



2023

Sustainability Report

Sinoway Holdings Limited





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About the Report

As the fourth environmental, social, and governance ("ESG") report (the "Report") published by Sinoway Holdings Limited (the "Company"), it aims to communicate the Company's ESG philosophy, initiatives, and performance to the stakeholders while simultaneously responding to their needs.

● Reporting Period

Unless otherwise specified, the Report covers the Company's performance on ESG matters from 1 January 2023 to 31 December 2023 (the "Reporting Period").

● Reporting Boundary

Unless otherwise stated, the Report covers the Company and its branches and subsidiaries.

● Sources of Data

The financial data in the Report are from the 2023 annual financial report of Sinoway Holdings Limited, which was independently audited by Ernst & Young; other data are calculated according to the relevant rules of the Company. All data disclosed in the Report, unless otherwise specified, are related to the Company's operations in mainland China.

● Basis of Preparation

This report has been prepared with extensive reference to the "core programme" of the Global Sustainability Standards Board (GSSB) GRI's Sustainability Reporting Standards (2021).

● Description of Designation

For ease of report writing, Sinoway Holdings Limited is referred to as "Sinoway Holdings," the "Company," and "we" in the Report. The Company's operating companies in Weifang, Shandong Province, and Ganyu, Jiangsu Province are referred to as "Shandong Company" and "Jiangsu Company," respectively. The Company's wholly-owned subsidiary Sinoway Forest Technology Co., Ltd. is referred to as "Sinoway Forest".

● Reporting Language

The Report is available in both Chinese and English for readers and any conflict between the understanding of the two versions shall be subject to the Chinese version.

Message from the Chairman



For over two decades, adhering to the business philosophy of "people-orientation, integrity, pioneering and enterprise, and giving back to society", by implementing the business strategy comprised of Talent Strategy, Branding Strategy, and Sci. & Tech. Innovation Strategy, we have improved our business goal and value system continuously and promoted our transformation into an industrial one. In 2023, the opening year of the comprehensive implementation of the spirit of the 20th CPC National Congress as well as the middle year of the 14th Five-Year Plan, we firmly shouldered social responsibilities, comprehensively deployed ESG construction, accelerated the transition towards green and low-carbon energy, promoted sci-tech innovation, improved corporate governance, and jointly promoted the harmony of development.

Sinoway Holdings actively responds to the national policies on addressing climate change, striving to achieve China's "2030 Carbon Peaking Goal" and "2060 Carbon Neutrality Goal." Based on domestic market, we have closely integrate the characteristics of the petroleum industry with world's leading development philosophy. Leveraging the operational capabilities of our green factories and measures such as forestry carbon sinks and green electricity trading, we have initiated cooperative projects for greening barren mountains and deserts, contributing to the Company's achievement of zero carbon emissions and leading the industry towards a greener, more low-carbon future.

In the consistent pursuit of the balance among economic, environmental and social benefits, Sinoway Holdings continuously explores the sustainable development path with Sinoway characteristics. Amid our manufacturing and operational activities, we utilize sci-tech innovation as the core driving force to develop circular economy vigorously as we are committed to maximize products' value. Meanwhile, we adhere to the principle of safety production to safeguard the Company's stable development. In terms of customer service, we respond to customers' changing needs promptly, providing them with comprehensive, reliable, safe and high-quality energy product service. As for employee development, we uphold a people-oriented approach to respond to employees' expectation, fostering a workplace atmosphere featuring solidarity and friendship. As for fulfilling social responsibility, we actively shoulder the social responsibility for education, initiating educational fund donation activities to support students from underprivileged families in completing their education, contributing Sinoway energy to regional talent pool construction.



In the future, Sinoway Holdings will continue to be guided by the ESG principles, working together with all stakeholders to add impetus to the high-quality development of the social economy, and jointly create a future that is green, inclusive, and prosperous.

Chairman of Sinoway Holdings Limited

Liu Tao

Who We Are

Upholding the business philosophy of "people-orientation, integrity, pioneering and enterprise, and giving back to society", Sinoway Holdings has been deeply involved in the calcined coke industry and actively engages in global ecological restoration businesses. We firmly adhere to the principles of anti-corruption, integrity, compliance, and efficient operations, and we incorporate environmental, social, and governance factors into the core considerations of our operations. Actively listening to and considering the needs of all stakeholders comprehensively, we conducted thorough assessments on major issues. This is to balance the interests of all stakeholders, achieve win-win goals, and promote the sustainable development of both the Company itself and the society.

About Us

Sinoway Holdings Limited, a joint venture founded by Sinoway Energy Holding Limited and Dubal Holdings LLC (United Arab Emirates) on December 11, 2015, focuses on businesses such as the manufacturing and sale of petroleum products, imports and exports of technologies and goods, import and export agency, sale of chemical products, forestry development, desertification control, and ecological restoration. Sinoway Holdings has two operating calciners in Weifang city of Shandong province and Lianyungang city of Jiangsu province in China with a total CPC production capacity of 840,000 tones and steam production capacity of 1,000,000 tones by the end of 2023.

Sinoway Holdings has been providing aluminum industry customers home and abroad with long-term services. The principal export markets of its high-quality calcined coke products include the Middle East, South Africa, Australia, France, India and other countries and regions. With the continuous expansion of the Company's production capacity, Sinoway Holdings has been increasing its market share in the domestic market and establishing long-term, stable business partnerships with a number of large domestic aluminum companies, thereby establishing a strong reputation for cooperation.

Sinoway Holdings has gradually established Sinoway Forest Technology Co., Ltd. in Beijing and Xinjiang Uygur Autonomous Region to implement the Company's carbon neutrality goal by the implementation of projects like ecological restoration and the construction of green factories. Meanwhile, the Company plans to develop the two production bases in Shandong province and Jiangsu province into green factories before 2025.

Sinoway Forest is committed to the reclamation of desolate hills and control of desertification in the northwest region of China. Meanwhile, the Company continuously expands the desert and gobi ecology restoration projects in the Middle East, Africa and Central Asia, aiming to participate in the global efforts to combat desertification while gradually offsetting carbon dioxide emissions and reach the Company's carbon neutrality goal. In 2023, Sinoway Forest has consistently been advancing afforestation projects on desolate hills and deserts in provinces such as Xinjiang and Gansu to contribute to the improvement of local ecological environment, demonstrating the Company's firm commitment and active efforts of environmental protection.



Performance Highlights

Who We Are

We adhere to business ethics, maintain stable operations, and strive to build a modern and diversified system that supports economic, cultural, and business development at multiple levels.

- The Company's business contract review rate reaches **100%**, with a final approval rate of **100%**.
- The feedback rate on reported information within the Company is **100%**, and **no** incidents of corruption or bribery have occurred.

Safe Operation

We constantly focus on the relationship between production quality, production speed, and safety production in order to achieve the Company's vision of "safety, stability, sustainability, satisfaction, and excellence."

- All affiliated companies have successfully achieved the objective of ensuring safety in their operations, and the Company has remained **incident-free** in terms of safety throughout the year.
- **100%** implementation of "three simultaneities (The safety devices of a project must be designed, built, and put into production or use simultaneously with the main part of the project)" for project safety and occupational health.
- Jiangsu Company has been awarded the municipal "520" Outstanding Safety Risk Management Teams and Groups, Outstanding Fire Safety Major Unit, and 2023 Annual Environmental Safety Model Company.
- The internal audit rectification rate for safety hazards is **100%**, and the rectification rate for safety audit issues by the municipal Emergency Management Bureau is **100%**.
- Safety investment funds have been appropriated fully and **100%** invested in time.
- In 2023, Shandong Company has been awarded the 2023 Outstanding Unit for Ecological Environment Protection and 2023 Outstanding Unit for Safety Production, ranking among the Top 100 Private Enterprises and Top 100 Enterprises for Corporate Social Responsibility in Weifang, and the Top 30 Private Enterprises and the Top 20 Private Enterprises for Corporate Social Responsibility in the Binhai District in 2023.

Green Development

We actively respond to the national strategy for green and low-carbon development, helping to achieve the goals of carbon peaking and carbon neutrality, and safeguarding our environment.

- The Company has invested a total of RMB **51.284** million in environmental protection and RMB **4.834** million in forest greening.
- Shandong and Jiangsu Companies have been certified for ISO 14001 Environmental Management System.
- Jiangsu Company has achieved a total annual energy-saving of **12,270** tonnes of standard coal in 2023, leading to a reduction of **32,147.4** tonnes of carbon dioxide emissions.
- In the enforcement monitoring organized by the municipal bureau, all emissions from the Jiangsu Company are compliant with the prescribed standards.
- Jiangsu Company has been awarded the status of Exempt Unit for Emergency Control of Key Pollution Weather during the Autumn-Winter Season of 2023-2024 in Lianyungang City.
- Shandong Company has been awarded the status of Exempt Unit from Emergency Emission Reduction during Severe Pollution Weather in the Binhai District for the year 2023, saving a total of **37,929.18** tonnes of standard coal.

Employee Development

We always take a people-oriented approach in employment. We provide our employees with utmost care and support, creating a conducive corporate environment.

- The Company has recruited **14** employees externally, with a total of **345** employees from mainland China.
- In 2023, the Company has achieved a **100%** coverage rate of social insurance for its employees.
- The number of local executive employees is **6**.
- In 2023, the Company had achieved **100%** training coverage, with an average training duration of **134** hours per employee.
- The overall employee turnover rate is **17.97%**, which is an increase of **2.26%** compared to 2022.

Industry-Responsible Supply

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

- In 2023, the Company has invested RMB **5.527** million to carry out R&D for multiple new projects.
- In 2023, the Company applied for a total of **13** invention patents and **82** utility model patents and has obtained a total of **4** invention patents and **74** utility model patents.
- In 2023, a total of 45 suppliers have obtained the triple certifications of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. Additionally, **24** of them have passed the ISO 9000 certification.
- In 2023, the Company has conducted 3 audits on its suppliers, achieving a pass rate of **73.11%**.
- In 2023, the Company has participated in a total of **6** supplier exchange activities.

Community Welfare

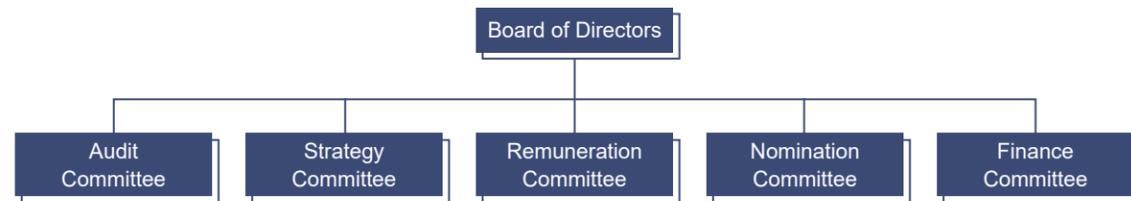
With a sense of responsibility towards the public, we consistently make efforts in rural revitalization, public welfare, and volunteering, which have been widely recognized by all sectors of society.

- In 2023, the Company has invested RMB **2.1096** million in social welfare initiatives.
- In January 2023, Jiangsu Company donated materials worth RMB **9,696** to the CPC Committee of the Ganyu High-tech Zone.
- In 2023, Shandong Company has invested over RMB **300** thousand to renovate and upgrade the Yellow River West Street Bridge, thereby supporting regional development.
- In 2023, Shandong Company carried out the establishment and upgrade project of local CPC Party and Public Service Center, thus facilitating rural revitalization.
- In 2023, Sinoway Holdings donated RMB **1** million to Shaanxi University of Technology, Shandong Company donated RMB **200** thousand to Weifang Binhai Middle School, Jiangsu Company donated RMB **200** thousand to Ganyu Experimental Middle School, and Sinoway Forest donated RMB **200** thousand as education fund to Xinjiang Production and Construction Corps's First Division High School and RMB **200** thousand as scholarships and grants to Tarim University.

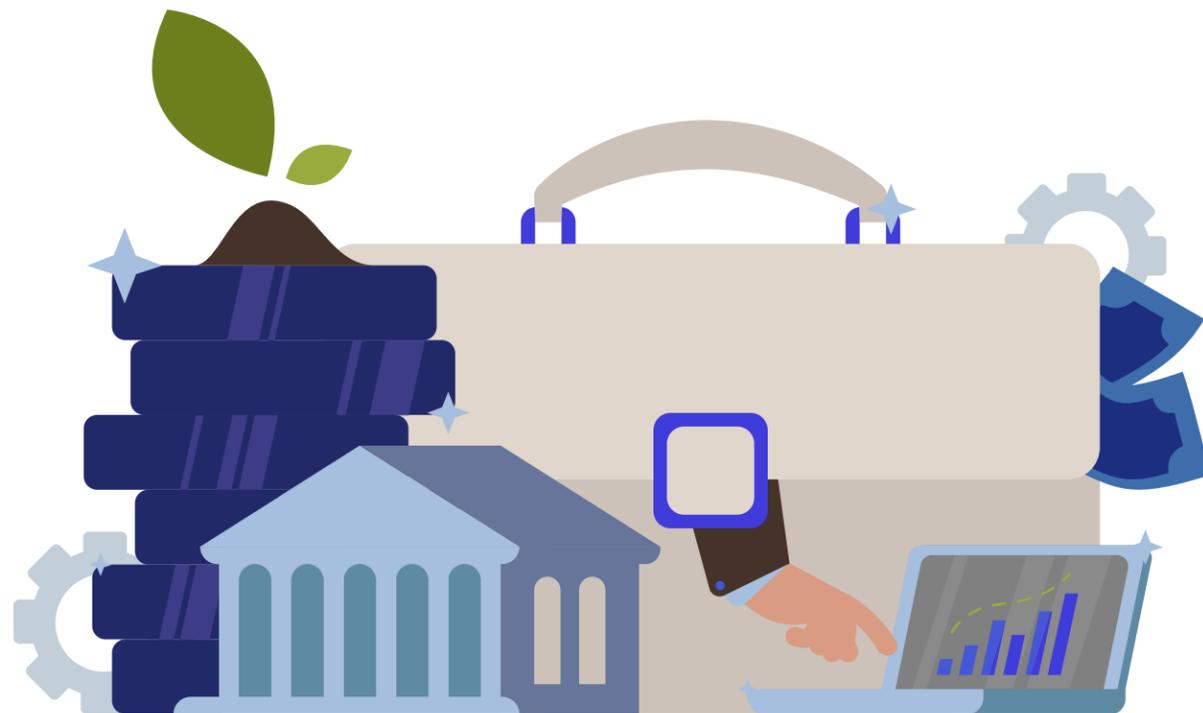
Corporate Governance

Sinoway Holdings always uses sustainable business philosophy to guide the Company's governance. The *Company Law of the People's Republic of China* and the *Code of Corporate Governance for Listed Companies in China* are among the laws, regulations, and regulatory requirements that Sinoway Holdings abides by. Moreover, we developed regulations and policies including the *Integrated Management System*, established and improved the governance system with Board of Directors as its core, thereby enhancing our ESG management capacity effectively.

Sinoway Holdings has a well-defined and transparent governance structure. There are several committees under the Board of Directors, including the Audit Committee, Strategy Committee, Remuneration Committee, Nomination Committee, and Finance Committee. Each committee reports its work to the Board of Directors on a regular basis. Therefore, a coordination mechanism has been established between the decision-making bodies and the management, delineating their respective powers and responsibilities clearly. Meanwhile, internal supervision and risk control have been enhanced, ensuring the transparency and rationality of decision-making. In 2023, the Company held four board meetings, with an attendance rate of 100%.



Structure of Sinoway Holding's Board of Directors and its Committees



The Main Functions of Each Committee in Sinoway Holdings

Audit Committee

- Review the Company's financial information and internal control systems, direct and oversee the establishment and implementation of the internal audit system;
- And coordinate between the internal audit department and external audit entities, such as accounting firms and national audit agencies.

Strategy Committee

- Study and make suggestions on the Company's long-term development strategic planning, major investment and financing plans, major capital operations, and asset management projects;
- And improve investment decision-making procedures, promote the benefits and quality of significant investment decisions, facilitate science-based significant decisions of the Company.

