of three fields: vehicle safety, advertising materials and new materials, so as to become a world leading product and service provider.

After more than 10 years of hard pioneering days, the company has developed into a key high-tech enterprise that integrates scientific research, production and sales together, become a leading backbone industrial enterprise in Zhejiang and a provincial "key enterprise research institute". The company has six business divisions in China and two plant areas respectively in Maqiao and Jiashan; it has set up subsidiaries in the United States, Europe and Hong Kong, and has set up a wholly-owned great grandson company, Vietnam Hailide Co., Ltd., in Vietnam. The company was listed on Shenzhen Stock Exchange in January 2008 with stock code 002206.

The company mainly produces polyester industrial filament, plastic material and polyester cord fabric. At present, the production capacity of the company includes: 298000 tons/year for polyester industrial filament, 300000 tons/year for polyester chip, 200 million square meters/year for plastic material series, 12 million square meters/year for environmental protection stone plastic floor, and 45000 tons/year for polyester impregnated cord fabric.

Technical advantages, quality advantages, customer advantages and service advantages are the core competitiveness of the company. The polyester industrial filament produced by the company serves the automotive fiber fields, such as: tires, safety belts and airbags, with high quality, high starting point, specialization and differentiation. The manufacturing method of polyester industrial filament for automotive airbags, the production process of single-head spinning high-modulus low-shrinkage polyester industrial filament and the production process of special-shaped cross-section low shrinkage high strength polyester industrial filament developed by the company had been awarded the national invention patents. The polyester industrial filament for automobile airbag has been recognized as a national key new product; the company is also one of the first enterprises to realize the industrialized production of this product.

The company is one of the first enterprises to produce advertising materials for light boxes in China. The products of the company, such as: the preparation method of digital inkjet printing materials, single-sided adhesive advertising light box cloth, environmental protection and flame retardant decorative cloth, ceiling decorative soft film adhesive film have been awarded the national invention patents and utility model patents. The ultra wide jointless bright surface ceiling film developed and produced by the company has the advantages of light weight, good strength, cleanness, environmental protection and convenient modeling. The textile coating products developed and produced by the company have bright colors and delicate and bright pictures, which fully demonstrate the superior environmental protection performance and the perfect integration with the modern living environment.



## Corporate Culture

### Mission

Benefit the society with better quality

### Vision

To become the world's leading product and service provider in the professional field

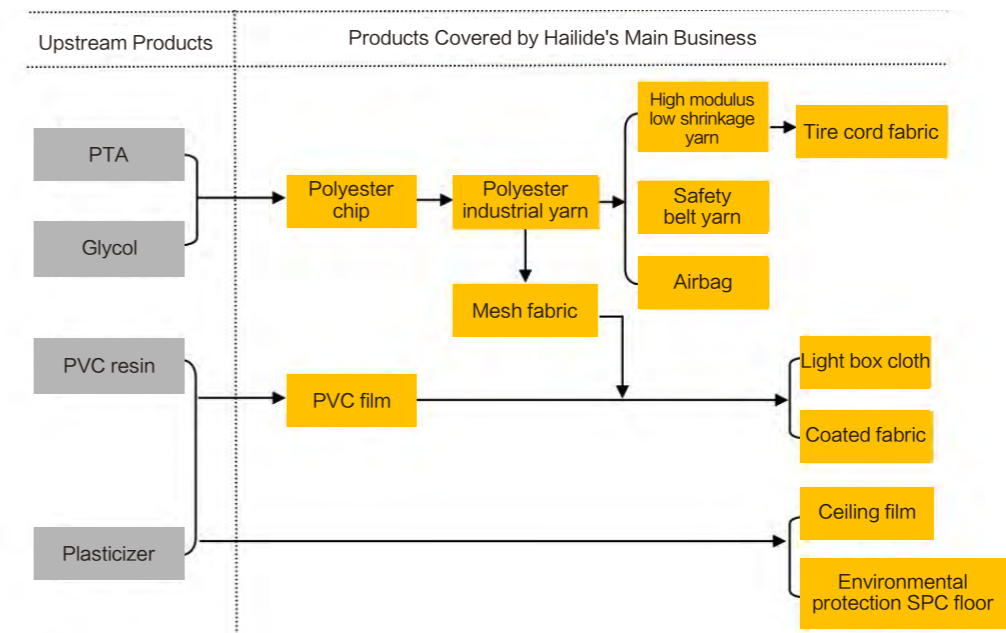
### Core Values

Customer first, bravely undertaking responsibility, teamwork spirit, pursuit of excellence

## 01 Company Business

### Industrial Chain

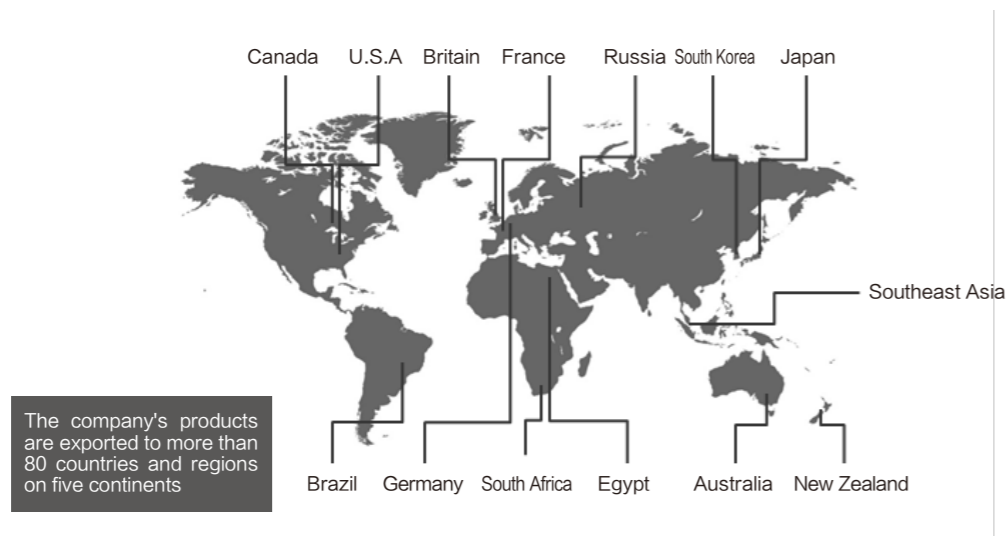
All industrial layout of Hailide has been carried out around "one filament", and has been deeply cultivated on this filament for more than ten years; it has formed a relatively complete vertical integrated industrial chain, and the product quality is more guaranteed.



The first industrial chain of Hailide was to produce polyester chips with outsourced raw materials and rolls of polyester industrial yarn through solid-state polymerization, spinning and other processes; polyester industrial yarn can also be made into twisted yarn, ply yarn and other products through twisting; the twisted yarn and ply yarn are the raw materials of white grey cloth; after the white cloth is processed by impregnating technology, it can be used to produce the tire cord fabric to directly supply to the tire manufacturer.

The second industrial chain was to purchase PVC and other main raw materials to produce PVC film through calendering process, and weave the self-produced polyester industrial yarn into warp knitted cloth through warp knitting machine, and then produce light box cloth and coating cloth through lamination, coating and other processes with PVC film and warp knitted cloth. It can also use floor equipment to produce environmental protection stone plastic floor.

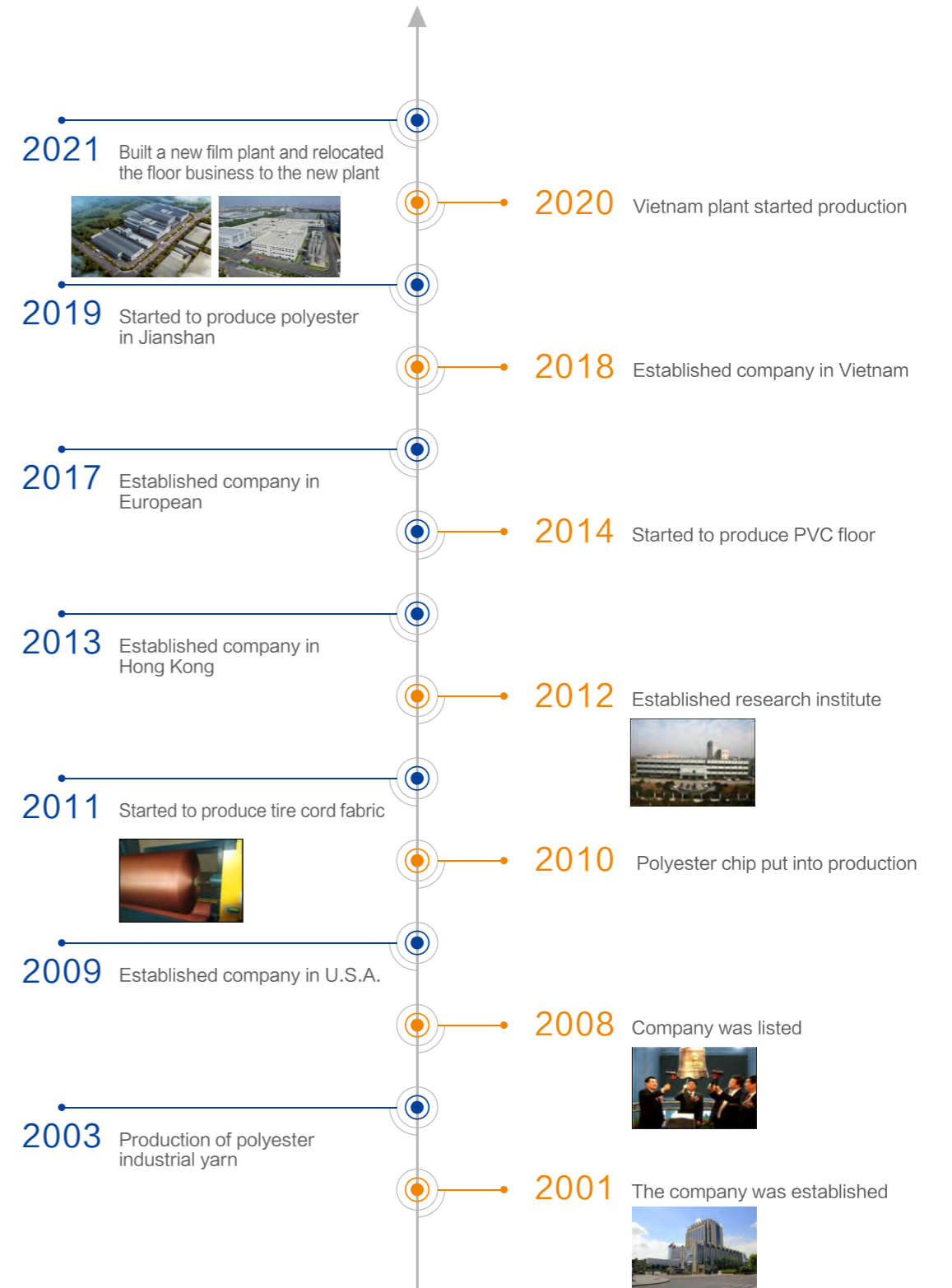
Global marketing network



Economic Data for Year 2021



02 Development History



03 Enterprise Honors



Accession to the United Nations Global Compact

Hailide supports the ten principles advocated by the United Nations Global Compact in the fields of human rights, labor, environment and anti-corruption, actively implements them into the company's strategy, operation and culture, and integrates the United Nations Global Compact and its principles into the decision-making process of the top management. The company joined the organization in October 2020 and agreed with its belief that "enterprise practice rooted in universal principles will help make the global market more stable and inclusive, and help build a prosperous society".

Zhejiang Hailide New Material Co., Ltd

Overview		Getting Started		Contacts		Logo Requests		COPs		Draft COPs		Action Platforms		Level of Engagement	
[ Edit your organization's profile ]															
<b>Organization Details</b>								<b>Contact Information</b>							
Participant ID	141471	Highest Level Executive	Mr. Wangwei Gao												
Status	Active	Contact Point	Mr. Zhenjie Jiang												
Engagement Manager	Support Team	<b>Exclusionary Criteria</b>													
Participant since	2020-10-08	Revenue from tobacco	No												
COP Due Date	2021-10-08	Revenue from landmines	No												
Organization Type	Company	<b>Billing Address</b>													
Invoice Date	Organization currently has no invoice date	Country	China												
Parent Organization	No parent UNGC Organization was identified	Address	No. 18 XinMin Road, Warp Knitting Industrial Zone, Haining, Zhejiang, China												
Ownership	Publicly Listed	City	Haining												
Revenue Bracket	between USD 500 million and USD 1 billion	State / Province	Zhejiang												
Revenue	USD 573,375,593.00	Postal Code	314412												
Level of Engagement	Signatory Level														
Sector	Chemicals														

Chapter II Diligently Try to Make the Company Stronger

01 Corporate Governance

In 2021, the board of directors of Zhejiang Hailide New Materials Co., Ltd. (hereinafter referred to as "the company") actively and effectively exercised the functions and powers of the board of directors in strict accordance with the provisions of laws and regulations, normative documents and the articles of association, with the attitude of being responsible to all shareholders, earnestly implemented the resolutions of the general meeting of shareholders, and diligently carried out all the work of the board of directors, promoted the improvement of corporate governance and the healthy and stable development of all businesses of the company.

Meetings of the Board of Directors

During the reporting period, the board of directors of the company held 12 meetings. The convening, attendance and voting of the board of directors operated in strict accordance with the requirements of the Company Law, The Articles of Association and relevant laws and regulations. The resolutions of the meeting were publicly disclosed on <http://www.cninfo.com.cn> in accordance with relevant regulations. The details are as follows:

Sessions of Meetings	Date of Convening	Motions
The 11 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	January 23 <sup>rd</sup> , 2021	1. Proposal on transferring relevant assets to wholly owned subsidiaries 2. Proposal on resignation of independent directors upon expiration of term of office and re-election of independent directors 3. Notice on convening the first interim general meeting of shareholders in 2021
The 12 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	March 16 <sup>th</sup> , 2021	1. Proposal on investment and establishment of Shanghai New Material Research Company
The 13 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	March 29 <sup>th</sup> , 2021	1. Work report of the board of directors in 2020 2. Work report of the general manager of the company in 2020 3. Financial statement report of the company in 2020 4. Full text and summary of the company's 2020 Annual Report 5. Plan for profit distribution of the company in 2020 6. Proposal on the company's 2020 internal control self-evaluation report 7. Proposal on reappointment of Pan-China Certified Public Accountants (special general partnership) as the company's audit institution in 2021 8. Proposal on applying for bank credit line 9. Proposal on carrying out forward foreign exchange trading business 10. Proposal on developing commodity futures and option hedging business 11. Proposal on providing guarantee for loans within the credit line of subsidiaries and great grandson company 12. Proposal on developing bill pool business 13. Proposal on 2020 Corporate Social Responsibility Report 14. Proposal on convening the 2020 annual general meeting of shareholders of the company
The 14 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	April 1 <sup>st</sup> , 2021	1. Proposal on repurchase of minority shareholders' equity by holding subsidiaries
The 15 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	April 28 <sup>th</sup> , 2021	1. Text and full content of the company's report for the first quarter of 2020
The 16 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	May 6 <sup>th</sup> , 2021	1. Proposal on the government's acquisition and storage of part of the company's land
The 17 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	July 27 <sup>th</sup> , 2021	1. Proposal on The Company's Stock Option and Restricted Stock Incentive Plan (Draft) in 2021 and its summary 2. Proposal on The Management Measures for the Implementation and Assessment of the Company's Stock Option and Restricted Stock Incentive Plan in 2021 3. Proposal on requesting the general meeting of shareholders to authorize the board of directors to handle matters related to the company's stock options and restricted shares in 2021 4. Proposal on convening the second interim general meeting of shareholders in 2021
The 18 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	August 9 <sup>th</sup> , 2021	1. Semi Annual Report and Summary of the Company in 2021 2. Proposal on changes in accounting policies
The 19 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	August 26 <sup>th</sup> , 2021	1. Proposal on granting stock options and restricted stocks to incentive objects for the first time
The 20 <sup>th</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	September 22 <sup>nd</sup> , 2021	1. Proposal on foreign investment and establishment of wholly-owned subsidiaries
The 21 <sup>st</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	October 11 <sup>th</sup> , 2021	1. Proposal on increasing the business scope of the company and amending the Articles of Association 2. Proposal on convening the third interim general meeting of shareholders in 2021
The 22 <sup>nd</sup> Meeting of the 7 <sup>th</sup> Session of Board of Directors	October 26 <sup>th</sup> , 2021	1. Third Quarter Report of 2021

