Yunnan Energy New Material Co., Ltd.

2020 Environment, Social and Governance Report

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About this report

Glossary of the report

Yunnan Energy New Material Co., Ltd. (for better presentation and readability,

Company together with its subsidiaries), presenting the management practice and performance in the aspects of environment, social and governance in 2020 .

Reporting period

This report is an annual report for the period from 1 0 0 1 1 1 1 1v113(m)-3(e771.110 0 1 90.024 5ua1

Access to and feedback on the report

This report is available on Yunnan Energy New Material Co., Ltd. te (http://www.cxxcl.cn/) and published in both Chinese and English languages. Where the English content conflicts with the Chinese content, the Chinese one shall prevail. Please share via email (groupheadquarter@cxxcl.cn) your thoughts and suggestion on our ESG Report or our environment and social responsibility performance.

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Message from the Chairman and General manager

The COVID-19 pandemic spread around the world in 2020. During this extraordinary year, we worked together to fight against the pandemic, and we took prevention and control measures to ensure the resumption of work and production and prevent the pandemic from recurring. It has been a difficult journey. In navigating the pandemic, the question of how to stay resilient and competitive has become more pressing than ever before. To address this issue, we need to deliver a solid performance on a daily basis, develop agile response capabilities, and engage with our communities in a timely manner, among other tasks.

In 1996, 25 years ago, we decided to return to China to start a business. However, it was not until 2006 that Yunnan Energy New Material was founded. In 2020, almost a decade and a half later, we launched our first overseas production facility. In the beginning, we started out manufacturing cigarette labels and packages in Yunnan. A quarter century later, we have been able to successfully seize other market opportunities, and step by step we have built and operate a network of lithium battery isolation film plants that spans Shanghai, Jiangsu, Jiangxi, Guangdong and Chongqing. Throughout our history, we have focused on delivering a solid performance on a daily basis, developing agile response capabilities, and engaging with our communities across all aspects of our business.

For an enterprise to stay relevant in the long run, it needs to focus on the needs of society and use forward-looking thinking to make wise investments. To this end, we

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Jinping, who, during inspection tours of Yunnan in 2014 and early 2020, emphasised that the beautiful environment in Yunnan is a great treasure, not only for the province but also for the country as a whole. During these tours, President Xi explicitly said that ecological conservation should be promoted, and he encouraged Yunnan to be the frontrunner in promoting ecological conservation and eco-friendly manufacturing. We have seized this strategic opportunity and taken responsibility for promoting green development. In fact, when the Group was founded, we made it a key element of our production and management philosophy to minimise energy and resource consumption and the negative impact of our operations on the environment while maximising recycling. Furthermore, we have emphasised the importance of our

demand, purchase high-quality raw materials from reliable suppliers, and embed environmental awareness in our R&D and design activities to promote green development.

While achieving higher revenue and better operating efficiency, we have continued to make progress in managing our ESG practices. In this regard, we implemented a group-wide talent management policy to eliminate any prejudice with respect to where employees are from and to make our resource and talent allocation more efficient. In addition, we have provided our employees with competitive compensation packages and the best opportunities possible for career development to retain our talent. We have also launched initiatives that benefit our communities, including regular clothing donation campaigns, as well as fund donation drives during the COVID-19 pandemic and other emergencies. In this way, we have assumed our social responsibility and worked together with our local communities through challenging times.

To meet the challenges of the new era, we will chart a new path forward and work to achieve new progress. In recent years, our business and workforce have grown, and

become more diversified. For this reason, we have decided to prepare the

focus on environmental and social aspects and conduct ESG practices in response

rdinate our efforts to encourage innovative green development while improving our resilience and competitiveness. At the same time, we will work to promote environmental, social

