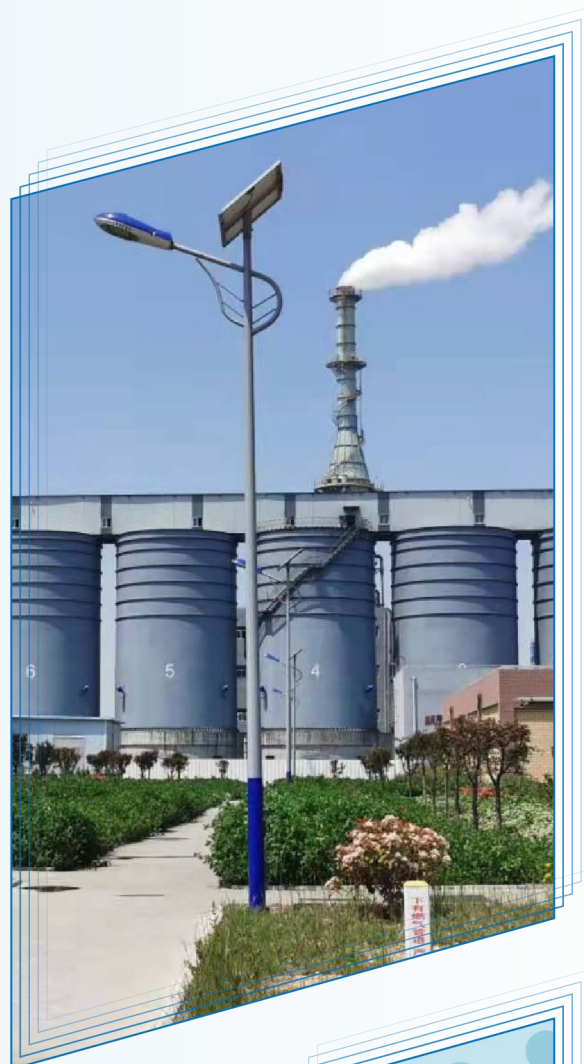


Sinoway Holdings Limited



Sinoway Holdings Limited
2022 Sustainability Report

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About the Report

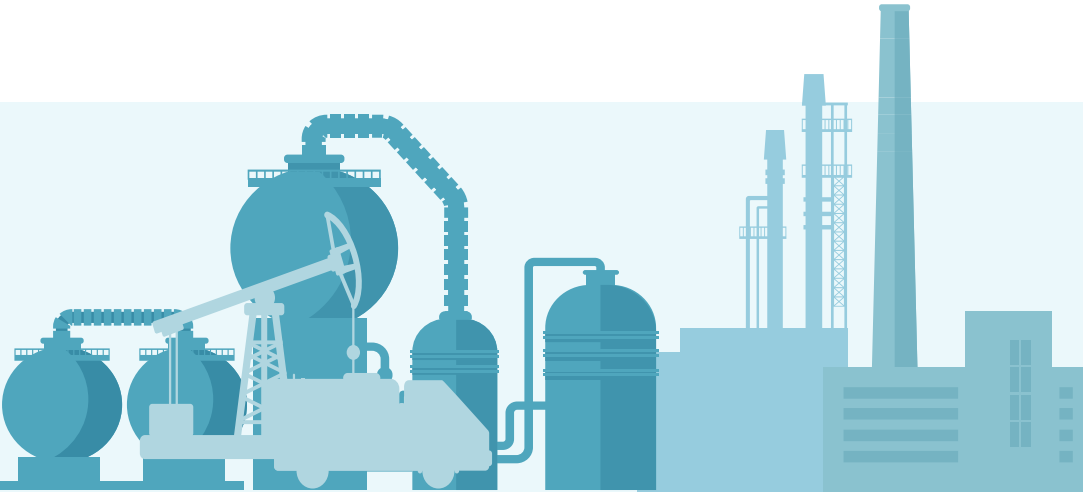
As the first environmental, social, and governance (“ESG”) report (the “Report”) published by Sinoway Holdings Limited (the “Group”), it aims to communicate the Group’s ESG philosophy, initiatives, and performance to the stakeholders while simultaneously responding to their needs.

Reporting Period

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

Reporting Boundary

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



Sources of Data

The financial data in the Report are from the 2022 annual financial report of Sinoway Holdings Limited; other data are calculated according to the relevant rules of the Group. All data disclosed in the Report, unless otherwise specified, are related to the Group’s operations in mainland China.

Basis of Preparation

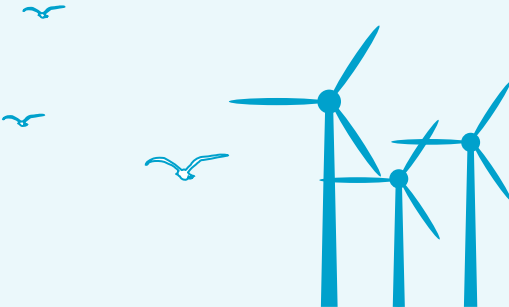
This report has been prepared with extensive reference to the "core programme" of the Global Sustainability Standards Board (GSSB) GRI's Sustainability Reporting Standards (2021).

Description of Designation

For ease of report writing, Sinoway Holdings Limited is referred to as “Sinoway,” the “Group,” and “we” in the Report. The Group’s operating companies in Weifang, Shandong Province, and Ganyu, Jiangsu Province are referred to as “Shandong Company” and “Jiangsu Company,” respectively. Sinoway Forest Resources (Beijing) Co., Ltd., a subsidiary of the Group, is referred to as “Sinoway Forest”.

Reporting Language

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



Message from the Chairman

The year 2022 marks the convening of the 20th National Congress of the Communist Party of China and a historic convergence of the two centenary goals. Faced with the challenges of a century of change and the COVID-19 pandemic, as well as the opportunities presented by the post-pandemic global economic recovery, Sinoway remains committed to its business philosophy of “people-orientation, integrity, pioneering and enterprise, and giving back to society.” The Company ensures effective corporate governance, continuously improves the quality of its core products, values the expectations of all stakeholders, and integrates social, environmental, and governance factors into its day-to-day operations, with a guidance of a business strategy comprised of the Talent Strategy, the Branding Strategy, and the Sci. & Tech. Innovation Strategy. We strive to advance our sustainable development agenda with a steady and progressive mindset.

Sinoway, as a responsible enterprise, prioritizes talent development as a key driver of its growth and regards product and safety responsibility as a cornerstone of its development, forging ahead ambitiously on the path of fulfilling our social responsibility. We adhere to the employment philosophy of “selecting people based on their abilities and assigning tasks accordingly,” caring for employees’ lives and ensuring a diverse and inclusive workplace and fostering a shared development community among employees and the Company. We are driven by high-quality talents who actively participate in production and R&D, and we care about the well-being of our employees and their rights and interests. We monitor product quality from the beginning and place a premium on production and operational safety. We are committed to providing customers with high-quality products and satisfactory services and are constantly exploring innovation through industry-university-research collaboration. We strive to work in harmony with our upstream and downstream supply chains for mutual benefit.

Sinoway is committed to promoting public welfare and charitable causes, including contributions to rural revitalization, education, and elderly care, and upholds a pragmatic and diligent approach. Our ongoing contribution to education through the Sinoway Inspirational Fund project provides significant support for education, while our active engagement in volunteer services demonstrates our commitment to social responsibility. In 2022, we invested a total of RMB 1.22 million in social welfare, allowing us to provide warm and influential social assistance and make tangible progress toward our public welfare objectives.

We prioritize ecological conservation and are committed to cultivating a green development concept. We respond actively to the carbon peaking and carbon neutrality goals, ensuring that all of our business activities promote the coexistence of humans and nature in harmony. We pursue the development of a circular economy with vigor, converting byproducts such as waste heat steam and sulfuric acid ammonia into valuable resources and promoting circular utilization systems both within and beyond our Group. In the meantime, we remain steadfast in our commitment to enhancing the ecological environment and implementing projects that transform and restore desolate hills and deserts. Our efforts are concentrated on accelerating green development, and we are striving to contribute to the development of an ecological civilization.

As Sinoway charts its course for future growth, we recognize that opportunities and challenges will be ahead. However, we remain steadfast in our commitment to our corporate mission of supporting the development of real economy. With a sense of responsibility, we strengthen our environmental, social, and governance practices, ensuring our own sustained growth while contributing to the betterment of society. As we move forward, we will seize the opportunities our ever-changing world presents, confront challenges with courage and determination, and continue accumulating the strength necessary to drive social progress.

Chairman of Sinoway Holdings Limited

Liu Tao



01

Who We Are

Sinoway Carbon is committed to the petroleum products industry, with ethical business practices at the core of our operations. We maintain an anti-corruption, compliance, and efficiency culture. Furthermore, we integrate environmental, social, and governance factors into our business, conducting material issue assessments that align with stakeholder needs. We strive to promote the stability and long-term development of our Company by protecting the interests of all parties involved.

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About Us

Sinoway Holdings Limited was founded on December 11, 2015, originally as Weifang Huarui Zhonglian Petrochemical Co., Ltd. It primarily manufactures and sells petroleum products, imports and exports technology, imports and exports goods, provides import and export agency services, and sells chemical products. With a total investment of RMB 1.3 billion, the Group operates two production bases in Weifang, Shandong Province and Lianyungang, Jiangsu Province. With a planned capacity of 1.4 million tons, our primary focus is on the calcined petroleum coke business. The Shandong Company has a capacity of 560,000 tons, while the Jiangsu Company has an 840,000 tons capacity. The Group has a total capacity of 840,000 tons as of 2022.

Sinoway manufactures high-quality calcined coke products and has been providing aluminum industry customers with long-term services. Its principal export markets include the Middle East, South Africa, Australia, France, and India and other countries and regions. With the continuous expansion of the Group's production capacity, Sinoway 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. Our Group utilizes calcination waste heat to generate waste heat steam for other industrial enterprises in the industrial park. By converting waste heat into a resource, Sinoway promotes green and low-carbon development in the park and achieves a circular economic effect.

Sinoway is actively engaged in carbon neutrality initiatives in response to China's "2030 Carbon Peaking Goal" and "2060 Carbon Neutrality Goal." We founded Sinoway Forest Resources (Beijing) Co., Ltd. in July 2021 with a focus on carbon offsetting through the reclamation of desolate hills and control of desertification in the northwest region of China, as well as forest restoration projects in the Middle East and Africa. Our primary goal is to gradually offset carbon dioxide emissions and reach the Group's carbon neutrality goal. In 2022, Sinoway Forest initiated greening projects in the provinces of Xinjiang and Gansu, focusing on the reclamation of desolate hills and desert regions. These actions significantly contribute to the ongoing improvement of the ecological environment.

As the Group's platform for raw material procurement and finished product sales, Sinoway Holdings Limited will serve as the Group's parent company and the main entity for future listing.



Corporate Responsibility

Safety, Environmental,
Protection, Quality,
Benefit

SINOWAY
中碳控股(北京)有限公司

Operation Strategy

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

Corporate Spirit

Standardisation,
Efficiency, Learning,
Innovation

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 total investment in the Group's business amounts to

1.3 billion RMB
- Planned production capacity of

1.4 million tonnes
- The Group's business contract review rate reaches

100%
- Final approval rate of

100%
- The feedback rate on reported information within the Group is

100%
- Corruption or bribery

0

Safe Operation

We constantly focus on the relationship between production quality, production speed, and safety in order to achieve the Group'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 Group has remained incident-free in terms of safety throughout the year.
 - The internal audit rectification rate for safety hazards is
 - The rectification rate for safety audit issues by the Safety Supervision Bureau is
 - Implementation of "three simultaneities" for project safety and occupational health
 - Total of safety training sessions
 - Participation of individuals
 - The certified personnel rate for job positions is
 - The certified personnel rate for special operations is
 - Safety investment funds have been invested in time
- 94.18%

100%

100%

100%

110

886

100%

100%

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 Group has invested in environmental protection

2.4974 million RMB
- Invest in forest greening

2.57 million RMB
- In the enforcement monitoring organized by the municipal bureau, all emissions from the Jiangsu Company are compliant with the prescribed standards.
- The Shandong and Jiangsu Companies have been certified for ISO 14001 Environmental Management System.
- Jiangsu Company has been awarded the prestigious certificate of the Special Contribution Award for Friendly Emission Reduction in the Entire City in 2022 by Lianyungang City.
- Jiangsu Company has achieved a total annual energy-saving of

1,357.7 tonnes of standard coal
- Reduction of carbon dioxide emissions

3,611.5 tonnes

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 Group has recruited external employees

54
- Employees from mainland China

382
- Local executive employee

1
- The overall employee turnover rate is

15.71%
- A decrease turnover rate compared to 2021 turnover rate

4.3%
- In 2022, the Group has achieved a coverage rate of social insurance for its employees

100%
- In 2022, the Group has achieved a training coverage rate

100%
- Average training duration

84 hours



Win-win within the Industry

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

- In 2022, the Group has invested to carry out R&D for multiple new projects

2.027 million RMB
- In 2022, suppliers have obtained the triple certifications of ISO 9000 Quality

45
- Suppliers' qualification rate

100%
- The number of suppliers has passed the ISO 9000 certification

3
- In 2022, the Group has conducted audits on its suppliers

92
- Supplier audit pass rate

95%

Community Public Welfare

With a sense of responsibility towards the public, we consistently make effort in combating the COVID-19 pandemic, rural revitalization, public welfare, and volunteering, which have been widely recognized by all sectors of society.