### General Meetings of Shareholders

During the reporting period, the company held four general meetings of shareholders, and the resolutions of the meeting were publicly disclosed on <http://www.cninfo.com.cn> in accordance with relevant regulations. The board of directors of the company strictly implemented the resolutions and authorizations of the general meeting of shareholders and gave full play to the functions of the board of directors. All matters resolved by the general meeting of shareholders during the reporting period were organized and implemented by the board of directors. The details of the proposals deliberated and adopted by the general meeting of shareholders are as follows:

Sessions of Meetings	Date of Convening	Motions Considered and Adopted
The first interim general meeting of shareholders in 2021	February 9 <sup>th</sup> , 2021	1. Proposal on transferring relevant assets to wholly owned subsidiaries 2. Proposal on resignation of independent directors upon expiration of term of office and re-election of independent directors
2020 annual general meeting of shareholders	April 21 <sup>st</sup> , 2021	1. Work Report of the Board of Directors in 2020 2. Work Report of the Board of Supervisors in 2020 3. Financial Statement Report of the Company in 2020 4. Full Text and Summary of the Company's 2020 Annual Report 5. Plan for Profit Distribution of the Company in 2020 6. Proposal on reappointment of Pan-China Certified Public Accountants (special general partnership) as the company's audit institution in 2021 7. Proposal on applying for bank credit line 8. Proposal on carrying out forward foreign exchange trading business 9. Proposal on providing guarantee for loans within the credit line of subsidiaries and great grandson company 10. Proposal on developing bill pool business
The second interim general meeting of shareholders in 2021	August 18 <sup>th</sup> , 2021	1. Proposal on The Company's Stock Option and Restricted Stock Incentive Plan (Draft) in 2021 and its summary 2. Proposal on The Management Measures for the Implementation and Assessment of the Company's Stock Option and Restricted Stock Incentive Plan in 2021 3. Proposal on requesting the general meeting of shareholders to authorize the board of directors to handle matters related to the company's stock options and restricted shares in 2021
The third interim general meeting of shareholders in 2021	October 27 <sup>th</sup> , 2021	1. Proposal on increasing the business scope of the company and amending The Articles of Association

### Operation of Special Committees of the Board of Directors

There are four special committees under the board of directors of the company: Audit Committee, Strategy and Investment Committee, Nomination Committee and Remuneration and Assessment Committee. Each committee operates in strict accordance with the provisions of the Company Law, The Articles of Association and the limits of functions and powers that were set in the working rules of the special committee of the board of directors, to study, discuss and put forward opinions and suggestions on professional matters in their respective professional fields, and provide reference and important opinions for the scientific decision-making of the board of directors.

### Performance of Independent Directors

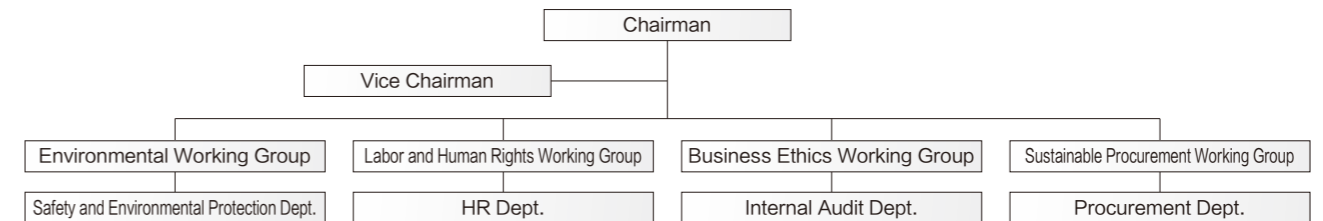
During the reporting period, the company had three independent directors, one of whom was an accounting professional. The independent directors of the company have the financial, legal and professional knowledge required for their work, can pay attention to the operation of the company, independently perform their duties, and put forward many valuable professional opinions on the improvement of the company's system and daily business decisions in accordance with relevant laws and regulations, as well as The Articles of Association, The Working Rules of Independent Directors and other relevant provisions. They had played their due role to improve the company's supervision mechanism and safeguard the legitimate rights and interests of the company and all shareholders.

## 02 Social Responsibility Governance

Over the years, Hailide has actively fulfilled its corporate citizenship responsibilities, took progress, harmony and development as its own responsibility, continuously improved technology and equipment, protected the environment to the greatest extent, protected the safety and health of employees and partners, promoted the balanced development of the community and assumed more social responsibilities. In recent years, the company is committed to promoting the construction of social responsibility system and continuously improving the ability of social responsibility governance, so as to promote the sustainable development of the enterprise. The company appointed Wu Fubiao as the representative of environmental management, and Shen Yuhua as the representative of labor human rights management, and Wu Fubiao as the representative of health and safety management to implement social responsibility management.

The management is responsible for guiding the preparation and disclosure of the report in accordance with the guidelines for the preparation of corporate sustainable development report and corporate social responsibility, so that it can fairly reflect, design, implement and maintain necessary internal control, and make sure that the report is free from material misstatement, omission and concealment.

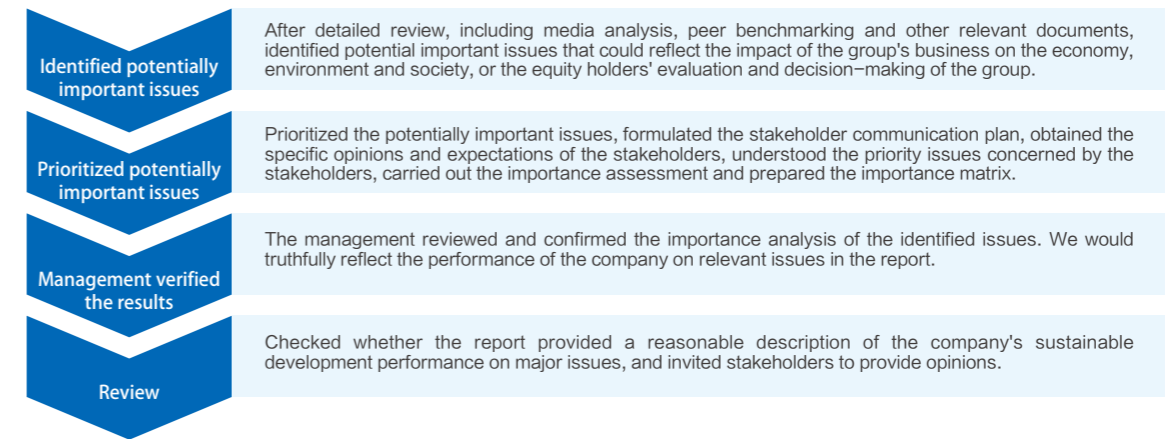
### Structure Chart of Social Responsibility Management



### Focus on Substantive Issues

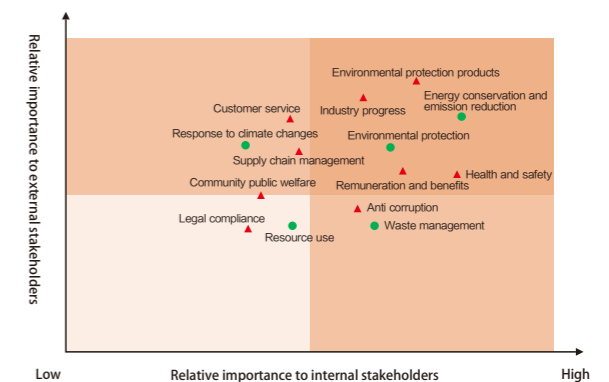
In order to fully identify the issues concerned by stakeholders, we conducted a survey on stakeholders, covering customers, employees, dealers, consumers, government and non-governmental organizations. Issues were collected through on-site interviews, telephone interviews and questionnaires.

We combined the opinions and expectations of stakeholders with the needs of social responsibility management, and carried out major evaluation and analysis on the issues concerned, so as to actively and pertinently respond to the concerns of stakeholders in the work. We assessed the importance of the issues through rigorous and effective procedures, which were mainly implemented in four stages.



### Importance Matrix

During the reporting period, we obtained the opinions and expectations of the representatives of major stakeholders on the company's environmental, social and governance issues through timely communication with stakeholders. We knew that compared with 2020, some equity holders paid more attention to climate change and energy conservation. According to the results of communication with the representatives of major stakeholders, we analyzed and summarized the importance evaluation matrix of the company's issues in 2021. This report will disclose in detail with reference to the importance evaluation matrix.





Type	Issues
Environment	Energy conservation and emission reduction, Environmental protection, Waste management, Response to climate change, Resource use
Society	Environmental protection products, Industry progress, Health and safety, Compensation and benefits, Customer service, Supply chain management, Community public welfare, Legal compliance

### 03 Communication with Stakeholders

We maintained close communication with stakeholders, kept close contact with stakeholders of the company through various effective ways (such as: e-mail, interview, telephone, meeting, questionnaire survey, training and stakeholder meeting), to timely learn about expectations and suggestions of all parties; we paid high attention to the impact of external environment and market changes on the company, and paid close attention to relevant reports published in the media, to ensure the smooth communication between the company and relevant parties and the normal operation of the company in terms of business, quality, environment, health and safety, and avoid damaging the rights and interests of relevant parties.

Stakeholders	Expectations of Stakeholders	Communication Mode
Customer	Product and service quality, product price and supply speed	Providing high-quality products and services, business contacts, investigation visits and customer satisfaction surveys
Government	Steady growth, timely tax payment, employment promotion and environmental protection	Government meetings, special reports, project cooperation and statistical statements
Suppliers	Long term cooperation, reasonable price, honest operation and mutual benefit	Supplier meeting, business negotiation, bidding activities, social responsibility evaluation
Employees	Wages and benefits, promotion opportunities, training opportunities, health and safety	Rationalization proposal, symposium, trade union, employee congress, training
Industry associations	Implementation of industry standards, smooth contact, participation in association activities, and formulation of relevant standards	Association activities and participation in formulation of standards
Community	Community harmony, environmental protection, co-construction of civilization, development and sharing	Charity activities, community services, regular exchanges and social investment
Media	Brand image, social responsibility, environmental protection, product innovation and technological innovation	Interview activities and information release



February 10<sup>th</sup>, 2021  
Wang Jiankun, member of the Standing Committee of the municipal Party committee and Secretary of the Politics and Law Committee visited the company



March 1<sup>st</sup>, 2021  
Jiaying Association for Science and Technology visited the company



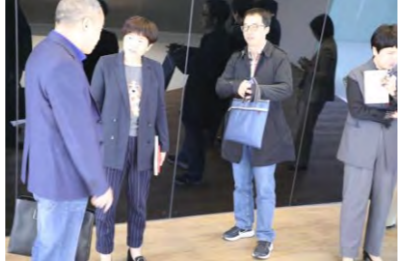
March 10<sup>th</sup>, 2021  
Mr. Di, Director of Human Resources and Social Security Bureau visited the company



March 27<sup>th</sup>, 2021  
Haining Science and Technology Bureau visited the company



April 15<sup>th</sup>, 2021  
Shanghai Lingang Group, LV Ming



April 16<sup>th</sup>, 2021  
Jiaying Administration of Exchange Control



April 28<sup>th</sup>, 2021  
Safety and Environmental Protection Emergency Bureau visited the company



May 12<sup>th</sup>, 2021  
Jiaying Science and Technology Bureau investigated the Party affairs in the company



May 21<sup>st</sup>, 2021  
Secretary of Aba Prefecture Party committee, Liu Ping, visited the company



May 31<sup>st</sup>, 2021  
Senior managing director received the bank leaders' visit to the company



July 6<sup>th</sup>, 2021  
Investor conference



September 18<sup>th</sup>, 2021  
Zhejiang University Teachers' Party affairs activities



November 22<sup>nd</sup>, 2021  
Power & energy saving symposium organized by municipal development and reform bureau



December 6<sup>th</sup>, 2021  
Study the report of the Sixth Plenary Session of the 19<sup>th</sup> CPC Central Committee



December 10<sup>th</sup>, 2021  
Trade union election

### Case 1: Common participation in fire safety

In order to deepen the development of the city's fire fighting management, deploy the task of reaching the standard of fire fighting management, and promote the enterprises to improve the level of fire fighting management, on September 18th, more than 50 people, including Mao Liufang, head of Jiaying Fire Brigade, Pu Xinda, vice mayor of Haining City, and other fire brigade leaders, went to our company to carry out fire prevention inspection and research.

This inspection and research mainly checked the development of our fire protection work. Manager Tong Rigang of Safety and Environmental Protection Department introduced our daily fire fighting management work. We have constantly updated and improved various facilities and equipment of micro fire stations, created the Fire Safety Management System, and implemented the list inspection of fire-fighting facilities. At the same time, we promoted professional fire protection maintenance and ensured the personnel on duty in the fire control room to obtain relevant qualification certificates, to ensure that the fire-fighting facilities are effective and intact. In addition, we have formulated fire safety training and drill plans to promote the training and drill of all employees and members of micro fire stations.



**Case 2: Members of the Standing Committee of the municipal Party committee visited the company to investigate the scientific and technological work of talents**

On the afternoon of November 18th, LV Zhongfei, member of the Standing Committee of the municipal Party committee and head of the Organization Department, accompanied by Zhang Ruqiang, Secretary of the Party committee of Maqiao Street, investigated the scientific and technological innovation work of talents in our company. Gao Limin, chairman of the company, Shen Yuhua, deputy general manager, and Zhu Wenxiang, vice president of the research institute received LV and his party, successively visited the exhibition hall and research institute of the company, and had a discussion and exchange on enterprise scientific and technological innovation and talent introduction and utilization.

The chairman of the board of directors of the company generally introduced Hailide's work in scientific and technological innovation investment, scientific and technological innovation platform construction, talent introduction and other aspects in recent years to minister LV. At the symposium, deputy general manager Shen Yuhua reported on Hailide's talent introduction in recent years and the talent demand and talent introduction plan of the company in the 14th five-year period. Vice president Zhu of the research institute explained in detail the operation of Hailide Research Institute, the scientific research cooperation with colleges and universities and the later research direction.

Minister LV fully affirmed Hailide's efforts and achievements in scientific and technological innovation talent work, expected Hailide to become a model enterprise of talent scientific and technological innovation in Haining, and stressed that Hailide should strengthen cooperation with universities and research institutes, establish enterprise postdoctoral workstation, strengthen the introduction of excellent talents and the application of high-quality projects, and promote the high-quality development of the enterprise.



**Chapter III Comply with Law of Nature, Achieve Harmony between Human and Nature**

The company always adheres to the purpose of energy conservation and consumption reduction, pollution reduction and efficiency increase, pollution prevention and continuous improvement, strictly abides by applicable laws and regulations at home and abroad, puts ecology at the highest priority, takes the road of green development, and implements the low-carbon and emission reduction policy. In 2021, we actively laid out and implemented the green development action plan, continuously strengthened the whole process management of environmental protection, continued to develop cleaner production, and comprehensively implemented corporate environmental protection responsibilities in multi-dimension in terms of energy conservation, improving resource utilization, meeting emission standards and coping with climate change, so as to contribute to social green development. In 2021, there was no violation of environmental laws and regulations that had a significant impact on the company.