Paul Xiaoming Lee

Chairman of the Board

17 March 2021

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General Manager message

2020 was an extraordinary year. At the beginning of the year, the COVID-19 pandemic suddenly changed everyone's life. *During an epidemic, orders need to be followed. In order to prevent and control the epidemic, we have to take responsibility.* This was the COVID-19 battle slogan put forward by President Xi Jinping. The epidemic prevention situation is complex and severe, and the prevention and control work is urgent. During these trying times, we have witnessed the courage of millions of compatriots who have worked together to combat the pandemic. Under these

driving force that enables the Group to maintain its leading position. For this reason, we have strictly implemented the intellectual property management system and required intellectual property feasibility studies to be conducted for all of the

respect to invention patents. In addition, in order to improve the capabilities of the

developed by the Intellectual Property Department. These courses have helped the el become more well-rounded and gain a better understanding

I. About the Group

1.1 Group overview

Yunnan Energy New Material Co., Ltd. was established on 5 April 2006, with its headquarters located at No.125 Fuxian Road, High-tech zone, Yuxi City, Yunnan Province. As of the reporting period end, the Group had six second-tier subsidiaries. Among them, Yunnan Hongta Plast

Chuangxin New Material (Hong Kong) Co., Ltd., and Wuxi Energy Trading Co., Ltd. were wholly-owned. The other two, namely Shanghai Energy New Material

Guidelines on Industry Classification of Listed Companies (Revised in 2012)

Shanghai, Yunnan, Sichuan, Chongqing, Jiangsu, Jiangxi and Guangdong. In addition, we launched our first overseas factory project in Debrecen, Hungary in November 2020. The move was part of our effort to further go global and enhance our impact world-wide by expanding the overseas market for our wet-process lithium battery isolation film product. As of the reporting period end, our factory in Hungary was under construction.

billion, and the total number of employees reached 5,040.

1.2 Vision, mission and core values

Our mission is to pursue excellence and become a national brand with global recognition. We are committed to using technological innovation and a refined management approach to provide our customers with high-quality products and services. By following this path, we aim to become a global leader in the new materials market.

Our core values are integrity, perseverance and diligence, and the pursuit of excellence.

-class R&D centre and manufacturer in the new polymer materia - -class

1.3 Main products

As of the reporting period end, the Group had three key product types as follows:

- Film products, which include lithium battery isolation film (base film and coating film) and BOPP film (smoke film and ordinary flat film) products as follows:

- Lithium battery isolation film, which is mainly produced by Shanghai Energy and its subsidiaries and used for lithium batteries in new-energy vehicles and high-end digital products. Major global customers include LG

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Tobacco labels	Aseptic packaging boxes

- Paper products which are produced by Dexin Paper mainly include speciality paper products (e.g. laser transfer anti-counterfeiting paper, direct plating paper and coated paper products), holographic anti-counterfeiting anodised aluminium, transfer film and other products.

  - Laser transfer anti-counterfeiting paper, a laser transfer paper product which uses special or customised laser patterns. Laser transfer anti-counterfeiting paper is a metallised paper product with a metal texture and laser anti-counterfeiting effect, and it is made by copying the rainbow laser and anti-counterfeiting effect on the coating layer and then plating, laminating and peeling. The product is widely used in cigarette labels, cosmetic boxes, toothpaste boxes, pill boxes, etc.;

  - Aluminised paper, an aluminium plated paper product made by the direct plating method. It is a speciality paper product manufactured by aluminising directly on the coated surface of paper in vacuum, and is mainly used as inner liners for cigarette labels and as packaging papers for chocolates, chewing gums and other foods; and

  - Coated paper, a speciality paper product with a special effect and function and suitable for printing. It is made by either applying a specific coating directly on the paper or adding a coating via PET film coating and paper-

II Governance principles

2.1 Corporate governance

2.1.1 General approach

Decent corporate governance mechanism, conducive to the enhancement of corporate as well as the management and all functional department of which the general manager is responsible for have clear duties and responsibilities with high

for the Company to realize sustainable development. The Group has constantly optimized its corporate governance system and constantly improved its management level during the long-term corporate governance practice. General meetings, the Board and its special committees, the Supervisory Committee.