Remuneration Committee

- In charge of implementing the Company's remuneration system;
- Develop remuneration plans or schemes that are based on the primary scope, responsibilities, and importance of the positions of directors and senior management, as well as the remuneration of relevant firms and positions;
- And its plans or schemes include but are not limited to the standards, procedures, primary appraisal system for performance appraisal and significant reward and punishment plans and strategies.

Nomination Committee

- Recommend the size and composition of the Board of Directors based on the Company's business activities, asset size, and equity structure;
- And review director candidates and senior management candidates.

Finance Committee

- Offer financial policy recommendations based on the Company's general principles for budget preparation to maintain and improve the Company's financial health and proper operation;
- And organize the demonstration and review of medium and long-term development plans and annual budget reports submitted by the Company's management according to the Company's overall planning goals and organize the revision of the Company's medium and long-term budgets and annual budgets.

In order to ensure the stakeholders' rights and interests, Sinoway Holdings takes into consideration factors including but not limited to age, gender, educational background, professional qualification, industrial experience, length of service to promote and balance of the Company's decision-making. The Company's directors possess professional knowledge and rich experience in areas such as law, finance, audit, corporate management, and development of the industry home and abroad. Moreover, they have highly strict standards and requirements for corporate governance. Therefore, they are capable of supporting the Company's operations. The Company's Board of Directors consisted of nine directors in 2023, including two foreign directors and four independent directors.

Risk Control

Sinoway Holdings is actively improving its internal risk management while adhering to a variety of national laws and regulations strictly. It consistently reinforces the construction of integrity by imposing stringent business ethics codes on employees. The Company ensures robust risk governance capabilities by gradually improving business ethics and anti-corruption management, thereby maintaining a transparent, ethical, and stable operation.

Risk Management

Sinoway Holdings prioritizes the management of various operational risks and strictly adheres to laws and regulations such as the *Audit Law of the People's Republic of China*, the *Regulations of the National Audit Office on Internal Audit*, the *China Internal Audit Principles*, the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange*, and the *Articles of Association*. It continuously improves its risk management and control system to ensure the effective implementation of internal risk control measures within the Company.

The Company's Audit Department conducts comprehensive internal audits on various domains such as business, finance, legal, safety, and environmental protection on a monthly basis based on the Audit Management Measures. Internal audit findings are reported monthly, highlighting identified issues and using timely improvements to improve the Company's internal risk management and control capabilities. Furthermore, the Company engages third-party teams to identify operational risks and make specific risk-control recommendations, which work in tandem with internal control efforts to improve operational stability, thereby supporting the Company's continuous development effectively. The Audit Department achieved a 100% audit rate for procurement, sales, and other relevant business contracts in 2023, as well as a 90% initial review qualification rate and a 100% final review qualification rate.

Business Ethics and Anti-corruption

Sinoway Holdings strictly adheres to laws and regulations, including the *Oversight Law of the People's Republic of China*. The Company continues to correct work styles and discipline its members with higher standards and stricter disciplinary requirements. It is constantly improving the management system in terms of corruption, fraud, and other business ethics violations. To ensure the soundness of the Company's supervisory system, we set up an Employee Reporting Box in the office and opened an anonymous reporting channel on the Company's management platform, "Voice of Heart." We strictly enforce whistleblower protection measures to ensure their privacy is not violated. Moreover, retaliation against whistleblowers is severely punished in order to protect their legitimate rights and interests. In 2023, the Company received no complaints about business ethics or corruption violations.

We require all suppliers to sign the *Letter of Responsibility for Integrity in Win-Win Cooperation* in order to foster an image of an honest company and promote the efficient operation of market mechanisms. This document effectively supervises the ethical responsibilities and invites suppliers to join us in creating a fair, just, and mutually beneficial business environment. Meanwhile, we have established channels for reporting unethical behavior in our business partnerships, including a toll-free number and an email address for complaints and reports to rigorously manage and respond to any violations, breaches, or illegal activities that may occur during interparty transactions. In 2023, the feedback rate for reported information within the Company reached 100%, and there were no reported instances of corruption or bribery.

To strengthen employees' ethical behavior at all levels, the Company incorporates relevant ethical content from *Our Way of Business* and organizes training and promotional activities on a regular basis. These initiatives aim to raise compliance awareness among employees and maintain an environment of integrity and uprightness in the workplace. A total of 2 training sessions on business ethics and anti-corruption laws were carried out by the end of 2023.



In 2023,
there were **no** reported
instances of corruption or bribery

the feedback rate for reported
information within the Company
reached

100%

Stakeholder Communication

Sinoway Holdings pays close attention to internal and external stakeholders' needs and has established diversified channels to communicate with stakeholders. We actively listen to and identify the government, clients, employees, partners, communities and the society's expectations and advice for us. Meanwhile, we respond to the diversified needs of stakeholders in a targeted manner, compensating for our drawbacks with practical actions to gradually enhance the Company's social responsibility performance.

Stakeholders	Demands and expectations	Ways of communication and response
Government	<ul style="list-style-type: none"> Compliance with laws and regulations Pay taxes according to the law Support local development 	<ul style="list-style-type: none"> Practice in accordance with the relevant regulations Pay taxes according to the law Respond to local government requirements
Clients	<ul style="list-style-type: none"> Stable supply Provide high-quality products and services Build a sustainable supply chain 	<ul style="list-style-type: none"> Sign long-term agreements Guarantee the quality of services Improve sustainability performance
Employees	<ul style="list-style-type: none"> Protect the rights and interests of employees Develop a sound development path Protect occupational health Balance work and life 	<ul style="list-style-type: none"> Provide reasonable salary and benefits Improve career development channels Provide employee training Enrich employee care initiatives
Partners	<ul style="list-style-type: none"> Open, fair and just procurement Honoring contracts 	<ul style="list-style-type: none"> Strict bidding and procurement process Fulfill contracts in accordance with the law
Community and society	<ul style="list-style-type: none"> Participate in community development Support public welfare 	<ul style="list-style-type: none"> Community Communication Investing in education and charity Protect the ecology of the community

By communicating with stakeholders, benchmarking against peers, and introducing capital market ESG rating topics, we determined our ESG Materiality Matrix comprehensively. In 2023, we benchmarked against outstanding peers' experience while paying attention to the trend of industrial changes. After evaluation, Sinoway Holdings had in total 17 material ESG issues in 2023.



Sinoway Holdings' ESG Materiality Matrix in 2023

01 Safe Operation

Sinoway Holdings takes safe operation as the core value of the Company's sustainable development strategy. We are dedicated to building a comprehensive safety management system, implementing multilevel safety protection measures, continuously strengthening safety production training and promotion, and ensuring the implementation of measures to safeguard the lives, property, and health of our employees through practical actions.



Safety Production Management

Sinoway Holdings consistently adheres to the management philosophy of "safety and prevention first to achieve comprehensive management". In accordance with laws and regulations such as the *Work Safety Law of the People's Republic of China* and by considering the Company's actual circumstances, Sinoway Holdings has revised and improved a series of internal safety management documents, including the *Work Production Responsibility Management System*, *Safety Production Management Reporting and Reward System*, and *Contingency Rescue Plan*. These documents comprehensively standardize the Company's safety production supervision and management. The Company also requires departments at various levels to re-sign the *Safety Production Target Responsibility Agreement* to ensure the safe operation of the enterprise and effectively reduce safety risks.

Safety Management System

To ensure the efficient execution of safety production, the Company has established an Environmental Protection Leading Team. This team is responsible for drafting the Company's safety production regulations and operating procedures, supervising the investment of safety production funds, and monitoring the implementation of safety risk control measures. Additionally, the team oversees the safety qualifications of contractors, the safety management of major hazard sources, and the supervision and inspection of safety production education and training. All these provide a strong guarantee for the Company's sustainable development.

We strictly manage our tasks based on a top-down accountability system, setting appraisal targets for employees at all levels, and clearly defining the primary subject responsible for safety to ensure that safety responsibilities are assigned to each individual. We improve employees' safety awareness and preventive abilities through clear safety management systems, regulatory requirements, position operation procedures, and various promotional activities. At the same time, we have adopted a quantitative scoring system that combines safety production with performance to effectively supervise and assess safety responsibilities, laying a solid foundation for the Company's safety production operations.

Additionally, the Company places utmost importance on implementing preventative measures in daily production activities to minimize potential occupational hazards, ensuring the physical health and safety of our employees. In 2023, there weren't any incidents of employee fatalities due to work-related causes in Sinoway Holdings.



Work Safety Targets

We mandate that each subsidiary of the Company, based on their specific circumstances, formulates annual work safety targets at the beginning of the year. Monthly assessments should be conducted to evaluate the completion of safety responsibilities at various levels, and quarterly reviews and evaluations should be carried out to monitor the progress of safety indicators. Through regular inspections, the construction of the Company's safety standardization system can be strengthened. At the start of 2023, Jiangsu Company re-signed safety target responsibilities at all levels. In July, it revised the safety commitments of the main responsible persons in accordance with the requirements of the *Regulations of Jiangsu Province on Workplace Safety*, continuously improving the management requirements at the institutional level.

2023 Annual Safety Management Targets and Achievement Status

Annual Target	Achievement Status	
	The Safety and Environmental Department of Shandong Company	The Safety and Environmental Department of Jiangsu Company
No accidents occurring throughout the year, including fire and explosion, major equipment accidents, major production accidents, serious injuries, food safety, occupational disease, and environmental pollution.	100%	100%
Zero safety incidents requiring hospitalization; limit on minor injuries to ≤1 case (those resulting in more than three days of absence are included).	100%	100%
100% Coverage of occupational health physical examination.	100%	100%
Conducting risk identification sessions for all employees, facilitating and ensuring the implementation of hazard inspection and elimination tasks, with a rectification rate of 100%.	100%	100%
100% implementation of "three simultaneities" for project safety and occupational health.	100%	100%
Supervising and implementing employee safety education and training to ensure a 100% training rate for all employees; 100% employee certification rate for job positions and 100% of the special operation personnel certified.	100%	100%
Organizing emergency drills and fire rescue activities, no less than 1 for each.	1 comprehensive emergency drill, 2 specialized drills	1 comprehensive emergency drill, 2 specialized drills, and 5 on-site emergency response plans
Making Progress in the double prevention mechanism and work safety standardization.	Re-identified safety risks	Re-identified safety risks annually, and in October 2023, its safety standardization was successfully evaluated for continuation.
Allocating funds for safety investments to ensure 100% timeliness of safety expenditures.	100%	100%
Achieving 100% certification and regular inspection rates for pressure vessels and special equipment.	100%	100%

Operational Safety Assurance

Sinoway Holdings is committed to ensuring production safety by establishing a long-term investment mechanism, adopting various responsive measures, conducting risk identification, and hidden danger inspections, and standardizing the permit management of hazardous operations. The Company continuously strengthens production safety management. A closed-loop management system is implemented to rectify potential risks, ensuring the safety of the production process. We are equipped with early warning, alarm, protection, and emergency response facilities, which enhance our contingency rescue and accident handling capabilities while fostering a corporate safety culture that everyone takes part in the management and takes responsibility.

Safety Audit

- Combining comprehensive self-inspection of all employees and third-party safety audit, safety inspection measures have been implemented and the risks at all risk points have been regraded, effectively ensuring the safety of enterprise operations. In 2023, the Safety and Environment Department of Shandong Company identified a total of 995 safety hazards, all of which have been rectified, with a rectification rate of 100%. The Emergency Management Bureau identified a total of 18 issues in 2023, with a rectification rate of 100%.

Safety Emergency Accident Management

- Developed emergency response plans for sudden environmental incidents and implementation plans for heavy pollution weather emergency responses, known as "one factory, one strategy". Established emergency preparedness and response control procedures, and improved the emergency management mechanism. Newly added systems include the *Safety Risk Announcement Management System*, *Workplace Safety Risk Reporting System*, and *Production Safety Accident Hidden Danger Reporting Reward System*. Revisions were made to the *Dust Cleaning Safety Management System*, *Material Exit Management System*, and *Company Emergency Rescue Plan*.
- In 2023, Shandong Company conducted 8 on-site disposal plan drills and 3 special emergency response drills across various workshops. A comprehensive group-wide emergency drill was held in July to enhance the emergency rescue capabilities of the Company's emergency rescue team. The Safety and Environment Department of Shandong Company set up emergency equipment rooms in the calcining, desulfurization, and boiler workshops, equipped with emergency protective equipment. Monthly maintenance is performed on the emergency equipment in the mini fire station to ensure that the emergency equipment is in good and functional condition.

Case: Desulfurization Workshop Ammonia Leakage Accident Drill and Poisoning and Asphyxiation Drill

In 2023, Jiangsu Company conducted the Desulfurization Workshop Ammonia Leakage Accident Drill and Poisoning and Asphyxiation Drill to verify the operability of the company's contingency rescue plans, the appropriateness of various unexpected situations, identify deficiencies in the plans for timely revision and improvement; it also aimed to test the emergency response capabilities of all levels of the company and the performance of the emergency teams, validate the unobstructed nature of the established alarm and communication channels, the effectiveness of emergency rescue and disaster relief equipment and supplies, and their correct usage by personnel. Additionally, the company also summarized the issues encountered during the drill and proposed improvement measures.



Desulfurization Workshop Employees Conduct Emergency Drill for Poisoning and Asphyxiation



Desulfurization Workshop Employees Conduct Emergency Drill for Ammonia Leakage

Third-party Safety Management

In order to further strengthen the safety management of external construction personnel and eliminate various safety accidents caused by the lax safety management of external entities, we have formulated specific safety management regulations and measures. These include documents such as the *Safety Management Agreement for External Construction Entities*, *Entry Process for Construction Teams*, and *Construction Project Management Form*.

The Safety and Environmental Protection Department has reorganized the process for contractor entry into the factory, achieving a 100% signing rate for contractor safety management agreements, a 100% pass rate for contractor safety management training, and a 100% compliance rate for contractor qualifications. To strengthen the safety management of contractors, the Company has established safety control measures specifically for contractors, including conducting safety disclosures for operational personnel, conducting safety inspections on the tools and equipment of external construction workers, and conducting safety inspections on the implementation of on-site safety measures, to ensure that all safety measures are effectively implemented.



achieving a **100%** signing rate for contractor safety management agreements

a **100%** pass rate for contractor training

The entry process for construction teams:

- 1 Approved by the Company
- 2 Examining the business license, qualification certificate, work safety license, employment certificate of the person in charge, qualification certificate of the work safety supervisor, special operation certificate, copy of ID card, physical examination certificate, and insurance payment certificate
- 3 Submitting the construction plan to the Company
- 4 Paying the risk deposit to the Company
- 5 Signing the safety agreement
- 6 Passing the Company's training and examination
- 7 Obtaining the park pass
- 8 Conducting safety technology disclosure
- 9 The Company oversees the construction process in real time to ensure completion on time and with high quality
- 10 The company conducts completion acceptance



Occupational Health and Safety

Sinoway Holdings strictly adheres to the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, establishing a leading group for occupational health management with the General Manager as the team leader, the Deputy General Manager as the deputy team leader, and the main responsible persons of different departments as members. The Company has issued employee occupational health and safety management systems such as the *Occupational Health Management System*, *Management System for Special Operations Personnel*, and *Health Inspection System for Personnel Working in Limited Spaces*, continuously improving the management system for employee health and safety. Additionally, we regularly conduct emergency drills for health and safety incidents, promptly control occupational hazards to protect the health and safety of employees, and ensure the stable and sustainable development of the enterprise. As of the end of the reporting period, both Shandong Company and Jiangsu Company have obtained the annual ISO 45001 Occupational Health and Safety Management Systems Certification.

Annual ISO 45001 Occupational Health and Safety Management Systems Certification in Sinoway Holdings



Certificates of the ISO 45001 Occupational Health and Safety Management System of Shandong Company

Certificates of the ISO 45001 Occupational Health and Safety Management System of Jiangsu Company

Management Measures of Occupational Health and Safety in Sinoway Holdings

Distributing labor safety protective equipment

The Company has established the *Standards for the Distribution of Labor Protective Equipment*, and strictly issues qualified labor protective equipment monthly in accordance with these standards. Personal protective equipment must be used continuously as per regulations, without interruption for any reason.

Conducting occupational hazard factors tests

The Company regularly conducts occupational hazard factors tests, promptly publishes the data and results of these tests, and complies with the relevant regulatory authorities. In 2023, Shandong company conducted tests on hazardous factors in the occupational environment, and both chemical and physical hazards were found to be within national standards.