Hailide has been incorporated into the enterprise environmental credit evaluation system of Zhejiang Province. Since the implementation of the environmental credit evaluation system in 2020, the company has long been at the green excellent level (Grade A).



**Safety and Environmental Protection Management**

1. In order to effectively respond to the domestic epidemic, all departments worked together and strictly implemented the prevention and control measures to ensure the safety of the company and employees.
2. Organized 52 heads of secondary departments of each business unit to participate in the training of safety supervisors and they passed the assessment and obtained relevant qualification certificates.
3. Completed the low nitrogen transformation of 8 natural gas boilers of each business division.
4. The standardized management of general industrial solid waste and hazardous waste was established, and the chemical fiber and cord fabric factory area passed the evaluation and assessment of the municipal ecological environment bureau.
5. We actively implemented the rectification of 62 hidden dangers of polyester and successfully passed the acceptance of Jiaxing hazardous chemical expert group.

01 Energy Conservation and Emission Reduction

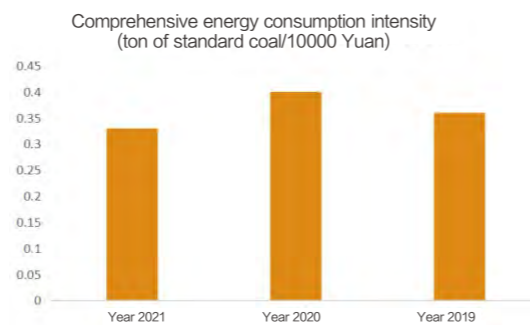
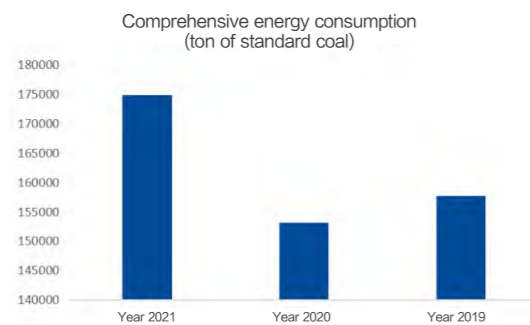
Focusing on the theme of “energy conservation, emission reduction and scientific development”, the company has adopted various forms to integrate energy conservation into our daily work. Our company highlights the key points, strengthens measures and pays close attention to the implementation from three aspects: organization of energy-saving activities, publicity of energy-saving concept, and application of energy-saving technologies. In recent years, the company has focused on environmental protection, cleaner production and sustainable development. It carried out the work closely around the target value of energy conservation and emission reduction responsibility issued by the company, completed the work in strict accordance with various energy laws and regulations at all levels, and continuously improved the energy conservation work.



Energy Consumption and Carbon Emissions

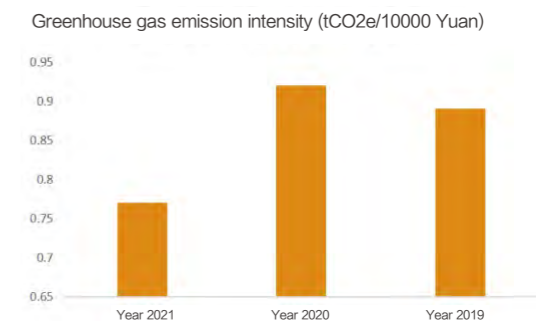
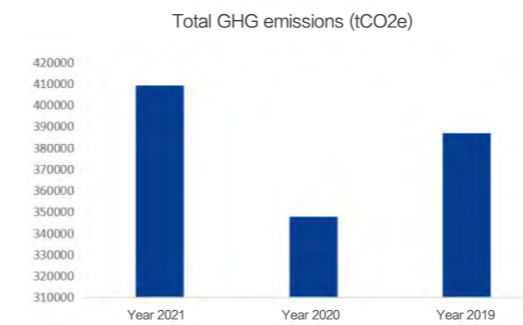
Energy Consumption and Intensity from 2019 to 2021

Category	Year 2021	Year 2020	Year 2019	Unit
Biomass	8.26	0	67.96	Ton
Gasoline	100	99	109	Ton
Diesel oil	239.97	120	114.83	Ton
Natural gas	3792.89	2974.28	3169.48	Standard cubic meter
Electric power	455886.3	414641.4	422474	Megawatt hour
Heating power	49595.47	33104.27	34390.4	GJ
Comprehensive energy consumption	174757.42	153168.54	157682.69	Ton of standard coal
Comprehensive energy consumption intensity	0.33	0.40	0.36	Ton of standard coal / 10000 Yuan



Greenhouse Gas Emissions and Intensity from 2019 to 2021

Category	Year 2021	Year 2020	Year 2019	Unit
Direct greenhouse gas emissions (range 1)	83142.08	64988.18	86010.6	Ton of carbon dioxide equivalent
Indirect greenhouse gas emissions (range 2)	326171.51	282920.34	300993.3	Ton of carbon dioxide equivalent
Total GHG emissions (ranges 1 and 2)	409313.59	347908.52	387003.9	Ton of carbon dioxide equivalent
Greenhouse gas emission intensity	0.77	0.92	0.89	Ton of carbon dioxide equivalent / 10000 Yuan



Energy Conservation & Emission Reduction

As a production-oriented enterprise, Hailide realizes the carbon neutralization target plan through transformation and upgrading of “energy-saving projects, recycling and low-carbon product development”. At present, the company has carried out relevant work in the following aspects:

1. Do a good job in basic work, find out the carbon footprint and find out the background; check the carbon emission in the production process and product life cycle.

Through the establishment of model index calculation, analyze the carbon emission of each production process link of the company, and obtain the first-hand basic data. By understanding its own carbon emissions, consolidate the foundation of carbon management.

2. Actively respond to enterprise emission peak and carbon neutralization

The company understands the carbon neutralization path of its industry, formulates the action plan for emission peak and carbon neutralization, carries out carbon emission reduction actions, closely combines carbon emission reduction with the core business of the enterprise, and promotes low-carbon transformation and technological innovation; in addition, enterprises should use their influence to assist upstream and downstream enterprises and the public to promote carbon emission reduction.

3. Actively explored green and low-carbon transformation

Carry out transformation and upgrading through “raw material substitution, material saving, recycling and low carbon in product life cycle”, and replace non renewable resources with renewable resources; expand the recycling of waste and the use of recycled materials; strengthen the effective control of energy consumption in the production process and optimize the production process. The company's carbon emission per unit output value in 2021 decreased by 16.33% compared with that in 2018.

Case 1: Reduced unit power consumption

In response to the requirements of the state and the company for energy conservation and emission reduction, the company strives to create resource-saving and environment-friendly production enterprises. According to the unit consumption of operation in 2020 and the production plan in 2021, we set the goal of reducing unit power consumption in the polyester division: to reduce the unit consumption by 9.6% and save the electricity cost by 1.2 million Yuan.

We set up a unit power consumption reduction project and set up a project team to be responsible for seven improvement areas: main polymerization unit, polyester chip conveying system, polyester chip sea bag filling system, water supply station, sewage station, heat medium station and air compression station. By December 2021, the end of assessment period for the unit power consumption reduction projects, the unit power consumption of polyester chip in Jianshan plant area decreased by 17.1%. The expected saving of electricity cost was 1.2 million Yuan, but 2.413 million Yuan of electricity cost was actually saved. We made these improvements into a standardized list, updated some process control indicators and operation instructions, and took these experiences as the basis for standardized operation training to hand over the project.



**Case 2: Boiler low nitrogen transformation**

According to the spirit of governmental documents, such as: The Three-year Action Plan for Winning the Blue Sky Defense War in Zhejiang Province (ZZF [2018] No. 35), The Three-year Action Plan for Winning the Blue Sky Defense War in Jiaxing City (Meili Jiaxing Fa [2019] No. 1) and The Three-year Action Plan for Winning the Blue Sky Defense War in Haining City (Hai Meili Fa [2019] No. 1), our company actively responded to and implemented the low nitrogen combustion transformation plan of gas-fired boilers. The total investment in the transformation was about 3.7929 million Yuan. Through the efforts of each business division, three boilers in Polyester Division, two boilers in Chemical Fiber Division and one boiler in Cord Fabric Division were included in the transformation.



**Waste Gas Treatment**

Since the beginning of 2020, the company had accelerated the transformation progress and visited and investigated relevant manufacturers. When selecting the scheme, the company took social responsibility into consideration. Although the operation cost was increased, we still gave priority to the adoption of mature and stable process technology and signed a low nitrogen transformation technology agreement. These boilers were natural gas heat transfer oil boilers, but the specifications and models ranged from 7MW to 14MW, so the designer had customized a set of specific implementation scheme for each boiler and drafted the low nitrogen transformation schedule.

During the transformation, the technical transformation service provider removed the old combustion equipment, replaced it with ultra-low nitrogen burner, and equipped with flue gas recirculation system, so as to realize the rotation of air flow and full combustion, to reduce the flame temperature, and achieve the best operation state of combustion and emission.

At present, stable operation has been realized after the boiler in Maqiao plant has been transformed and put into use. The company entrusted a testing company in Ningbo to test the transformation achievements; the results showed that the concentration of nitrogen oxides emitted from the tail gas of each boiler was only 24 mg/m3, which was 116 mg/m3 lower than the emission concentration of 140 mg/m3 before the transformation. Recently, the low nitrogen transformation of the company's gas-fired boiler has passed various inspections and tests of Jiaxing Special Inspection Institute, the boiler thermal efficiency has exceeded 92%, and the total NOx emission reduction of the company has reached 81%. At present, the company is speeding up the completion of the equipment transformation in Jianshan plant, and is committed to becoming a leading enterprise of green innovation in Haining.

The company regularly monitors relevant pollutants according to the requirements of the environmental protection department, and the statistics are shown in the figure below:

Category	Year 2021	Year 2020	Year 2019	Unit
Sulfur dioxide	1.3047	1.0364	1.2692	Ton
Nitrogen oxide	11.0784	13.5234	37.1939	Ton
Particulate matter	3.381	0.6219	0.8773	Ton
VOCs	7.6086	1.701	1.2838	Ton

Note: the above data adopts the annual implementation report of the company's pollutant discharge license.

**Economical Type Office**

In order to improve the environmental protection awareness of all employees and make them become environmental protection practitioners, the company vigorously advocates energy conservation and emission reduction, actively publicizes energy conservation and emission reduction in billboards and offices, advocates civilized, economical, green and low-carbon production and office methods, changes unhealthy consumption patterns and living habits, and puts an end to waste; the company increases the number of teleconferences and video conferences, tries to make sure that the lights to be turned off once all the staff leave the office area, and set the air conditioning temperature appropriately; the company organizes employees to participate in training, so that employees can form the habit of consciously saving energy in daily production and life, improve their awareness of environmental protection and actively fulfill their environmental protection responsibilities.



Water saving slogans are scrolled on the company's display screen



Company greening

Developing low-carbon economy is a global consensus and exploration, as well as an important way to take the road of sustainable development. The company has issued a series of low-carbon environmental protection policies in combination with the actual situation to encourage low-carbon travel. In 2021, the company used buses to shuttle employees to and from work, running 2920 shifts in total, and transporting employees for 137240 person\*times to and from work. Compared with the mode of driving private cars by employees, the company shuttle bus could reduce carbon dioxide emissions by about 1118 tons.



Company Shuttle Bus

## 02 Waste Management

The company adheres to the environmental policy of “protecting the environment, saving resources, mutually beneficial cooperation, safety and harmony”, and implements the environmental policy of “harmlessness, recycling and reduction” in terms of solid waste management. The company adopts the principle of “prevention first, whole process management, polluter undertaking responsibility” for all kinds of solid waste, which is finally handed over to the qualified disposal company for treatment, so as to ensure that all kinds of waste of the company are properly collected, stored, transferred and disposed; the utilization and disposal rate reaches 100%. During incineration disposal, the heat energy generated by the disposal company is supplied to the supporting steam waste heat boiler to generate steam, which is incorporated into the steam pipe network system of the industrial park and supplied to other enterprises for production and use, so as to maximize the utilization of resources.

The company comprehensively promotes the classification of domestic waste, rejects the use of disposable products, promotes the recycling of paper tubes and other packaging materials on the premise of advocating green packaging, maximizes the utilization of resources through the optimization of process formula, and actively develops the use of bio-based raw materials and renewable raw materials to ensure the green and sustainable development of the company in the future.

Nature	Waste Category	Entrusted Utilization Volume (ton)	Entrusted Disposal Volume (ton)	Utilization (Disposal) Mode
Hazardous waste	Waste packaging barrel	239.45		Cleaning and refurbishment
	Waste packaging barrel		3.04	Incineration (energy recovery)
	Waste oil agent	335.78		Refinement
	Polyester waste liquid		21.52	Incineration (energy recovery)
	Waste molecular sieve		7.9	Incineration (energy recovery)
	Waste chemical reagent		4.48	Incineration (energy recovery)
	Waste chemical reagent bottle		9	Incineration (energy recovery)
	Component cleaning waste liquid		4.04	Incineration (energy recovery)
	Waste activated carbon		1.8	Incineration (energy recovery)
	Impregnation waste residue		123.7	Incineration (energy recovery)
	Waste rag		69.17	Incineration (energy recovery)
	Waste packaging bag		11.31	Incineration (energy recovery)
	Expired raw materials		6.96	Incineration (energy recovery)
General solid waste	Oligomer waste residue		17.02	Incineration (energy recovery)
	Sludge		349.04	Incineration (energy recovery)
	Industrial offcut		122.26	Incineration (energy recovery)
Total		575.23	751.24	

Qualification of Third Party Transportation Company



Qualification of Third Party Transportation Company



In 2019, the company's solid and hazardous wastes were reduced by 16.86%; in 2020, the solid and hazardous wastes were reduced by 10.75%. In 2021, the company continued to promote the reduction of solid and hazardous wastes through the following measures:

1. Require the suppliers to use large packaging barrels to reduce packaging from the source;
2. Improve the production process and reduce the generation of expired and scrapped raw materials;
3. Adopt oil separation facilities to improve the thorough degree of oil-water separation during the generation of waste oil agent, so as to reduce the content of other impurities in waste oil agent.



### Build a Waste-Free Factory

The company actively explores the environmental protection mode that combines “source reduction, process control and end disposal” with “circular economy”. Through the “six aspects” of measures, such as: “greening of process, recycling of waste, legal compliance of utilization, harmless disposal, institutionalization of waste reduction and intelligent management”, the company will not only reduce the solid waste from the source, but also strengthen the standardized disposal at the end, to minimize the environmental impact of solid waste of enterprise, realize the balanced development of “enterprise and nature, industry and resources”, and achieve the win-win of both environmental and economic benefits.



### Green Technology and Products



Raw materials are delivered in a closed pipeline system to prevent the fugitive diffusion of volatile organic waste gas and dust.

Hailide stone plastic flooring uses new environmental protection materials and international advanced technology. The product itself and production process do not contain formaldehyde or other substances harmful to the environment and human body, so as to provide customers with a healthy and safe environment. Hailide stone plastic flooring can be recycled, processed and reused like plastic. It is a good environmental protection material. It will not damage the ground when it is removed. You can directly pick it up and lay it down to ensure no damage to the floor, and there is no need to worry about its environmental protection.



### Recycling of Waste

The company has always attached great importance to the application of waste resource utilization technology. Through the implementation of green deep processing projects, the company produces high-grade environmental protection membrane materials, environmental protection stone plastic flooring and other products, and can obtain 47000 tons of new environmental protection plastic materials every year, and this creates better environmental and economic benefits. Hailide Jianshan Flooring Factory reduces 7500 tons of solid waste through waste recycling every year, and creates economic benefits of more than 1.85 million Yuan.