2.1.2 Disclosures

The Group followed their duties pursuant to *the Company Law of the People's Republic of China, Securities Law of the People's Republic of China ,the Articles of Association , Guiding Opinions on Establishing Independent Director System for Listed Companies*, as well as relevant provisions such as *Shenzhen Stock Exchange Listing Rules* and the other regulations of the Company. In 2020, the department of business affairs in debentures are response for works on disclosures the information, obedience to the idea of insisting reality, accurate, complete, duly, compliance, announcements and journals. In 2020, according to the requirements of the Law of A stocks disclosures, the Company finished the periodic reports and temporary reports, especially the big and urgent events that shareholders and investors care about, make sure that the investors could duly, fairly, equally, accurately, fully understand the conditions that the Company faced. In 2020, 228 pieces of reports have been disclosure within the whole year.

In order to satisfy the promptness of information disclosure
of business affairs in debentures sets staff who specialized in the communication and reports on information disclosures within all subsidiary corporations, made an internal platform for communicating the information disclosures. In addition, the Group irregularly carry out relevant training for the staff who are the board of directors and responsible for information disclosure in subsidiaries, so as to improve the professional capabilities of practitioners and ensure the accuracy, timeliness and compliance of information disclosure.

2.1.3 Investor relations

In 2020, the Group will continue to concentrate and commit to improving investor relations management. We strictly follow by the Company Law of the People's Republic of China, S , the Articles of Association , Guiding Opinions on Establishing Independent Director System for Listed Companies and other related laws and regulations, in the management of investor relations, follows the" full disclosure information, compliance to disclose information, investors equal opportunity, honest and trustworthy, efficient, low consumption and interactive communication " and such basic principles, such as thinking from the interests of small and medium-sized investors, in daily work and the implementation of major projects, take effective and convenient measurements,

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strengthen the effective and comprehensive communication between shareholders and investors, avoid selective disclosure, ensure the equality between middle and small scale stakeholders and the rights to equality received the information.

The Group keeps communication with institution and individual investors via email, telephone, CNINFO, onsite visiting and online reception, including 112 Q&A via CNINFO, and continues to publish the latest business information through the official WeChat timely, enriching the channels to obtain information for medium and small investors.

2.2 ESG governance

2.2.1 ESG governance structure

The Group has established a top-down ESG governance structure, where the Board is responsible for supervising the environmental and social aspects of the Group, including risk assessment, risk prioritizing and management, overseeing and nce with respect to environmental and social fields, so as to guide the sustainable development direction and path of the Group. The Group also established an ESG working team, which is led by high-ranking managerial personnel and includes intermediate level managers. The working team consists of core representatives from all regular management divisions of the Group, including the Securities Department, Operating Center, Supply Chain Management Center, Product Department, Legal Department, Intellectual Property Department, Human Resources Department and Finance Department, covering major relevant departments in daily management process of the Group. The working team reports to the Board on a regular basis for recommendations and advice and is responsible for communicating and implementing the strategies, measures and feedback of the Group on issues related to ESG, which is an indispensable execution party for the sustainable development of the Group.

2.2.2 Communication with stakeholders

keholders mainly include the employees, suppliers, customers, shareholders, investors, government, and the communities where the Group operates. The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the long-term development of the Group. In this regard, the Group actively explores various channels to maintain good

development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Group can provide them with timely and effective feedback regarding their concerns. In this way, the Group ensures that it is cooperating and working alongside stakeholders to achieve mutual benefits.

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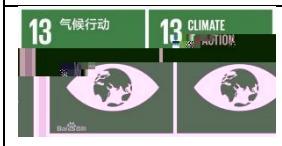
Stakeholders	Expectations and needs	Communication and feedback
Government	Compliance with disciplines and laws Employment provision Payment of taxes pursuant to laws Driving the development of local economy	Strengthening operation management in compliance with regulations Hiring local staff and promoting local employment Accepting supervision and assessment Carrying out strategic cooperation
Shareholders	Stable operation Sustainable development Earnings and returns Unimpeded information flow	Improving competitiveness and profitability Protecting the ecological environment, fulfilling social responsibilities Insisting on a high proportion of cash dividend, carrying out share repurchases Information disclosure in a timely manner, strengthening investor relationship and treating small and medium shareholders equally
Customers	Performance of contracts in good faith Quality assurance Premium services	Guaranteeing stability of product Guaranteeing stability and quality of product supply Strengthening the management of product quality, and optimizing product structure Carrying out satisfaction survey
Staff	Wages and welfare Employee rights protection Career development Health and safety Humanitarian care	Protection of rights and interests, medical insurance, enterprise annuity Trade union organization, election of staff directors and staff supervisors Education and training, career development platform Fight with the epidemic and elimination of occupational diseases Caring for staff, and the set up of complaint feedback mailbox
Environment	Coping with climate change Water resources Pollution prevention and treatment Energy saving and emissions reduction	Correlation analysis of climate