- In 2022, the Group has invested in social welfare initiatives
- 1.22 million RMB
- We have established the Sinoway Inspirational Fund, through which we donate annually to support outstanding teachers and students, as well as those facing financial difficulties
- 1 million RMB
- The Group has donated anti-COVID supplies, including self-heating rice meals, milk, instant noodles, and more, to Changchun University in Jilin Province for use in pandemic relief activities, worth over
- 200,000 RMB



Corporate Governance

A compliant governance system serves as the basis for the Group's stable development. 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 abides by. We have established a governance system that is scientifically standardized, actively leveraging internal capabilities, enhancing operational efficiency, and protecting the rights and interests of all stakeholders to the greatest extent possible.

Sinoway considers various factors such as gender, race, educational background, and other diversity factors when appointing members of the management team. The emphasis is on selecting candidates who demonstrate the greatest fairness and suitability for the positions. Members of the Board of Directors have professional experience and knowledge in areas such as auditing and finance. They have a thorough understanding of the industry's domestic and international operations. Relevant personnel have the necessary experience and skill levels to support the Company's operations. The Group's Board of Directors consisted of nine directors in 2022, including two foreign directors and four independent directors.

Sinoway 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, ensuring the orderly progress of various affairs. The Company is committed to developing a strong and efficient management system to ensure the Group's overall stability. The Group held four board meetings in 2022.



Board of Directors

9



Foreign directors

2



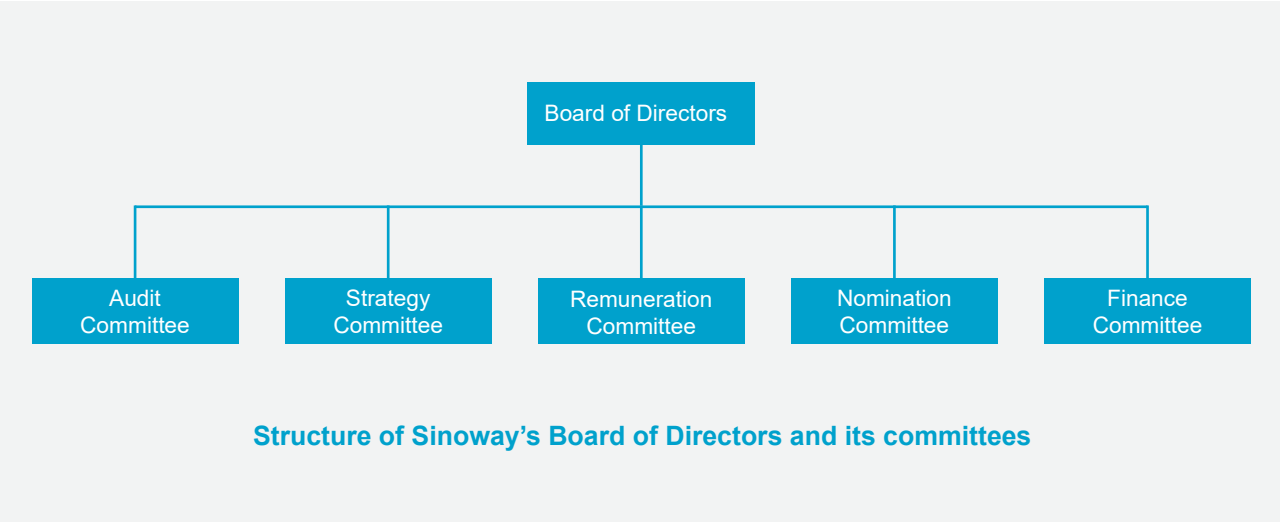
Independent directors

4



Board meetings in 2022

4



The main functions of each committee in Sinoway



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



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



- In charge of implementing the Group'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;
- 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.



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



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

Risk Control

Sinoway is steadily improving its internal risk management while adhering to a variety of national laws and regulations. It consistently reinforces the construction of integrity by imposing stringent business ethics codes on employees at all organizational levels. 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 prioritizes the mitigation 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 advances the construction of its risk management and control system to ensure the effective implementation of internal risk control measures within the Group.

The Group'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 encouraging timely improvements to improve the Group's internal risk management and control capabilities. Furthermore, the Group engages third-party teams to identify operational risks and make risk-control recommendations, which work in tandem with internal control efforts to improve operational stability. The Audit Department achieved a 100% audit rate for procurement, sales, and other relevant business contracts in 2022, as well as a 90% initial review qualification rate and a 100% final review qualification rate.

Business Ethics and Anti-corruption

Sinoway strictly adheres to laws and regulations, including the *Oversight Law of the People's Republic of China*. The Group 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 improve the Group's supervisory system, we set up an Employee Reporting Box in the office and opened an anonymous reporting channel on the Group's management platform, "Voice of Heart." We strictly enforce whistleblower protection measures to ensure their privacy is not violated. Whistleblower retaliation is severely punished in order to protect their legitimate rights and interests. In 2022, the Group 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 a culture of honesty within the Company and promote the efficient operation of market mechanisms. This document defines the ethical responsibilities of both parties and invites suppliers to join us in creating a fair, just, and mutually beneficial business environment. 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. We rigorously manage and respond to any violations, breaches, or illegal activities that may occur during interparty transactions. In 2022, the feedback rate for reported information within the Group reached 100 percent, and there were no reported instances of corruption or bribery.

To strengthen employees' ethical behavior at all levels, the Group incorporates relevant ethical content from *Our Way of Business* and organizes training and promotional activities on a regular basis. These initiatives effectively raise compliance awareness among employees and maintain an environment of integrity and uprightness in the workplace. A total of 12 training sessions on business ethics and anti-corruption laws were planned for 2022.



The feedback rate for reported information within the Group reached

100%







Training sessions on business ethics and anti-corruption laws

12

Stakeholder Communication

Sinoway closely monitors the requirements of internal and external stakeholders and establishes multiple channels of communication to engage with them. We actively identify and listen to the government's, customers, employees, partners, communities, and society's expectations and suggestions. We respond to the diverse needs of stakeholders with targeted actions, addressing any shortcomings and progressively enhancing the Group's performance in social responsibility by means of practical measures.

Stakeholders	Demands and expectations	Ways of communication and response
 Government	<ul style="list-style-type: none">Compliance with laws and regulationsPay taxes according to the lawSupport local development	<ul style="list-style-type: none">Practice in accordance with the relevant regulationsPay taxes according to the lawRespond to local government requirements
 Client	<ul style="list-style-type: none">Stable supplyProvide high-quality products and servicesBuild a sustainable supply chain	<ul style="list-style-type: none">Sign long-term agreementsGuarantee the quality of servicesImprove sustainability performance
 Employees	<ul style="list-style-type: none">Protect the rights and interests of employeesDevelop a sound development pathProtect occupational healthBalance work and life	<ul style="list-style-type: none">Provide reasonable salary and benefitsImprove career development channelProvide employee trainingEnrich employee care initiatives
 Partners	<ul style="list-style-type: none">Open and fair procurementHonoring contracts	<ul style="list-style-type: none">Strict bidding and procurement processFulfill contracts in accordance with the law
 Community and Society	<ul style="list-style-type: none">Participate in community developmentSupport public welfare	<ul style="list-style-type: none">Community CommunicationInvesting in education and charityProtect the ecology of the community

Sinoway evaluates the Group's critical ESG issues matrix by communicating with stakeholders, benchmarking against peers, and incorporating capital market ESG rating topics. While monitoring industry trends in 2022, we benchmarked against industry best practices. After conducting an assessment, we identified a total of 17 material ESG issues, with two new issues related to climate change and customer experience being added in 2022. Other than the addition of these new issues, the order of the existing issues has remained unchanged.



Sinoway's ESG Materiality Matrix in 2022



02

Safe Operation

Sinoway considers safety production to be a core value for long-term development. We are dedicated to developing a comprehensive safety management system, implementing multi-level safety protection measures, promoting safety production training and awareness on a continuous basis, and ensuring the safety of employees' lives, property, and health through practical actions.

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- 25 Safety Culture Building

Safety Management

Sinoway has always adhered to the management policy of "safety and prevention first to achieve comprehensive management". We strictly abide by laws and regulations such as the *Work Safety Law of the People's Republic of China*. The Group has revised and improved a series of internal institutional documents, including the *Work Safety Target Management System*, the *Work Safety Reward and Punishment Management System* and the *Emergency Rescue System* based on actual circumstances. These documents comprehensively regulate the supervision and management of safety production within the Group. Department heads are required to sign the *Letter of Safety Production Target Responsibility* to ensure the safe operation of the Company and effectively reduce safety risks.

Safety Management System

We have formed an Environmental Protection Leadership Group to ensure the efficient implementation of safety production work. It is in charge of developing Group-wide safety production regulations and operating procedures, supervising the implementation of safety production funding and risk management measures, conducting safety production qualification reviews for contractors, supervising the safety management of major hazardous sources, and inspecting safety production education and training. These efforts provide a strong guarantee for the Group's long-term development.

We strictly adhere to a top-down responsibility system, establishing assessment goals for employees at all levels in order to clearly define safety responsibility holders and ensure accountability across the Group. We have developed comprehensive guidelines for safety production management, which cover safety production laws and regulations, job operating procedures, risk management, and emergency response. We actively promote safety consciousness and enhance employees' risk-prevention capabilities through various awareness campaigns. We have also implemented a quantitative scoring system that aligns safety production with performance evaluation, allowing for effective supervision and assessment of safety responsibilities. These measures lay the groundwork for the Company's safe manufacturing operations.

Furthermore, the Group places a high value on safety in daily production, working to reduce potential occupational hazards and protect employees' lives and health. Sinoway had no employee fatalities as a result of work-related incidents in 2022.



Work Safety Targets


We require that each subsidiary within the Group establish annual work safety targets at the start of the year based on their specific circumstances. Monthly evaluations of the implementation of work safety responsibility systems at all levels are conducted, and scores are assigned accordingly. Quarterly reviews and assessments are conducted to monitor the progress of key performance indicators, and comprehensive quarterly evaluation reports are prepared. We intend to establish a standardized safety system within the Group through regular inspections and checks.

Safety Management Targets and Achievements in 2022

Annual Target	Result
No accidents occurring throughout the year, including fire and explosion, major equipment accidents, major production accidents, serious injuries, food safety, occupational disease, and environmental pollution.	Achieved
0 hospitalization incidents related to safety accidents; the limit for the number of minor injuries is ≤1 case (injuries requiring rest for more than three days are included in the statistics).	1 employee suffered a work-related injury
100% coverage of occupational health physical examination.	Achieved
Carrying out risk identification by all and urge and implement potential hazard elimination, with a rectification rate of 100%.	Achieved
100% implementation of "three simultaneities" for project safety and occupational health (The safety devices of a project must be designed, built, and put into production or use simultaneously with the main part of the project).	Achieved
Supervising and implementing employee safety education and training to ensure a 100% training rate for all employees; 100% employees' certification for their respective positions; 100% of the special operation personnel certified.	Achieved
Organizing emergency drills and fire rescue activities, no less than 1 for each.	In 2022, the Jiangsu Company conducted 7 emergency drills. In 2022, the Shandong Company conducted 1 emergency drill and 2 fire rescue activities.
Progress made in the double prevention mechanism and work safety standardization.	Achieved
Safety investment funds appropriated fully and 100% invested in time.	Achieved
100% certification rate and regular inspection rate for pressure vessels and special equipment.	Achieved


Operational Safety Assurance

Sinoway is dedicated to preserving production safety. The Group has taken a variety of precautions to ensure a high level of safety in our operations. These measures include the establishment of a long-term input mechanism, the execution of a comprehensive risk identification and hazard investigation, and the standardization of permit management for all hazardous operations. Our approach to rectification work is guided by a closed-loop management system that aims to eliminate or reduce potential risks and maintain the integrity of the production process. In addition, we have outfitted our facilities with advanced warning, alarm, protection, and emergency response systems, enhancing our emergency rescue and accident response capabilities. Additionally, we have fostered a strong corporate culture in which every employee is accountable for safety management.



Safety Audit

- Safety inspection measures, including comprehensive self-inspection of all employees, third-party safety audits, and reclassification for each risk point have been implemented to ensure work safety within the Group effectively.
- In 2022, the Safety and Environmental Protection Department of Shandong Company identified a total of **876** safety problems and hidden dangers, with a rectification rate of **94.18%**. The Safety Supervision Bureau identified a total of **31** issues during inspections, with a rectification rate of **100%**.
- In 2022, the Safety and Environmental Protection Department of Jiangsu Company identified a total of **616** safety problems and hidden dangers, with a rectification rate of **100%**. Furthermore, in inspections specifically targeting external safety, fire safety, and special equipment, a total of **66** safety problems and hidden dangers were identified, with a rectification rate of **100%**.