### Legal Compliance of Utilization

The company actively explores the legal compliance of comprehensive utilization of waste. At the beginning of 2021, the company signed the entrusted hazard identification agreement of PET waste and waste PET chips with the environmental assessment agency according to the new version of the National List of Hazardous Wastes (2021 version), and according to the announcement of the Elimination List of Hazardous Wastes (2021 version) issued by the Ministry of Ecology and Environment in December 2021. It provides sufficient compliance basis for the comprehensive utilization of PET waste and waste PET chips.

**技术咨询合同**

项目名称: 浙江海利得新材料股份有限公司 PET 废料 (经脱除单体、低聚物的原料) 和废 PET 切片危险废物鉴别报告

委托方 (甲方): 浙江海利得新材料股份有限公司

受托方 (乙方): 杭州博盛环保科技有限公司

签订时间: 2021年7月19日

签订地点: 浙江省宁波市

中华人民共和国科学技术部印制

### Harmless Disposal

The wastewater produced in the production process of the company, after being homogenized and mixed with domestic wastewater, is not flocculated and purified by adding new wastewater treatment agents. After being directly treated by biological processes, such as: anaerobic, hydrolytic acidification and activated sludge, it meets the direct discharge standard of GB31572-2015 Discharge Standard of Pollutants for Synthetic Resin Industry, and is finally stably discharged in pipes.

The company has signed an industrial hazardous waste disposal contract with Jiaying Solid Waste Disposal Co., Ltd., which is a hazardous waste incineration and disposal enterprise and was constructed to support the construction of the whole Jiaying City. It has built a 20t/d rotary kiln incinerator, which adopts advanced process technology, reliable control system and advanced SMP technology to realize closed and continuous feeding; the advanced flue gas purification system shall be used to ensure the standard emission of incineration tail gas.



### Institutionalization of Waste Reduction

By continuously and deeply promoting the institutionalized assessment of energy conservation, consumption reduction and waste reduction, the production cost and three wastes emission of the company are continuously reduced. The company included the cost of environmental protection treatment into the cost assessment of each production workshop, and carried out detailed assessment of specific subject management methods through the unit consumption of raw materials, reduction of hazardous wastes, energy consumption of every 10000 Yuan output value, etc.



### Intelligent Management

Since 2019, the entrusted third-party service provider has implemented the fine management consulting project of hazardous waste. The project uses technologies, such as: Internet of things, GPS, QR code, intelligent terminal, electronic account and electronic voucher. It is a solid waste fine management platform integrating on-site management, data collection, data analysis and statistics, information application and professional guidance.

The company established the accounts for solid waste at the source point, temporary storage point account and warehouse entry and exit account, and the relevant data and responsible person were recorded to correspond to each other, and established the approval process on the ERP data management system. According to the record number of each order, the information can be traced, including transportation vehicle information, article information, weight information, loading information, warehousing information, etc. By handling the online transfer form, the handover of waste in the third-party collection and utilization company is accurately mastered. At the same time, the whole plant area realizes video monitoring without dead corner, and the factory registration of various materials is entered into the management system.



hearts of every employee. At the same time, strengthen the construction of reclaimed water reuse system and improve the reclaimed water reuse rate.

Medium term goal (2019–2022): to have a sound water use account, completely solve the leakage problem of water supply and drainage pipe network, and completely eliminate leaking pipes and substandard water appliances. The water-saving management system and corresponding staffing of the company are complete. Strengthen management and assess water use to reduce waste of water resources. Meanwhile, a rainwater collection and utilization system shall be established to make full use of unconventional water resources and reduce fresh water consumption.

Long term goal (2023–2025): complete the upgrading of water supply and drainage pipe network of the whole company. Regular inspection shall be conducted by fixed personnel, and damaged water appliances shall be replaced in time. Overhaul the water supply and drainage pipe network and its ancillary facilities more than twice a year.

### Water Saving Working Group:

In order to improve the water recycling efficiency, strengthen the on-site management of water use, strictly implement the water-saving management system, reduce water waste and control the leakage of the whole plant, and take water conservation as an important work of the company, the company has established a water-saving management team after research and decision. The main responsibilities of the team members are to strengthen the water management of the company and improve the measurement by improving the water-saving management system of the company, promote water-saving technology and other measures, improve employees' water-saving awareness, standardize water management, strictly implement the on-site management of each water consumption point, and adopt the combination of quota inspection and irregular inspection to eliminate unreasonable water use methods and improve the water reuse rate of the company.

### Water Saving Management Meeting

In order to better carry out the company's water-saving management, make the water-saving office meeting institutionalized, scientific and standardized, improve the decision-making efficiency and implementation of the meeting, and strengthen the internal information communication of the company, we regularly hold the water-saving work meeting presided over by the company's water-saving leading group every month, and hold temporary and irregular meetings as needed.

**Case 1: meeting room of the company, July 20<sup>th</sup>, 2021**  
 Participants: heads of Safety and Environment Department, Production Department, Administration Department and other water related departments

1. Analyzed the water consumption of each workshop according to the contents of monthly water meter reading.
2. Found the abnormal data of the company's north gate water meter, analyzed the causes, and formulated the troubleshooting plan for abnormal water use.
3. The Production Department and the Equipment Department conducted a comprehensive survey to the company's water system, re-sorted and counted the water equipment to ensure the authenticity and reliability of the data, and seized the time to ensure the accuracy of the water meter and the maintenance of equipment leakage, so as to lay the foundation for the next water balance test.
4. Each department planned enterprise water-saving publicity slogans and publicity activities.



**Case 2: Meeting room of the company, August 17<sup>th</sup>, 2021**  
 Participants: supervisors of production areas, heads of Safety and Environment Department and other water related departments

1. Summarized the water-saving situation of last month and put forward improvement suggestions.
2. It was found that the data of water meter at the north gate was abnormal, and the water consumption was normal after troubleshooting.
3. This meeting required all departments to publicize the water-saving work, encourage department employees to actively participate in the water-saving work, widely solicit employees' water-saving opinions and suggestions, and implement the reasonable water-saving measures.
4. New water-saving ideas and technologies should be exchanged in time.



**Case 3: Meeting room of the company, September 14<sup>th</sup>, 2021**  
 Participants: supervisors of production areas, heads of Safety and Environment Department and other water related departments

1. The person in charge of each department reported the water consumption and water saving situation in this quarter.
2. The person in charge of each department explained the completion of water consumption, output and water-saving indicators.
3. The deputy leader of Water Saving Management Team proposed the water use index and water saving goal of this quarter.
4. While inspecting the water-saving work, the heads of all departments exchanged their experience of achievements, found out the causes of existing problems and put forward improvement measures.
5. The leader of Waters Saving Management Team summarized the water-saving work, commended the advanced departments, supervised the backward departments, and put forward specific requirements for quarterly water-saving work in combination with relevant government regulations and the latest situation of the company.



## 03 Water Management Water Saving Management » Water Saving Goal

In response to the call of the corresponding government, actively participate in the “five-water co-governance” and effectively implement the water-saving work, the company formulated the ten-year water-saving plan (2017–2029), and passed the re evaluation and certification of water-saving enterprises in Zhejiang Province in 2021.

Short term goal (2017–2019): replace all sanitary appliances that are currently damaged or do not meet the standards with water-saving appliances required by the state. At the same time, complete the leak detection and maintenance of the water supply pipe network of the whole company, timely find the problems existing in the unit pipe network and water appliances, and solve them in time according to the situation. Start to establish complete and complete relevant accounts, so the relevant tax data of the company can be well documented. Strengthen the publicity and education of the concept of water conservation, and carry out water-saving education once a quarter to truly make the concept of water saving take root in the

### Water Consumption and Water Circulation

The company has single water intake source, and all the water are taken from the tap water supplied by Haining Shikang Water Co., Ltd. In 2021, the total amount of water intake was 775000 tons, the circulating amount of cooling water reached 93.6 million tons, and the reuse rate of cooling water was 99.1%.

Year	Total Water Consumption	Average Monthly Water Consumption	Water Discharge Quantity	Reclaimed Water Quantity	Circulating Water Consumption	Rainwater Utilization Quantity	Unit
Year 2018	806115	67176.25	183905	100431	81054600	0	Ton
Year 2019	871750	72645.83	284611	186728	89212200	11603	Ton
Year 2020	862566	71880.50	276648	226614	91444200	17367	Ton
Year 2021	775007	64583.92	241059	284208	93601800	33727	Ton



Reconstruction of Steam Condensate Collection in Plant Area

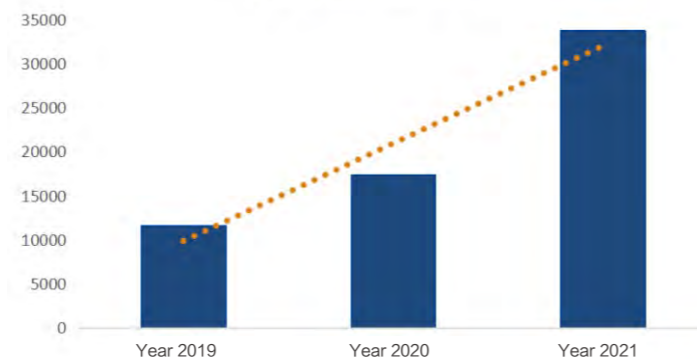


Circulating Cooling System of Centralized Cooling Tower

The Jianshan Polyester Plant of the company had built a rainwater collection tank, which is 22 meters long, 11 meters wide and 3.8 meters high, with a total capacity of 600 cubic meters. It was put into use in early 2019. The collected rainwater enters the newly constructed reclaimed water reuse system after passing two filtration systems, and is used to supplement the cooling water circulation system after the advanced purification treatment by reverse osmosis membrane.



Rainwater Resource Utilization (ton)



### Case: Reclaimed Water Reuse in Jianshan Polyester Plant



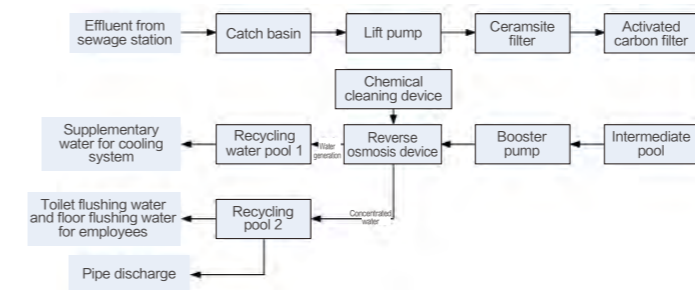
Before improvement: the reclaimed water reuse project had not been implemented, and the wastewater was directly discharged into the pipe after being treated by the sewage station.



After improvement: after treatment, the wastewater enters the advanced treatment system and is reused in the cooling water circulation system.

After improvement, the effluent from the sewage station enters the water collecting tank, which is lifted by the pump and then enters the quartz sand filter and security filter for filtration treatment; the filtered water enters the intermediate pool; after being lifted by the high-pressure pump, it enters the reverse osmosis device, the effluent enters the recycling water pool 1, and the reverse osmosis concentrated water enters the recycling water pool 2; the water in recycling water pool 1 is used to replenish the circulating cooling water; the water in the recycling water pool 2 is used for ground flushing wastewater and staff toilet flushing water, and the rest is discharged through pipes.

The project started operation since March 2019, and now it had operated for three years. In 2021, the reuse rate of reclaimed water in Jianshan Polyester Plant reached 80.22%.

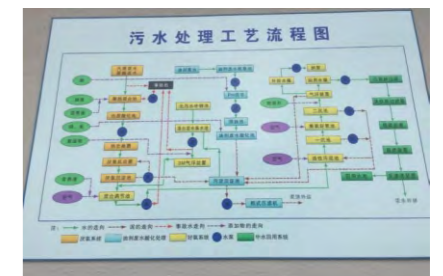


Fresh water intake quantity	20926Tons
Rainwater collection quantity	33727Tons
Wastewater acceptance quantity of other plant areas	65687Tons
Quantity of water produced during polyester reaction	66335Tons
Reclaimed water reuse quantity	137382Tons
External discharge quantity of sewage	33880Tons

### Wastewater Treatment Measures

The company's wastewater is collected and transported overhead to the company's internal sewage station for biological anaerobic, facultative and aerobic treatment, and then discharged into the urban sewage pipe network of the park. The discharge of treated waste water follows Synthetic Resin Industry Pollutants Discharge Standard (GB31572-2015). An online monitoring device is installed at the wastewater discharge outlet of the company to monitor the discharge concentration of wastewater pollution factors in real time and it's connected with the monitoring platform of the provincial environmental protection department.

The generated high concentration wastewater enters the detection tank. After the pH and water temperature are normal, it first enters the polyester wastewater collection mixing pool for water collection and pH regulation. If the pH and water temperature are abnormal or fluctuate greatly, it needs to be diverted into the accident water pool, and shall enter the wastewater mixing pool or homogenization pool, and the waste water shall be treated by the main treatment system. The wastewater collected in the polyester wastewater mixing pool is adjusted with nutrient salts, and then enters the homogeneous acidification tank for homogenization and pre acidification treatment. After pH adjustment, the effluent from the homogeneous acidification tank is lifted into the anaerobic reaction system for anaerobic treatment after pH adjustment. The wastewater of the anaerobic reaction system adopts the mode of internal circulation flow to ensure that the anaerobic reaction is carried out at an appropriate and constant temperature. After mixing with other wastewater, the effluent is sent to the collection pool for regulation through the grid and lifted to the air flotation device. After physical and chemical treatment, it flows into the mixing regulation tank by itself. After aerobic biochemical treatment, the effluent from the secondary sedimentation tank is subject to air flotation physicochemical treatment, and then enters the ceramic filter and activated carbon filter for filtration and adsorption through the lift pump. The effluent is finally sterilized and provided to the water consumption point. The company entrusts a third-party professional agency to check and control the leakage and consumption of underground water supply network every year.





04 Resource Recycling

All kinds of waste products and wastes generated at the production site of the company are strictly classified. Some of them are directly recycled, and some of the remainder is sold to recycling companies for processing and reuse, so as to maximize the utilization of resources. Various wastes sold to the market in 2021 are as follows:

Waste Products	Quantity	Unit
Waste bag	13.5	10000 Pieces
Metal scrap	287.88	Ton
Waste impregnated fabric	112.22	Ton
Waste wood	222.65	Ton
Waste yarn	5478.86	Ton
Waste plastic	3570.92	Ton
Waste paper	1421.83	Ton
Polyester waste	409.15	Ton

At the same time, we buy back our product packaging materials from customers or purchase reusable packaging materials from peers to reduce resource waste and increase resource reuse. The procurement of packaging materials from customers or peers in 2021 is as follows:

Item Name	Unit	Quantity
Beating-up paper tube	KG	50000
Honeycomb panel	Piece	1000
Chemical fiber paper tube	Piece	70000
Foam board	Piece	32000
Ordinary wooden frame	Piece	20000
Upper cover	Piece	1500
Paper steel shaft	Piece	4000

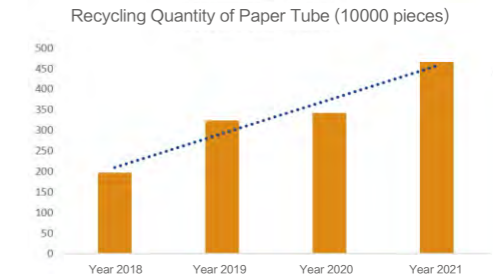
Recycling of Raw Materials:

Category	Brief Introduction	Recycling Quantity
Pulse ash	The pulse ash of the pulverizer was originally treated as industrial waste, and then the R&D department improved the process. After treatment, it is recycled as raw material.	456.07tons
Mute pad	Through statistics, it was found that 40% of the floor defective products contain mute pads, and about 30% of these defective products before improvement were treated as industrial waste. After improvement, through process adjustment, all of them are put into reproduction after treatment, and thus to reduce waste.	336.78tons
Paper tube	As a raw material in the production process, the paper tube was not reused or rarely reused before improvement, and was scrapped after use. Through the improvement scheme, the paper tube is recycled, which saves resources and reduces the generation of waste.	4668185pieces

As a raw material in the production process, the paper tube was not reused or rarely reused before improvement, and was scrapped after use. Through the improvement scheme, the paper tube is recycled, which saves resources and

reduces the generation of waste. From 2018 to 2021, the total amount of paper tube reuse was 1.97 million, 3.23 million, 3.42 million and 4.65 million respectively. The total amount of paper tube reuse in 2021 increased by 36% compared with that in 2020.