For employing entities with severe occupational disease hazards, in addition to complying with general regulations, they must entrust a qualified occupational health technical service institution to conduct an evaluation of the current status of occupational disease hazards at least once every three years.

Establishing occupational health monitoring files

The Company has established occupational monitoring health files, listed as follows:

- Files of the "three simultaneities" of occupational health for projects;
- Occupational health management files;
- Occupational health promotion and training files;
- Files of occupational disease hazard detection and its evaluation;
- Occupational health monitoring files for employing entities;
- Occupational health monitoring files for workers;
- The above files are updated regularly.

Conducting occupational health examination for employees

The Company conducts annual occupational health examinations for employees working with occupational hazards. If any health risks related to their duties are identified, employees should be promptly transferred from their original positions. All examination results must be communicated to the employees themselves and recorded in the *Employee Occupational Health Monitoring Archives*.

Case: Heatstroke Accident Drill in High Temperature

In July 2023, Jiangsu Company organized an emergency drill for heatstroke incidents during the temperature adjustment process in the calcination workshop to strengthen the emergency response capability of employees for heatstroke incidents amid high temperatures. The drill assessed the proficiency of employees in rescue capabilities, methods, and the reporting process. Furthermore, the process for the heatstroke emergency response plan was refined, enhancing the employees' awareness of the severity of heatstroke incidents caused by high temperatures, and consequently reducing the probability of such accidents occurring.



Employees in the calcination workshop participating the heatstroke accident drill



Safety Culture Building

Sinoway Holdings actively carries out employee health and safety training and education, organizes health and safety-themed promotion weeks and month events to enhance employees' safety awareness and self-protection capabilities. In 2023, Shandong company was awarded the certificate of Advanced Unit for Safety Production Work in 2023, demonstrating the company's proactive efforts and outstanding performance in safety production.



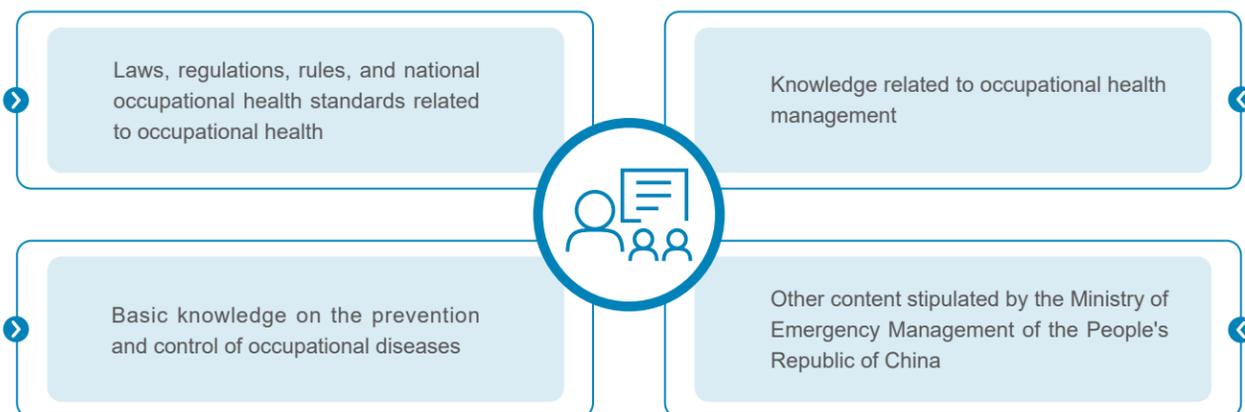
Shandong Company's Award of the Advanced Unit for Safety Production Work in 2023



Safety Training

For employees engaged in tasks with occupational disease hazards, the Company actively organizes health training both before and during their employment to disseminate knowledge on occupational health, and to ensure compliance with all relevant occupational health and safety regulations. For employees facing severe occupational disease threats, the Company conducts specialized occupational health training. Only after passing the training are they allowed to start work, thereby preventing the occurrence of major occupational health and safety incidents.

Training Contents for Occupational Health of Employees in Sinoway Holdings



Training Sessions of Occupational Health in Sinoway Holdings



From April 25 to May 1, 2023, Jiangsu Company held the Occupational Health Week, organized its employees to watch the opening ceremony, and conducted the centralized education and training on occupational disease prevention laws. Also, in accordance with the requirements of the National Health Commission, the company carried out a comprehensive occupational health and safety knowledge assessment, requiring all employees to be assessed and certified.

On September 27 and 28, 2023, all employees underwent batched training on labor safety protective equipment and occupational health knowledge.



Jiangsu Company's the Law on the Prevention and Control of Occupational Diseases Promotion Week



Shandong Company's Employee Health Training Contents for 2023 are as follows:

- The definition of occupational disease
- Occupational hazards in the company and corresponding prevention measures
- The definition of free silica and its hazards
- Methods for using and maintaining safety helmets, protective masks, etc.
- Knowledge of safety colors
- Knowledge related to occupational health and safety management.



Shandong Company Occupational Health Training Site

Work Safety Month

In June 2023, during the 22nd National Safety Month, the Company launched a safety production month campaign themed "Safety for Everyone, Emergency Response for Each Individual". The aim was to promote the implementation of safety production laws and regulations, disseminate safety knowledge, cultivate a culture of safety, and further create a healthy and safe atmosphere for production activities.

Safety-themed education

A special study session on the 2023 Safety Month Publicity Video and the Standards for Determining Major Accident Hazards in Industrial and Commercial Enterprises was conducted, educating and guiding all employees to understand the criteria for identifying major accident hazards.



Learning Site of Safety-themed Education

Safety awareness promotion

Extensive safety awareness campaigns were conducted, using various promotional tools such as banners, slogans, and bulletin boards. Special exhibition panels for the "Safety Production Month" were also set up to ensure that employees fully understand the significant importance of safety production.



Safety Knowledge Bulletin Board

Detection and elimination of potential hazards

A special campaign for the detection and rectification of major accident hazards was launched, with comprehensive safety risk assessments conducted through both self-inspections by workshops and inspections by higher authorities. The identified hazards were rectified in strict accordance with the "Five Implementations" requirements, ensuring that each level of the hierarchy was addressed effectively.



Employee in the Workshop Detecting Potential Safety Hazards

Emergency response plan drill

A comprehensive drill for the dust explosion contingency plan were organized for all employees within the calcination workshop. The production staff in the workshop manually drew an emergency evacuation map to understand the quickest evacuation routes, thereby enhancing their awareness of evacuation and their capabilities in dealing with emergency incidents. These efforts laid a solid foundation for further improving the Company's early warning and emergency response mechanisms for accidents.



Employee in the Workshop Manually Drawing an Emergency Evacuation Map

Work safety quiz

A safety production knowledge quiz competition was launched to promote the safety awareness and safety quality for all employees. This competition aimed to ensure that knowledge training and promotional work in production were effectively implemented, thereby raising the level of safety production management. The contest awarded first, second, and third prizes to one winner each.



Employees in Shandong Company and Jiangsu Company Participating the Safety Production Knowledge Quiz Competition

Fire Prevention Publicity Month

In November 2023, during the 32nd National Fire Prevention Publicity Month, the Company launched a themed campaign titled "Safety First, Life Paramount" to enhance the fire safety awareness and skills in fire extinguishing and evacuation among all employees, aiming to prevent fires and ensure the safety production and stable development of the Company.

Fire-prevention-themed training

Employees viewed educational materials on the theme of Fire Prevention Publicity Month and participated in focused training sessions.



Fire prevention special inspection

A comprehensive inspection was conducted on the Company's usage of electricity and gas, fire prevention, wiring, electrical equipment, special equipment, and boiler safety. Key areas such as production sites, canteens, and laboratories were inspected, with a focus on the implementation of fire prevention responsibilities, routine fire inspections, compliance of building fire equipment and safety exits, the condition of fire hydrants and extinguishers, and the availability of emergency evacuation plans and response teams. Also, identified fire safety hazards were addressed with a deadline for rectification.



Fire prevention quiz

A quiz was held to disseminate knowledge on safety and emergency response, aiming to enhance the safety awareness of all employees.



Fire prevention emergency drill

Employees were taught how to use fire extinguishers and fire hydrants, with each person practicing extinguishing fires. The Company's part-time emergency rescue team also underwent training.



Employees Engaging in Fire Extinguishing Drills



02 Green Development

Sinoway Holdings closely aligns with the national strategy for green and low-carbon development, actively embracing the carbon peaking and carbon neutrality policies. We proactively mitigate risks and capitalize on opportunities when addressing climate change, refine our environmental management system, enhance our pollution prevention and control measures, and continuously improve resource utilization efficiency. By implementing these measures, we are effectively driving the Company's green operations and sustainable development.



Addressing Climate Change

Enterprises play a crucial role in global climate action. Sinoway Holdings is actively developing a governance system for climate-related risks and opportunities, adjusting strategic decisions based on their levels, and formulating practical emission reduction plans. The Company is committed to achieving corporate-wide zero carbon emissions in the near future through methods such as forestry carbon sinks and green electricity trading, thereby safeguarding the interests of stakeholders.

Risks and Opportunities

In 2023, we identified and updated climate change risks faced by the Company, assessed the level of risk based on our own business circumstances, and updated the Sinoway Holdings Climate Change Risk List accordingly.



Sinoway Holdings Climate Change Risk List

Risk Type	Transition risks		Physical risks		
	Policy and legal risk	Technology risk	Market risk	Acute risk	Chronic risk
Risk Description	<p>Enhanced responsibility for report disclosure</p> <ul style="list-style-type: none"> Enhanced responsibility for emission reporting: The regulatory authorities have organized greenhouse gas emission reporting, review, and carbon credit approval to aid in the development of the national carbon market. They have also issued corporate greenhouse gas emission reporting guidelines, such as the <i>Guidelines for Corporate Greenhouse Gas Emission Reporting Review (for Trial)</i>. Enhanced responsibility for sustainability reporting: To advance the transition towards green and low-carbon energy business practices, international regulatory agencies now mandate that corporations transparently report their sustainability performance, thus affirming their commitment to social responsibility. In the future, the Company might be required to conduct third-party reviews and report its carbon emissions and ESG management to regulators, which would raise management costs. 	<ul style="list-style-type: none"> Transformation to low-emission technologies: To achieve the national strategic goals of carbon emission peaking by 2030 and carbon neutrality by 2060, the Company must use low-carbon technologies and processes to control carbon emissions, as well as eliminate outdated processes and equipment, which may result in an increase in corporate compliance costs. 	<ul style="list-style-type: none"> Change in customers' demands: The Company's downstream customers are predominantly large international aluminum companies with high sustainability requirements for their suppliers. The Company must continuously enhance its sustainability performance, including low carbon emissions, to improve product competitiveness and meet the demands of its downstream customers. 	<ul style="list-style-type: none"> Increasingly severe extreme weather: Typhoons, rainstorms, and hailstorms occur more frequently and intensely around the world as a result of climate change, posing a direct threat to businesses' financial assets and external facilities like warehouses and employees' lives and health. The probability of loss to forestry resources of Sinoway Forest has increased. On the other hand, the frequent occurrence of destructive weather events has led to an increase in the maintenance and repair costs for corporate assets. 	<ul style="list-style-type: none"> The rising average temperature: The rising average temperature may cause more frequent heatwaves, which could increase operational risks for companies (such as high-temperature blackouts, faulty power supplies, fires, and higher energy usage). On the other hand, extreme heat and cold can significantly impact the productivity of outdoor workers and pose threats to their health and safety.
Impacts on Finance	Increased operating costs	Increased cost due to the adoption/deployment of new practices and processes	Lower demand for goods and/or services due to changes in customer preferences	Increased operating costs; Asset Impairment	Increased operating costs; Increased employment costs
Impact Duration	Mid-term	Short- and mid-term	Short- and mid-term	Mid- and long-term	Mid- and long-term
Response	<ul style="list-style-type: none"> Requesting the safety and environmental protection department to pay close attention to the update of national policies on climate change and carbon emissions trading, and compliance requirements of regulatory institutions. Efforts should be intensified to enhance the Company's internal greenhouse gas emissions management and the construction of ESG management capabilities. 	<ul style="list-style-type: none"> Developing a plan to phase out outdated old equipment and processes gradually and to iterate and update other equipment and processes in time; Implementing energy-saving technological transformation projects to enhance the energy use efficiency and achieve low-carbon production. 	<ul style="list-style-type: none"> Conducting carbon footprint verification at stakeholders' request; Proactively disclose data on the Company's GHG emissions and highlights of energy conservation and emission reduction Developing a carbon-neutral strategy and investigating ways to reduce and offset carbon emissions. 	<ul style="list-style-type: none"> Continuously refine the emergency management system and guide the safety and environmental protection departments of each subsidiary to establish disaster emergency response teams, ensuring that extreme weather warnings are reliable and preventive measures are taken in advance; For construction and expansion projects, consult professional EIA agencies early in the construction process for the extreme weather issue to avoid the environmental, economic, and physical risks caused by extreme weather during project construction and operation. 	<ul style="list-style-type: none"> Requesting that the affiliated companies' safety and environmental protection departments take heatwave prevention and control measures to ensure the safe operation and maintenance of equipment and facilities. At the same time, guide the trade unions to implement heatstroke prevention and cooling measures, and provide benefits such as heatwave allowances for employees.

Climate change brings many negative impacts to the Company, while also presenting numerous opportunities to create long-term value. In 2023, Sinoway Holdings identified and updated its opportunities related to climate change, actively constructing a green circular economy system, and broadening new avenues for its transformation and development.

The List of Sinoway Holdings' Climate Change Opportunities

Opportunity dimension	Name	Opportunity description
 Product side	Provide green and environmentally friendly products and services	As the upstream and downstream companies in the industrial chain increasingly focus on sustainable development issues, the Company can attract more stakeholders by offering green technologies and environmentally friendly products, thereby enhancing market share and strategically positioning ourselves in the green economy.
	Trade carbon allowances	With the formation and maturation of a national carbon emissions trading market, the demand for carbon allowances will gradually increase. In the future, the Company can generate revenue by selling forestry carbon sink credits (CCER) to enterprises with emission control responsibilities.
 Operation side	Improve resource efficiency	The Company can actively apply energy-saving technologies across production, distribution, and building operations to enhance the energy and resource utilization efficiency. By optimizing and improving production processes, the Company can reduce production costs and increase economic benefits.
	Utilization of clean energy	We will continue to highlight the importance of adapting to local conditions, constructing green power generation facilities based on the local resource availability and environmental characteristics. We aim to promote renewable energy, reduce fossil fuel consumption, and build a low-carbon economy.
	Green financial support	The People's Bank of China, the National Development and Reform Commission, the China Securities Regulatory Commission, and other departments have jointly issued the <i>The Green Bond Endorsed Projects Catalogue (Edition 2021)</i> . The afforestation projects undertaken by Sinoway Forest align closely with the requirements of the "Ecological Protection and Construction" category outlined in this document. Additionally, the People's Bank of China has introduced carbon reduction support tools to facilitate the development of key areas such as clean energy and carbon reduction technologies. In the future, the Company may be able to obtain green financial support through means such as green bonds and carbon reduction loans, effectively ensuring high liquidity of corporate funds.

Sinoway Forest

In 2023, Sinoway Forest continued to carry out large-scale afforestation activities, advancing the greening of production areas through green factories. The Company utilized aerial seeding technology and "seed ball" technology to conduct experimental afforestation in the desert regions of Xinjiang and undertook extensive aerial reforestation efforts in Africa to build a "Green Great Wall". Sinoway Holdings remains committed to supporting national and regional desertification control with concrete actions, steadfastly driving the Company's green transformation.

The Construction Status of Sinoway Holdings' Green Factories in 2023



Shandong Company

- Implementing a tree adoption program, the company's employees actively adopt seedlings for planting.
- In 2023, according to the plan, a total of 740 arbor trees were planted (including 300 black locusts, 200 elms, 110 large-leaved privets, and 130 pines and cypresses), along with 39,300 shrubs (including 37,200 hollies and 2,100 China roses).