Safety Emergency Accident Management

- Contingency plans for safety accidents and emergency preparedness and response control procedures have been set up, and the emergency management mechanism has been vigorously improved. A three-level emergency rescue system consisting of the *Comprehensive Contingency Plan*, the *Special Contingency Plans*, and the *On-site Response Plan* has been formed. We also have revised the *Dust Cleaning Management System*, the *Material Outbound Management System*, and the *Company Emergency Response Plan* accordingly.
- In 2022, the workshops of Shandong Company conducted **8** on-site response plan drills and **3** specialized emergency response plan drills. Jiangsu Company conducted **1** comprehensive emergency response plan drill. The drills covered topics such as chemical spills, dust explosions, and fires, effectively enhancing emergency response capabilities. Additionally, the necessary maintenance of emergency equipment was carried out to ensure its good condition.



Case Emergency Response Plan Drill for an Incident of Ammonia Leakage and Poisoning

On June 30, 2022, Jiangsu Company organized all employees to conduct an emergency response drill for ammonia leakage in the ammonia tank area of the desulfurization workshop. The drill aimed to enhance the effectiveness and operability of the emergency response plan, as well as strengthen employees' accident prevention awareness and emergency handling capabilities. This exercise laid a strong foundation for further enhancing the Company's accident warning and emergency response mechanisms.



Drill Site

Third-party Safety Management

In order to ensure the safety of external contractors during the installation and construction process, we have implemented special management measures and revised relevant regulations, including documents such as the *Construction Project Safety Management Agreement* and the *Entry Process for Construction Teams*.

During the contractor admission phase, the Group conducts a centralized review of all third-party entities' business licenses, qualification certificates, proof of employment for key personnel, safety personnel qualification certificates, and special job operation certificates. During their service period, we sign safety agreements with the contractors and require them to participate in relevant safety training and pass assessments, effectively preventing safety risks caused by third-party management negligence. Furthermore, in order to continuously improve the safety management of external installation and construction personnel, the Group regularly conducts safety culture education aimed at contractors and external personnel, with the goal of improving their safety awareness and professional skills, as well as ensuring the safety and controllability of the construction process.

The entry process for construction teams:

- 1.Approved by the Group

2.Examination of the business license, qualification certification, 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 Group
- 4.Paying the risk deposit to the Group

5.Signing the mandatory safety agreement

6.Passing the Group's training and exam

7.Obtaining the park pass

8.Safety technology disclosure

9.The Group oversees the construction process in real time to ensure completion on time and with high quality

10.The Group conducts completion acceptance

Occupational Health and Safety

To fully protect the health and safety of employees, Sinoway complies with all relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. Sinoway also continuously improves the *Occupational Health Management System*, the *Labour Products and Health Care Products Management System*, the *Health Inspection System for Personnel Working in Limited Spaces*, and other internal policies. In compliance with occupational management requirements, we are conducting annual assessments of occupational hazard factors, administering employee medical examinations, and establishing occupational records in order to provide a safe and stable working environment for our employees. At the end of the reporting period, companies in both Shandong and Jiangsu successfully obtained ISO 45001 certification for their Occupational Health and Safety Management Systems.



Certificates of the ISO 45001 occupational health and safety management system of the Shandong Company

Complete Occupational Health Files

The Company has established occupational health files in accordance with regulations and assigned dedicated personnel responsible for occupational health management. Specifically, the following have been established:

- Files of the “three simultaneities” of occupational health for projects;
- Occupational health management files;
- Occupational health promotion and training files;
- Files of occupational disease hazard detection and its evaluation;
- Files of the employer’s occupational health surveillance;
- Files of the employees’ individual occupational health surveillance.

The above records are updated annually.

Occupational Health Examination

- Coverage of pre-employment medical examination, on-the-job medical examination, and post-employment medical examination for employees.

Occupational Health Monitoring

- The Company regularly conducts occupational health monitoring of the working environment to ensure employees’ health is not affected by dust and noise.

Safety Protective Equipment

- According to the *Standard for Provision of Personal Protective Equipment to Employees*, Sinoway regularly distributes PPE (Personal Protective Equipment) that meets the standards to employees.

Employee Health Education

We place a high value on the development and promotion of a healthy corporate culture, with the goal of continuously improving the health, safety, and occupational disease prevention skills of employees at all levels within the organization. In 2022, both Jiangsu and Shandong companies provided occupational health training through online and offline educational activities, thereby increasing the Company’s level of production safety and overall competitiveness.

Case Jiangsu Company Organized an Online Occupational Health and Safety Week

From April 25th to May 1st, 2022, Jiangsu Company organized an Occupational Health and Safety Week. The event was conducted through online training, where each team watched occupational health promotion videos. After the online training, we organized an exam based on the course materials, requiring all employees to be assessed and certified. The pass rate for the exam was 100%, effectively enhancing employees’ knowledge of occupational health and safety.



Occupational Health and Safety Week Learning Site

Case Jiangsu Company Conducts Heatstroke Accident Drills

In August 2022, Jiangsu Company organized employees to participate in heatstroke accident drills, effectively enhancing the summer heatstroke prevention awareness among staff and their emergency response capabilities in the event of heatstroke accidents.



Employees learning emergency rescue skills

Safety Culture Building

Safety Training

We recognize the utmost importance of employee health and safety in ensuring our Company's sustainable growth. Under the guidance of the principle of "safety first and prevention-oriented development," we place a strong emphasis on fostering a robust safety culture. We provide individualized safety education and training programs for all of our employees, covering topics such as emergency response plans, equipment usage, injury prevention from machinery, and dust explosion awareness. The safety training conducted throughout the year has significantly raised employees' awareness of safety and strengthened the foundation of our safety management practices. In turn, this provides a reliable safeguard for future production endeavors. In 2022, our Group coordinated a total of 110 training sessions in which 886 individuals participated.

Case

Sinoway Conducted Comprehensive Occupational Health Specialized Training for All Employees

In April 2022, Sinoway organized a company-wide Occupational Health Promotion Week. The theme of the event was "Everything for the Health of Workers." The training had a 100% employee participation rate. The employees gained a deeper understanding of the concept, significance, and importance of occupational health, thereby enhancing their awareness of occupational health and their abilities in safety precautions.



Learning Site of Shandong Company's Occupational Health Promotion Week

Work Safety Month

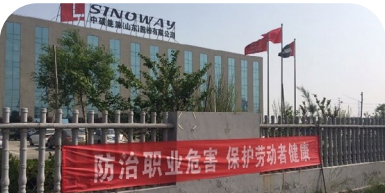
The Group actively fulfilled its corporate safety responsibility in June 2022, during the 21st National Work Safety Month, centered on the theme of "Compliance with the Work Safety Law and Assuming the Role of the First Responsible Person." The annual Work Safety Month activities were meticulously carried out. During these initiatives, employees from affiliated companies participated in an in-depth study and promotion of General Secretary Xi Jinping's significant insights on work safety. Furthermore, extensive activities such as identifying and correcting hidden hazards and drills for emergency response plans were carried out, effectively mitigating potential risks. Furthermore, we organized safety production knowledge quizzes to help employees improve their safety awareness and skills.



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



- Affiliated companies utilized various promotional tools, including banners and the the Cloud Home software platform, to enhance employees' awareness and consciousness of work safety.



Shandong Company's Safety Month promotion banner



- All employees of Shandong Company actively participated in the self-inspection activity for safety hazards, identifying and resolving potential risks. This initiative aimed to enhance each employee's capability in hazard identification and facilitated comprehensive safety inspections conducted by various workshops and functional offices within the Company.
- Jiangsu Company, in conjunction with the special rectification campaign for safety production, implemented various themes such as "Safety Red Armband", "Comprehensive Cleanup of Accident Hazards" and "Be a Safety Whistleblower" campaigns. Through these initiatives, the Company conducted a comprehensive and thorough inspection of safety hazards, emphasizing the importance of addressing issues at their root causes.



Shandong Company carried out safety hazard investigation and control measures



- Sinoway's Safety and Environmental departments took the lead in organizing a safety production knowledge quiz competition across all companies. Representative teams from various departments participated, and employees' awareness of safety production was enhanced. The competition awarded one first prize, one second prize, and one third prize.



03

Green Development

Sinoway is committed to implementing the national strategy of green and low-carbon development and unwaveringly supports the concept of sustainable development. As a responsible entity, the Group actively protects the environment and constantly improves the construction of environmental management systems. It works diligently to prevent and control pollution, implements various measures to conserve resources and energy, and consistently strives to improve environmental performance. Sinoway strives to promote a sustainable and balanced relationship between humanity and nature by fostering the harmonious coexistence of the two.

- 29 Addressing Climate Change
- 33 Environmental Management
- 34 Pollution Prevention and Control
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Addressing Climate Change

Climate change is a global challenge that affects everyone’s future and destiny. Sinoway responds to climate change by taking practical steps to help the country achieve its national carbon peaking and carbon neutrality goals. The Group strives to implement its own carbon neutrality plan, as well as to develop pragmatic and feasible emission reduction strategies. The Group is committed to achieving its goal of zero carbon emissions across the Group in the coming years by actively engaging in carbon offset mechanisms, including carbon reduction projects, carbon sinks, and CCER mechanism, etc.

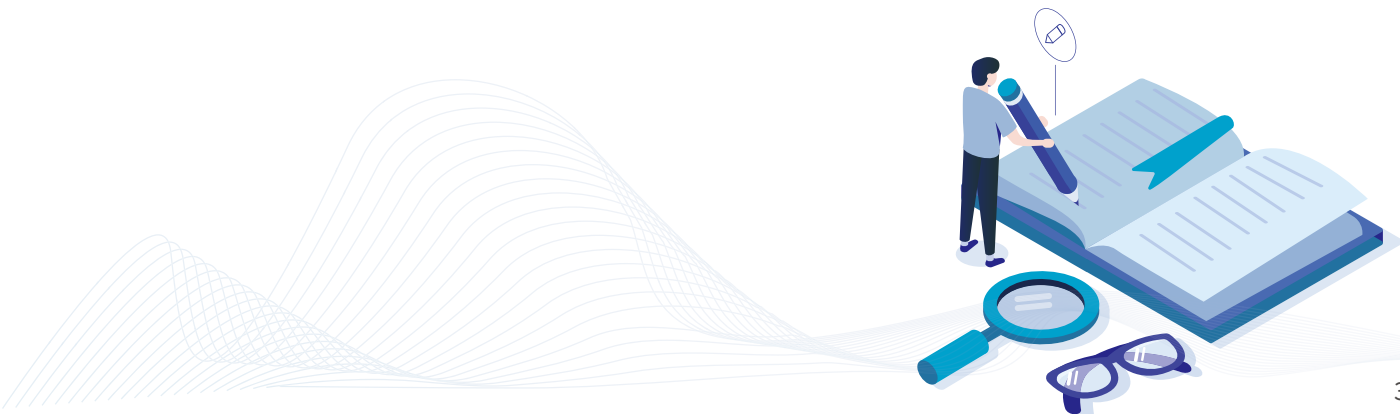
Risks and Opportunities

Sinoway places a premium on the climate issues in its businesses. We identified climate change risks proactively in 2022 and conducted a systematic identification and assessment based on our business realities. As a result, we revised our list of climate change-related dangers.

Sinoway Climate Change Risk List

Risk Type		Risk Description	Impacts on Finance	Impact Duration	Response
Transition risks	Policy and legal risk	<ul style="list-style-type: none">Enhanced responsibility for emission reporting: The regulatory authorities have organised greenhouse gas emission reporting, review, and carbon credit approval to aid in the development of the national carbon market. They have also issued corporate greenhouse gas emission reporting guidelines, such as the <i>Guidelines for Corporate Greenhouse Gas Emission Reporting Review (for Trial)</i>. In the future, the Group might be required to conduct third-party reviews and report carbon emissions to regulators, which would raise management costs.	Increased operating costs	Mid-term	<ul style="list-style-type: none">Requesting the safety and environmental protection department to actively review the update of national policies on climate change and carbon emissions trading and strengthen the Group’s internal GHG management capabilities.
	Technology risk	<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 Group must use low-carbon technologies and processes to control carbon emissions, as well as eliminate outdated processes and equipment, which may result in an increase in corporate compliance costs.	Increased operating costs due to the adoption/ deployment of new technologies and processes	Short- and mid-term	<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.Introducing advanced low-carbon production technologies and concepts and using new processes and technologies to improve the energy use efficiency.