Year	Recycling Quantity of Paper Tube (10000 pieces)
2018年	197
2019年	323
2020年	342
2021年	465



05 Biodiversity

Haining City is located in the northeast of Zhejiang Province and the south of Jiaying City. Jianshan New Area of Haining City is located in the southeast corner of Haining City, Zhejiang Province, between Shuwei Mountain and Gaoyang Mountain on the north bank of Jianshan section of Qiantang River estuary, and adjacent to Qiantang River in the south. It has convenient water and land transportation and smooth passenger and freight transportation. Haining is located in the subtropical monsoon climate zone, with warm and humid air, abundant rainfall and four distinct seasons.

There are mountains, plains and coastal areas in the planning area, with complex soil types, including 8 subclasses and 12 soil genera. The nature of soil determines the population distribution and composition of plants to live on it, and then affects the structure of biological communities living on it. As the soil in this area is highly saline and alkaline, priority must be given to the alkali resistance of plants when configuring plants, and other alkali tolerant and alkali loving organisms shall be properly guided to intervene.

Due to the interference of human activities, most of the primary vegetation in Haining City is replaced by cultivated plants or secondary plant communities. The natural mountains have good vegetation coverage and complex community composition, mainly including coniferous forest, coniferous and broad-leaved mixed forest, deciduous broad-leaved forest, shrub forest, bamboo forest, etc. Due to the short period of reclamation in the planning area, the wild plants are still dominated by wild grass. After a period of experiments, planting trees and grass on the beach has been successful, and a considerable number of plants suitable for growing on the beach have been found, such as: fast-growing Italian poplar, privet, tung tree and other trees grow well.

There are many kinds of cultivated plants, mainly including fruit trees, grain and vegetables. There are 11 categories of cultivated plants, including grain and oil (15 species), fiber (6 species), vegetables (52 species), edible fungi (8 species), melons (19 species), feed (16 species), green manure (8 species), ornamental (more than 250 species), fruits (36 species), trees (more than 70 species) and bamboo (17 species). There are about 500 species in total.

The wild vegetation here is mainly herbaceous. There are a total of 140 families and 728 species of wild plants in Haining. According to the sampling survey in 1980 and 1984, farmland weeds mostly belong to vegetation angiosperms, as well as some ferns and algae, with 325 species in 73 families. There are 30 families and 50 species of wild tree species.

There are more than 140 kinds of common medicinal plants, of which 114 are wild. Woody plants, such as: privet, fragrant oak and pomegranate; plants, such as: begonia palmata, andrographis paniculata and datura stramonium; vines, such as: honeysuckle, spora lygodii and polygonum multiflorum. Most of these medicinal plants are distributed in hilly woodland.

The terrain in Haining City is flat, and there are a lot of rivers; this place has superior natural conditions, which are suitable for the growth and reproduction of a variety of animals, and it is rich in wild animal resources. According to the survey, there are seven categories of wild animals in the territory, with a total of more than 1500 species, including more than 60 species of mammals, more than 270 species of birds, more than 50 species of reptiles, 16 species of amphibians, more than 70 species of fish, more than 1000 species of insects and more than 50 other species.

The project construction meets the requirements of local planning and environmental impact assessment. The wastewater is treated by the existing local sewage station, and the reclaimed water reuse device is added to ensure that the wastewater reuse rate reaches 85%; after earnestly implementing the requirements and measures put forward in the EIA, the pollutants discharged by the enterprise meet the pollutant emission standards of the state and province, and will not have a significant impact on the biodiversity of the surrounding environment.

The river near the plant area of the company is Majinggang River, which belongs to the tributary of Qiantang River, and the water quality is in accordance with class III standard in Surface Water Environmental Quality Standard (GB 3838-2002); the surrounding air environment meets the class II standard in the Ambient Air Quality Standard (GB3095-2012); the regional acoustic environment meets the class III standard in Environmental Quality Standard for Noise (GB 3096-2008).

The company adheres to the environmental policy of "environmental protection, resource conservation, mutually beneficial cooperation, safety and harmony", firmly establishes the development concept of "innovation, coordination, green, openness and sharing", places ecological construction and environmental protection at the strategic height related to the survival and development of enterprises, firmly takes the path of ecological priority and green development, strengthens the source control and whole process governance of environmental protection, and pays close attention to energy conservation, emission reduction and cleaner production, highlights the green transformation of industry and creates an industrial system of green and low-carbon circular development.

## Chapter IV Harmony-prioritized and People-oriented

The company adheres to the people-oriented concept and fully protects the rights and interests of employees. During the reporting period, the company strictly abode by the labor law and the labor contract law, and further standardized and improved the company's incentive, social security and other salary and welfare systems. There was no illegal employment, discrimination against employees, forced labor, arrears of employees' wages or other situations during the reporting period.

The company attaches great importance to safety production, regularly provides employees with necessary labor protection articles and protection facilities for different posts, implements the responsibility system of safety and environmental protection production, comprehensively investigates employees' safety production from time to time, strengthens safety publicity and training, and improves employees' awareness of safety production. During the reporting period, the company's production was stable and there were no major safety accidents.

The company stipulates that there should be no discrimination in terms of race, gender, nationality, age, pregnancy or disability in recruitment, promotion and salary; the employees enjoy the right of free association and collective bargaining according to law; the company does not object to employees participating in the legal activities of local legally registered trade unions on the basis of voluntariness and not violating local laws.

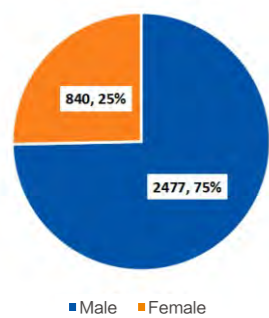
At the same time, the company attaches great importance to the career development planning of employees, advocates the training mode of combining vocational education with general education and combining internal education with external education, and encourages employees to carry out multi-level and multi-faceted training contents, such as: lean production, marketing knowledge and office skills according to their own needs, so as to improve the comprehensive quality of employees.

Total number of employees	Male employees	Female employees	
3317	2477	840	
New employees (person)	New male employees (person)	New female employees (person)	New employee rate
1088	803	285	32.8%
Employees resignation (person)	Male employees resignation (person)	Female employees resignation (person)	Employee resignation rate
770	614	156	23.21%

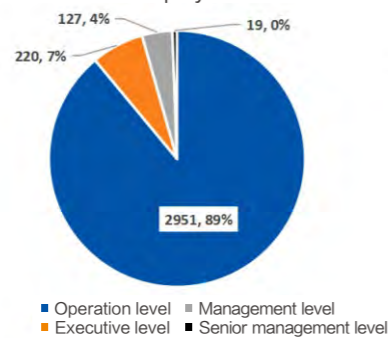
### Senior Management Personnel

Senior management personnel of Hailide Stock Company	11persons	Proportion
Of which: number of female senior managers	1persons	9.1%
Of which: number of senior management personnel from ethnic minorities	0persons	0%
Of which: local senior management personnel	6persons	54.5%

Gender Ratio of Employees



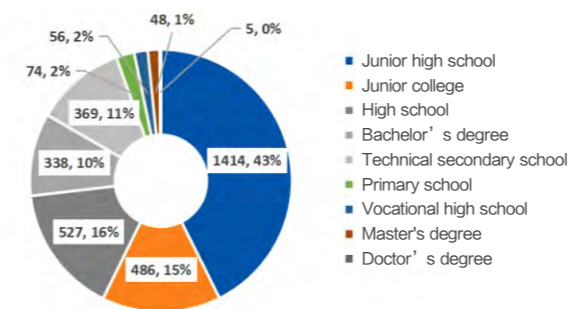
Hierarchical Distribution of Employees



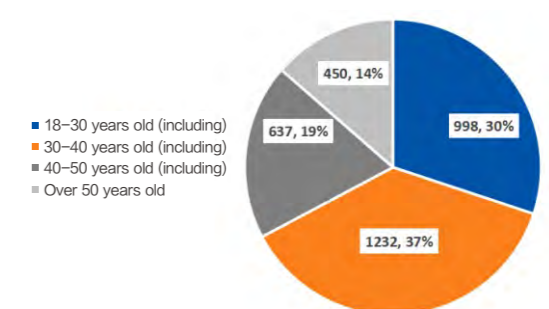
Number of Persons for Ethnic Minorities



Proportion of Staff Education Degrees



Distribution of Employee Ages

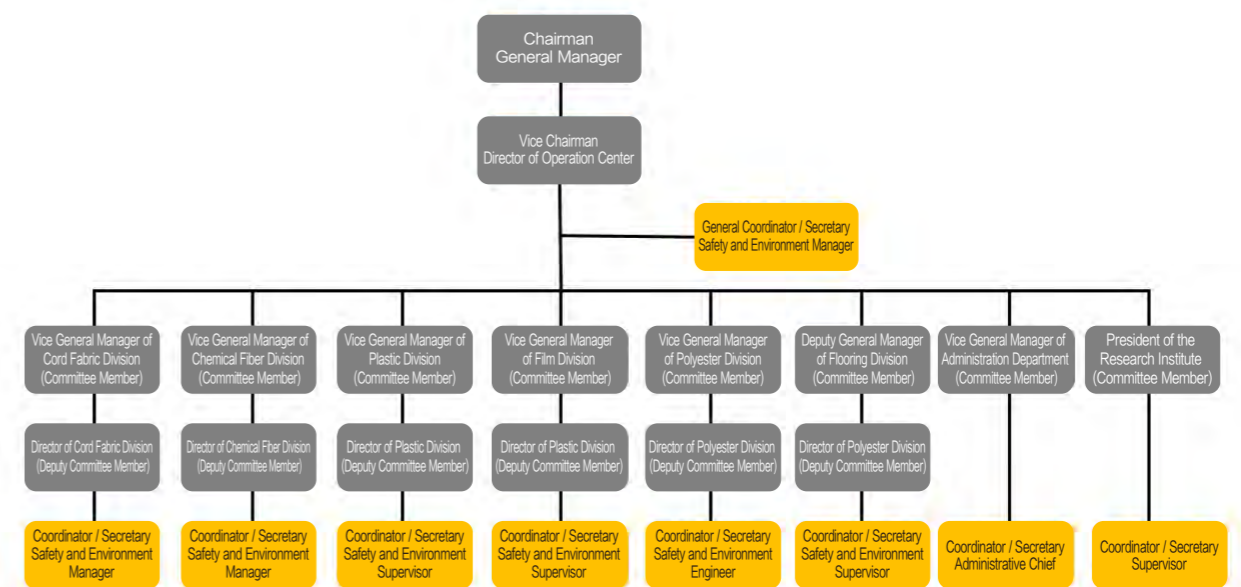


### 01 Employee Health and Safety

In 2019, the Company re-integrated the safety management system, integrated the safety standardization and ISO45001 systems, and prepared more than 40 safety management systems and more than 50 standard management forms; after the integration and release of the safety management system, it has been implemented in all divisions of the company, and the implementation effect was perfect. The company passed the safety standardization system certification in 2020, revised and improved the emergency preparation and response control procedure, safety production objective management system, occupational health and safety education and training management system, management system of external construction personnel, safety risk identification, evaluation and control management system, accident investigation and communication management system in 2021, and passed the ISO45001 certification. Subsequently, the company will continuously improve and optimize the safety management system according to the implementation situation of various systems.



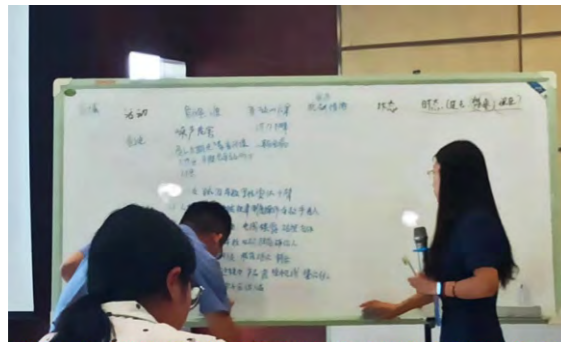
### Organizational Structure of Safety Committee



### Safety Risk Assessment

Firstly, the company hired professional institutions to carry out training on risk identification methods for team leaders, supervisors, managers and other personnel of each department. Then, the safety and environment organization of each division and the person in charge of each department led to identify the safety risks of the department and implement prevention and control measures. Finally, the safety risk identification and control table of each department and division was formed to control the risks on site. For the above identified risks, the company controls them through multi-directional control scheme, SOP, emergency plan and other methods. The overall safety risk of the company is controllable, and there has been no serious accident in recent years.

The company has a special accident investigation management system, which defines the division method of five levels of internal accidents, and stipulates the personnel, time limit, method and treatment of different levels of accident investigation. At the same time, the company requires all departments to make accidents / events into "experience & lessons", so that staff training and all departments can learn from each other, so as to reduce the probability of similar accidents to the greatest extent.



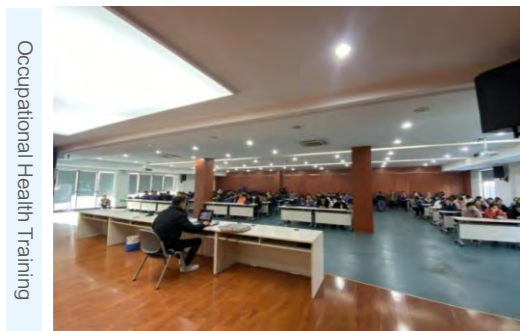
工厂	部门	地点	日期	事故等级	严重程度	事故类型	预防措施
工厂	生产部	车间	2020.10.0	一般	轻微	物体打击	1. 现场作业人员，员工右臂所站网格位置有油污打滑，左脚所站网格位置不平打滑。 2. 现场作业人员，员工左脚所站网格位置有油污打滑，左脚所站网格位置不平打滑。 3. 现场作业人员，员工左脚所站网格位置有油污打滑，左脚所站网格位置不平打滑。 4. 现场作业人员，员工左脚所站网格位置有油污打滑，左脚所站网格位置不平打滑。 5. 现场作业人员，员工左脚所站网格位置有油污打滑，左脚所站网格位置不平打滑。

### Occupational Health

Our company attaches great importance to the occupational health of employees and carries out the "three simultaneousities" of occupational health for new projects. For the normal operation of the plant, a qualified agency is hired every year to carry out the detection of occupational hazard factors regularly. According to the detection results, the physical examination items of employees are confirmed, and the physical examination of employees is arranged. The physical examination results are notified to employees, and they are required to sign for confirmation. For employees with abnormal indicators in the physical examination results, the company will actively adjust their positions and arrange employees to recheck until the test results are qualified.

For new employees, the company requires them to provide induction physical examination reports. If relevant occupational taboos are found, they will be transferred to other suitable positions; at the time of employment, the company will also sign an occupational hazard notification for the posts with occupational hazards, so that employees can fully understand the occupational hazard factors, possible consequences and protection methods in their workplace. Up to now, our employees have not suffered from occupational diseases.