Comparison of Shandong Company's Greening Efforts in 2022 and 2023



Jiangsu Company

- In accordance with Jiangsu Company's strategic deployment, a greening and afforestation plan for 2023 has been formulated, with supplementary tree planting activities scheduled during the Spring Festival and autumn periods. This initiative aims to further enhance the greening efforts within the production areas.
- In 2023, as per the plan, a total of 2,262 trees were planted, comprising 306 goldenrain trees, 272 zelkova trees, 689 Chinese scholar trees, 50 London plane trees, and 845 elm trees. Additionally, 53,000 hollies were planted.



Greening Site Photos of Jiangsu Company

Aerial Seeding Afforestation

In 2023, Sinoway Forest continually carried out aerial seeding afforestation work in the Southern Xinjiang region, persistently advanced the desert ecological restoration plan, and constructed a sustainable forestry ecosystem. For the first time, operations were conducted in the Northern Xinjiang region, in collaboration with the Chinese Academy of Sciences, to promote the scientific and professional development of aerial seeding.

Major Progress of Sinoway Holdings' aerial seeding afforestation in 2023

Northern Xinjiang region

For the first time, aerial seeding afforestation work was implemented on 27,000 acres of degraded and desertified national secondary public welfare forest land in Burqin County and Beitun City of the Altay Region in Xinjiang, dispersing approximately 50 tons of seed balls containing tree species such as red willow, saxaul, sea buckthorn, artemisia scoparia, camelthorn, and caragana seeds.

In collaboration with the Xinjiang Institute of Ecology and Geography of the Chinese Academy of Sciences, we used satellite observations, on-site data collection, and other methods to conduct full-process monitoring of the germination rate of seed balls sown by aerial seeding. A professional appraisal report was produced, providing scientific and specialized support for the Company's aerial seeding afforestation work in the northwest region.

Southern Xinjiang region

Continuing the aerial seeding afforestation work initiated in 2022, we carried out nurturing work for a total area of 150,000 mu (approximately 10,000 hectares) of national secondary public welfare forests in Alar City, located on the edge of the Taklimakan Desert. In total, we sowed over 370 tons of seed balls made from a mix of shrubs and trees including red willow, camelthorn, elm tree, artemisia scoparia, sea buckthorn, saxaul, and caragana. By 2023, the germination and survival rate in the drip-irrigated artificial forest area reached more than 50%.

Carbon Footprint Management

Sinoway Holdings has proactively responded to the national goals of "carbon peaking" and "carbon neutrality". In compliance with the carbon emission accounting standards such as *ISO 14067:2018 Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification*, *GHG Protocol: Product Life Cycle Accounting and Reporting Standard*, and *China's Petrochemical Industry Greenhouse Gas Emission Calculation Method and Reporting Guidelines (for Trial Implementation)*, the Company has conducted Cradle-to-Gate carbon footprint inventories and corporate carbon footprint calculations for the "calcined petroleum coke" products at its Shandong Company and Jiangsu Company. This initiative is aimed at systematically mastering the consumption of energy and resources as well as the levels of raw material carbon emissions at each stage, thereby establishing energy conservation and carbon reduction orientation, and continuously reducing the product carbon footprint. Upon assessment, the carbon footprint of the "calcined petroleum coke" products was found to be 0.766 tCO₂e/t for the Shandong Company and 0.78 tCO₂e/t for the Jiangsu Company, with a comprehensive energy consumption of 20,236.88 tonnes of standard coal within the corporate boundary¹ in 2022. The results have been audited and verified for accuracy by a third-party carbon auditing institution and the emission assessment method adheres to the principles of relevance, completeness, consistency, accuracy, and transparency.



Product Carbon Footprint Verification Certificate of the Shandong Company

¹ Scope 1 and Scope 2 carbon emissions of the enterprise.

Environmental Management

Sinoway Holdings strictly adheres to the *Environmental Protection Management Regulations* of the People's Republic of China, and has established a series of internal systems including the *Environmental Protection Management System*, *Environmental Protection Statistical Work Management System*, *Environmental Protection Archives Management System*, *Environmental Protection Facilities Operation Management System*, *Environmental Protection Reward and Punishment Management System*, and *Environmental Safety Inspection and Hidden Danger Rectification Management System*. The Company implements an environment objectives accountability system, with the Safety and Environmental Protection Department overseeing environmental protection and management. In 2023, Jiangsu Company was awarded the "2023 Environmental Safety Model Enterprise", and Shandong Company was recognized as an "Advanced Unit in Ecological Environmental Protection Work for 2023", reflecting the company's commitment and actions in continuously improving its environmental management standards.

Environmental management system certification

Shandong Company: obtained ISO 14001 certification

Jiangsu Company: obtained ISO 14001 certification



Certificate for Jiangsu Company



Certificate for Shandong Company



Environmental monitoring

Shandong Company: Conducted pollutant self-monitoring in accordance with laws and regulations. Based on the current status of the company's pollutant emissions, an annual self-monitoring plan was formulated. Shandong Company entrusted a third-party testing company to carry out self-testing on schedule and produce reports, which were then disclosed on the statutory platform.

Jiangsu Company: Strictly adhered to the monitoring of pollutants and frequencies as required by the pollution discharge permit when conducting self-monitoring, with all results meeting the standards. In accordance with the requirements of the *Technical Guidelines for the Issuance of Pollutant Discharge Permit*, the company was subject to comparative monitoring by a third party on a quarterly basis, with all monitoring results being in compliance.



Environmental inspection

Shandong Company: Engaged a third-party evaluation agency to conduct quarterly environmental inspections. Effective rectification recommendations were provided in response to the issues identified during the inspections, and a report was issued accordingly. The company itself actively addressed the issues raised in the report for corrective actions.

Jiangsu Company: According to regulatory requirements, conducted monthly environmental risk and hidden danger investigations, and rectified any identified issues.

Emergency response plan for sudden environmental incidents

Shandong Company has developed an *Emergency Response Plan for Sudden Environmental Incidents*, establishing the scope of application for the plan, methods for identifying environmental risk sources, mechanisms for emergency response procedures, and methods for emergency response. This plan serves to guide the company's emergency rescue operations in response to sudden environmental incidents.

Pollution prevention and control

Sinoway Holdings places great emphasis on the management of wastewater, waste gases, and wastes, adhering to the principles of compliance with emission standards and source control. The Company continuously advances the work of resource recovery and comprehensive utilization to protect public health and maintain ecological safety. In 2023, no environmental compliance incidents occurred at either the Shandong Company or the Jiangsu Company. We have implemented the following pollutant management measures:

Shandong Company

- We have replaced the dust monitors in the desulfurization tower and the Thermo Fisher Scientific monitoring equipment, updated the ammonia leakage detection equipment, and provided robust data support for ammonia leakage data monitoring to ensure that the ammonia leakage indicators meet environmental protection requirements.
- We have applied for a pollution discharge permit and conducted self-monitoring in accordance with the latest requirements specified in the pollution discharge permit.
- We have amended the solid waste management chapter, with the third-party organization Green Homeland conducting regular boundary monitoring for dust and noise, and issuing authoritative report documents.
- The desulfurization workshop has transitioned its baghouse dust removal and discharge to pneumatic conveying, leading to a reduction in the use of bulk bags.

Jiangsu Company

- In the first and second halves of 2023, self-monitoring of wastewater, organized emissions, and unorganized emissions was conducted, and the monitoring results all met the requirements.
- Self-monitoring has been conducted in accordance with the monitoring pollutants and frequencies required by the pollution discharge permit, with all results meeting compliance standards.
- According to regulatory requirements, we conducted monthly environmental risk and hidden danger investigations, and rectified any identified issues.
- The desulfurization workshop has shifted from manual ash unloading to pneumatic conveying into storage tanks, and has employed specialized tanker trucks for transportation, significantly reducing the use of bulk bags.

Waste Gas Management

The waste gases generated by the Company primarily consist of sulfur dioxide, nitrogen oxides, soot, particulate matter, and others, arising from production activities. In 2023, the Jiangsu Company replaced the temperature, pressure, and flow sensors as well as the zirconia probes in the online monitoring facilities, repaired the nitrogen oxide analyzers, and added an Uninterruptible Power Supply (UPS) within the online monitoring station to ensure the normal operation of the equipment. These measures provide robust data support for the Company's waste gas management.

Wastewater Treatment

The wastewater generated by the Company primarily consists of production wastewater from the water treatment workshop and domestic wastewater. For the production wastewater from the water treatment workshop, a boiler backwash water process is employed. The resulting purified water is used for steam production, while the concentrated water is utilized for the water jacket circulation in the calcination production system. Approximately 100 cubic meters of water are introduced into the calcination circulation daily, resulting in cost savings of 167,000 CNY. For domestic wastewater, we treat the wastewater using an integrated biological equipment and then use the treated, qualified water for greening purposes. Additionally, in accordance with the new *Technical Guidelines for the Issuance of Pollutant Discharge Permit*, the Jiangsu Company has upgraded its clear water pipeline network and discharge outlets, and has also renovated the sewage discharge outlets. New online wastewater monitoring equipment has been installed to ensure compliance with external discharge regulations.

Solid Waste Management

The solid waste generated by the Company primarily consists of packaging materials, fly ash, and discarded paint drums and oil drums. In 2023, the Company focused on solid waste management through both source control and recycling initiatives. In terms of source control, we installed an automatic ash-blowing system during the calcination process and carried out modifications to the dust removal system's ash conveying, ensuring that dust was reclaimed into the production system without compromising product quality, thereby reducing the generation of solid waste. Regarding recycling, we utilized fly ash as a carbon adsorbent in the desulfurization baghouse dust removal process and flue gas treatment, and after use, the fly ash was recovered and returned to the fly ash manufacturer for reuse.

Sinoway Holdings' Pollutants and Waste Discharge in 2023

Pollutant category	Indicator	Unit	Jiangsu Company	Shandong Company	Total discharge
Waste gas	Total waste gas emissions	m ³	112,101.81	246,067.44	358,169.25
	SO ₂ emissions	Tonne	28.00	59.90	87.90
	NO _x emissions	Tonne	75.16	176.41	251.57
	Particulate matter emissions	Tonne	2.21	11.64	13.85
Water pollutants	Total wastewater discharge	Tonne	12,103	0	12,103
Solid waste	Total general solid waste generated	Tonne	64.40	560.33	624.73
	General industrial waste discharge	Tonne	64.4	551.59	615.99
Hazardous waste	Hazardous waste generated	Tonne	0.71	8.74	9.45

Resource Utilization

Sinoway Holdings steadfastly adheres to the principles of energy conservation, cost reduction, and sustainable development, aiming to establish an energy-efficient enterprise. The Company has further refined its energy management system, established a long-term mechanism for energy conservation and emission reduction, and developed an online energy monitoring system. This system enables real-time monitoring and optimization of energy utilization within the Company, meeting the demand for precise energy management and continuously enhancing the Company's energy management capabilities.

No.	Highlight measure	Energy conservation benefits
1	The Shandong Company has installed an additional heat exchanger.	In the company's production process, high-temperature flue gas is generated. After heat exchange in the boiler, there remains some residual heat, which led to the installation of an additional heat exchanger to further recover this thermal energy. With the installation of the heat exchanger, the company is able to produce 7,945 tons of steam annually, saving an equivalent of 764 tons of standard coal per year, yielding financial benefits of 1.589 million CNY.
2	The Shandong Company has installed frequency converters on 10 dust collectors.	The annual electricity savings achieved by the company amount to 192,720 kWh. This energy conservation is equivalent to saving 23.69 tons of standard coal. The annual cost savings from this measure total 129,000 CNY, with an average of 6,000 kWh saved per motor. The combined economic benefits generated from this initiative amount to 67,200 CNY.
3	Jiangsu Company has installed one fluoroplastic steel low-temperature economizer for the recovery of residual heat from low-temperature flue gases.	By utilizing residual heat from flue gas to preheat demineralized water, an annual saving of 1,451 tons of standard coal was achieved.
4	The Jiangsu Company has installed 28 Class 1 energy-efficient YE5 electric motors and has carried out retrofits and replacements for existing YE2-type and other electric motors.	The total installed capacity is 959 kW, achieving enhanced motor energy efficiency, with annual electricity savings of 188,275.66 kWh and an annual total revenue of 133,700 CNY.

Management Structure

The Company's management places high importance on energy conservation and emission reduction efforts, actively participating in the organizational leadership of these initiatives. We formulate plans and strategies for energy conservation and emission reduction, establish a comprehensive system of accountability, and set up a supervisory and assessment leading group for energy conservation and emission reduction within the Company. This leading group is responsible for statistical analysis, supervision, and assessment of all energy-saving activities. We conduct regular inspections and irregular spot checks to guide, coordinate, supervise, and assess the progress of energy conservation and emission reduction across various departments. Additionally, we provide corrective recommendations for departments with issues and conduct follow-up investigations.

Green Workplace

We actively foster a green and low-carbon office environment, advocate for employees to embrace the concept of environmental conservation and resource saving, effectively motivate employee enthusiasm for resource conservation, and promote the Company's sustainable development.

Green Workplace Initiatives of Sinoway Holdings



Saving electricity in the workplace

- Enhance the daily management of the lighting system, maximize the use of natural light in workplaces, and encourage staff to refrain from using artificial lighting or to use it minimally when the indoor brightness is sufficient to avoid waste electricity. Ensure lights are turned off when leaving the office
- Strictly enforce the air conditioner temperature control standards, with the rational setting of office air conditioning temperatures
- Office equipment such as computers, printers, and photocopiers are promptly turned off when not in use to minimize standby energy consumption



Reducing consumption of office supplies

- Strengthen the use and management of office supplies, standardize the procurement, allocation, and distribution of these items, and persist in the registration, signature, and requisition for the use of office supplies
- Enhance the management of printing supplies, advocate for double-sided printing to reduce paper consumption, decrease redundant printing, and focus on the reuse of draft papers and copy papers
- Retrieve printers from all departments and use high-capacity shared printers to control paper wastage



Utilization of Clean Energy

Sinoway Holdings is committed to promoting the use of renewable energy in both production and office activities. In 2023, our primary initiatives for advancing the adoption of clean energy are as follows:

Replacing solar-powered lights in factory areas

In total, 49 solar-powered lights of 900W and 8 solar-powered lights of 2,400W were replaced or repaired. Additionally, bridges within the park areas were renovated, and 6 high-brightness solar lights were installed. Currently, the factory areas primarily utilize solar lighting. Throughout the year 2023, 80 solar light fixtures were retrofitted and installed in stages.



Researching and developing wind power generation plans

The plan is to install wind power facilities in the vacant areas of existing projects, and actively seek out industry experts for site inspections and feasibility assessments to formulate a feasibility analysis report and a construction proposal.

Case: Frequency converter control retrofit solution for Jiangsu Company's heating and power water supply pump

In 2023, to reduce operational costs and enhance energy efficiency, Jiangsu Company implemented a frequency converter control retrofit for its water supply pumps. This technology involved adding a control cabinet with an in-built isolator switch in the boiler's low-voltage distribution room, allowing for flexible control of two water pump motors through the isolator switch. On the one hand, this technology reduces the operational costs of frequency converters; on the other hand, it enhances the flexibility and reliability of switching or repairing the pumps. Through the frequency converter adjustment in water pump control retrofit, Jiangsu Company can save 21,600 KWh of electricity per month, achieving an annual electricity saving of approximately 237,000 KWh.



To assist the Company in increasing the use of clean energy and reducing carbon emissions, Shandong Company and Jiangsu Company separately purchased I-REC² certificates this year, acquiring a total of 41,871 MWh of green electricity generated from renewable energy. This electricity is intended for use in the Company's production activities and facility operations, with the aim of lowering the Company's carbon footprint and making a positive contribution to responding to climate change.



Shandong Company's I-REC Purchase Certificate



Jiangsu Company's I-REC Purchase Certificate

Energy Consumption Overview of Sinoway Holdings in 2023

Energy type	Unit	Jiangsu Company	Shandong Company	Total consumption
Purchased electricity	kWh	10,907,262	31,075,260	41,982,522
Gasoline consumption	L	4,848.75	13,000.00	17,848.75
Diesel consumption	L	14,975.46	2,060	17,035.46
Natural gas consumption	Standard m ³	4,560	4,200	8,760
Comprehensive energy consumption	Tonne of standard coal	/	20,529.24	/
Comprehensive energy consumption intensity	Tonne of standard coal/RMB 10,000 of revenue	/	0.20478	/
Total water consumption	Tonne	491,385.19	805,104.92	1,296,490.11
Total water consumption intensity	Tonne/RMB 10,000 of revenue	/	7.3929	/
Raw water consumption	Tonne	462,885.19	733,524.92	1,196,410.11
Recycled water consumption	Tonne	28,500	71,580	100,080

² The I-REC international green certificate is an energy attribute certificate issued by the Netherlands-based non-profit organization I-REC Standard. Its certification scope encompasses a variety of renewable energy sources, including photovoltaic power, onshore and offshore wind power, hydroelectric power, tidal power, biomass power, and biogas power. Purchasers can indirectly acquire green electricity by purchasing I-REC certificates, with each certificate having a validity period of 1 year.