Risk Type		Risk Description	Impacts on Finance	Impact Duration	Response
Transition risks	Market risk	<ul style="list-style-type: none">Changes in customers’ demand: Most of the Group’s downstream customers are large international aluminium companies, which often place high sustainability requirements on their suppliers. The Group needs to improve its sustainability performance, including low carbon emissions continuously, to enhance its products’ competitiveness and meet its downstream customers’ needs.	Lower demand for goods and/ or services due to changes in customer preferences	Short- and mid-term	<ul style="list-style-type: none">Conducting carbon footprint verification at stakeholders’ request.Proactively disclose data on the Group’s GHG emissions and highlights of energy conservation and emission reductionDeveloping a carbon-neutral strategy and investigating ways to reduce and offset carbon emissions.
Physical risks	Acute risk	<ul style="list-style-type: none">Increasingly severe extreme weather: Against the backdrop of climate change, Typhoons, rainstorms, and hailstorms occur more frequently and intensely around the world as a result of climate change, posing a direct threat to businesses’ financial assets and external facilities like warehouses and employees’ lives and health.	Increased operating costs; damaged assets	Mid- and long-term	<ul style="list-style-type: none">Continuously improving the emergency management system, and guiding affiliated companies’ safety and environmental protection departments to establish disaster emergency response teams, ensuring flawless extreme weather warning operations and preventing risks 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.
	Chronic risk	<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).	Increased operating costs	Mid- and long-term	<ul style="list-style-type: none">Requesting that the subsidiaries’ safety and environmental protection departments take heatwave prevention and control measures to ensure the safe operation and maintenance of equipment and facilities; at the same time, instructing the trade union to take heatstroke prevention and cooling down measures, as well as provide employees with benefits such as heatwave allowances.



While climate change presents challenges for the Company, it also opens up new opportunities for growth. Sinoway thoroughly identified climate change opportunities in 2022 and actively nurtured new corporate transformation and development drivers.

Sinoway Climate Change Opportunity List

Opportunity Dimension	Name	Opportunity Description
Product Side	Provide green and environmentally friendly products and services	As environmental awareness becomes more widespread and consumers increasingly prioritize health-related issues, more customers are paying attention to a company's environmental and social responsibilities. The Group can enhance customer trust and satisfaction, thereby increasing customer loyalty and market share by offering green and environmentally friendly products and services.
	Sell carbon allowance	As the national carbon emissions trading market takes shape and matures, the demand for carbon allowance is expected to steadily increase. In the future, the Group can generate revenue by selling forestry carbon sinks (CCER, Chinese Certified Emission Reduction) to regulated emitters.
Operation Side	Improve resource efficiency	The Group can enhance energy and resource efficiency by actively implementing energy-saving techniques in production, distribution, and building operations. This includes optimizing and improving production processes to reduce costs and enhance the competitiveness of the group. Additionally, the Group can promote cost reduction and efficiency improvement by optimizing logistics channels and reducing energy consumption.
	Consume clean energy	We will continue to emphasize tailoring our approach to local conditions and promoting renewable energy based on the availability of resources and environmental characteristics. We work on reducing electricity consumption and achieving cost reduction and efficiency improvement.
	Green finance support	The People's Bank of China, the National Development and Reform Commission, the China Securities Regulatory Commission, and other departments have issued the <i>Green Bond Support Project Catalog (2021 Edition)</i> . The tree planting and afforestation projects carried out by Sinoway Forest align closely with the requirements of the "Ecological Conservation and Construction" field outlined in the document. In the future, the Company may obtain green financial support through green bonds, effectively safeguarding its liquidity.

Sinoway Forest

Forests play a critical role in the global carbon cycle as the largest carbon reserve in terrestrial ecosystems. Sinoway regards afforestation as an effective way for mitigating greenhouse gas emissions. We actively promote the Sinoway Forest Platform's development by utilizing cutting-edge techniques such as seed balls and aerial seeding. Our unwavering commitment is to continue restoring barren mountains and combating desertification in the northwest region, contributing to the achievement of the carbon neutrality goal. Furthermore, Sinoway is committed to zero-carbon products and the continuous reduction of our products' carbon footprint per unit. By providing environmentally friendly and low-carbon solutions to customers, we demonstrate our firm commitment to sustainable development and highlight the Group's environmental responsibility.



Carbon Footprint Certificate for Shandong Company

“Forest Factory” Strategy

Sinoway is committed to implementing its “Forest Factory” strategy, committed to offsetting carbon dioxide emissions and continuously striving towards establishing forest-based company, contributing to the protection of the ecological environment surrounding our factories. We actively support national and regional policies to combat desertification through large-scale afforestation efforts, thereby promoting the Group's comprehensive low-carbon transition. We developed a greening and afforestation plan in 2022, continuously replenishing tree species and advancing greening initiatives within our affiliated companies' factory premises.



Environmental Management

The Group attaches great importance to environmental management and strictly complies with the relevant laws and regulations of the People's Republic of China, including the *Environmental Protection Management System of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on Noise Pollution Prevention and Control*. Sinoway has developed a series of internal systems, such as the *Environmental Protection Management System*, the *Environmental Protection Statistical Work Management System*, the *Environmental Protection File Management System*, the *Environmental Protection Facility Operation Management System*, the *Environmental Protection Reward and Penalty Management System*, and the *Management System for Environmental Protection Safety Inspection and Hazard Rectification*, tailored to the practical situation of the Group's environmental protection work. These internal systems, centered around institutional norms, form an integrated environmental management system at the group level. In 2022, the Group invested a total of RMB 2.4974 million in environmental protection and RMB 2.57 million in forest greening.

Environmental Impact Assessment

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

Environmental Audit

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

Environmental Monitoring

An online monitoring system for pollutants has been installed.



Environmental Inspection

- Regular inspections are carried out. The safety and environmental protection department oversees the implementation of the Group's environmental protection management system and the implementation of environmental protection ledgers and records.
- The equipment department is required to regularly check the environmental protection performance of production equipment and process technology.

Environmental Emergency Management

Prepare emergency plans for environmental emergencies according to the *Interim Measures for the Administration of Environmental Emergency Response Plans*, the *Measures for the Administration of the Filing of Environmental Emergency Response Plans of Enterprises and Public Institutions* and other applicable policies, and file with the environmental protection authority.

Environmental Protection Training

A variety of environmental protection training sessions are carried out to improve environmental protection managers' and operators' understanding of environmental protection regulations and their professional knowledge in this regard.



Jiangsu Company's environmental protection management training

Pollution Prevention and Control

We adhere to the principles of meeting emission standards and implementing source control to reduce the generation of various pollutants in our manufacturing and operational activities. We implemented the following pollution control measures in 2022:

Jiangsu Company

- Throughout the entire year, no incidents of pollution emissions exceeding standards were reported.
- The terms of our pollutant discharge permits are strictly adhered to, the annual self-monitoring plans are developed, and the qualified third-party testing agencies are hired to conduct regular monitoring in accordance with the plans.
- All pollutants are discharged in line with standards during the municipal bureau's monitoring of compliance.
- Approximately RMB 400,000 has been invested in renovating the Company's emergency ponds, rainwater ponds, and rainwater drainage network, thereby enhancing the Company's initial rainwater management and emergency response capabilities and enhancing pollution diversion.

Shandong Company

- The Company conducts self-monitoring activities as required in the pollution discharge permit, and third-party organizations are also engaged to conduct regular inspections and provide reports.
- Approximately RMB 342,100 has been invested in online monitoring, including replacing dust monitors in the second desulfurization tower, reconstructing the online equipment station for the first desulfurization tower, and daily management and operation of the overall online monitoring system.

Waste Gas Management

The Group’s waste gas emissions mainly consist of sulfur dioxide, nitrogen oxides, particulate matter, and other pollutants generated in production. In 2022, we carried out technological improvements in desulfurization and dust removal equipment. We replaced manual handling with automated pneumatic conveying equipment for the disposal of used fly ash, achieving a closed-loop conveying system and replacing bulk packaging with tank truck loading. This has effectively reduced on-site environmental pollution caused by fly ash.

Case

Jiangsu Company Voluntarily Raised the Emission Standards for Air Pollutants

Jiangsu Company implemented the following emission standards for air pollutants: sulfur dioxide below 100mg/m³, nitrogen oxides below 100mg/m³, and particulate matter below 10mg/m³. In 2022, the Company proactively reduced the sulfur dioxide emissions to below 35mg/m³. After applying for and receiving approval from the local environmental protection bureau at the district and municipal levels, the Company obtained an exemption from production restrictions during the autumn and winter seasons for atmospheric pollution control.

In addition, to support the air pollution control efforts in Lianyungang City, Jiangsu Company actively reduced the concentration of air pollutants during heavy pollution weather. The nitrogen oxides emissions were controlled below 50mg/m³. This initiative received recognition from enforcement agencies such as the Municipal Ecological Environment Bureau and resulted in Jiangsu Company being awarded the “Special Contribution Award for Friendly Emission Reduction” in the city’s 2022 annual recognition, as evidenced by the honorary certificate.



Jiangsu Company was awarded the certificate for “Special Contribution Award for Friendly Emission Reduction” in 2022


Wastewater Management

The majority of the Group’s wastewater originates from domestic sewage. We achieve zero wastewater discharge from the plant area by treating all wastewater using integrated biological equipment and reusing the treated water for landscaping.

Case

Shandong Company Purchased Domestic Wastewater Treatment Equipment

In 2022, Shandong Company invested over RMB 300,000 to acquire domestic wastewater treatment equipment. The treatment system utilizes biological decomposition technology, enabling the purification and disposal of domestic wastewater in the plant area before being reused in the production system. Throughout the reporting period, the equipment operated smoothly, treating a total of 4,000 tonnes of wastewater, effectively alleviating the operational burden of Shandong Engineering Wastewater Treatment Plant.



Domestic Wastewater Treatment Equipment

Sinoway’s Pollutants and Waste Discharge in 2022

Pollutant Category	Indicator	Unit	Jiangsu Company	Shandong Company	Total Discharge
Waste Gas	Total waste gas emissions	m³	128,420.59	234,052.90	362,473.49
	SO ₂ emissions	tonne	32.75	56.32	89.11
	NO _x emissions	tonne	88.75	190.65	279.40
	Soot emissions	tonne	5.09	7.74	12.83
Water Pollutants	Total wastewater discharge	tonne	15,668	0	15,668
Solid Waste	Total general solid waste generated	tonne	94.79	476.98	571.77
	Intensity of general solid waste discharge	kg/RMB 10,000 of revenue	0.53	1.68	1.25
Hazardous Waste	Hazardous waste generated	tonne	1.55	8.98	10.53
	Intensity of hazardous waste discharge	kg/RMB 10,000 of revenue	0.01	0.03	0.02

Resource Utilization

We are committed to the principles of saving energy and reducing emissions, promoting green manufacturing and sustainable development, and making important contributions to the growth of the national economy in a sustainable way. Sinoway strictly adheres to laws and regulations such as the *Energy Conservation Law of the People’s Republic of China* and effectively manages resources such as fossil energy, production materials, and freshwater by implementing annual quantitative targets and other measures. In 2022, we accelerated the implementation of energy-saving technological transformation projects in alignment with the production and operations of our affiliated companies. We undertook the following initiatives to achieve our goals:

Jiangsu Company has purchased three 90KW new-type air compressors

- The new-type air compressors have a flexible operating mode, significantly improving the efficiency of resource utilization, demonstrating noticeable energy-saving effects, and reducing operational costs.

Shandong Company has purchased 14 new energy-saving motors to replace the outdated ones

- On average, each motor saves 6,000 kWh, resulting in a total economic benefit of RMB 67,200.

Jiangsu Company has put in place a 160 kW high-efficiency air compressor

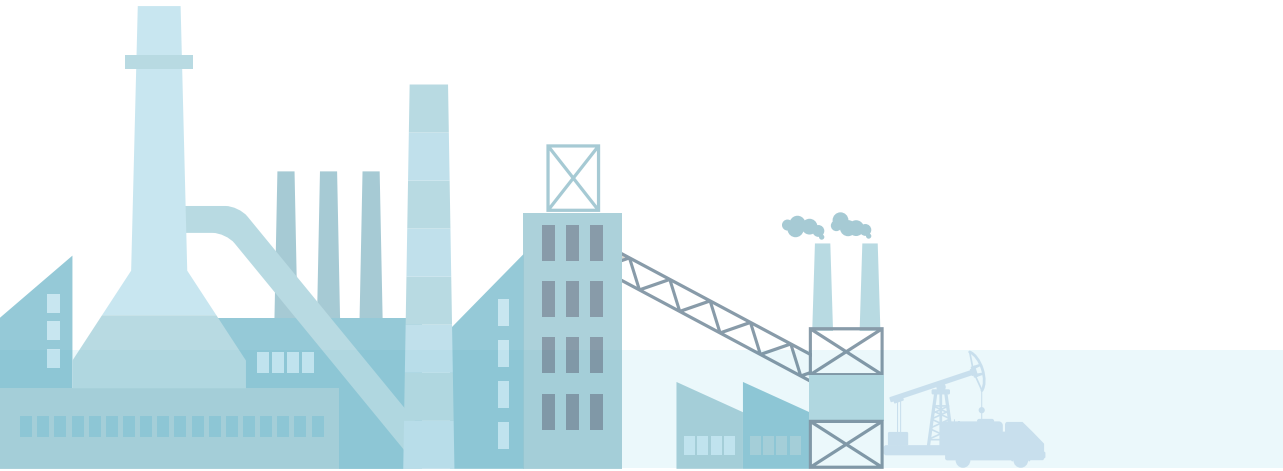
- The newly-added air compressor adopts a two-stage compression high-efficiency variable frequency technology, reducing the total power by 25 kW compared to the previous one. It has increased the gas production by 9% while reducing energy consumption, greatly improving the gas production efficiency. It can save more than RMB 280,000 in electricity costs annually and reduce indirect carbon emissions by approximately 276 tonnes.