Item	Data
Proportion of employees receiving physical examinations	100%
Total expenditure of physical examination	0.159 million Yuan
Investment amount of safety protection facilities (2021)	8.544 million Yuan



For labor protection articles, our company strictly controls the purchase and warehousing process of labor protection articles; based on the requirement that special labor protection articles must have three certificates and one sign (production license, product certificate, safety appraisal certificate and safety sign), it is required that protective articles must be accepted by the safety, environment and warehouse keeper of the division before they can go through the warehousing procedures; the company continues to require the production management department of each division to make a minimum inventory of protective articles to ensure that they can be used at any time in production.

In order to improve the ability of employees to deal with emergencies and make correct response at the first time in case of emergency, so as to ensure the safety of personnel and the company's property, in 2021, the company carried out many trainings and drills on fire fighting and emergency response. During the reporting period, the company organized more than 40 trainings and drills, and more than 5000 person\*times of employees participated in them.

Employees Wear Labor Protection Articles



Human Rights Training for Security Personnel



Drill



Drill



### Work-related Injuries

Our company has a large number of workers and complex facilities and equipment. At present, it is impossible to ensure that all facilities and equipment reach the intrinsic safety level. Some safety and occupational health risks need to be controlled by transformation, improvement and management measures. In 2021, the company organized the investigation of incidents and analysis of causes, and took corresponding control measures for work-related injuries in accordance with the principle of "four no ignorance"; at the same time, employees and departments were encouraged to report false alarm events and hazard sources in various ways, and various control measures were revised and improved in time, so as to avoid the occurrence of serious injury events.

### Case: Work-related Injuries Rescue

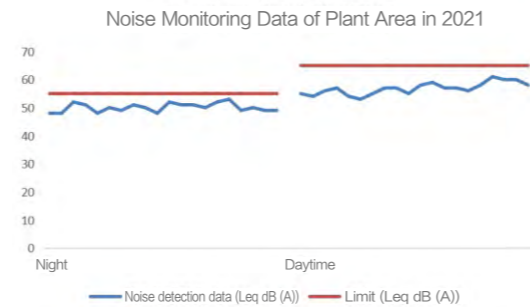
At 7:20 a.m. on April 22nd, 2021, the No. 14 extrusion line of the new floor factory was broken. A main operator went to help pull the plate. After pulling the plate, he got down from the platform, accidentally stepped on the air and fell down and hit the machine, resulting in injury to his right arm. After the accident, the company immediately sent him to Haining People's Hospital for hospitalization. During this period, the company and department leaders visited the hospital for many times. Now the employee has recovered and went to work normally.

After the accident, the flooring division formulated the following prevention and control measures to effectively prevent the occurrence of similar events: the extrusion department trained all staff and added warning signs in dangerous areas; the company contacted the manufacturer to widen the pedal in this area by no less than 20cm, add handrails on one side, and add steps on both sides of the machine; all departments involved in new equipment shall conduct safety inspection before start-up.

### Dust Prevention and Noise Reduction

More than 400 people are exposed to noise hazards in some posts (winder, twist weaver), such as: spinning department and twist weaving department in Chemical Fiber Division, the spinning department, twist weaving department of Cord Fabric Division and the weaving department of Plastic Division.

By adding dust-proof and noise reduction signboards, we require employees to wear labor protection articles reasonably, and provide the employees with professional noise proof earplugs, mute and dust-proof equipment, which not only improves work efficiency, but also reduces noise hazards and creates a better and more comfortable working environment for employees. Noise monitoring will be carried out in all plant areas of the company during the day and at night. The data monitored in 2021 are all below the limit.



## 02 Remuneration and Benefits

### Remuneration Policy

According to the minimum wage standard issued by the local government department, the human resources department of the company puts forward suggestions on the adjustment of the overall salary level of the company and submits them to the salary management committee for approval.

Annual salary adjustment: the adjustment made by the company to the overall salary level according to the salary change level of the industry and the change of consumer price index, while taking the company's strategic positioning and affordability into account.

Performance salary adjustment: according to the outstanding performance of employees' performance and ability, all departments have an opportunity to apply for special salary adjustment for employees once a year. The specific salary adjustment amount shall be discussed between the applying department and the human resources department and reported to the general manager for approval. Part of the total salary is used for performance appraisal.

Annual Total Salary Ratio in the Reporting Period (Note: including year-end bonus)

Reporting period	Maximum annual salary (10000 Yuan)	Average annual salary of employees (10000 Yuan)	Annual total salary ratio	Annual total salary growth rate
Year 2021	198	10.8	18.33	19.25%

Average Salary of Male and Female Employees in the Reporting Period (Note: including year-end bonus)

Reporting period	Average monthly salary of male employees (Yuan)	Average monthly salary of female employees (Yuan)	Highest monthly salary (Yuan)	Local minimum wage standard (Yuan)
Year 2021	8695	8425	85000	2070

### Benefits

In order to reflect the company's humanistic care for employees, further promote the construction of the company's corporate culture and form a good corporate centripetal force and cohesion. The company provides employees with statutory benefits, unified benefits and special benefits.

The company organizes physical examination for employees to ensure that each employee works with a healthy body; on the annual Dragon Boat Festival, Mid Autumn Festival, Spring Festival, March 8th Women's Day and other festivals, the company give holiday gifts or festival fees to employees, and give gifts or cash gifts to employees to show concern in case of birthday, hospitalization, death of immediate family members and so on; in order to enrich employees' spare time life and increase their sense of identity with the company culture, we organize various entertainment, sports and tourism activities from time to time according to the suggestions of employees.

In order to further care for employees, the company purchased Jiaying commercial supplementary medical insurance – Jiaying “worry-free” insurance for every employee who meets the insurance conditions.

In 2021, there were 9 employees enjoying maternity leave, and 7 returned to work after maternity leave, and 6 employees still worked within 12 months after return.

In 2021, the company upgraded Jianshan and Maqiao dormitory areas, renovated the environment and improved the living comfort of employees. The variety of food in the staff restaurants is diversified, and the executive restaurant adopts buffet. Maqiao canteen won the title of “five-star canteen” .



Wrapping Zongzi



Rope Skipping Game

### Case: Celebrated the New Year

On January 17<sup>th</sup> and 18<sup>th</sup>, 2021, the company held the new year activity of “opening luck, welcoming new year and blessing” in Maqiao and Jianshan factories. The activity included three types: “new year blessing”, “happy topping-on” and “lucky throwing”. About 3000 employees participated in the activity and about total of 182000 Yuan of materials were distributed.



### 03 Career Development and Training

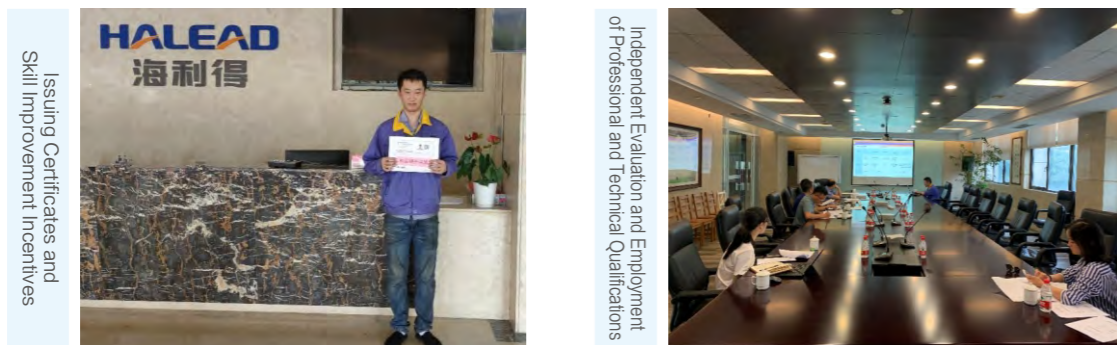
The company pays attention to the introduction and cultivation of high-end technical talents, middle and senior management talents and marketing talents, to improve the technical level and comprehensive quality of human resources, operation and management level and sales service level of the company, and ensure the realization of business objectives.

We advocate morality first, pay attention to the construction of enterprise team with both morality and ability, enhance mutual trust between enterprise and employees, promote the improvement of enterprise product and service quality, and strive to maintain the good reputation of Hailide. We adhere to the people-oriented principle, strive to provide customers with high-quality products and services, create a career development platform for employees, make rich investment returns for shareholders, and actively fulfill the social responsibility of Hailide for the general public.



In 2021, the company introduced 35 medium and high-end technology and management talents, and dismissed 21 people who had mismatched values; in order to broaden the talent training mechanism, enrich work experience, expand and improve work ability, and effectively cultivate compound talents, the company issued the Management Measures for Employee Rotation, implemented the employment management, and organized the rotation of 15 person; the company strictly controlled the avoidance of kinship, formulated and implemented the Regulations on the Selection and Appointment of Management Positions, and clarified the requirements and procedures for the selection and appointment of management personnel, so as to lay a good foundation for the system construction for better selection of management personnel. At the same time, the company carried out cross departmental temporary posts, to cultivate compound talents, and four people were appointed to temporary posts in other departments to improve their ability and experience in 2021; the company won the title of Jiaying Harmonious Labor Relations Enterprise in 2021.

### Skill Grade Certification and Independent Evaluation and Employment of Professional Title



The company strengthened the training of multi-skill workers, issued the training incentive policy, awarded multi-skill workers, and encouraged employees to participate in compound skill training and obtain qualification certification. At the same time, the company strengthened the training of employees' skills and technology, and carried out annual skill grade review and technical level review. In 2021, more than 1100 employees were certified with skill grade qualifications and more than 60 employees were certified with technical level qualifications. While implementing the internal skill and technical evaluation, we will further strengthen the recognition and evaluation of employees' vocational skill grade and professional and technical qualification. After obtaining the enterprise independent qualification for skill grade certification in last year, the company will obtain the enterprise independent qualification for professional title certification in Zhejiang Province this year. In 2021, more than 100 employees obtained vocational skill grade certificates and more than 30 obtained professional and technical vocational qualification certificates.

### Skill Grade Assessment



The company will assess employees every year, and the assessment results are linked to evaluation of excellent employees, salary and bonus, which is directly related to employees' personal income. Through the assessment, the survival of the fittest and clear rewards and penalties, the excellent talents can stand out to enhance the vitality of the company's team. The company conducts performance result interview for employees who fail to meet the assessment standards and formulate performance improvement plan. During the reporting period, 3317 employees received performance appraisal, accounting for 100%. All management personnel who hold posts shall also carry out annual job reporting evaluation during the employment period, and they can hold posts only after reaching the evaluation standard.

Personnel Type	Assessment Method
Operation level	Performance assessment + values assessment
Executive level	Performance assessment + values assessment (360°) + competency (360°)
Management level	Performance assessment + values assessment (360°) + competency (360°)
Senior management	Assess according to the requirements of the board of directors and the business management objective responsibilities
Executive director and above, management level	The term of employment of the executive level is one year, and the company conducts assessment according to their annual work reports The term of employment of the management is two years, and the company conducts assessment according to their annual work reports



Staff Training

By establishing a perfect training system, the company integrates the concept of quality and efficiency into the training classroom, strengthens the safety and human rights education of employees, and adopts a variety of training methods. The effect of employee training is stable and remarkable. In 2021, accumulatively total of 4219 employees participated in the training, including 969 women, with an average annual training of 26.9 hours per capita, and the total training expenditure was about 496673.04 Yuan. During the reporting period, the employee training rate reached 100%, and 100% of the front-line employees hold the relevant certificates for their posts.

Cumulative training time (hours)	113491
Cumulative number of participants	44277
Cumulative number of female trainees	8633
Cumulative number of male trainees	35644
Annual cumulative number of trainees (person)	4219
Cumulative number of female trainees (person)	969
Cumulative number of male trainees (person)	3250
Annual per capita training hours (hours)	34.2
Total training expenditure (Yuan)	496673.04

Case 1: on June 15th, 2021, in the third textile material inspection room, multiple employees of the company participated in the "TST2 type dry heat contractometer (Chinese version) operation instruction training", and participated in the skill grade identification that year and obtained the grade IV certificate of textile material inspector.



Case 2: the company actively responded to the government's requirements and promoted the "network training for millions of employees". In the major fire accident of Ningbo Ruiqi, employees could still remember a series of wrong disposal methods in the face of emergencies, which constantly reminded us that a solid grasp of safety knowledge and safety skills was very important for the company's safety management and the initial disposal of emergencies. In 2021, the company's safety and environment department took advantage of the opportunity of the government's "network training for millions of employees" to organize and promote more than 300 people in each division to pass the training and assessment, which had a positive impact on the improvement of the company's employees' safety ability. At the same time, the completion rate of our company ranked top among all companies in Haining City, which had also been affirmed by government departments.

S/N	Division	Number of registrants	Number of people passed	Target number of persons	Completion rate
1	Plastic	85	83	48	172.9%
2	Polyester	35	32	22	145.5%
3	Chemical fiber	106	96	88	109.1%
4	Film	28	27	27	100.0%
5	Cord fabric	85	60	66	90.9%

04 Employee Dialogue

Trade Union and Staff's Congress

The staff's congress is the basic form for enterprise to implement democratic management and is the organization for workers to exercise their rights of democratic management. The company implements the functions and powers of the staff's congress, and guarantees the rights of employees to review major enterprise decisions and implement democratic participation, democratic supervision and democratic management according to law. Major events of the company shall be notified to all employees at least 4 weeks in advance through Dingding message, and the signing rate of employee collective agreement is 100%.

Hailide employees can choose to join the trade union after entering the job, and the human resources department will introduce the trade union to the employees. The employees can apply to join the trade union by themselves and they will have the trade union membership after they're admitted by the trade union. The existing trade union members of the company account for 100% of the employees of the whole company.



The first member congress and staff congress of the fourth session of trade union of Hailide



The first trade union and staff congress of the first session of trade union of Hailide Film Company



The first trade union and staff congress of the first session of trade union of Hailide Flooring Co., Ltd.



The first trade union and staff congress of the first session of trade union of Hailide Fiber Company

Catering Committee

In order to continuously supervise the dining quality of the company's canteen, ensure the dining safety of employees and effectively control the canteen cost, and build a smooth employee communication platform to better collect employees' suggestions and opinions on catering issues and improve the promotion work, a catering committee was hereby established. The catering committee shall conduct daily spot check, record and investigate the catering quality and raw material supply of the company's canteen, summarize the suggestions and opinions put forward by employees on catering problems, form a plan and report to the company.