03 Employee Development

Talent is the soul of a company, considered its greatest wealth. Sinoway Holdings consistently considers talent as the foundation of business start-up, competition, and development. The Company focuses on the introduction and retraining of talent, creating an equal and inclusive stage for employees to show their abilities. We continuously broaden the channels for talent promotion and development, ensuring that positions are filled by the most capable individuals and that everyone is able to fully utilize their talents.



Employee Rights and Interests

Sinoway Holdings places great importance on and ensures the fundamental rights and interests of employees, without discrimination based on background or other objective factors. We continuously improve the Company's salary and benefits system and employee communication mechanisms, aiming to create a healthy, safe, diverse, and inclusive working environment to meet the various needs of our employees.

Equal and Compliant Employment

Sinoway Holdings is committed to establishing fair and lawful employment relationships, strictly adhering to relevant laws and regulations such as the *Labor Law of the People's Republic of China* and the *Employment Contract Law of the People's Republic of China*. We continuously refine and implement internal personnel management mechanisms, such as the *Personnel Management System*, ensuring that all aspects of employment follow the principles of fairness, justice, legality, and compliance. We pledge to treat all candidates equally in the recruitment and hiring process, without discrimination based on personal factors such as gender, age, ethnicity, religious beliefs, marital status, physical health, political affiliation, or position. This commitment ensures the protection of employees' fundamental rights and interests.

Sinoway Holdings pays close attention to and strictly adheres to relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors*, *Provisions on the Prohibition of Using Child Labor*, and the *Universal Declaration of Human Rights*. We conduct detailed background checks on employees. During the information entry phase, we rigorously scrutinize employee identity information to ensure the authenticity of employee records, thereby preventing the employment of child labor and forced labor. During the reporting period, Sinoway Holdings did not engage in any practices involving child labor or forced labor.

Sinoway Holdings considers talent as its most valuable asset and, through recruitment channels such as BOSS Zhipin, Zhaopin.com, local talent networks, and campus job fairs, has gradually established a mature and comprehensive talent recruitment process to achieve sustainable acquisition of the Company's talent. In 2023, employee hiring was outsourced to a third-party, yet the recruitment format, interview process, salary and benefits were consistent with those for formal employees. During the reporting period, the Company recruited 14 individuals from society, and had a total of 345 employees on the mainland China, with an overall employee turnover rate of 17.97%.



During the reporting period, the Company recruited

14 individuals from society

and had a total of

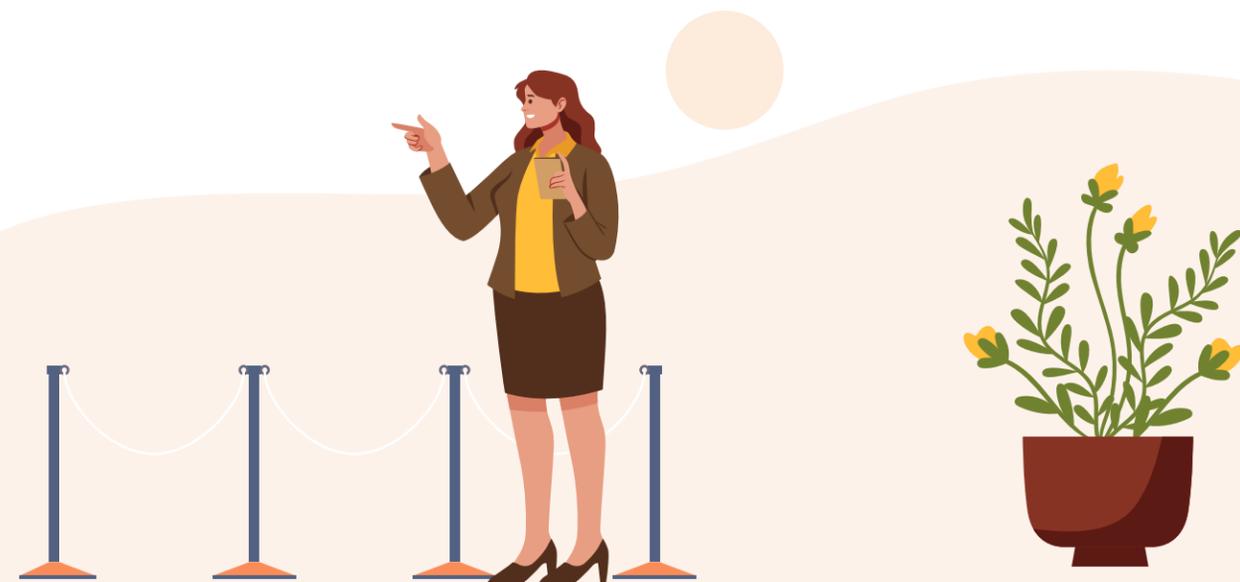
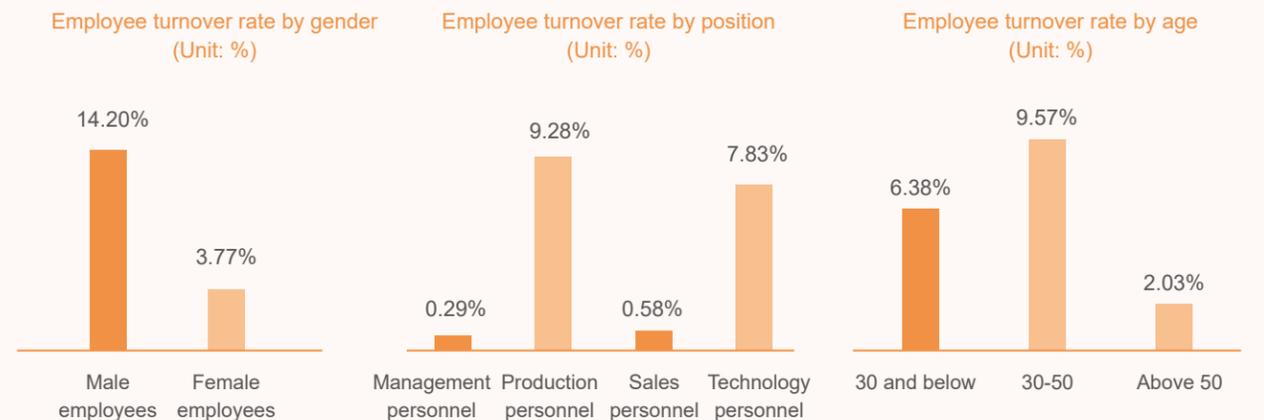
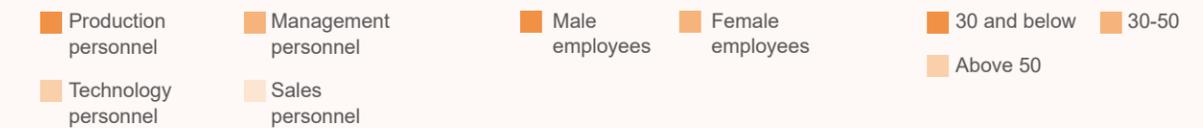
345 employees on the mainland China

with an overall employee turnover rate of

17.97%



Employee Hiring Status of Sinoway Holdings in 2023



Salary and Benefits

Sinoway Holdings views talent as the cornerstone of its development, leveraging its remuneration system to effectively motivate its workforce. We have established a comprehensive remuneration and benefits system, implementing remuneration and performance management in accordance with the *Integrated Management System*. The Company legally safeguards employee rights and interests, attracting and retaining top talent through equitable and competitive compensation and employee benefits. In 2023, the Company achieved a 100% coverage rate for employee social insurance.

Compensation Incentives

Sinoway Holdings provides all employees with the five social insurance schemes and one housing fund, and implements a remuneration adjustment program. We continuously refine our monthly operating profit bonus and the rationalization suggestion incentive plan for employees.

Vacation Benefits

Including annual leave, sick leave, marriage leave, breastfeeding leave, paternity leave, bereavement leave, etc.

Employee Benefits

We offer a comprehensive suite of benefits to our staff, including subsidized meals at work, summer heatstroke prevention allowances, employee health examinations, holiday bonuses, birthday gifts, bereavement allowance, and accommodation for employees with long commutes.

Democratic Management

Sinoway Holdings actively implements democratic management and places a high priority on employee communication and concerns. We ensure that communication channels for employees are open and provide an APP-based platform for exchange and feedback on concerns. Through mechanisms such as staff representative assemblies and employee satisfaction surveys, Sinoway Holdings gains a deep understanding of employee needs. Regularly organized thematic meetings are held to promptly address reasonable suggestions from employees, thereby enhancing their sense of belonging to the Company.

In 2023, in order to enhance the sense of belonging of employees within the Company, a total of four worker forums were held. We conducted employee satisfaction surveys on the quality of shuttle bus and cafeteria services, and made improvements based on the survey results. These actions received unanimous praise from the employees.

Case: Employee Symposium

To enhance employees' sense of belonging within the Company, the Company held four staff symposiums in the conference room on the fourth floor of the Weifang office building in 2023. The employee symposiums focused on addressing difficulties encountered by employees in their work and life, where the Company conducted employee satisfaction surveys on topics such as the quality of shuttle bus services and cafeteria services, and made improvements based on the survey results. Additionally, learning and exchange platforms were provided for front-line employees and newly hired staff, where employees can not only feel cared for by the Company but also express their concerns and address their confusions. Furthermore, these platforms can provide opportunities for employees to learn about and experience the Company's culture and values during the symposiums.



Employee Symposium

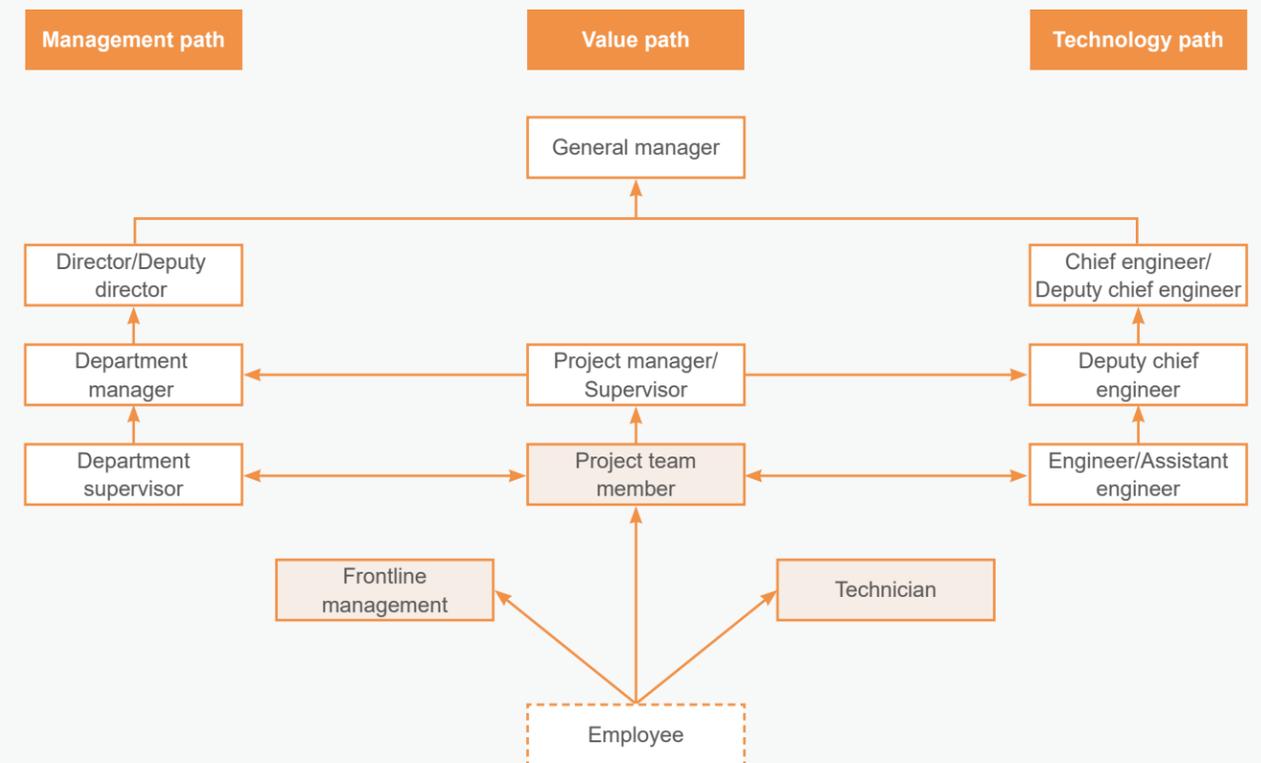
Employee Development

Talent is an inexhaustible source and driving force for the growth of businesses. Sinoway Holdings strives to build a sustainable and high-quality talent pool for the Company by continuously improving its transparent employee promotion mechanism and optimizing the development of its employee training system.

Employee Promotion

Sinoway Holdings continuously optimizes its employee promotion system, adhering to the principles of "fairness, impartiality, and transparency" in performance assessment and appraisal, encouraging healthy competition among employees to ensure their talents are fully utilized. We conduct comprehensive monthly and annual assessment based on three aspects: mindset, work capability, and work attitude, providing priority promotion opportunities for outstanding performers. For factory employees, we also offer exams for primary and intermediate positions, providing corresponding ratings based on the assessment results. Those who pass will receive monthly performance bonuses and opportunities for promotion.

Employee Promotion Channel



Employee Training

Sinoway Holdings insists on conducting high-quality talent development work, optimizing the *Implementation Measures for Company Training Management*, and establishing a comprehensive talent management mechanism, dedicated to constructing a comprehensive talent development system. By adopting a combination of online and offline methods, we provide employees with comprehensive career training resources to promote their personal growth and professional development. Additionally, we encourage employees to actively participate in external skill learning to continuously enhance their job performance capabilities to meet the needs of the Company's business development. In 2023, the training coverage rate reached 100%, with an average training duration per employee of 134 hours.



In 2023, the training coverage rate reached

100%

Sinoway Holdings' Employee Training Process



Sinoway Holdings' Training System

Onboarding Training

- The Comprehensive Management Department is responsible for training and assessment of corporate culture and internal management systems.
- The Safety and Environmental Protection Department conducts the training and assessments of safety, environmental protection, and occupational health.
- The hiring department is responsible for pre-job training. Employees can only start their positions after passing all assessments.

Regular Training

- The Comprehensive Management Department formulates training plans based on the Company's needs and organizes their implementation.
- Trainers are preferably selected from internal staff.
- If external trainers are required, the requesting department must submit an application, which shall be approved by the Company.

External Training

- Departments shall submit applications for necessary external training to the Comprehensive Management Department for review, followed by approval from the supervising Vice President and the Headquarters Operations Center.
- Employees who attend external training shall report the training content and insights to their department head, the supervising Vice President, and the Headquarters Operations Center within three working days after the training, and file a record with the Comprehensive Management Department.
- If an employee, who has participated in company-sponsored external training, leaves the Company or has their contract terminated for personal reasons within the agreed service period, they shall pay the agreed penalty.
- All internal and external training arranged or approved by the Company is treated as regular attendance. Employees are expected to participate actively and shall not be absent without valid reasons.

Case: Corporate Culture Training

To help employees gain a comprehensive understanding of the Company's corporate culture, the Company and its subsidiaries conducted employee corporate culture training sessions respectively.



On-site Company Culture Training

Case: Junior Job Certification Training Assessment

To further enhance employees' skills in equipment process technology and workshop safety, the Comprehensive Management Department of the Shandong Company organized on-site training sessions for production employees conducted by the Equipment, Process, and Safety and Environmental Protection departments. After the training, a written examination for the junior job qualification certificate was conducted in the training room on the fourth floor to ensure that employees could master various skills effectively in their positions.