Case Jiangsu Company Has Completed the Heat Exchanger Retrofit Project

In March 2022, Jiangsu Company carried out the retrofitting of the factory’s heat exchangers. By utilizing the heat exchange of the heat transfer tubes, the flue gas temperature is lowered, preventing water from entering the flue gas system due to water system damage. The residual heat from the flue gas is efficiently utilized to heat the water, creating a convection tube bundle that heats the water in the feedwater pipeline of the steam drum. This reduces the steam consumption of the deaerator, resulting in a steam saving of approximately two tonnes per hour. In 2022, a total of 1,357.7 tonnes of standard coal was saved, leading to a yearly reduction of 3,611.5 tonnes of carbon dioxide emissions.



The retrofitted heat exchanger equipment



Green Workplace

We actively promote a low-carbon workplace and advocate for employees to practice environmental protection and low-carbon green office concepts, in addition to energy conservation and consumption reduction in the manufacturing process. We have incorporated green and sustainable principles into the Group’s business and day-to-day operations. The Group implemented the following green workplace measures in 2022:



Reduce
Resource
Consumption

- Adhere to the concept of paperless office, minimize the use of printers, and choose double-sided printing or copying;
- Use energy-efficient lighting products and turn off lights when leaving the office;
- Turn off computers and monitors after work and switch off the power;
- Encourage employees to adopt low-carbon transportation such as public transit, cycling, and walking rather than driving, and if driving is needed, energy-efficient driving is encouraged.



“Green
Factory”



Employees of Shandong Company participate in environmental conservation activities



Clean Energy Utilization

Sinoway recognizes the importance of green and clean energy, so the Group has been committed to promoting the use of renewable energy and reducing dependence on traditional fossil fuels. We continuously research and invest in emerging green and clean energy technologies, aiming to improve clean energy efficiency and economic benefits through technological innovation and application.

Case Sinoway Vigorously Promotes the Use of Renewable Energy

In 2022, the Group actively explored the application of energy-efficient lighting equipment, aiming to reduce electricity consumption from the demand side.

- Shandong Company has switched the power source of streetlights from electricity to solar energy, reducing the usage of the industrial power grid and adopting clean solar energy instead. This initiative has potential environmental benefits and can achieve annual savings of nearly RMB 10,000 in electricity costs.
- Jiangsu Company applies solar-powered road lighting systems, saving 17,555 kilowatt-hours of purchased electricity annually and reducing indirect carbon emissions by approximately 16 tonnes.



Shandong Company's solar-powered streetlights



Jiangsu Company's solar-powered road lighting system

Sinoway's Energy Consumption in 2022

Energy Type	Unit	Jiangsu Company	Shandong Company	Total Consumption
Purchased electricity	kWh	11,136,359.00	29,093,640.00	40,229,999.00
Gasoline consumption	L	4,750.70	18,513.30	23,264.00
Diesel consumption	L	24,093.41	0	24,093.41
Natural gas consumption	standard m ³	7,390.00	5,180.30	12,570.30
Comprehensive energy consumption	tonne of standard coal	14,336.06	20,236.88	34,572.94
Comprehensive energy consumption intensity	tonne of standard coal/RMB 10,000 of revenue	0.0116	0.1285	0.1401
Total water consumption	tonne	525,040.65	603,769.00	1,128,809.65
Total water consumption intensity	tonne/RMB 10,000 of revenue	2.69	3.80	6.49
Recycled water consumption	tonne	30,000.00	57,750.00	87,750.00



04

Employee Development

Sinoway adheres to the corporate talent philosophy of “employing people based on their abilities and making the best use of their talents,” viewing talents as the Group’s most valuable asset. We constantly pay attention to employee rights and benefits to attract talented individuals while maintaining an equal and inclusive corporate environment. We are constantly expanding channels for talent promotion and development, creating a vibrant and positive environment for talent growth.

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Employee Rights and Interests

Sinoway values and safeguards the basic rights of its employees, treating individuals from different backgrounds fairly and impartially. We continuously improve our employees' remuneration and benefits system and enhance communication mechanisms within the Group. We are committed to providing our employees with a healthy, safe, diverse, and inclusive work environment.

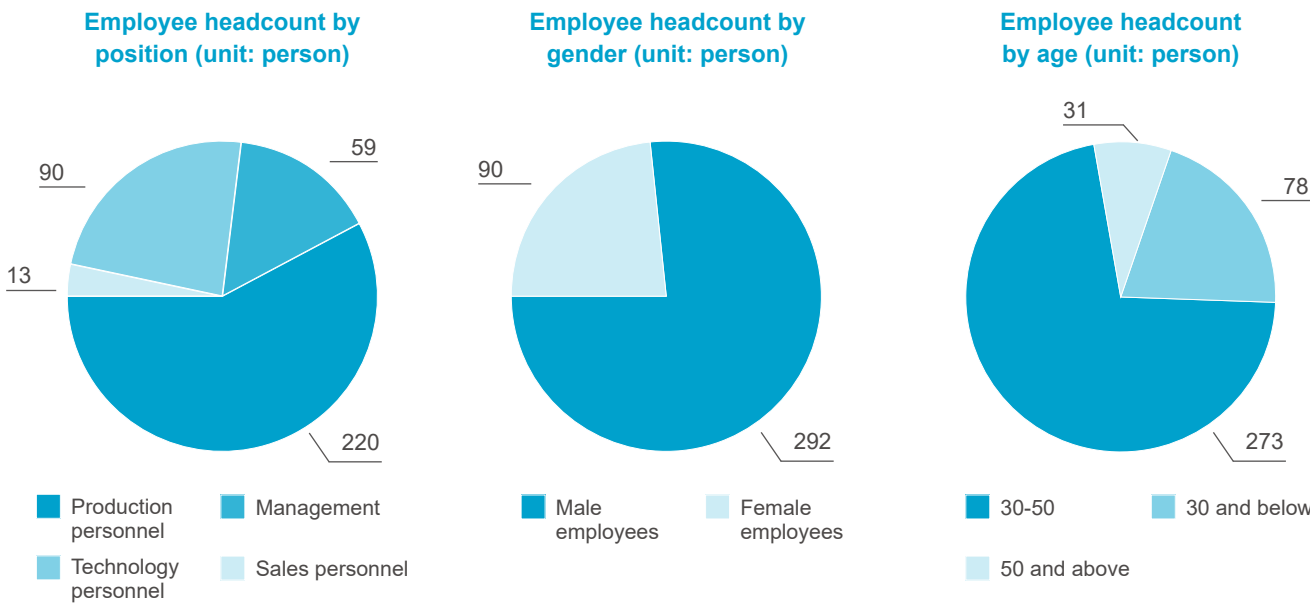
Equal and Compliant Employment

Sinoway adheres to fair and legal employment practices, strictly complying with relevant policies such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. We continuously improve and implement internal personnel management mechanisms, such as the *Personnel Management System*. During the recruitment process, we are committed to providing equal employment and promotion opportunities to employees of all ages, genders, religious beliefs, ethnicities, family backgrounds, and disabilities. We oppose all forms of discrimination and ensure that our employees' basic rights are protected.

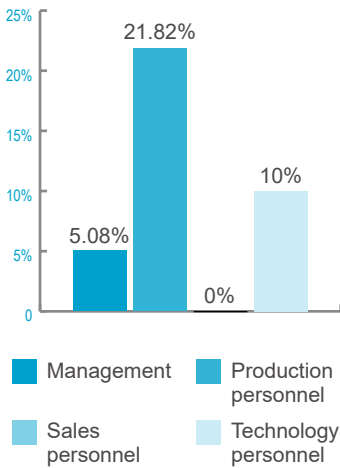
Sinoway pays attention to and complies with relevant policies such as the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of Using Child Labour*, and the *Universal Declaration of Human Rights*. The Group conducts detailed background checks on employees. Employee identity information is strictly reviewed during the information entry process to ensure the authenticity of employee data. Child and forced labor are strictly prohibited, and employment processes are fair, just, legal, and compliant. The Group used neither child labor nor forced labor during the reporting period.

Sinoway considers talent to be its most valuable asset and is gradually developing a mature and comprehensive talent recruitment process through channels such as BOSS, Zhaopin.com, local talent networks, and campus job fairs to achieve long-term talent acquisition for the Group. Sinoway outsources employee hiring to third parties, optimizing various aspects such as recruitment methods, interview processes, and salary packages while building a diverse and inclusive workforce on a continuous basis. During the reporting period, the Group recruited 54 employees through external channels, resulting in a total of 382 mainland employees and a 15.71% employee turnover rate.

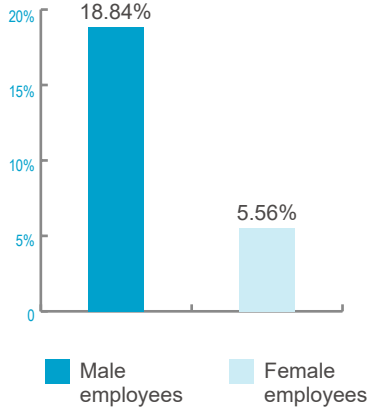
Employee Hiring in Sinoway in 2022



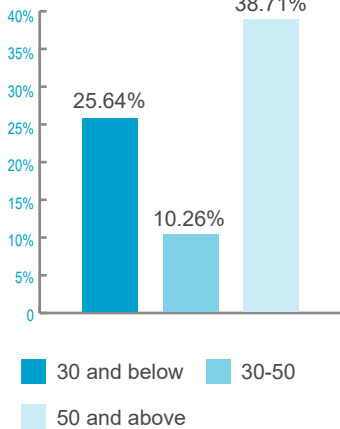
Employee turnover rate by position (unit: %)



Employee turnover rate by gender (unit: %)



Employee turnover rate by age (unit: %)



Remuneration and Benefits

Sinoway regards talents as the foundation of the Group's development and fully leverages the role of the remuneration system in motivating talents. We have established a comprehensive remuneration and benefits system and implemented remuneration and performance management according to the Comprehensive Management System. To attract and retain exceptional talents, the Group guarantees employee rights in accordance with the law by offering fair and competitive remuneration packages and employee benefits.

In 2022, the Group achieved



100%

social insurance coverage for its employees.

Remuneration Incentives

We provide all employees with endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund, and implement a salary adjustment program to continuously optimize the monthly operating profit bonus and the Reasonable Suggestion Award for employees.

Leave Entitlements

Annual leave, sick leave, marriage leave, maternity leave, paternity leave, and bereavement leave, etc.

Employee Benefits

We provide employees with welfare benefits, employee medical examinations, International Women's Day benefits, meal subsidies, housing allowances, transportation allowances, etc.

Democratic Management

Sinoway employs democratic management practices, with a strong emphasis on employee communication and addressing employee concerns. We have established open channels of communication, including a dedicated APP-based platform for employees to communicate and provide feedback. We actively seek insights into the needs and expectations of our employees by conducting staff representative assemblies and employee satisfaction surveys. Furthermore, we hold special meetings to address and provide feedback on reasonable suggestions from employees, fostering a sense of belonging and engagement within the Group.

The Group held four employee symposiums in 2022 to increase employees' sense of belonging within the Company. We conducted employee satisfaction surveys on shuttle bus service quality and cafeteria service quality, and based on the results, we made improvements that received unanimous praise from employees.

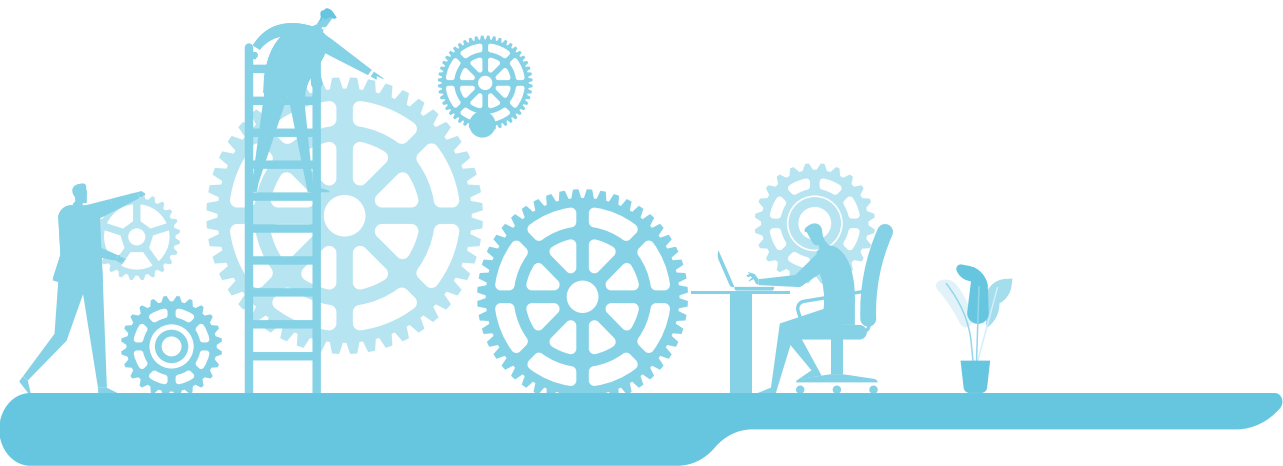
Case

Employee Symposium

On October 6, 2022, Sinoway organized an employee symposium. The employee symposium, with the theme of “Addressing Challenges in Employee Work and Life,” aimed to address a range of issues including work-related challenges, living conditions, meals, and job responsibilities. This event provided a platform for learning, communication, and feedback for frontline and newly hired employees.