S/N	Matters	Participants	Frequency
1	Convene meeting of the catering committee	All members of the catering committee	Once a quarter
2	The catering committee shall do a good job in uploading and issuing the decisions of the regular meeting to the employees in time, so as to improve the employees' support for the work of the catering committee.	At least a team leader (deputy team leader) and two team members shall be arranged	Once a quarter
3	Supervision of batching warehousing acceptance		Once a month
4	Check the storage of canteen materials and the safety and quantity of purchased food.		Once a month
5	For the color, quantity and taste of the dishes in the canteen, the catering committee can make decisions by majority resolution and put forward improvement requirements to the canteen.		Once a month
6	Review the weekly menu listed in the canteen.		Once a month
7	Check the price of canteen food, organize members to conduct market price investigation, and supervise the cost accounting of canteen.		Once a month
8	Sampling inspection of canteen hygiene (back kitchen and restaurant)		Twice a month
9	Check the quality of canteen meals.		Once a week
10	Supervision of warehousing acceptance of food materials		Once a week
11	Promote the communication and contact between employees and canteen department, organize meetings, solicit, listen to and collect employees' opinions and suggestions on all aspects of canteen work, and timely report to the administration department.		Irregular

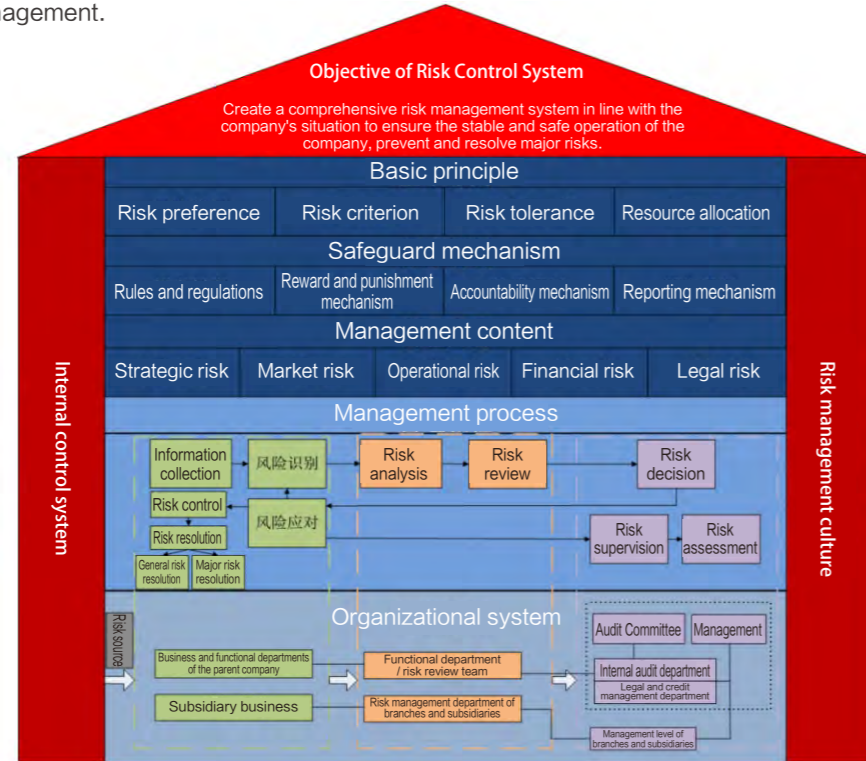
## Chapter V Trustworthiness, Keeping One's Word

### 01 Risk Control

Hailide is committed to building a corporate culture with high standards, business ethics and compliance management principles. It pursues the code of conduct of "integrity, compliance, transparency and responsibility", to establish and improve a compliance management system in line with legal provisions and business ethics standards in the fields of fair competition, intellectual property protection and business ethics.

Focusing on the two principles of "law-abiding and compliance" and "fair transaction", the company actively carries out production and operation, and strictly controls to avoid illegal and improper transactions and other violations. The company has established a perfect legal organization system, actively promoted the establishment and improvement of compliance process and legal supervision system, to realize the effective management of law-abiding and compliance system.

The company integrates compliance management into all links of daily production and operation, guides and standardizes the business behavior of employees, managers and partners through systematic management and training, and constructs a benign business environment with standardized operation, transparent management and fair competition. At the same time, we listen to the constructive opinions of stakeholders to improve decision-making and business management.



#### The Work Completed in 2021

1. Completed 66 audit projects, discovered 87 problems and put forward 80 audit suggestions were. Completed the resignation audit of 31 employees who resigned from core positions.
2. After the implementation of technical and business negotiation for single equipment procurement and engineering installation projects with more than 100000 Yuan, conducted the interviews of honest behavior. Participated in the bidding supervision of 37 engineering projects to optimize the technical scheme and price. Participated in the factory inspection of suppliers.
3. A total of 11772 contracts were reviewed annually, and 33765 were sealed after reviewing the printed materials. Organized 7 legal training sessions and recovered more than 880000 Yuan of losses through litigation.
4. With the help of information-based means, provided assistance to contract management, improved legal management related processes and promoted their use, so as to improve the level of risk control and realize compliance.
5. Carried out the construction of credit management business, and approved 326 customer credits and 51 supplier access credits throughout the year.

### 02 Honest Management

The company adheres to the basic principle of anti-corruption and effectively prevents the corruption of employees, such as: all kinds of commercial bribery. The management level of the company took the lead to set an example, strengthened integrity and self-discipline, abode by the company's rules and regulations and eliminated corruption.

In 2018, the company formulated and promulgated Reporting Reward System for anti-corruption, which stipulates the reporting scope, reporting requirements, reporting channels, reporting procedures, rewards and protection for informants, so as to ensure the company's legal compliance and stable operation; in 2019, the company formulated and promulgated the Code of Business Ethics Management, which was subsequently revised and improved gradually. The Code of Business Ethics Management covers the provisions about unfair competition, anti fraud, conflict of interest, commercial bribery and commercial corruption, the use and protection of assets, information security and confidentiality, anti money laundering, insider trading and employees' professional ethics, so as to create a healthy and good business ethics environment for the steady development of the company.

In 2021, the company conducted a total of 23 corruption risk assessments. The risk assessment results showed that there were 1 high risk, 6 medium risks and 16 low risks, and formulated appropriate control measures to cope with the corresponding risks. The company added 17 new employees in core positions, and signed 17 Letter of Commitment for Honest Performance with new employees in core positions, accounting for 100% of the number of new employees in core positions.

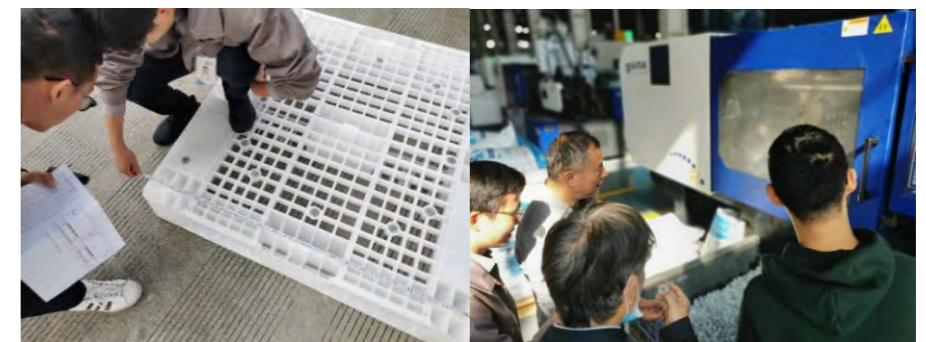


### On the one hand, strengthened internal audit supervision and promoted clean procurement and marketing management.

1. The company issued and implemented the Management Measures for Interview with Supplier. The measures clearly stipulates that the internal auditors must be notified to participate in the whole process of business exchanges, technical exchanges, bidding meetings, inspection and acceptance and regular visits with suppliers, so as to strengthen the management of suppliers, standardize the exchanges and cooperation with suppliers, and create a sunny, green and healthy business environment for the business cooperation between the two sides.



Oil Pressure Equipment Acceptance



Pallet Acceptance and Supplier Investigation and Communication

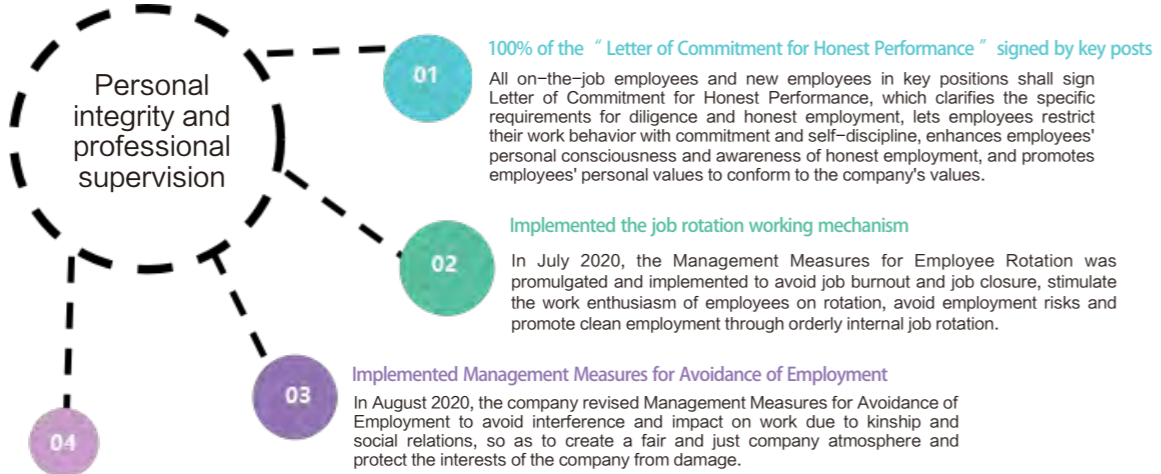
2. When signing the contract with the supplier, the Integrity and Self-discipline Agreement must be signed and the internal audit department shall conduct integrity interview. The signing of the integrity agreement and the integrity face-to-face interview play a role of self-restraint and deterrence for both parties, so as to promote the fair, fair and open cooperation between both parties.



Supplier Integrity and Self Discipline Agreement

Registration List of Integrity Agreement

On the other hand, strengthened the supervision of individual integrity and improved employees' awareness of personal integrity.



03 Anti Unfair Competition

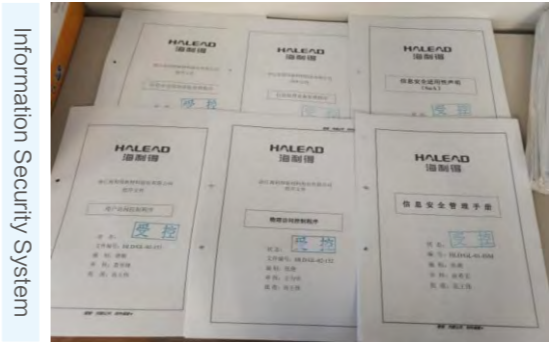
In order to ensure the healthy development of the economy, encourage and protect fair competition, restrain unfair competition and protect the legitimate rights and interests of business operators and consumers, we shall observe the principles of voluntariness, equality, fairness and integrity, laws and business ethics. Acts that disrupt the order of market competition and damage the legitimate rights and interests of other business operators or consumers are strictly prohibited. We encourage, support and protect all organizations and individuals to exercise social supervision over acts of unfair competition. During the reporting period, there were no legal proceedings on unfair competition.

04 Protection of Intellectual Property

The company attaches importance to technological innovation and the development of various intellectual achievements, and pays attention to the effective protection of corresponding intellectual property rights. Internally, the company signed Confidentiality and Non-Competition Agreement with employees involved in key positions, requiring employees to keep confidential the company's trade secrets and technical secrets obtained during

05 Information Security

The company has a sound information security system and has established an information security management manual according to the system requirements to effectively manage information security risks. All employees comply with the information security management system documents and continuously improve the information security management system. In order to protect the security of customer information and enterprise information, the company requires core posts and relevant units to sign confidentiality agreements. System information query is managed according to different levels of permissions. Permission change and cross business data query need to go through the approval process. After approval, corresponding permissions can be activated. For sensitive data such as customer information, the permission is assigned to specific personnel for independent authorization, and unauthorized customer data cannot be queried for the same position. In 2021, the company did not find any complaints from outside customers or regulatory agencies about infringement of customer privacy.

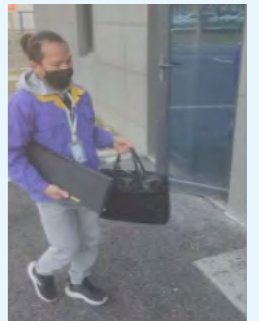


Emergency Drill on Information Security

After receiving the network failure at the production site, the person in charge rushed to the site for inspection. After finding out the problem due to equipment failure in the machine room, reported it to the team leader of the machine room, reported it to the team leader of the headquarters, and notified the site to take emergency disposal.



Took the preliminarily configured standby machine to the branch computer room to replace the equipment.





## Chapter VI Unite Together to Forge Ahead

### 01 Sustainable Procurement

Promoting economic, environmental and social sustainable development is Hailide's sustainable development policy. At the same time, Hailide is committed to working closely with suppliers and customers to build a sustainable and better value chain. Therefore, Hailide has formulated a sustainable procurement policy and issued initiatives to suppliers that provide products and services to Hailide.

In the past few years, Hailide has stipulated its responsible procurement policy in the procurement plan. While respecting the supplier's corporate culture, development and employees, Hailide has strengthened the exchange and sharing of information among members, strengthened the control of procurement system, strengthened the construction of procurement team, adopted stricter procurement procedures, jointly formulated risk prevention plans with the upstream and downstream partners of the supply chain, and established a simple, sensitive and effective risk prevention mechanism. With the help of monitoring indicators, such as: product quality, contract performance, inventory turnover and customer satisfaction, the company identified and evaluated supply chain risks and sent early warning, so as to timely prevent, control and transfer risks, ensure the continuous, stable and effective operation of the whole supply chain, and realize benefit sharing and risk sharing.

In 2021, suppliers signed Integrity and Self-discipline Agreement for 1078 times, accounting for 100% of the suppliers to be signed; the company held 65 interviews about honesty with suppliers (suppliers with a transaction volume of 100000 Yuan or more), accounting for 100% of the total number of qualified suppliers; the internal audit department of the company gave full play to the supervision role of the department, participated in 540 supplier visit meetings, 41 various bidding meetings, assisted in 72 supplier audits and participated in 24 supplier project acceptance.



### Supply Chain Management

In order to standardize the company's supplier management, reduce procurement costs, improve work efficiency and promote integrity and self-discipline, the company's procurement operations strictly follow the principles of openness and transparency, fair competition and good faith. To this end, we actively promoted cooperation through supply chain management, experience exchange and responsibility audit mechanism.

1. Set up a full-time supplier management team, updated and improved the supplier evaluation system, carried out hierarchical and classified management of raw and auxiliary materials and their suppliers, and 36 qualified suppliers were admitted in one year.

2. We promoted the spot purchase mode for the purchase of raw materials for PET and PVC lines, and adopted online MRO mode for the purchase of accessories.

3. Promoted suppliers to actively fulfill their responsibilities and improve their performance, so as to promote the level of social responsibility of partners in the whole supply chain and jointly promote sustainable development.

In 2021, the percentage of new suppliers screened by environmental standards was 100%; we conducted environmental assessment for 36 suppliers, and there is no supplier with significant negative environmental impact; among them, we terminated relationship with 6 suppliers, conducted 128 person\*times and 36 hours of sustainable procurement training.



Training to Suppliers

### Localized Procurement

In the process of globalization development of the company, in order to better integrate into the local society and further expand the share of enterprises in the local market, some raw material procurement and processing processes are moved to the place of product demand and completed by local industrial workers, so as to promote the progress and development of local society together with local enterprises. In 2021, the company's localized procurement (within Zhejiang Province) increased from 41% in 2020 to 43%.