On-site Assessment for Junior Job Certification

Case: Executive Training of Weifang Company

In December 2023, Han Erdong, the senior management of the Weifang Company, conducted an executive training program for all employees. The training primarily focused on "Workshop Production Process" and "The Importance of Production Process," aiming to enhance the understanding of production processes and skills among all employees. The goal was to strengthen the Company's process management, improve production efficiency, enhance quality, and reduce production costs.



On-site Executive Training

Caring for Employees

Sinoway Holdings places employees at the center, striving to create a vibrant and sunny working environment and providing thoughtful care to foster a widely supportive corporate culture. We stimulate employees' enthusiasm through various activities and help them relax outside of work.

Physical and Mental Health Care

Employee physical and mental health is an integral part of sustainable corporate development. Sinoway Holdings regularly organizes various activities to care for employees' physical and mental well-being, ensuring a balance between work and life. Both Jiangsu and Shandong Companies have established activity rooms for employees to exercise and relax during breaks.



Jiangsu Company's Activity Rooms



Shandong Company's Activity Rooms

Caring for Female Employees

Sinoway Holdings strictly adheres to the provisions of the *Special Rules on the Labour Protection of Female Employees* and other applicable regulations. In compliance with the law, the Company provides a variety of benefits to female employees, including maternity leave and maternity allowances. We are dedicated to providing a caring and harmonious work environment for female employees, as well as assisting them in achieving a better balance between work and life.

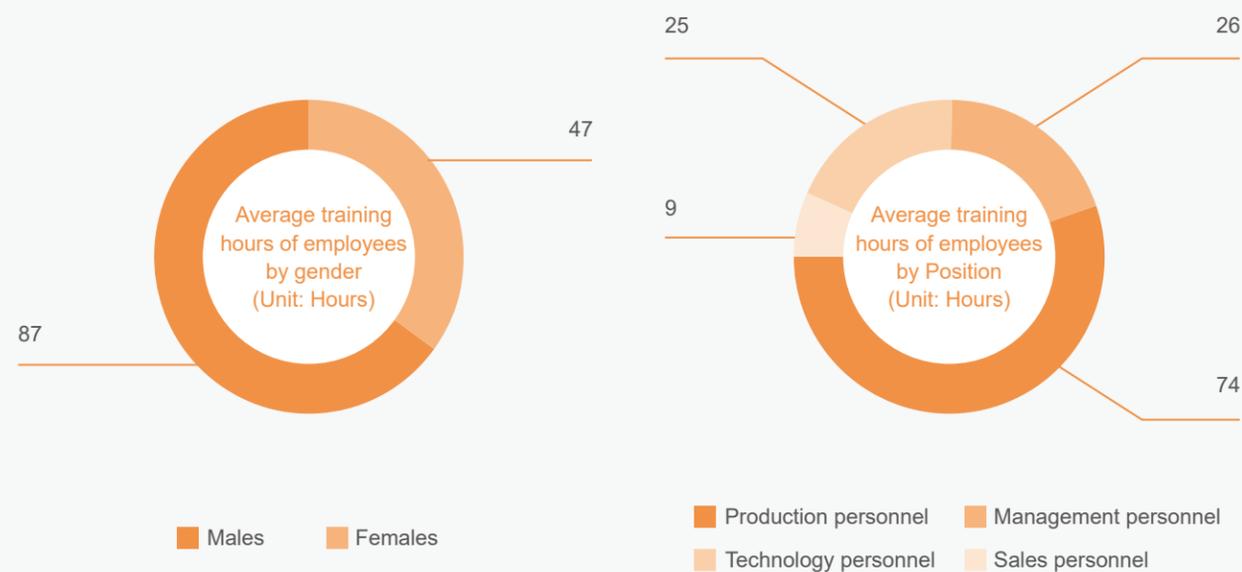
Case: A Tea Party on International Women's Day

On International Women's Day, Sinoway Holdings held a tea party for female employees, demonstrating the Company's care and respect for its female workforce.



Activities on International Women's Day

Average Training Hours of Employees by Different Categories in 2023



Case: Baby-Care Room

Shandong Company has set up a nursing room for working mothers to facilitate a better balance between work and life, providing a rest area for female employees who are mothers.



Baby-Care Room

Caring for Employees in Need

Sinoway Holdings is committed to caring for employees in need. We provide personalized support and assistance to ensure that every employee receives warmth and care.

Case: Bringing Warmth to Employees in Need

The Company, in collaboration with the government and the labor union, brought warmth to employees in need, aiming to bring a ray of warmth to their lives and deepen their sense of belonging within the Company.



Bringing Warmth to Employees in Need

Employee Activities

Sinoway Holdings encourages employees to participate in a variety of fun team activities. The Company organizes sports competitions and external exchange programs to improve employee communication and interaction, as well as to help employees develop interests and hobbies outside of work, expand their social networks, and strengthen team cohesion.

Case: Spring Sports Meeting

In 2023, Shandong Company and Jiangsu Company respectively held spring sports events, featuring competitions such as tug of war, two-legged race, and sack race relay. This event facilitated communication among employees, strengthened team culture, enhanced team cohesion, and promoted the development of corporate culture.



Shandong Company's Spring Sports Meeting



Jiangsu Company's Spring Sports Meeting



 **Case: Company-wide Team Building and Entertainment Activity**

In order to enrich the work-life balance of employees, Shandong Company organized a company-wide team building and entertainment event in 2023. This initiative aimed to provide employees with opportunities to relax outside of work, thereby enhancing their overall happiness and sense of belonging to the Company.



Shandong Team Building and Entertainment Activity



 **Case: Company-wide Team Building Activity**

In 2023, the Company organized an outdoor barbecue for all employees as a team building event. Amidst carefully prepared delicacies and cheerful melodies, everyone momentarily shed their work fatigue, immersing themselves in the joyous atmosphere of shared food and merriment. This event was not only aimed at boosting employee happiness but also at fostering unity and cohesion among the staff.



On-site Team Building Activity for Beijing Employees

04 Industry- Responsible Supply

Quality is the lifeblood of a company's production and development. The Company adheres to a customer-oriented approach, striving to enhance both product and service quality levels to create long-term value for customers.



Products of Value

Sinoway Holdings always upholds the principle of quality first, placing product quality at the core of the Company's development. With sci-tech innovation as the driving force, we continuously strive to improve and optimize product quality.

Quality Management

Sinoway Holdings abides by the *Product Quality Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China*, and the *Standardization Law of the People's Republic of China* in conducting business activities. We comprehensively enhance the value of product quality by implementing quality control measures, technological advancements, and capacity building, thereby laying a solid foundation for project construction.

Quality Control

Sinoway Holdings has established the *Process Quality Control Management System* which standardizes the quality management requirements throughout the entire production cycle, including product raw materials, production, and testing. In terms of quality supervision, we have formulated internal regulations such as the *Quality Control Assessment Management Measures* and the *Non-Conforming Product Disposal Management System* clarifying the quality responsibilities of personnel at all levels to ensure the steady improvement of product quality. Additionally, to address issues such as raw material contamination and kiln damage that may affect product quality, the Company has devised detailed reward and punishment measures. Through positive incentives and negative constraints, we firmly combat behaviors that undermine quality and safety, such as falsifying data and negligence, helping employees recognize the importance of product quality deeply.

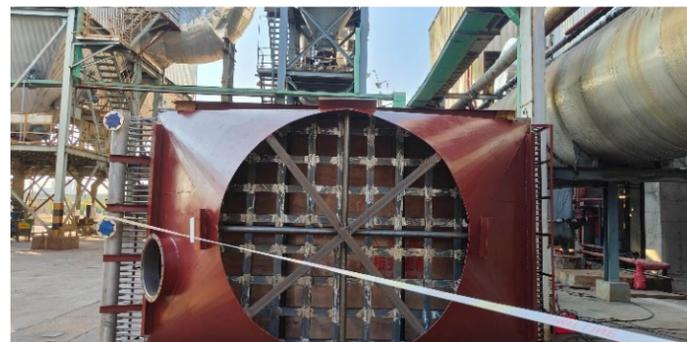
The Company has established a comprehensive quality control process throughout the entire production lifecycle, including raw material sampling, transportation, storage, product testing, and shipping, aiming to improve the accuracy and efficiency of quality control. Additionally, we have implemented strict quality supervision mechanisms to enhance the systematic and comprehensive nature of quality management. Through the identification and appropriate disposal of non-conforming products, we ensure that substandard products do not enter the market. By preventing and controlling quality issues at the source, we safeguard consumer rights and interests.

Quality Improvement

The Company is committed to the continuous improvement and enhancement of equipment structure and performance. We strive to drive overall process improvement and leap in product quality through local breakthroughs. In 2023, our focus was primarily on quality enhancement and retrofitting of equipment such as flue gas heat exchangers. This effort aims to promote the dual improvement of product quality and process level, injecting new vitality into the Company's development.

Case: Retrofit of Low-Temperature Flue Gas Heat Exchanger of Fluoroplastic Steel

In 2023, the Company undertook the retrofit of the low-temperature flue gas heat exchanger of a fluoroplastic steel based on the principles of "reuse for savings," ensuring compliance with safety and environmental regulations, and maintaining aesthetics. The purpose of the retrofit was to utilize residual heat and conserve energy. By analyzing the feasibility of introducing hot water into the desalination tank (fiberglass reinforced plastic), the Company established a reasonable process control route, to extract heat from the flue gas and reduce the flue gas temperature to below 200°C, thus better meeting the requirements of the desulfurization production process.



Low-Temperature Flue Gas Heat Exchanger of Fluoroplastic Steel

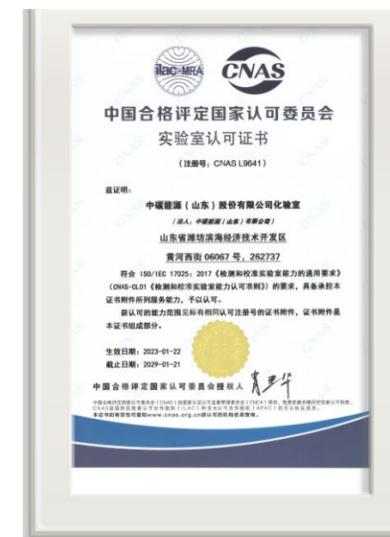
Laboratory Management

Sinoway Holdings adheres to the quality policy of "science, fairness, accuracy, and efficiency." We continuously improve the laboratory management, laying a solid foundation for its daily operations and long-term development. The Company has designated internal management systems such as the *Laboratory Management Measures*, the *Laboratory Operation Procedures*, and the *Laboratory Safety Management Regulations*. These systems clarify the responsibilities of each position in areas such as chemical reagent storage and personnel safety management, standardize operating procedures, and improve the safety and compliance of laboratory work.

In addition, the Company has established detailed standards for quality inspection, statistical workflows, and methods. The Company's laboratory conducts precise measurements on target samples based on ASTM³ (American Society of Testing Materials) international standards such as the *Standard Test Method for Ash in Analysis of Petroleum Coke*, the *Standard Test Method for Hardgrove Grindability Index (HGI) of Petroleum Coke*, the *Standard Test Method for Real Density of Calcined Petroleum Coke by Helium Pycnometer*, the *Standard Test Method for Sieve Analysis of Petroleum Coke* and the *Standard Test Method for Sulfur in the Analysis Sample of Coal and Coke Using High-Temperature Tube Furnace Combustion*. In terms of quality inspection, we have established strict procedures for sample handling, analysis, and reporting. Each sample and testing step is governed by clear operating protocols and quality control standards to ensure the accuracy and reliability of the test results.

Sinoway Holdings has meticulously arranged its operations in Shandong and Jiangsu, with two laboratories established in each location. The Company has equipped these laboratories with advanced professional instruments and gathered a team of experienced and skilled instructors. Together, they ensure the efficiency, precision, and orderliness of research and testing processes in the laboratories.

In 2023, after rigorous auditing and evaluation, the Company's laboratories successfully obtained the Laboratory Accreditation Certificate issued by the China National Accreditation Service for Conformity Assessment (CNAS) and the certificate of "Excellent Laboratory in Proficiency Testing" awarded by the Technology Center of Qingdao Customs to Sinoway Holdings laboratories. This further demonstrates the outstanding performance of Sinoway Holdings laboratories in capability verification and underscores the Company's relentless pursuit of ensuring product quality and enhancing customer satisfaction.



Certificates of Accreditation for Sinoway Holdings Laboratories⁴



Excellent Laboratory in Proficiency Testing Certificate for Sinoway Holdings

³ The American Society of Testing Materials is an international standards organisation dedicated to the development and publication of voluntary consensus technical standards for materials, products, systems and services.

⁴ Shandong Company and Jiangsu Company, Sinoway Holdings' wholly-owned subsidiaries, each have their own laboratories. The Laboratory Accreditation Certificate and the "Excellent Laboratory in Proficiency Testing" Certificate were awarded to the laboratory of the Shandong Company.

R&D and Innovation

Sci-tech innovation is a key factor for Sinoway Holdings to achieve sustainable development and the core driving force for maintaining long-term vitality in the future. The Company continuously leverages technology to empower product and service innovation, constantly improving the Company's R&D system and patent management to support the innovation and R&D of products.

Based on the *Interim Measures Governing National Hi-tech Industry Development Projects*, the Company has formulated its *R&D Project Management System*. This system clearly defines the management processes and responsibilities for each stage of R&D projects, including initiation, approval, execution, supervision, evaluation, and closure. This ensures that R&D activities are conducted in an orderly and efficient manner.

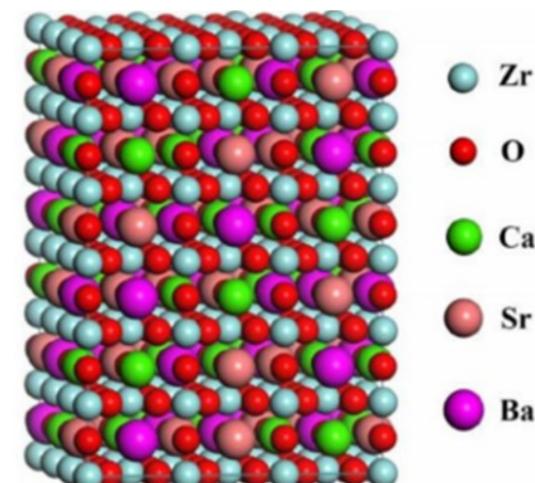
Project Title	Main Content
(1) R&D of Low-Resistance Products Through Low-Temperature Calcination	Through low-temperature calcination, we have achieved the production of low-resistance products, simultaneously reducing environmental pressures in production and extending the lifespan of calcination furnaces.
(2) R&D of Flue Gas Residual Heat Recovery from Calcined Petroleum Coke (CPC)	Through R&D, we have developed flue gas cooling equipment to lower flue gas temperatures, which can not only facilitate residual heat recovery but also reduces pressure on desulfurization systems.
(3) R&D of Automatic Sampler for Raw Materials	Through R&D, we have designed a simple and convenient automatic sampler for raw materials, eliminating the need for manual sampling. This device reduces safety risks, saves time and effort, enhances production efficiency, and lowers production costs.
(4) R&D of Low-Temperature Calcination Technology for Calcination Furnace Tank	By controlling the combustion state of the fire to regulate flame temperature and flue gas temperature, we can determine the temperature inside the calcination furnace.
(5) R&D of Granulation Technology for Collected Dust During Petroleum Coke Calcination	Through processes such as mixing, molding, and calcination, we reprocess the collected dust during calcination to achieve its reuse, thereby increasing its utilization rate and value.
(6) R&D of Prebaked Anode Production by Blending Semi-Graphitized Petroleum Coke with Calcined Coke	Through blending semi-graphitized petroleum coke with calcined coke, we have improved the quality of prebaked anodes while reducing the raw material costs for prebaked anode production.
(7) Technological R&D and Demonstration for Enhancing Vegetation Restoration in Protected Decertified Land Areas in Xinjiang	<ol style="list-style-type: none"> (1) Select typical desertified land conservation areas, investigate key limiting factors of natural ecosystem restoration, and analyze their impact mechanisms. (2) Develop a near-natural restoration technology system including irrigation-free afforestation, vegetation conservation, water resource retention, and aerial seeding for vegetation recovery. Conduct monitoring and evaluation of vegetation restoration benefits. (3) Scientifically assess the sustainability and suitable range of these technologies to provide technical support for restoration projects.
(8) Innovative Research and Practice on Green, Low-Carbon, High-Quality Development of Sinoway Holdings under the Strategy of Carbon Peaking and Carbon Neutrality	Provide theoretical support and technical services for the green, low-carbon, high-quality development of Sinoway Holdings under the Strategy of carbon peaking and carbon neutrality. Offer solutions and support for issues encountered in the implementation of the Company's ecological and environmental projects.
(9) R&D of Corrosion-Resistant High-Entropy Ceramics for Extreme Environments	Conduct research on carbide or oxide high-entropy ceramics, focusing on composition design, preparation techniques, and performance testing.
(10) R&D of Aerial Seeding Afforestation Technology for Desertification Control	<ol style="list-style-type: none"> (1) Selection and planning of aerial seeding areas (2) Determination of optimal seeding periods (3) Selection of tree species for seeding (4) Seed treatment processes (5) Seeding techniques (6) Mountain closure and forest cultivation

Technology is the primary driver of corporate development. Sinoway Holdings strengthens its innovation capabilities and increases R&D investment, attracting a large number of highly qualified and innovative talents. The Company continuously optimizes its talent incentive mechanisms, enhancing the proportion of multidisciplinary talents in terms of education, specialty, and experience, forming a diverse innovation team that provides continuous intellectual support and momentum for technological innovation.