Employee Symposium



Career Development of Employees

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

Employee Promotion

Sinoway is constantly improving its employee promotion system while adhering to the principles of fairness, impartiality, and transparency in performance evaluation and assessment. We encourage healthy competition among employees in order to help them tap their full potential. The Group conducts comprehensive employee evaluations on a monthly and annual basis, taking into account factors such as mindset, job skills, and work attitude. Promotion opportunities are prioritized for exceptional performers. Employees in the factory are subjected to examinations for junior and intermediate positions, which are graded based on predefined criteria. Based on their performance ratings, successful candidates are eligible for monthly performance bonuses and potential promotions.

Employee Training

Sinoway is committed to cultivating high-quality talents and has implemented the *Implementation Measures for Training Management of Group Companies* to establish a robust talent management mechanism and a comprehensive talent development system that encompasses all aspects. We provide employees with a full range of online and offline career training resources to foster their professional growth. Furthermore, we actively encourage employees to pursue external skill development in order to improve their job performance capabilities and meet the Group's needs for business expansion. By 2022, the Group had achieved 100% training coverage, with an average training duration of 84 hours per employee.

Sinoway's Employee Training Process



Case Junior Job Certification Training Assessment

From August 1st to September 22nd, 2022, Sinoway organized a Junior Job Certification Training Assessment for frontline production personnel. Based on the identified areas for improvement during the assessment process, we developed the next phase of employee training plans to continuously enhance their overall skills and abilities. This initiative aims to boost employee motivation and ensure the competence of frontline production personnel.



On-site Assessment for Junior Job Certification

Case Executive Training

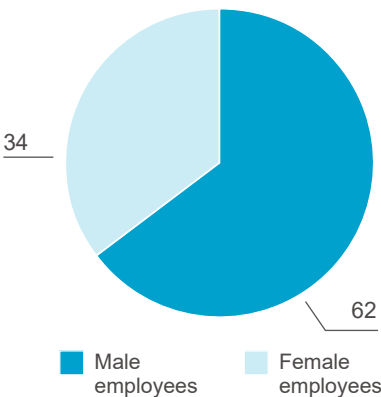
To enhance the leadership capabilities of the executive management team, in 2022, Sinoway launched an executive training program for leaders at all levels within the Group. The training program focused on topics such as “What is management,” “Understanding teamwork,” and “How to effectively lead a team.” Its objective was to develop the management and leadership abilities of the Group’s executives through practical training and hands-on experience.



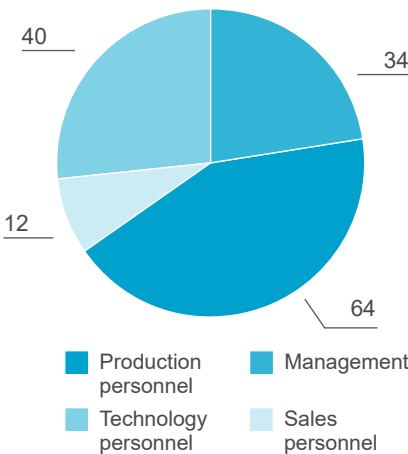
Executive Training Site

Average Training Hours of Employees by Different Categories in 2022

Average training hours of employees by gender (unit: hour)



Average training hours of employees by position (unit: hour)



Caring for Employees

Sinoway values each and every employee and strives to create a positive and vibrant work environment. We advocate a caring corporate culture and support system for our employees, offering a variety of activities to energize them and help to solve any difficulty they may face.

Physical and Mental Health Care

Employees' physical and mental health is an important component of a company's long-term growth. Sinoway organizes regular activities to promote the well-being of its employees on a proactive basis. Throughout the pandemic, the Group provided a variety of support services while implementing effective office area management to raise employee awareness of disease prevention and control. These initiatives aimed to help employees manage their emotions and relieve stress.

Case Fighting against COVID-19 with Traditional Chinese Medicine: Supporting Disease Prevention and Control through Herbal Decoction

As the pandemic prevention and control entered a new phase last year, in order to ensure the safety and health of employees and their families, the Group procured Chinese herbal medicines in Beijing, Shandong, Jiangsu, and other regions. These medicines were used to make herbal decoction such as Guizhi Tang (Cinnamon Twig Decoction) and Congbai Tang (Scallion White Decoction) for the employees to treat COVID-19. Additionally, the Group provided employees with reference materials on COVID-19 prevention techniques to maximize their health protection.



Distribution of Traditional Chinese Medicine Supplies to Prevent and Treat COVID-19

Caring for Female Employees

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

Case Distribution of Women’s Day Gifts

On Women’s Day, Sinoway distributes various benefits to all female employees, including toiletry kits, laundry detergent, shower gel, and women’s personal care items, demonstrating the Group’s care and concern for its female employees.



Case Jiangsu Company’s “Beautiful Women’s Day” Event

To ensure a relaxed and enjoyable International Women’s Day for all female employees, Jiangsu Company of Sinoway organized a caring and comforting event, which received enthusiastic participation and response from the employees. The leaders of Jiangsu Company provided benefits such as cakes to the female employees and engaged in discussions on topics of interest to women, aiming to understand their needs, foster employee camaraderie, and ensure a high quality of life and happiness for female employees.



Employee Activities

Sinoway encourages employees to participate in a variety of fun team activities. The Group 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

On May 1st, 2022, the Jiangsu Company held the Spring Sports Meeting, featuring 11 different competitive events including tug of war, table tennis, and rope skipping, with a total of 79 participants. This event not only enhanced employees’ physical and mental abilities but also improved their teamwork and fostered stronger relationships among colleagues.



Spring Sports Meeting

Case The 2nd Autumn Fun Sports Meeting

To enrich the work and life of employees, Sinoway organized its 2nd Autumn Fun Sports Meeting, providing an opportunity for employees to relax, foster cooperation and communication, and strengthen the corporate culture.



Tug-of-War



Group Rope Skipping Competition



Kangaroo Jumping Relay



05

Win-win within the Industry

Products and services are the foundation for a company's survival and growth. Sinoway has a strong sense of responsibility, consistently improves and optimizes its own operations, strengthens supplier management. By strictly controlling and implementing the operational processes of the products, we always prioritize customer demands and feedback. Our unwavering dedication is providing high-quality products and ensuring customer satisfaction through our services.

- 53 Products of Value
- 57 Customer Service
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Products of Value

Sinoway abides by the *Product Quality Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China*, and the *Standardisation Law of the People's Republic of China*. We continuously refine our product quality management system by implementing quality control measures, technological advancements, and capacity building. These comprehensive efforts aim to elevate the value of our products and establish a solid foundation for product excellence.

Quality Control

Sinoway adheres to the concept of continuous product excellence to ensure consistent and controlled product quality. The Group has established a Quality Control Department, which is in charge of overseeing the quality management system and quality supervision. We improve quality control measures at various stages and processes, providing solid guidance to ensure product and process quality.

We have established a Process Technology Quality Control Management System that outlines specific requirements for managing raw materials throughout their entire life cycle. This system includes quality management requirements for product materials, production processes, and testing procedures that are standardized. Furthermore, we have developed internal quality control protocols such as the *Quality Control Assessment Management Measures* and the *Non-Conforming Product Disposal Management System*. These protocols clearly define quality responsibilities and establish Incentives and Penalties Measures for dealing with issues that may have an impact on product quality, such as raw material contamination and kiln damage. Non-conforming products are identified and handled appropriately. Furthermore, we take strict disciplinary actions against individuals who falsify data or exhibit negligence in their work, as these actions pose quality and safety risks. We hope to prevent quality incidents and ensure consistent product quality by increasing employee awareness of quality and encouraging proactive participation.

Quality Improvement

We continue to carry out improvement projects in equipment structure and performance in order to improve overall process capabilities and product quality. Our main task in 2022 was to improve the quality and upgrade three equipment systems: the calcination vibrating conveyor, the calcination furnace top cable, and the blended material feeding system. This initiative has resulted in significant improvements in equipment lifespan, production efficiency, and product quality, while lowering the operation costs.

Case

Modification of the Calcination Furnace Top Cable

In response to the call for low-carbon initiatives in 2022, the Group carried out a modification of the calcination furnace top cable. Due to frequent short circuits and power outages in the distribution system of the electric hoist on the calcination furnace top, which adversely affected the furnace cleaning operation, we undertook the removal and cleaning of the existing collector lines and supports. We installed guide rails, angle steel, and cables, and added an electric hoist distribution cable and a stop wheel on the cable sliding track. These measures were implemented to ensure stable power supply to the cable, enhance furnace cleaning efficiency, prevent disruptions in various processes caused by slag accumulation inside the furnace, and minimize the impact on product quality.

Case

Modification of the Blended Material Feeding System

To meet the requirement of dust-free production, the Group invested RMB 650,000 in transforming the feeding system into a separate loading system and installed a dust collector during the unloading process, creating a sealed engineering environment. This modification has achieved dust-free operations, addressing the dust issues in the calcination workshop, improving the working environment, and enhancing production efficiency. In 2022, the feeding system has been credited with a Class A environmental dust-free standard. By providing a favorable working environment, we have reduced the impact of dust pollution on product quality.

Laboratory Management

Sinoway has established a quality policy of “Scientific, Fair, Accurate, and Efficient” to ensure a high level of laboratory management. We have developed laboratory management systems such as *Laboratory Management Measures* and *Laboratory Operating Procedures*. These systems define the responsibilities of laboratory positions and establish requirements for compliance, safety, and the appropriate use of laboratory equipment. In addition, we have made pertinent provisions for quality inspection, statistical workflow, and methods to ensure the authenticity and dependability of test results, as well as the efficiency of laboratory operations on a daily basis.

The Group's laboratory conducts precise measurements on target samples based on ASTM international standards such as *Standard Test Method for Determination of Ash in Petroleum Coke*, *Standard Test Method for Hardgrove Grindability Index (HGI) of Petroleum Coke*, *Standard Test Method for Determination of Real Density of Calcined Petroleum Coke by Helium Pycnometer*, *Standard Test Method for Sieve Analysis of Petroleum Coke*, and *Standard Test Method for Sulfur in the Analysis Samples of Coal and Coke Using High-Temperature Tube Furnace Combustion*. Our laboratory also provides high-quality and valuable testing reports.

In 2022, the Group's laboratory introduced a mechanical automatic sampler to conduct continuous testing of products and enhance its quality inspection ability. We utilize a belt head sampler and control the automatic sampling intervals using a time relay. This allows for continuous testing of incoming raw materials (petroleum coke), intermediate materials during production (calcined petroleum coke), and finished products (calcined petroleum coke), thereby improving the efficiency of quality inspection. Additionally, the sampler employs the method of material receiving sampling, replacing the previous scraping sampling method, thereby enhancing sample representativeness and improving the accuracy of sample testing.



Belt Head Sampler

Case

Modification of the Calcination Furnace Vibrating Conveyor

In 2022, through the modification of the calcination furnace vibrating conveyor, we extended the equipment lifespan and enhanced production capacity. Addressing design flaws in the inlet pipe and dust collection pipe of the vibrating machine, as well as severe wear at the closure point leading to shortened lifespan and high wear rate, we implemented a design improvement plan. The plan was carried out in two stages, with pre-fabrication, installation, and testing performed in two different ways. The project was conducted in three phases, with a focus on operational capability during a high production volume (110 kg/h) process, aiming to minimize the impact on production while extending the machine's lifespan and reducing product quality issues caused by equipment aging.

Sinoway has established two laboratories in Shandong and Jiangsu, equipped with professional instruments and instructional personnel, to ensure the orderly operation of research and testing work. In 2022, the Group Laboratory obtained the Laboratory Accreditation Certificate from the China National Accreditation Service for Conformity Assessment (CNAS), as well as the “Excellent Laboratory in Proficiency Testing” certificate awarded by the Technology Center of Qingdao Customs. These certificates demonstrate our technical capabilities to conduct testing according to the corresponding accreditation standards, meet quality inspection requirements, ensure quality and safety, and provide customers with high-quality and trustworthy products.