#### Raw Materials and Auxiliary Materials

Region	2020		2021	
	Suppliers (Number)	Proportion	Suppliers (Number)	Proportion
Within the Province	135	41%	142	43%
Where: in Jiaxing (excluding Haining)	21	6%	33	10%
Where: in Haining	58	18%	61	18%
Outside the Province	191	59%	189	57%
Total	326	100%	331	100%

### Green Procurement

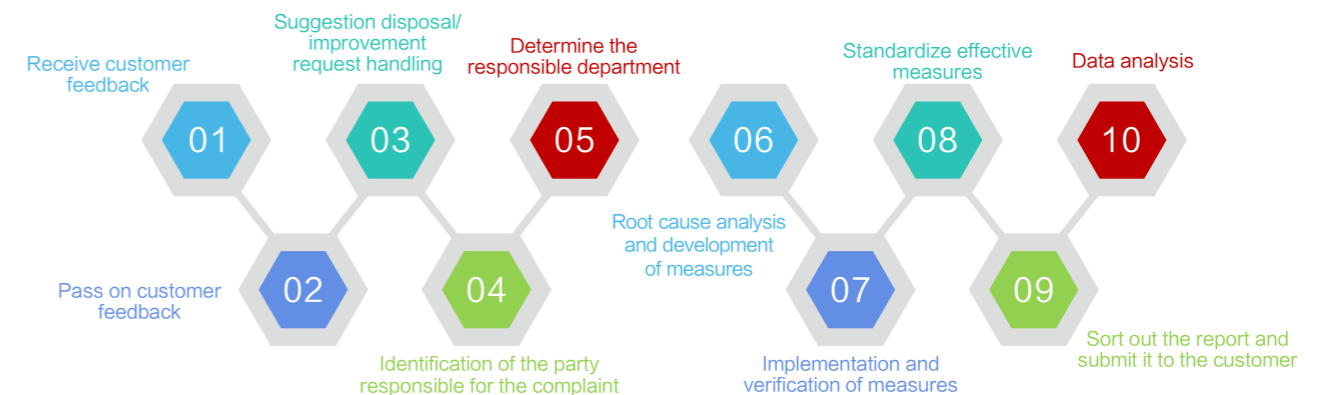
In order to carry out green procurement, the company interacts regularly with suppliers on environmental affairs, including issues related to climate change. In order to reduce greenhouse gas emissions at the enterprise level and product level, we formed a low-carbon strategic partnership with suppliers or dealers.

In terms of raw material procurement, the company implements green procurement and brings environmental protection, energy conservation and emission reduction and social interests into the contract terms. We systematically manage suppliers and promote partners to actively fulfill their social responsibilities through experience exchange and responsibility audit mechanism. We review the performance of suppliers by means of regular or irregular audit, exchange and discussion, notice letter, etc., and inform the suppliers to rectify the problems found within a time limit, otherwise they will be disqualified.

We are willing to share Hailide's management philosophy with suppliers, constantly strengthen exchanges and cooperation with suppliers, and maintain the secure, stable and sustainable development of the supply chain.

### 02 Customer Service Complaint Handling

The company has a systematic process for handling customer complaints and claim, and the company timely and properly handles customer feedback to improve customer satisfaction. In 2021, the company received 409 customer complaints and feedback, all of which were handled in a timely manner.



### Scientific Research & Innovation

Zhejiang Hailide New Materials Co., Ltd. has established a key provincial enterprise research institute (Automotive Differentiated Fiber Research Institute), provincial enterprise technology center and high-tech enterprise R&D center in Zhejiang province. It has 3000 m<sup>2</sup> independent R&D building and 3500 m<sup>2</sup> pilot plant, which have been equipped with internationally leading precision analytical instruments and complete sets of R&D equipment, covering the fields of structural analysis, thermal analysis, rheological analysis, micro morphology analysis, aggregate structure analysis, nano dispersion, polymerization, spinning and so on. It has attracted doctors from well-known colleges and universities at home and abroad, and introduced and trained professionals in chemistry, nano, polymer, analysis, technology and so on. It carries out scientific and technological research and industrialization research and development, constantly researches and develops new technologies, new products and new processes with strong market prospects and competitiveness, to improve the level of industrial technology. It has solved the "bottleneck" problems of key raw materials that were only mastered by Europe, America and Japan; it will continue the intensive R&D in the direction of high-performance, multi-function and low-carbon environmental protection, and consolidate the international competitiveness of enterprise products.

The company invests a lot of money in R&D every year, vigorously carries out R&D projects; it undertook the R&D work of more than 20 provincial new product projects in 2021, which had been successfully completed; the company actively carried out the development of external cooperation projects, and undertook 1 provincial key R&D plan project, 1 Jiaying backbone technology innovation team project, 1 Haining collaborative innovation demonstration project, and so on; the company has established industry-university-research cooperation with Donghua University, Shanghai Jiaotong University and other universities, and started the research and development of high-performance fibers and technical services.

The company always adheres to the research and development of global industry-leading products around customer needs. The company takes provincial research institutes as the carrier and is equipped with high-end R&D talents. In 2021, 33 scientific research projects were approved, including 1 key R&D project in Zhejiang province, 21 provincial new product projects, 1 industry-university-research cooperation project and 1 Haining collaborative innovation demonstration project. At present, the research and development of 16 provincial-level new products, such as: super hydrophobic and environment-friendly polyester industrial filament, flexible automobile airbag polyester industrial filament and polyester instead of nylon 66 for air spring 1670dtex/2 cord fabric, super transparent and wear-resistant PET and PVC new composite floor, have been completed, and experts are being organized for identification (acceptance).

In 2021, the company was awarded 2 invention patents and 14 utility model patents. In 2021, Hailide was awarded the title of Zhejiang Export Famous Brand, and Zhejiang Hailide Flooring Co., Ltd. was recognized as an intelligent factory in Zhejiang province. The company's "high strength and high modulus industrial fiber team" was shortlisted as the backbone technical innovation team of "Innovation Jiaying Talent Support Plan" in Jiaying.

In 2021, the company invested and established Hailide New Materials Research (Shanghai) Co., Ltd. to further promote the in-depth innovation of the company's R&D business, improve R&D achievements, better introduce high-end R&D talents, provide solid technical support for the company's projects under production, projects under construction and projects under research, and further enhance the company's comprehensive competitiveness.

### Case: Hailide's Third Generation Environmental Materials Made a Debut in the Environmental Expo

In 2021, the company continued to improve its customer development and market promotion system, strengthened to expand the promotion of exhibitions, dealers and online websites in the plastic material business, and which helped to maintain closer relationship with customers and received extensive attention and praise.



### 03 Community Construction Donation for Public Welfare

The company has a systematic process for handling customer complaints and claim, and the company timely and properly handles customer feedback to improve customer satisfaction. In 2021, the company received 409 customer complaints and feedback, all of which were handled in a timely manner.



At the 4<sup>th</sup> Haining Charity Award, Zhejiang Hailide New Materials Co., Ltd. won the enterprise donation award.



Zhejiang Hailide New Material Co., Ltd. donated 100000 Yuan to Haining New Era Civilization Practice Foundation.



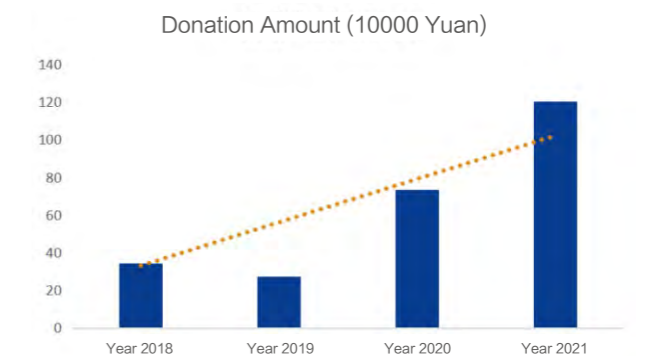
At the donation ceremony of Haining entrepreneurs, Zhejiang Hailide New Materials Co., Ltd. donated 3 million Yuan.



In December, the company held a dumpling making activity to recruit the management personnel and Party member representatives of the division as volunteers to deliver the newly made dumplings to the workshop.

Amount of Donation of Hailide for Public Welfare in Recent Years (10000 Yuan)

Year	Donation Amount (10000 Yuan)
2018	34.4
2019	27.5
2020	73.3
2021	120.0



### New Projects Construction

The company promoted the construction of thin film narrow range projects. By introducing high value-added thin film products, it accelerated the transformation and upgrading of the company's thin film business structure. After the project is put into operation, it can provide more local jobs and drive the development of the surrounding areas.



The relocation of the new flooring plant was completed in 2021. The new flooring plant was constructed according to the requirements of low-carbon and green requirements. At the same time, stone plastic flooring, as an environmental friendly green material, can replace solid wood and other building materials, which can save resources and protect the environment.



## Key Performance Indicators of Hailide in 2021

### Environment

Indicators	Unit	Year 2020	Year 2021
Percentage of employees trained on environmental issues	%	100	100
Percentage of workplaces with environmental risk assessment	%	100	100
Percentage of workplaces with formal environmental management system in all workplaces	%	100	100
Power consumption	mwh	414641.4	455886.3
Gasoline	Ton	99	100
Diesel oil	Ton	120	239.97
Natural gas	Standard cubic meter	2974.28	3792.89
Biomass	Ton	0	8.26
Water consumption	Ton	862566	775007
Water resources recycling	Ton	91444200	93601800
Comprehensive energy consumption	Ton of standard coal	153168.54	174757.42
Comprehensive energy consumption intensity	Ton of standard coal / 10000 Yuan	0.40	0.33
Greenhouse gas emissions (scope I)	Ton carbon dioxide equivalent	64988.18	83142.08
Greenhouse gas emissions (scope II)	Ton carbon dioxide equivalent	282920.34	326171.51
Total hazardous waste	Ton	573.92	855.17
Total non hazardous waste	Ton	227.04	471.3

### Labor and Human Rights

Indicators	Unit	Year 2020	Year 2021
Total number of employees	person	2466	3317
Percentage of employees with local permanent residence (Zhejiang Province)	%	58.8	43.7
Percentage of minority workers in total employees	%	2.64	20.9
Percentage of employees from ethnic minorities in senior management positions	%	15.38	0
Employment proportion of persons with disabilities	%	0.1	0.1
Percentage of female employees in the company	%	23.72	25
Proportion of women in senior management positions of the company	%	15.38	9.1
Proportion of employees participating in physical examination in all employees	%	100	100
Local Senior Management personnel	%	/	54.5
Percentage of workplaces where employee health and safety risk assessment has been conducted	%	100	100
Percentage of employees representing the Health and Safety Committee in all employees	%	100	100
Percentage of employees covering formal collective agreements on working conditions in all employees	%	100	100
Percentage of employees among which representatives are officially elected in all employees	%	100	100

Percentage of employees who are trained for prevention of discrimination and human rights violations in all employees

Indicators	Unit	Year 2020	Year 2021
Percentage of employees who have received regular performance and career development evaluations	%	100	100
Percentage of employees who have received vocational or skill related training in all employees	%	100	100
Percentage of employees who are trained for prevention of discrimination and human rights violations in all employees	%	100	100
Percentage of workplaces with human rights reviews or human rights impact assessments	%	100	100
Average training time per employee	Hour	31.6	34.2
Human rights policy training time	Hour	/	12036
Employee satisfaction	%	82.1	/
Social insurance coverage	%	100	100
Paid annual leave days (excluding legal holidays)	Day	5.5days/person	5.5days/person
Percentage of employees signing formal collective agreements in all employees	%	100	100
Lost working hours due to work-related injury	Hour	4485.6	9368
Work-related injury accident rate	%	1.34	1.85
Lost-hour accident rate of directly subordinate labor force	%	8.11	0.21
Lost-hour serious accident rate of directly subordinate labor force	%	9.27	0.28

### Business Ethics

Indicators	Unit	Year 2020	Year 2021
Percentage of employees trained on business ethics issues	%	100	100
Number of reports generated by the reporting process	case	0	0
Number of reports of confirmed events or legal proceedings related to business ethics	case	0	0
Percentage of business sites that conduct internal audit / risk assessment on business ethics issues in the total number of business sites	%	100	100
Percentage of business sites with information security management system certification (ISO27000) in the total number of business sites	%	33.3	33.3
Customer satisfaction	%	93.75	/
Percentage of employees who have received information security training	%	100	100
Percentage of employees who have received anti-corruption training	%	100	100
Percentage of employees who have received anti unfair competition training	%	100	100

### Sustainable Procurement

Indicators	Unit	Year 2020	Year 2021
Percentage of purchasers that have been trained for sustainable procurement	%	100	100
Percentage of target suppliers that have signed supplier code of conduct	%	100	100
Percentage of target suppliers that have signed contracts containing environmental, labor and human rights requirements	%	100	100
Percentage of target suppliers that have been assessed for corporate social responsibility (CSR)	%	100	100
Percentage of target suppliers that have passed corporate social responsibility (CSR) audit	%	60	70

## Outlook for Year 2022

In 2022, the impact of the COVID-19 epidemic still exists, and the global political and economic order is not stable. Facing the new situation, new tasks and new challenges, we should adhere to always endeavoring to do better, strive to be ahead of our peers, adhere to innovative R&D, enhance development potential, adhere to global layout and build multinational enterprises. We'll strive to realize the company's vision: to become the world's leading product and service provider in the professional field.

#### I. Compliance Operation for Sustainable Development

With the in-depth development of economic globalization and the deep integration of global value chains, governments and relevant international organizations continue to strengthen enterprise compliance supervision and strive to establish and maintain an open, transparent and fair international business environment. A series of internationally accepted rules for enterprise compliance management and supervision have been preliminarily formed. As a listed company, we have now newly set up overseas bases and are facing the global market, which requires the company to abide by not only domestic laws and regulations, but also the laws and regulations of the country where the business is located, and we should adhere to the company's values and operate legally and in compliance.

#### II. Keep Improving and Enhance Profitability

Continue to regard the leader of the industry as benchmark: whether in terms of quality, output, sales, procurement, technology and R&D, we should aim at the benchmarking enterprises, formulate targeted objectives and catch up with each other; improve the level of intelligent manufacturing: set up the intelligent manufacturing technology department, strive to realize the automation and intellectualization of production, reduce the employment, reduce the error rate, improve the production efficiency, enhance the manufacturing and transformation ability of core equipment, create the company's own proprietary equipment and unique process, broaden the "moat" and improve the barriers to competition. The plastic division has been independently manufacturing the coating production line, and next, it shall actively participate in the independent manufacturing for the dipping line of cord fabric.

#### III. Strengthen and Expand to Build Multinational Enterprise

We attach importance to the construction of research institutes, aim at the goal of national technology centers, establish R&D teams, clarify R&D directions and enhance R&D capabilities. We adhere to customer demand-oriented, high-end market as the main direction, speed up the development of new products, and meet the needs of the market with better products. Increase technical exchanges and development discussions with the outside world, especially various colleges and universities and scientific research institutes, actively develop strategic new products, and make product reserves and technical reserves for the company's development in the next stage. We plan to establish Shanghai Research Institute to create better conditions for attracting talents.

We actively promote global operation, improve the structure of foreign investment platform, and improve the operation level of overseas sales team, R&D team and production base, so as to realize the global mobilization of various resources, more conveniently serve the target customers, more reasonably distribute materials, maintain more comprehensive knowledge reserve and organize the production with lower cost.

#### IV. Regard People as Orientation to Build Excellent Team

Talent is the foundation of enterprise development. We should implement the strategy of giving priority to talent development, and introduce talents and cultivate talents at the same time, and constantly improve the talent development plan. In the past two years, the company has introduced many mature high-end talents. This year, in addition to continuing to introduce talents to fill vacancies, we should strengthen the combination between talents and the company to play a stronger role. We shall continue to take the core values as the yardstick, select, use, educate and retain excellent talents, and build an extraordinary team that has the courage to take responsibility, with division of labor for cooperation, and pursue excellence. We shall promote the construction of corporate culture, innovate the activity carriers, create a perfect atmosphere, enhance the understanding and trust of members, and improve the creativity, cohesion and combat effectiveness of the whole team.

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**Feedback Form**

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Thank you for reading this report. We sincerely look forward to your evaluation and valuable comments on this report, so that we can continuously improve our social responsibility work and improve our ability and level of performing social responsibility work!

**Selective question: (Please tick “√” in the corresponding position)**

1. Your general impression of the report is:

very good  good  average  poor  very poor

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very high  high  average  low  very low

3. What do you think of the report structure:

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4. How do you think of the layout design and presentation of the report:

very good  good  average  poor  very poor

**Open questions:**

Please put forward your valuable comments and suggestions on this report:

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**You can send your feedback to:**

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