	Transparent procurement Mutual benefit and win-win cooperation	Open procurement, e-procurement Business exchange and cooperation, symposium
Community	Community development Public welfare activities Jobs creation	Community activities, visits and exchanges, respect for cultural traditions Donations and voluntary services Skills training, local employment and procurement
Creditors	High solvency Due repayment of debts and interest Mutual trust and cooperation	Due repayments Better communication and liaison Win

Good health and well-being	
Gender equality	Employment and employee benefits
Clean water and sanitation	Resource utilisation
Affordable and clean energy	Product responsibility
Decent work and economic growth	Employment and employee benefits Staff training and development
Industry, innovation and infrastructure	Occupational safety and health
Sustainable cities and communities	Public welfare and community engagement
Responsible consumption and production	Product responsibility Supply chain sustainability
 Climate action	Addressing climate change
Partnerships for the goals	Supply chain sustainability

2.3 Compliance with regulations for clean and ethical operations

engaging in other misconduct that harms the interest or reputation of the Group during a business activity will seriously disrupt the normal order and become a

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-Unfair

We have put in place a whistle-blowing mechanism and the related implementation measures. Currently, Paul Xiaoming Lee, Chairman of the Group and Mr. Li Xiaohua, Vice-chairman ang General manager of the Group directly receive clues or other complaint details. We have opened an email jianju@poly-energy.com to receive concerns from external suppliers. For every and each complaint or concern received, the Department of Legal Affairs and the Operational Management Centre of the Group will kick off a joint internal investigation to identify the root causes and senior management makes the decision. This is to ensure that all instances of failure to enforce internal rules impartially or actions that violate laws or regulations are reported and addressed efficiently. Any letters, proofs or documentation regarding the complaint or concern under investigation must not go to the unit or individual involved to avoid informaBT12c( )-188(f)-14()-188(o)13(r)-3( )-182ri8(f)-14()-18.TJETtJET.BT123(t)-4(i)

III. Taking care of the planet

Compliance with environmental protection laws and regulations is a basic requirement for enterprises to fulfill their social responsibilities; active involvement in green environmental protection is the primary task of enterprises to fulfill their environmental social responsibilities now and in the future. Adhering to an attitude of being responsible to society and the environment, the Group is well aware of the environmental protection responsibilities that must be undertaken as a corporate citizen. In the daily operation and development process, we continue to emphasize the importance of environmental protection, actively implement the green and low-carbon development strategy, minimize the negative impact of business development on the environment, and at the same time exert a positive impact.

3.1 Resource utilisation

Yunnan Energy attaches great importance to the economical use of natural resources and strictly observes the *Environmental Protection Law of the People's Republic of China*, *Environmental Impact Assessment Law of the People's Republic of China*, *Water Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China* and other laws and regulations, so as to build a resource-saving and environment-friendly enterprise, and strive to achieve the coordinated and sustainable development of people, resources and the environment.

Some of our businesses, such as the design, production and sales of BOPP (biaxially oriented polypropylene) plastic film, have obtained ISO14001:2015 environmental management system certification, ISO50001:2018 energy management system certification and ISO10012:2003 measurement management system certification. Each company has established an EHS (Environment, Health and Safety) department whose main responsibility is to supervise and evaluate, including setting annual safety accident prevention indicators, emission indicators, etc. The EHS department sets annual targets for the above indicators and distributes them to each factory. The factory is then allocated to various departments or production lines. For factories that have not completed the target, the Group will guide the rectification work, which specifically includes rewards and punishments such as system improvement, hardware investment and linking to year-end rewards.