R&D Establishment

Sinoway is a firm believer in “science and technology as the primary productive force.” R&D and innovation can continuously provide new impetus to the Group and deliver more technological and product added value to customers through core technological advantages. In 2022, we invested RMB 2.027 million in R&D for several new projects.

R&D Projects 2022

- >>>> **New High-temperature Resistant furnace Body Design**

In this design, there is a high-temperature resistant graphitized furnace body capable of reaching 1,400 degrees Celsius, and in 2022, materials with a high-temperature tolerance of 1,500 degrees Celsius have been selected.
- >>>> **Desulfurization Tower Renovation**

By adding chemical spray equipment and adjusting the internal structure of the desulfurization tower, the efficiency of desulfurization and denitrification can be improved.
- >>>> **Optimization of Calcination Process**

By adjusting the structure of the finished product conveyor belt, the process route for raw material blending has been shortened, resulting in increased net production.
- >>>> **Solar Energy Storage System**

By installing solar panel systems within the factory, solar energy is converted into electricity, resulting in reduced power consumption and carbon emissions through the utilization of clean energy sources.
- >>>> **Improved Seed Survival Rate in Afforestation Projects in Xinjiang**

By employing multi-layer seed coating, the survival rate of seeds under adverse growth conditions is improved, contributing to the establishment of a green barrier.
- >>>> **Preparation and Production of High-purity Graphite Powder**

Using calcined petroleum coke as the raw material and based on the technical requirements of high-purity semi-insulating silicon carbide and low-resistance silicon carbide, the high-purity graphite powder needed for the preparation of third-generation semiconductor material, silicon carbide single crystal, is developed.

We have developed an R&D Project Management System to effectively promote R&D and innovation work, harnessing the supportive role of technological innovation in high-quality products in order to implement the *Interim Measures for the Administration of National Hi-tech Industry Development Projects* and the Group's development strategy. Sinoway places a high value on training outstanding talents in technology R&D, increasing the proportion of composite talents in terms of education, specialization, and experience, thereby strengthening the capabilities of the Group's R&D core team and supporting technological innovation and product quality improvement across the Group.

Sinoway actively engaged in exchanges with major domestic universities and research institutions in 2022, co-authoring numerous industry reports. These reports included market analyses for materials such as electrolytic aluminum and specialty carbon graphite and industry directions such as carbon enterprise transformation and environmental technology applications. At the same time, we worked with Shaanxi University of Technology, Northeastern University, and Guiyang Aluminum Magnesium Design & Research Institute to raise the industry's technological level and achieve good outcomes for all.

Technology Protection

To enhance intellectual property awareness and protect our legal rights and interests, the Group has developed a *Non-Patented Technology Know-how System* in accordance with the *Anti-Unfair Competition Law of the People's Republic of China* and regulations such as the *Regulations on Science and Technology Know-how* issued by the Ministry of Science and Technology of the People's Republic of China and the National Administration for the Protection of State Secrets. This system clearly defines the inclusion of confidential projects within the Group and establishes a well-defined and collaborative Technical Expertise Working Group. It aims to facilitate technological innovation within the Group and enhance its competitive advantage.

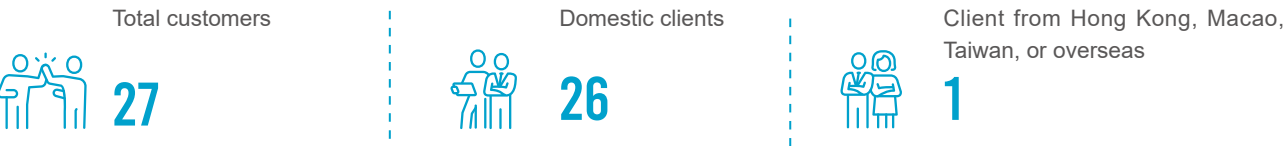
Technical Expertise Working Group

Position	Participant	Responsibility
Director	● Technical Director	<ul style="list-style-type: none">● 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	<ul style="list-style-type: none">● Implementing the Group'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 Group
Archival Management Personne	<ul style="list-style-type: none">● Archival management personnel in charge of all kinds of files● Document control personnel	<ul style="list-style-type: none">● Timely filing various technical confidential document carriers● Handling borrowing registration and other procedures according to prescribed protocols

Sinoway adheres to the utilization of process innovation and technological R&D to create high value-added, high-tech content, and products with core competitiveness. As of the end of 2022, Sinoway has accumulated 10 invention patents and 61 utility model patents.

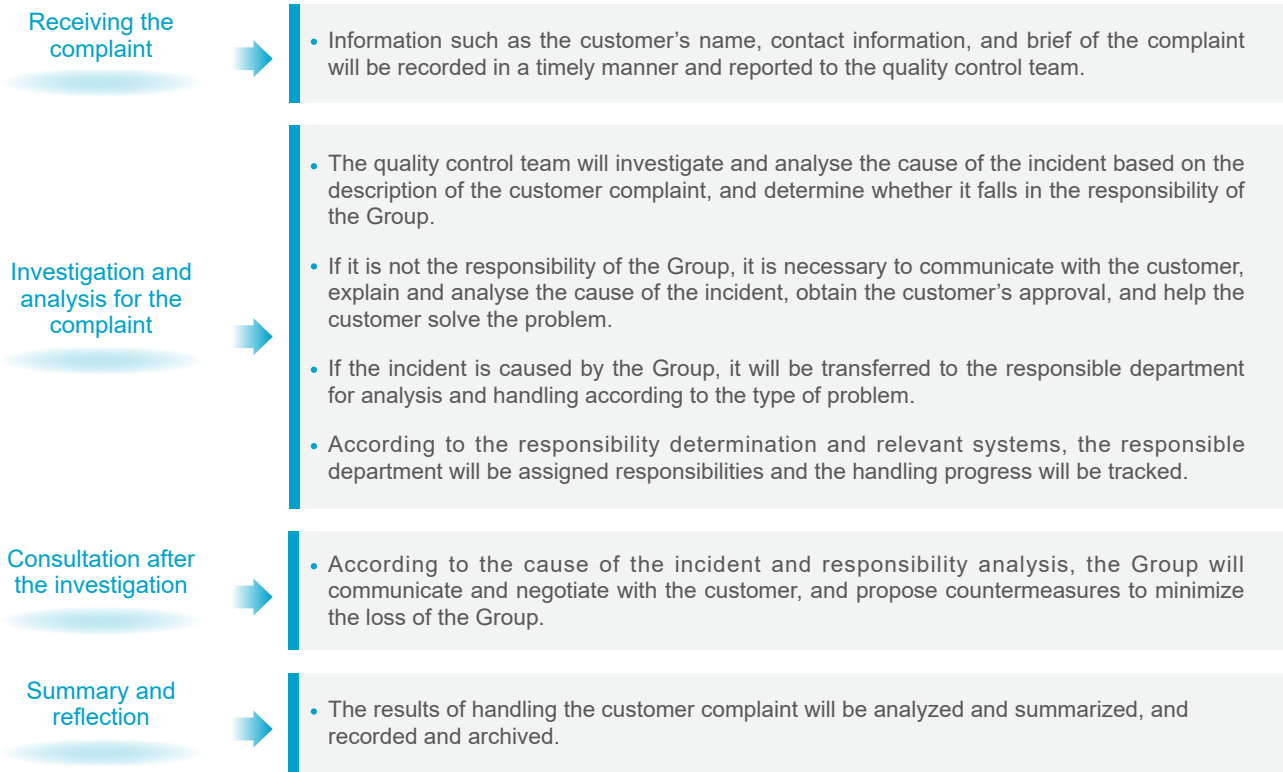
Customer Service

Sinoway is committed to product-driven development to satisfy customer requirements and continuously enhance its customer service system and service quality. We adhere to applicable laws and regulations and provide comprehensive products, services, and solutions to meet the diverse needs of our customers. We take a customer-centered approach, utilizing sincerity, zeal, commitment, and continuous innovation to create value for our customers and to strive for the Group's high-quality development, thus achieving new heights. During the reporting period, the Group had a total of 27 customers, consisting of 26 domestic clients and one client from Hong Kong, Macao, Taiwan, or overseas.



We have implemented effective process management measures to achieve departmental collaboration, thereby ensuring the Group's smooth operation in areas such as legal risk prevention and control, business sales, logistics carriers, and material supply. In addition, we have established a comprehensive 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 improve service quality, we meticulously record customer complaints and disputes and promptly identify and resolve any issues that arise during our business processes.

Sinoway's Customer Complaint Handling Process



Responsible Supply

Sinoway 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 supplier management systems such as the *Contractor Management System*, the *Construction Project Safety Management Agreement*, and the *Acceptance Management Measures* to regulate the entire supplier management and communication process. The Group is dedicated to developing a responsible supply chain system and promoting sustainable supply chain development. In 2022, 45 Sinoway suppliers received ISO 9000, ISO 14000, and ISO 45001 certifications, resulting in a 100% qualification rate.

End-to-end Supplier Management

We begin with multiple dimensions such as quality, speed, safety, and after-sales in the supplier admission process, requiring suppliers to provide relevant documents, information about their environmental and social impacts, and other basic information. We conduct a thorough screening and review of suppliers' basic and professional qualifications to ensure compliance with industry standards. Suppliers who do not pass the qualification review are not accepted. In 2022, we improved our procurement methods by shifting materials procurement from offline to online, including ammonia water, steel, office supplies, personal protective equipment, valves, and lubricants. We have improved procurement quality as a result of feedback and evaluations from customers on all platforms. Materials procured through online platforms accounted for approximately 80% of normal materials procurement as of December 2022.

Sinoway considers supplier material quality, credibility, and inherent risks and conducts regular internal audits during the supplier admission and operation stages. 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 2022, the Group audited 92 of its suppliers, with a 95% screening pass rate. Cooperation with two of them was terminated due to supplier-related issues.

In terms of supplier evaluation, the Group conducts qualification investigations and certifications on a regular basis, including qualification accreditation, delivery assurance capability, quality assurance capability, cost assurance capability, the presence of any adverse records, support to the Group, and reputation. Suppliers are assigned ratings based on the results. We conduct rigorous on-site inspections by a third party to assess the products of our material suppliers. For construction project suppliers, we require them to strictly adhere to the construction plan and technical requirements, and we conduct phased inspections of the construction progress. In case of non-compliance during the inspections, necessary rectifications are made until the acceptance criteria are met before proceeding to the next construction phase.

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



Sustainable Procurement

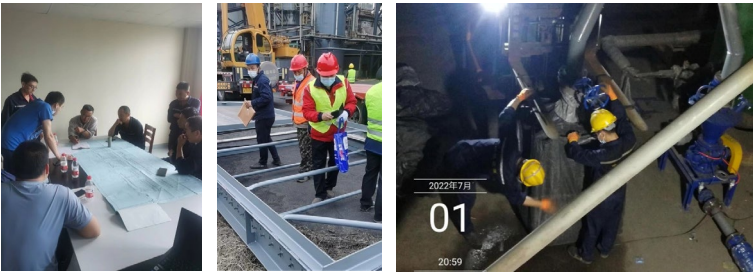
We focus on the Group's demand for sustainable development and require suppliers to meet standards in environmentally friendly procurement, green production, equipment maintenance, and other areas. We also sign a "Letter of Responsibility for Integrity in Win-Win Cooperation" with suppliers to clarify both parties' responsibilities and reduce ESG risks.

Sinoway's Management of Sustainable Supply Chain



Interaction with Suppliers

Through meetings, on-site management, and other means, we maintain a close relationship with our suppliers in an effort to establish long-term and stable partnerships. Through timely feedback and suggestions, we enhance work efficacy and quality, enhance product capabilities and technical expertise in collaboration, and promote the green and efficient growth of the supply chain. In 2022, we participated in offline supplier exchange activities, such as technical exchanges on calcination furnace negative pressure and process flow, flue gas baffle doors installation, and debugging and installation of desulfurization pneumatic conveying equipment.



On-site Interaction with Suppliers in 2022

External Cooperation

Sinoway actively monitors the latest industry trends and continuously accumulates industry experience. We engage in active external collaborations to unlock the Group's development potential and form mutually beneficial partnerships with other industry-leading businesses and organizations. By leveraging the strengths of both parties to achieve win-win or multi-win outcomes, we aim to facilitate industry exchange, innovation, and overall industry improvement.

Case The 16th Global Petroleum Coke Conference & Supply-Demand Meeting

Sinoway was invited to participate in the 16th Global Petroleum Coke Market Seminar and Industry Supply-Demand Meeting. We engaged in exchanges and learning with outstanding counterparts in the petroleum coke field, aiming to grasp the latest development in the global petroleum coke market and explore new industry opportunities together with other excellent companies in the face of complex and ever-changing circumstances.



The 16th Global Petroleum Coke Conference & Supply-Demand Meeting



Industry-university-research collaboration is an important talent development model that fosters coordinated development within the industry and is a crucial means of enhancing the core competitiveness of businesses. The Group collaborates with leading universities and research institutions in various fields, including R&D projects and technology applications, to establish a pattern of resource sharing and complementary advantages.