In addition, Sinoway Holdings actively collaborates with universities and research institutions to establish industry-university-research platforms, attracting top-tier scientific talent to join in exploring new materials and technologies in the industry. By the end of the reporting period, we have partnered with Shaanxi University of Technology, Northeastern University, and Guiyang Aluminum Magnesium Design & Research Institute to accelerate the transformation of scientific and technological achievements and jointly elevate the technological level of the industry.

Case: Collaboration with Shaanxi University of Technology on the "R&D of Corrosion-Resistant High-Entropy Ceramics for Extreme Environments"

High-entropy oxides are multi-component oxides with a single solid solution structure, composed of five or more oxides in equal or nearly equal molar ratios. Unlike traditional oxide ceramic materials, high-entropy oxide ceramics feature multiple components and equimolar ratios. To seek ceramic products with higher thermodynamic stability and better thermal shock resistance, our team, inspired by the concept of high-entropy oxides, has designed a new low-cost high-entropy oxide ceramic through numerous trials and experiments.



Schematic Diagram of the Crystal Structures of High-Entropy Ceramics



Experimental Procedure Diagram

Through continuous process innovation and technological research and development, Sinoway Holdings has been able to optimize the production process while improving product quality and performance. As of the end of the reporting period in 2023, we invested RMB5,527,000, representing a 172.67% increase over the previous year. The group has filed for 13 invention patents and 82 utility model patents, and has been granted four invention patents and 74 utility model patents.



In 2023, we invested RMB

5,527,000

Technology Protection

Sinoway Holdings attaches great importance to the management of the Company's trade secrets, strictly adheres to the *Anti-Unfair Competition Law of the People's Republic of China*, the *Regulations on Science and Technology Know-how* and other relevant systems and policies, and has formulated the *Non-Patented Technology Know-how System* to guide the Company to carry out the work of protecting patented technology. Furthermore, the Company has established and continuously improved the Technical Expertise Working Group to implement the Company's management rules, which provides strong support for the stable development of the Company's technological research and development work.

Position	Participant	Responsibility
Director	<ul style="list-style-type: none"> Technical Director 	Developing confidentiality work plan Researching and addressing key issues in technical confidentiality work Supervising and inspecting the progress of work Investigating and handling incidents of leakage or mishandling of confidential information Organizing the promotion of relevant laws and regulations on technical confidentiality
Group Members	<ul style="list-style-type: none"> Director of Technology R&D Center Finance Manager Production Manager QEHS Manager President's Office Assistant 	Implementing the Company's regulations and national laws and regulations regarding technical confidentiality management Summarizing the progress of technical confidentiality work in the department and promptly reporting any incident of information leakage Conducting follow-up investigations on the implementation of confidentiality agreements Organizing department personnel to study the confidentiality laws and regulations and the confidentiality system of the Company
Archival Management Personnel	<ul style="list-style-type: none"> Archival management personnel in charge of all kinds of files Document control personnel 	Timely filing various technical confidential document carriers Handling borrowing registration and other procedures according to prescribed protocols



Customer Service

Sinoway Holdings adheres to the customer-centered approach to build a high-quality and trustworthy service system. We abide by the laws and regulations of the country and each operation, and have effectively standardized the Company's customer service system, so as to satisfy the diverse needs of customers with more complete services and enhance customer satisfaction. During the reporting period, the Company had a total of 36 customers, consisting of 28 domestic customers and eight customers from Hong Kong, Macao, Taiwan or elsewhere in the world.

Based on the internal management methods, the Company strengthens the effective collaboration among various departments, and accurately transmits the customer information from business sales, logistics carriers, and material supply, which promotes cross-departmental information sharing and resource integration, enhancing the Company's responsiveness to customer needs. In addition, to open customer feedback channels and listen to customers' voices, we have established a mechanism for handling customer complaints and resolving disputes. A quality control team comprised of process control and business departments conducts routine customer visits to collect and provide feedback on pertinent information. In an effort to continuously improve service quality and enhance customer adhesion, we adopt a problem-oriented approach to conduct in-depth studies when dealing with customer complaints or disputes.

Sinoway Holdings' Customer Complaint Handling Process



- The commercial team is responsible for analyzing customer complaints in a timely manner, maintaining a comprehensive record of customer complaints (including the customer's name, contact information, and brief of the complaint, etc.), and promptly reporting this record to the quality control team.



- Based on the description of the customer complaint, the quality control team will analyze the cause of the incident at every stage of the process, from the acquisition of raw materials to production, and determine whether it falls in the responsibility of the Company.
- If it is not the responsibility of the Company, it is necessary to communicate with the customer, explain and analyze the cause of the incident, obtain the customer's approval, and help the customer solve the problem.
- If the incident is caused by the Company, it will be transferred to the responsible department for analysis and handling according to the type of problem.
- According to the responsibility determination and relevant systems, the responsible department will be assigned responsibilities and the handling progress will be tracked.



- According to the cause of the incident and responsibility analysis, the Company will communicate and negotiate with the customer, and propose countermeasures to minimize the loss of the Company.

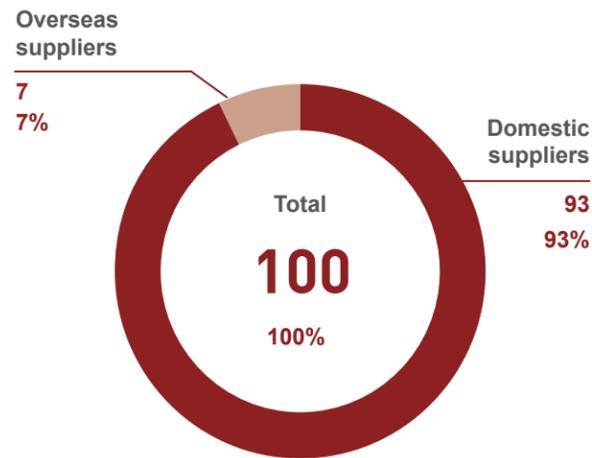


- The results of handling the customer complaint will be analyzed and summarized, and recorded and archived.

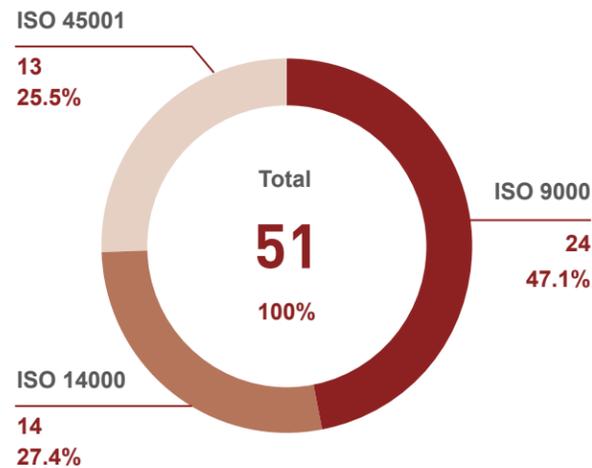
Responsible Supply

Sinoway Holdings strictly abides by laws, regulations, and standards such as the *Bidding Law of the People's Republic of China* and the *Handover and Preventive Test Acceptance Standards of Electrical Equipment*. It has established and continued to improve supplier management systems such as the *Contractor Management System*, the *Construction Project Safety Management Agreement*, the *Acceptance Management Measures* and the *Bidding Management Measures*. The Company puts forward management requirements to suppliers through the whole process of supplier admission, evaluation and withdrawal to create a sustainable supply chain. In 2023, 45 Sinoway Holdings suppliers received ISO 9000, ISO 14000, and ISO 45001 certifications.

The Number of Sinoway Holdings' Suppliers



Sinoway Holdings' Supplier Certifications



End-to-end Supplier Management

In the process of supplier admission, we have established forms for domestic and foreign suppliers to declare their qualifications. All admitted suppliers must have quality management, environmental management, occupational health and safety management certifications and relevant manufacturing and operational licenses required by the country, industry or the Company. Additionally, we utilize third-party tools to ensure that all admitted suppliers have stable business conditions and good credit records. Any supplier with irregularities will be denied access.

Sinoway Holdings regularly conducts comprehensive supplier assessments for admitted suppliers, with assessment indicators covering products, service quality, social responsibilities, employee safety management, and other aspects. Different standards are set according to the types of suppliers. For material suppliers, we have implemented a rigorous three-party on-site audit process to ensure that the products provided by suppliers fully meet the Company's requirements. For construction project suppliers, we require strict compliance with the established construction program and technical specifications, and we conduct stage-by-stage inspections during the construction process. In the event of any non-compliance being identified, we will immediately request that the supplier implement the necessary corrections until the acceptance standard is met.

Moreover, we employ a strict scoring and rating system, accurately assigning scores to each aspect, and raise the management level of suppliers with varying scores by limiting their procurement quotas. Suppliers with an internal audit score below 70 are terminated from cooperation. Furthermore, strict penalties are imposed on suppliers who are involved in quality or incident-related issues in accordance with regulations. In 2023, the Company audited 3 of its suppliers, with a 73.11% screening pass rate. Cooperation with 25 of them was terminated due to supplier-related issues.

In terms of supplier withdrawal, we disable suppliers who have quality issues during the collaboration, and suppliers with assessment scores less than 60 points will be eliminated.

Sustainable Procurement

Sinoway Holdings places a strong emphasis on the construction of a green supply system and sustainable supply chain. The Company integrates the promotion of green and low-carbon supply chains and the enhancement of sustainable risk management into the entire procurement cycle. The Company and its suppliers have signed the Letter of Responsibility for Integrity in Win-Win Cooperation to clarify the responsibilities of both parties, build a transparent and fair business environment, and jointly promote the industry to move forward in a more standardized, efficient, and sustainable direction. In 2023, the company achieved 100% supplier sign-off on the Letter of Responsibility for Clean Practices.



In 2023, the company achieved

100%

supplier sign-off on the Letter of Responsibility for Clean Practices

Sinoway Holdings' Management of Sustainable Supply Chain

Environment	Health and Safety	Business Ethics
<p>Transport vehicles must comply with the China V emission standard;</p> <p>Suppliers of ammonia water, fly ash, and dust filter bags must meet the indicators of environmentally-friendly flue gas emission;</p> <p>Environmental protection equipment must be regularly inspected and maintained to ensure its operation.</p>	<p>Construction entities working in the factory must sign a safety management agreement and take safety training for working in the factory;</p> <p>Construction workers must undergo a health examination and have insurance;</p> <p>Ammonia vehicles must be fire- and explosion-proof.</p>	<p>The <i>Letter of Responsibility for Integrity in Win-Win Cooperation</i> is signed;</p> <p>The screening function of the online procurement platform is used to avoid sourcing suppliers with corruption risks;</p> <p>Suppliers are strictly required to adhere to business ethics and market rules;</p> <p>The management of relevant personnel and anti-corruption and ethical conduct education are enhanced. Any discovery of illegal or disciplinary violations during the transaction process must be promptly reported to the relevant responsible individuals and judicial authorities.</p>

In the area of material procurement, we give priority to suppliers that provide low-carbon products. Furthermore, we are continuously improving our procurement method by implementing an "online + offline" procurement system, which will enhance the quality of our procurement process. In the online material procurement platform, we have strengthened the qualification audit, made the transaction process transparent, eliminated insider trading and other ways of corruption, maintained the market order, and created a fair competition business environment. As of 2023, 58.37% of total materials purchased were procured through the online platform.



As of 2023, the percentage of total materials purchased were procured through the online platform

58.37%

Interaction with Suppliers

The Company continues to deepen the supplier collaboration and exchange, and jointly build the industrial ecosphere. We maintain a close relationship with our suppliers through meetings, on-site management, and other means to ensure timely response and satisfaction for both parties, as well as the realization of resource sharing and complementary advantages. This further enhances the vitality and competitiveness of the entire industrial ecosphere. In 2023, we participated in the conference held by BAIINFO, the conference held by Gulf Aluminum Council, and six other domestic and international supplier exchange activities.

Industry Collaboration of Sinoway Holdings in 2023

The 15th China Carbon Materials for Aluminum Annual Conference and Carbon Materials Development Forum



Gulf Aluminum Conference



TMS (The Minerals, Metals & Materials Society) Meeting



Case: Sinoway Holdings Attended the Conference Held by BAIINFO to Explore the Development of Carbon Industry

The 2023 Global Carbon Industry Chain Market Forum & Customer Meeting hosted by BAIINFO was held on June 26-27, 2023. Sinoway Holdings and other carbon industry chain counterparts gathered to explore the future development of the carbon industry. The meeting helped enterprises explore the upstream and downstream development trends of the carbon industry chain, grasp the cutting-edge business opportunities, and provide continuous forward momentum for the development of enterprises and the industry. This was achieved through visits to Weifang Port, participation in the Bohai Bay Port Customer Meeting, and other activities.



The 2023 Global Carbon Industry Chain Market Forum & Customer Meeting

External Cooperation

Sinoway Holdings is aware of the industry's development trends and is committed to deepening its cooperation within the industry. This approach enables the Company to promote the synergistic development of itself and its partners, while also realizing mutual benefits and a win-win situation. We proactively organize and participate in industry cooperation and exchange activities to facilitate industry interoperability, share advanced experience and innovative technologies, and jointly build a stable value chain and enhance the industry's risk resistance.

Case: Exchange Activities with Overseas Laboratories

In 2023, the laboratory of Shandong Company has carried out six exchange testing activities with an R&D laboratory of Switzerland, and participated in the global petroleum coke testing round robin organized by the laboratory in December. Meanwhile, the laboratory of Shandong Company is also in contact with AJE⁵ to lay the foundation for subsequent cooperation and exchange.

In July 2023, the laboratory of Jiangsu Company engaged in exchanges and cooperation with the engineers of the laboratory in DUBAL. The primary focus of the discussions was testing methods and equipment maintenance, with a particular emphasis on learning from DUBAL engineers' insights to enhance the analytical capabilities of laboratory data summarization and improve the accuracy of data.



On-site Interaction



⁵ AJE (A.J. EDMOND COMPANY): A U.S. company specializing in sampling and analytical services for refineries and solid fuels.

Community Welfare

Sinoway Holdings bears social responsibility, continues to make efforts in volunteer service and community welfare, actively dedicates itself to the field of social charity, vigorously promotes environmental protection publicity and education, assists in rural revitalization, and serves the society, dedicates itself to the society and gives back to the society with a heartfelt and enthusiastic mentality.

Sinoway Holdings has established the *External Donation System*, which regulates the Company's charitable behavior and ensures the transparency and credibility of its donation activities. In 2023, the Company donated a total of RMB1,809,600 to community welfare causes.



In 2023, the Company donated a total of RMB

1,809,600

to community welfare causes

Jiangsu Company and Shandong Company also have been actively participating in public welfare undertakings and giving back to the society. To be specific, Jiangsu Company donated RMB **9,696** worth of materials to the Party Committee of Ganyu Hi-Tech Zone in January 2023. Shandong Company was recognized as an advanced unit for donating funds to schools in the Weifang Binhai Economic and Technological Development Zone.