We place resource conservation at a key position in our development strategy and operation methods, continuously improve the management system in terms of energy consumption management, optimize energy-saving measures, and are committed to continuous monitoring and continuous improvement of our energy resource efficiency performance.

In the production process, the Group uses electric energy and natural gas as the main energy sources, and sets specific targets for the consumption of electric energy and natural gas each year, and each production facility is equipped with water meters, electricity meters, and natural gas meters. Since the factory is order-based production, reducing energy consumption density is mainly achieved through scientific production scheduling, time optimization, and improvement of equipment production efficiency.

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In production, the consumption of water resources is mainly in the heat exchange inside the equipment, no special treatment is required, and it is generally directly recycled.

Energy and Resource Consumption in 2020

Index	Unit	Consumption in 2020
Energy		
Production electricity	kilowatts per hour	495,482,755.3

Exhaust emissions

The exhaust gas emissions produced by the Group mainly include greenhouse gas emissions, VOCs (volatile organic compounds) emissions, and ozone emissions. Among them, VOCs are mainly derived from workshop waste gas. . On the one hand, we continue to invest in exhaust gas recovery and treatment equipment to reduce emissions. For example, Zhuhai Energy invested in 6 sets of methylene chloride exhaust gas recovery and treatment equipment in 2020; On the other hand, we have installed monitoring equipment in the workshop. Once the concentration exceeds the preset concentration, an alarm will be issued to remind employees to evacuate. In 2020, the VOCs exhaust gas online monitoring system has been put into operation in

The Group is actively carrying out technological innovations to reduce hazardous waste emissions. We have replaced lipid inks with alcohol-based inks, and plan to further replace lipid inks with water-based inks in feasible usage scenarios. The factories strictly follow the waste classification and disposal regulations, and separate the kitchen waste generated in the canteen for dumping. At the same time, garbage classification instructions will be posted on the publicity boards in the workplace to help employees understand the waste classification method more clearly.

During the reporting pe
RMB 31.64 million, including the investment in environmental protection equipment. For example, Jiangxi Tongrui invested in a rotary regenerative combustion furnace as a gas recovery device. Through the combustion and oxidation treatment of organic solvent gases discharged from production equipment, the heat generated is returned to the production equipment for use. The VOC treatment efficiency is over 99.5%, which not only reduces emissions, but also reduces energy consumption.

During the reporting period, the Group did not violate laws and regulations in terms of exhaust gas, wastewater and waste discharge.

Pollutant emissions in 2020

Index	**Unit**	**2020 emissions**
Exhaust gas and greenhouse gas		
Sulphur dioxide	[redacted]	

research, and strive to develop and promote Green and low-carbon products and services lay the foundation for enterprises to further expand and become stronger, and make due contributions to the energy conservation and emission reduction of the whole society.

As of the reporting end, the Group had 5,040 employees, all signed labor contracts directly with the Group, neither part-time workers and nor outsourced workers. Employees by education background as follows:

	Headcount	Percentage
Doctor and above	8	0.2%
Master	77	1.5%
Bachelor	538	10.7%
College	1,124	22.3%
Technical secondary school and below	3,293	65.3%

Employees by position type as follows:

	Headcount	Percentage
Production	3,984	79.0%
Sales	94	1.9%
Technique	369	7.3%
Finance	86	1.7%
Administrative	507	10.1%

4.1.2 Expanding recruitment channels to cultivate talent

Having a talent pipeline that provides a stable inflow of high-quality talent can drive sustainable development.