Case Collaborative R&D of Refractory Materials with Universities

In 2022, Sinoway collaborated with the Shaanxi Provincial New Energy-saving and Environmentally Friendly Materials Engineering Technology Research Center at the School of Materials Science and Engineering, Shaanxi University of Technology, to develop refractory materials for carbon calcination furnace tank walls. Through continuous adjustment of the refractory material's raw material ratio and blending sintering process, a preliminary process route was established, and standard refractory bricks were successfully manufactured. This technology holds promising prospects for future industrial-scale production and practical application in calcination furnace design.

Community Welfare

Sinoway upholds a sense of responsibility and dedication to the public good, giving back to society as part of its business expansion. We maximize our resources to support social development, actively participate in community welfare activities, aid vulnerable groups, leverage our social influence, and cultivate positive relationships with local communities. This allows for the harmonious growth of both the Group and the community.

Rural Revitalization

Sinoway believes that due to the close relationship between businesses, communities, and rural development, it is their duty to contribute to rural revitalization. The Group is committed to developing distinctive rural revitalization projects and activities, providing employment opportunities for surplus rural labor, and extending regular aid to rural communities. Through concrete actions, we actively contribute to the revitalization of rural areas.

Case

Village-Enterprise Collaboration: “Women and Children’s Home” Establishment and Material Donation Campaign

Sinoway collaborated with Yuyuan Village, Dajia Street to carry out the “Women and Children’s Home” project, aiming to establish a warm and supportive community that focuses on connecting, serving, educating, and safeguarding the rights and interests of women and children in the area. This initiative contributes to the revitalization of rural communities.

Charitable Activities

Sinoway adheres to the charitable concept of “Gathering Love, Warming Hearts.” In accordance with the *Company Law of the People’s Republic of China*, the *Law on Public Welfare Donations of the People’s Republic of China*, and other relevant laws and regulations, the Group has formulated its Donation Management System to regulate donation affairs, clarify donation principles and scope, and provide support for charitable activities. The Group actively invests in education and has established the Sinoway Inspirational Fund in collaboration with universities to provide financial support to impoverished students. In 2022, the Group’s investment in social welfare amounted to RMB 1.22 million.

Case

The 7th Sinoway Inspirational Fund Award Ceremony

The 7th Sinoway Inspirational Fund Award Ceremony was held at Weifang Binhai Middle School on September 9th, 2022. We established the Sinoway Inspirational Fund, donating RMB 200,000 annually to outstanding teachers and students as well as students in need, supporting the development of Weifang Binhai Middle School. During the award ceremony, the Group pledged to continue fulfilling its social responsibility, supporting the development of education, and spreading positive corporate energy to society.



The 7th Sinoway Inspirational Fund Award Ceremony

Volunteer Activities

Sinoway, guided by the principle of “Taking Action to Spread Love,” encourages employees to participate in community service and volunteer work. In 2022, the Group emphasized medical support efforts in various locations and organized volunteer service teams to support community nucleic acid testing, distribution of medical and daily necessities, and other activities, contributing to the medical needs of the community.

Case

Material Donation to Support Jilin’s COVID-19 Prevention and Control

To fully support Jilin’s COVID-19 prevention and control efforts, in April 2022, Sinoway donated more than RMB 200,000 worth of anti-pandemic supplies, including self-heating meals, milk, and instant noodles, to Changchun University in Jilin. These materials were used for pandemic support activities, demonstrating the Group’s social responsibility and commitment through practical actions.



Certificate of Material Donation

Case

Practicing the Spirit of Lei Feng, Striving to be an Exemplar of the Times

On March 4th, 2022, the Group organized a youth volunteer service team to carry out the “Practicing the Spirit of Lei Feng, Striving to be an Exemplar of the Times” activity. We provided community lectures on laws, regulations, social security knowledge, and daily life skills, as well as volunteer services for the elderly. These activities aimed to inspire the spirit of dedication among young cadres and promote a culture of volunteerism among everyone.



Volunteer Activities

GRI Index

Statement of use	Sinoway Holdings Limited has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021

Classification of Disclosure/ Disclosure Index	Disclosure Content	Chapter	Page Number
GRI 2: General Disclosures 2021		About the Report	
The organization and its reporting practices			
2-1	Organizational details	Who We Are-About Us	
2-2	Entities included in the organization's sustainability reporting	Who We Are-About Us	
2-3	Reporting period, frequency and contact point	Who We Are-About Us	
2-4	Restatements of information	About the Report	
2-5	External assurance	Not applicable	
Activities and workers			
2-6	Activities, value chain and other business relationships	Who We Are-Stakeholder Communication	
2-7	Employees	Employee Development-Employee Rights and Interests	
2-8	Workers who are not employees	Win-win Within the Industry-Responsible Supply	
Governance			
2-9	Governance structure and composition	Who We Are-Corporate Governance	
2-10	Nomination and selection of the highest governance body	Who We Are-Corporate Governance	
2-11	Chair of the highest governance body	Who We Are-Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	Who We Are-Corporate Governance	
2-13	Delegation of responsibility for managing impacts	Who We Are-Corporate Governance	
2-14	Role of the highest governance body in sustainability reporting	Who We Are-Corporate Governance	

Classification of Disclosure/ Disclosure Index	Disclosure Content	Chapter	Page Number
2-15	Conflicts of interest	Who We Are-Corporate Governance	
2-16	Communication of critical concerns	Who We Are-Corporate Governance	
2-17	Collective knowledge of the highest governance body	Who We Are-Corporate Governance	
2-18	Evaluation of the performance of the highest governance body	Who We Are-Corporate Governance	
2-19	Remuneration policies	Employee Development-Employee Rights and Interests	
2-20	Process to determine remuneration	Employee Development-Employee Rights and Interests	
2-21	Annual total compensation ratio	Employee Development-Employee Rights and Interests	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Who We Are-Stakeholder Communication	
2-23	Policy commitments	Who We Are-Stakeholder Communication	
2-24	Embedding policy commitments	Who We Are-Stakeholder Communication	
2-25	Processes to remediate negative impacts	Who We Are-Stakeholder Communication	
2-26	Mechanisms for seeking advice and raising concerns	Who We Are-Stakeholder Communication	
2-27	Compliance with laws and regulations	Who We Are-Stakeholder Communication	
2-28	Membership associations	Who We Are-About Us	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Who We Are-Stakeholder Communication	
2-30	Collective bargaining agreements	Who We Are-Stakeholder Communication Employee Development-Employee Rights and Interests	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Who We Are-Stakeholder Communication	
3-2	List of material topics	Who We Are-Stakeholder Communication	
Economic			
GRI 201: Economic Performance			
3-3	Management of material topics	Who We Are-Stakeholder Communication	

Classification of Disclosure/ Disclosure Index	Disclosure Content	Chapter	Page Number
201-2	Financial implications and other risks and opportunities due to climate change	Green Development-Addressing Climate Change	
201-3	Defined benefit plan obligations and other retirement plans	Employee Development-Caring for Employees	
GRI 204: Procurement Practices			
3-3	Management of material topics	Win-win Within the Industry-Responsible Supply	
GRI 205: Anti-corruption			
3-3	Management of material topics	Who We Are-Risk Control	
205-1	Operations assessed for risks related to corruption	Who We Are-Risk Control	
205-2	Communication and training about anti-corruption policies and procedures	Who We Are-Risk Control	
205-3	Confirmed incidents of corruption and actions taken	Who We Are-Risk Control	
GRI 206: Anti-competitive Behavior			
3-3	Management of material topics	Who We Are-Risk Control Win-win Within the Industry-Responsible Supply	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Who We Are-Risk Control Win-win Within the Industry-Responsible Supply	
Environmental			
GRI 302: Energy			
3-3	Management of material topics	Green Development-Resource Utilization	
302-1	Energy consumption within the organization	Green Development-Resource Utilization	
302-3	Energy intensity	Green Development-Resource Utilization	
302-4	Reduction of energy consumption	Green Development-Resource Utilization	
302-5	Reductions in energy requirements of products and services	Green Development-Resource Utilization	
GRI 303: Water			
3-3	Management of material topics	Green Development-Pollution Prevention and Control Green Development-Resource Utilization	
303-1	Interactions with water as a shared Resource	Green Development-Pollution Prevention and Control Green Development-Resource Utilization	
303-2	Management of water discharge-related impacts	Not applicable	

Classification of Disclosure/ Disclosure Index	Disclosure Content	Chapter	Page Number
303-3	Water withdrawal	Green Development-Pollution Prevention and Control Green Development-Resource Utilization	
GRI 305: Emissions			
3-3	Management of material topics	Green Development-Addressing Climate Change	
305-1	Direct (Scope 1) GHG emissions	Green Development-Addressing Climate Change	
305-2	energy indirect/Scope 2 GHG emissions	Green Development-Addressing Climate Change	
305-4	GHG emissions intensity	Green Development-Addressing Climate Change	
305-5	Reduction of GHG emissions	Green Development-Addressing Climate Change	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Green Development-Addressing Climate Change	
GRI 306: Effluents and Waste			
3-3	Management of material topics	Green Development-Environmental Management Green Development-Pollution Prevention and Control	
306-1	Waste generation and significant waste-related impacts	Green Development-Pollution Prevention and Control	
306-2	Actions taken to prevent waste generation	Green Development-Pollution Prevention and Control	
306-3	Composition of waste generated	Not applicable	
306-4	Recovery operations used to divert waste from disposal	Green Development-Pollution Prevention and Control	
306-5	Disposal operations	Not applicable	
GRI 308: Supplier Environmental Assessment			
3-3	Management of material topics	Win-win Within the Industry-Responsible Supply	
308-1	New suppliers that were screened using environmental criteria	Win-win Within the Industry-Responsible Supply	
308-2	Negative environmental impacts in the supply chain and actions taken	Not applicable	
Social			
GRI 401: Employment			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	
401-1	New employee hires and employee Turnover	Employee Development-Employee Rights and Interests	

Classification of Disclosure/ Disclosure Index	Disclosure Content	Chapter	Page Number
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development-Employee Rights and Interests	
401-3	Parental leave	Employee Development-Caring for Employees	
GRI 402: Labor/Management Relations			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	
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	
403-1	Occupational health and safety management system	Safe Operation-Occupational Health and Safety	
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	
403-3	Guidance for Disclosure	Safe Operation-Occupational Health and Safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safe Operation-Occupational Health and Safety Safe Operation-Safety Culture Building	
GRI 404: Training and Education			
3-3	Management of material topics	Employee Development-Career Development of Employees	
404-1	Average hours of training per year per employee	Employee Development-Career Development of Employees	
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development-Career Development of Employees	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development-Career Development of Employees	
GRI 405: Diversity and Equal Opportunity			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	
405-1	Diversity of governance bodies and employees	Who We Are-Corporate Governance Employee Development-Employee Rights and Interests	
GRI 406: Non-discrimination			

Classification of Disclosure/ Disclosure Index	Disclosure Content	Chapter	Page Number
3-3	Management of material topics	Employee Development-Employee Rights and Interests	
406-1	Incidents of discrimination and corrective actions taken	Employee Development-Employee Rights and Interests	
GRI 408: Child Labor			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	
GRI 409: Forced or Compulsory Labor			
3-3	Management of material topics	Employee Development-Employee Rights and Interests	
GRI 413: Local Communities			
3-3	Management of material topics	Win-win Within the Industry-Community Welfare	
413-1	Operations with local community engagement, impact assessments, and development programs	Win-win Within the Industry-Community Welfare	
GRI 414: Supplier Social Assessment			
3-3	Management of material topics	Win-win Within the Industry-Responsible Supply	
414-1	New suppliers that were screened using social criteria	Win-win Within the Industry-Responsible Supply	
414-2	Negative social impacts in the supply chain and actions taken	Not applicable	
GRI 418: Customer Privacy			
3-3	Management of material topics	Win-win Within the Industry-Customer Service	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable	

Feedback Questionnaire

Dear readers,

Thank you very much for reading the 2022 Environmental, Social and Governance Report of Sinoway Holdings Limited amidst your busy schedule. We are looking forward to your comments and suggestions on the report and our work. You can send us the completed questionnaire by mail, e-mail, or call us directly with your valuable comments. Thank you!

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1. What type of stakeholder is your workplace?

☐ Shareholder ☐ Employee ☐ Supplier ☐ Customer ☐ Government ☐ Community ☐ Academic Institutions

☐ Other (Please specify)
2. Do you think this report reflects the economic, social, environmental and other sustainable development impacts of Sinoway?

☐ Yes ☐ Average ☐ No
3. Do you think the analysis of the stakeholders identified in this report and their relationship with Sinoway is accurate and comprehensive?

☐ Yes ☐ Average ☐ No
4. Do you think the information provided in this report is comprehensive?

☐ Yes ☐ Average ☐ No
5. Do you think the information provided in this report is readable?

☐ Yes ☐ Average ☐ No

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



Sinoway Holdings Limited

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