Case: Donation to the Shaanxi University of Technology of Sinoway Inspiration Education Fund

On October 20, 2023, Sinoway held a signing ceremony for the "Sinoway Inspiration Education Fund" at Shaanxi University of Technology. The ceremony coincided with a donation of RMB 10 million. The donation will be allocated to undergraduate and postgraduate scholarships and teacher incentives, which will facilitate the university's pursuit of excellence in education, expand the Company's collaboration with the university, and provide intellectual and talent support for both parties during this period of leapfrog development.



The Signing Ceremony for the Sinoway Inspiration Education Fund at Shaanxi University of Technology

Case: Launching Activities to Donate Money to Schools

In order to support the development of education and care for the growth of young people, Jiangsu Company has set up a public welfare fund called "Sinoway Inspiration Fund". On January 18, 2024, the company held the 2023 Sinoway Inspiration Fund Donation and Disbursement Ceremony at Ganyu Experimental Middle School, and donated RMB200,000 to the school to reward the outstanding teachers and students, and to subsidize the students who have difficulties in family life.



The 2023 Sinoway Inspiration Fund Donation and Disbursement Ceremony

Case: Sinoway Forest Launched Donation Campaign for Education Fund

On September 25, 2023, Sinoway Forest held a donation ceremony for the Sinoway Forest Education Fund at the Senior High School of the First Division of the Xinjiang Production and Construction Corps. Sinoway Forest will donate RMB 200,000 to the school every year as an education fund to reward outstanding students and staff, subsidize impoverished students, and help the school to run its business diligently so as to cultivate more outstanding talents for the society.

In October 2023, Sinoway Forest held the signing and awarding ceremony of the first Sinoway Inspiration Fund at the School of Horticulture and Forestry of Xinjiang Tarim University, where the donation agreement of the the Fund was signed and the first scholarship of RMB200,000 was awarded to 49 outstanding teachers and students and needy students.



Will donate RMB

200,000

to the school every year as an education fund



The Donation Ceremony for the Sinoway Forest Education Fund at the Senior High School of the First Division of the Xinjiang Production and Construction Corps



The Signing and Awarding Ceremony of the First Sinoway Inspiration Fund at the School of Horticulture and Forestry of Xinjiang Tarim University



Table of ESG Performance

Topic	Subtopic	Indicator	Unit	2023	2022
Environmental performance	Addressing climate change	-	-	-	-
		-	-	-	-
	Environmental management	-	-	-	-
		-	-	-	-
	Pollution prevention and control	Total waste gas emissions	m ³	358,169.25	362,473.49
		SO ₂ emissions	tonne	87.90	89.11
		NO _x emissions	tonne	251.57	279.40
		Particulate matter emissions	tonne	13.85	12.83
		Total wastewater discharge	tonne	12,103.00	15,668.00
		Total general solid waste generated	tonne	624.73	571.77
		General industrial waste discharge	tonne	615.99	/
		Hazardous waste generated	tonne	9.45	10.53
	Resource utilization	Purchased electricity	kWh	41,982,522	40,229,999
		Gasoline consumption	L	17,848.75	23,264.00
		Diesel consumption	L	17,035.46	24,093.41
		Natural gas consumption	standard m ³	8,760	12,570.30
		Comprehensive energy consumption ⁶	tonne of standard coal	20,529.24	34,572.94
		Comprehensive energy consumption intensity ⁵	tonne of standard coal/RMB 10,000 of revenue	0.20478	0.14010
		Total water consumption	tonne	1,296,490.11	1,128,809.65
		Total water consumption intensity ⁵	tonne/RMB 10,000 of revenue	7.3929	6.4900
Raw water consumption		tonne	1,196,410.11	1,041,060	
Recycled water consumption		tonne	100,080	87,750	
Social performance	Safety production management	Employee facilities	incident	0	0
		-	-	-	-
	Operation safety Assurance	-	-	-	-
		-	-	-	-

Topic	Subtopic	Indicator	Unit	2023	2022
Social performance	Occupational health and safety	-	-	-	-
		-	-	-	-
	Safety culture building	-	-	-	-
		-	-	-	-
	Employee rights and interests	Recruitment outside schools	people	14	54
		Employees from mainland China	people	345	382
		-Male employees	people	224	292
		-Female employees	people	121	90
		-Management personnel	people	67	59
		-Production personnel	people	191	220
		-Sales personnel	people	22	13
		-Technicians	people	65	90
		-Personnel under the age of 30	people	60	78
		-Personnel between the ages of 30 and 50	people	249	273
		-Personnel over 50	people	36	31
		Total employee turnover rate	%	17.97	15.71
		-Male employees	%	14.2	18.84
		-Female employees	%	3.77	5.56
		-Management personnel	%	0.29	5.08
		-Production personnel	%	9.28	21.82
		-Sales personnel	%	1	0
		-Technicians	%	8	10
		-Personnel under the age of 30	%	6.38	25.64
		-Personnel between the ages of 30 and 50	%	9.57	10.26
		-Personnel over 50	%	2.03	38.71
		Employee social insurance coverage rate	%	100	100

⁶ The data for 2023 involves Shandong Company only

Topic	Subtopic	Indicator	Unit	2023	2022
Social performance	Employee development	Training coverage	%	100	100
		Average length of training for employees	hours	134	84
		-Average length of training for male employees	hours	87	62
		-Average length of training for female employees	hours	47	34
		-Average length of training for management personnel	hours	26	34
		-Average length of training for production personnel	hours	74	64
		-Average length of training for sales personnel	hours	9	12
		-Average length of training for technicians	hours	25	40
	Caring for employees	-	-	-	-
		-	-	-	-
	Products of value	Investment in science and technology	RMB 10,000	552.7	202.7
		Accumulated applications for invention patents	item	13	/
		Accumulated applications for utility model patents	item	82	/
		Accumulated invention patents	item	5	10
		Accumulated utility model patents	item	74	61
	Customer service	Clients	number	36	27
		Domestic clients	number	28	26
		Hong Kong, Macao, Taiwan and overseas clients	number	8	1
	Responsible supply	Suppliers	number	100	/
		Domestic suppliers	number	93	/
		Oversea suppliers	number	7	/
	Community welfare	Community charitable donation	RMB 10,000	180.96	122

GRI Index

Statement of use	Sinoway Holdings has reported in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

Disclosure topic/ Disclosure index	Disclosure content	Chapter	Page Number
GRI 2: General Disclosures 2021		About the Report	P01
The organization and its reporting practices			
2-1	Organizational details	Who We Are-About Us	P03
2-2	Entities included in the organization's sustainability reporting	About the Report	P01
2-3	Reporting period, frequency and point of contact	About the Report	P01
2-4	Restatements of information	About the Report	P01
2-5	External assurance	Not Applicable	/
Activities and workers			
2-6	Activities, value chain and other business relationships	Who We Are-Stakeholder Communication	P10
2-7	Employees	Employee Development-Employee Rights and Interests	P39-41
2-8	Workers who are not employees	Win-win Cooperation Within the Industry-Responsible Supply	P59
Governance			
2-9	Governance structure and composition	Who We Are-Corporate Governance	P07-08
2-10	Nomination and selection of the highest governance body	Who We Are-Corporate Governance	P07
2-11	Chair of the highest governance body	Who We Are-Corporate Governance	P07
2-12	Role of the highest governance body in overseeing the management of impacts	Who We Are-Corporate Governance	P07
2-13	Delegation of responsibility for managing impacts	Who We Are-Corporate Governance	P07
2-14	Role of the highest governance body in sustainability reporting	Who We Are-Corporate Governance	P07
2-15	Conflicts of interests	Who We Are-Corporate Governance	P09
2-16	Communication of critical concerns	Who We Are-Corporate Governance	P09-10
2-17	Collective knowledge of the highest governance body	Who We Are-Corporate Governance	P07-08
2-18	Evaluation of the performance of the highest governance body	Who We Are-Corporate Governance	P07-08

Disclosure topic/ Disclosure index	Disclosure content	Chapter	Page Number
2-19	Remuneration policies	Employee Development-Employee Rights and Interests	P39-41
2-20	Process to determine remuneration	Employee Development-Employee Rights and Interests	P39-41
2-21	Annual total compensation ratio	Employee Development-Employee Rights and Interests	P39-41
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Who We Are-Corporate Governance	P08
2-23	Policy commitments	Who We Are-Corporate Governance	P08
2-24	Embedding policy commitments	Not Applicable	/
2-25	Processes to remediate negative impacts	Who We Are-Stakeholder Communication	P10
2-26	Mechanisms for seeking advice and raising concerns	Who We Are-Stakeholder Communication	P10
2-27	Compliance with laws and regulations	Who We Are-Corporate Governance	P08
2-28	Membership of associations	Who We Are-About Us	P03
Stakeholders engagement			
2-29	Approach to stakeholders engagement	Who We Are-Stakeholder Communication	P10
2-30	Collective bargaining agreements	Who We Are-Stakeholder Communication Employee Development-Employee Rights and Interests	P10 P39-41
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Who We Are-Stakeholder Communication	P10
3-2	List of material topics	Who We Are-Stakeholder Communication	P10
Finance			
GRI 201: Financial Performance			
3-3	Management of material topics	Who We Are-Stakeholder Communication	P10
201-2	Financial implications and other risks and opportunities due to climate change	Green Development-Addressing Climate Change	P25-27
201-3	Defined benefit plan obligations and other retirement plans	Employee Development-Caring for Employees	P39-41
GRI 204: Procurement Practices			
3-3	Management of material topics	Win-win Cooperation Within the Industry-Responsible Supply	P59-61
GRI 205: Anti-Corruption			
3-3	Management of material topics	Who We Are-Risk Control	P09
205-1	Operations assessed for risks related to corruption	Who We Are-Risk Control	P09
205-2	Communication and training about anti-corruption policies and procedures	Who We Are-Risk Control	P09

Disclosure topic/ Disclosure index	Disclosure content	Chapter	Page Number
205-3	Confirmed incidents of corruption and actions taken	Who We Are-Risk Control	P09
GRI 206: Anti-Competitive Behavior			
3-3	Management of material topics	Who We Are-Risk Control Win-win Cooperation Within the Industry-Responsible Supply	P09 P59
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Who We Are-Risk Control Win-win Cooperation Within the Industry-Responsible Supply	P09 P59
Environment			
GRI 302: Energy			
3-3	Management of material topics	Green Development-Resource Utilization	P33-36
302-1	Energy consumption within the organization	Green Development-Resource Utilization	P33-36
302-3	Energy intensity	Green Development-Resource Utilization	P33-36
302-4	Reduction of energy consumption	Green Development-Resource Utilization	P33-36
302-5	Reductions in energy requirements of products and services	Green Development-Resource Utilization	P33-36
GRI 303: Water			
3-3	Management of material topics	Green Development-Pollution Prevention and Control Green Development-Resource Utilization	P31-32, P33-36
303-1	Diversified water utilization based on source types	Green Development-Pollution Prevention and Control Green Development-Resource Utilization	P31-32, P33-36
303-2	Management of water sources impacted by water utilization	Not applicable	/
303-3	Water recycling and reuse	Green Development-Pollution Prevention and Control Green Development-Resource Utilization	P31-32, P33-36
GRI 305: Emissions			
3-3	Management of material topics	Green Development-Addressing Climate Change	P25-27
305-1	Direct (Scope 1) GHG emissions	Green Development-Addressing Climate Change	P25-27
305-2	Energy indirect (Scope 2) GHG emissions	Green Development-Addressing Climate Change	P25-27
305-4	GHG emissions intensity	Green Development-Addressing Climate Change	P25-27
305-5	Reduction of GHG emissions	Green Development-Addressing Climate Change	P25-27
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Green Development-Addressing Climate Change	P25-27
GRI 306: Effluents and Waste			
3-3	Management of material topics	Green Development-Environmental Management Green Development-Pollution Prevention and Control	P31-32, P33-36

Disclosure topic/ Disclosure index	Disclosure content	Chapter	Page Number
306-1	Total wastewater emissions classified by water quality and discharge destination	Green Development-Pollution Prevention and Control	P32
306-2	Total waste emissions classified by category and treatment of the waste	Green Development-Pollution Prevention and Control	P31-32
306-3	Leak of great significance	Not Applicable	/
306-4	Transportation of hazardous waste	Green Development-Pollution Prevention and Control	P32
306-5	Water bodies affected by effluents emissions and/or runoff	Not Applicable	/
GRI 308: Environmental Assessment of Suppliers			
3-3	Management of material topics	Win-win Cooperation Within the Industry-Responsible Supply	P59-60
308-1	New suppliers screened through environmental standards	Win-win Cooperation Within the Industry-Responsible Supply	P59-60
308-2	Negative environmental impacts of the supply chain and actions taken	Win-win Cooperation Within the Industry-Responsible Supply	P59-60
Society			
GRI 401: Employment			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	P39-41
401-1	New hires and employee turnover	Employee Development-Employee Rights and Interests	P39-41
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development-Employee Rights and Interests Employee Development-Caring for Employees	P39-41 P46-50
401-3	Parental leave	Employee Development-Caring for Employees	P46-50
GRI 402: Labor Management Relations			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	P39-41
GRI 403: Occupational Health and Safety			
3-3	Management of material topics	Safe Operation-Safety Management Safe Operation-Operational Safety Assurance Safe Operation-Occupational Health and Safety Safe Operation-Safety Culture Building	P13-22
403-1	Occupational health and safety management system	Safe Operation-Occupational Health and Safety	P17-18
403-2	Hazard identification, risk assessment, and incident investigation	Safe Operation-Safety Management Safe Operation-Operational Safety Assurance Safe Operation-Occupational Health and Safety Safe Operation-Safety Culture Building	P13-22
403-3	Occupational health services	Safe Operation-Occupational Health and Safety	P17-18
403-4	Workers participation, consultation, and communication on occupational health and safety	Safe Operation-Occupational Health and Safety Safe Operation-Safety Culture Building	P17-18, P19-22

Disclosure topic/ Disclosure index	Disclosure content	Chapter	Page Number
GRI 404: Training and Education			
3-3	Management of material topics	Employee Development-Career Development of Employees	P42-45
404-1	Average hours of training per year per employee	Employee Development-Career Development of Employees	P42-45
404-2	Programs for upgrading employees' skills and transition assistance	Employee Development-Career Development of Employees	P42-45
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development-Career Development of Employees	P42-45
GRI 405: Diversity and Equal Opportunities			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	P42-45
405-1	Diversity of governance bodies and employees	Who We Are-Corporate Governance Employee Development-Employee Rights and Interests	P08, P39-40
GRI 406: Non-Discrimination			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	P42-45
406-1	Incidents of discrimination and corrective actions taken	Employee Development-Employee Rights and Interests	P42-45
GRI 408: Child Labor			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	P42-45
GRI 409: Forced or Compulsory Labor			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	P42-45
GRI 413: Local Communities			
3-3	Management of material topics	Win-win Cooperation Within the Industry-Community Welfare	P63-64
413-1	Operations with local community engagement, impact assessments, and development programs	Win-win Cooperation Within the Industry-Community Welfare	P63-64
GRI 414: Social Assessment of Suppliers			
3-3	Management of material topics	Win-win Cooperation Within the Industry-Responsible Supply	P59-60
414-1	New suppliers screened through social standards	Win-win Cooperation Within the Industry-Responsible Supply	P59-60
414-2	Negative social impacts of the supply chain and actions taken	Win-win Cooperation Within the Industry-Responsible Supply	P59-60
GRI 418: Privacy of Clients			
3-3	Management of material topics	Win-win Cooperation Within the Industry-Privacy of Clients	P58
418-1	Substantiated complaints concerning breaches of clients' privacy and loss of clients' data	Not Applicable	/

Feedback Questionnaire

Dear readers,

Thank you very much for reading the 2023 Environmental, Social and Governance Report of Sinoway Holdings amidst your busy schedule. We are looking forward to your comments and suggestions on the report and our work. You may send us the completed questionnaire by mail, e-mail, or call us directly with your valuable comments. Thank you!

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1. What type of stakeholder is your workplace?

- Shareholder Employee Supplier Customer Government Community
 Academic Institutions Other (Please specify)

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

Yes Average No

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

Yes Average No

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

Yes Average No

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

Yes Average No

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



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