Talent selection and recruitment

-line workers and high-end
-line

talent pool, including:

- We launch campus recruiting events in search of talent. In recent years, we have made it to East China University of Science and Technology, Donghua University, University of Shanghai for Science and Technology, Shanghai Second Polytechnic University, Shanghai Dianji University, Shanghai University of Applied Sciences, Wuhan University of Technology, etc. We have established a training base in partnership with Donghua University and

  establishment of the training base, we, in addition to recruiting talent, also aim to cultivate talent by providing opportunities for prospective graduates to practise what they have learned in the classroom; and
- We have established an internal recommendation mechanism. This is to promote the Group as an employer brand that offers competitive

In addition

-oriented subsidiaries are accompanied with a high-quality employee dormitory, canteen and other housing facilities. At more recently built factories in Jiangxi and Zhuhai, we have also provided sports and recreational facilities (e.g. basketball courts and activity rooms). When we acquire factories that do not have these facilities, we undertake renovation and expansion projects to add the housing fac
concerns and ensure that they have a convenient place to rest and refresh themselves.

Employee engagement activities

Appropriate employee engagement activities can help ease the pressure from fast-pace
to the Spring Festival holidays, we organise a year-end party, tea parties and other activities at each member entity based on their work schedules.

Annual dinners held in early 2020

Supporting employees in need

We care for our employees and readily help employees in need to promote a warm and harmonious work environment.

Every year, the senior management of the Group visits individual employees in difficulties on behalf of the Group to send holiday greetings and gifts to them during the Spring Festival holiday. To show our love and care, we have put in place relief funds and fundraising plans in case employees or their families suffer major illnesses and need financial support. In 2020, such relief funds were used to help an employee

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in Yunnan Energy who was seriously injured in a car accident and an employee in Zhuhai Energy who was diagnosed with leukaemia. We provided the employees with timely support.

We firmly believe that a warm and harmonious work environment lays the foundation for long-term growth of the Group as a whole.

icipal Bureau of Human Resources and Social Security and the Shanghai Federation of Trade Unions. This will encourage continuous investment in programmes to address employee needs.

Labour

4.2 Staff training and development

4.2.1 Systematic training programmes

Innovation is the driving force for enterprise development and talents are directors of technological innovation. We attach great importance to the cultivation of innovative talents in science, technology, management and other aspects, and provide employees with a comprehensive training system, enriched training resources and diversified learning programs. At the same time, we emphasise the integration of theory and practice and advocate learning during practice, so as to truly improve the capability to pursue scientific and technological innovation and management skills for better services and technical support for customers.

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We also established its own

Since its establishment, the training centre has been continuously launching new programmes for staff of various levels and positions. These programmes are

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designed to reflect the features of manufacturing, with an emphasis on learning in practice. Furthermore, these programmes can be classified into on-line programmes and on-the-spot programmes by instruction model, and pre-job training programmes (such as onboarding training, training programmes for newly promoted supervisors or managers) and on-the-

4.3 Occupational safety and health

4.3.1 Developing policies to ensure work safety

Safety is the cornerstone of domestic bliss, the source of social harmony, and the guarantee of enterprise development. Work safety secures the personal safety of employees and property safety of enterprise, and therefore constitutes an important part of the Group's operation and management. Thus, we pay relentless attention to work safety in our production to ensure the personal and property safety.

The Group strictly complied with the requirements of the *Work Safety Law of the People's Republic of China*, the *Basic Norms for Standardisation of Work Safety of Enterprises* and other laws and regulations, and has formulated 66 administrative systems for work safety, such as the *System for Management of Work Safety Objectives*, the *System for Work Safety Responsibilities*

Diseases, the *Regulations on the Management of Protective Equipment by Employers* and other relevant laws and regulations, and has formulated more than 40 management systems and documents including the *Management Manual for Occupational Health and Safety*, the *Occupational Health Management System*, and the *Management System for the Monitoring of Hazards to Occupational Health in Workplaces*

and are cleaned regularly;

- Power frequency electric field: insulated shoes, insulated gloves and protective masks are provided for employees, and tests are conducted regularly.

As at the end of the reporting period, the Group had not identified any cases in which an employee was suffering from an occupational disease.

4.3.3 Conducting training and emergency drills to enhance safety awareness

To ensure occupational health and safety, it is important to implement the relevant management systems, provide protective articles for employees, improve processes and facilities. But it is still more important that employees increase their safety awareness and master the skills to ensure safety in production activities and rescue themselves when they are in distress. Therefore, we attach importance to safety trainings and awareness campaigns, and regularly organise emergency drills to deal with emergencies.

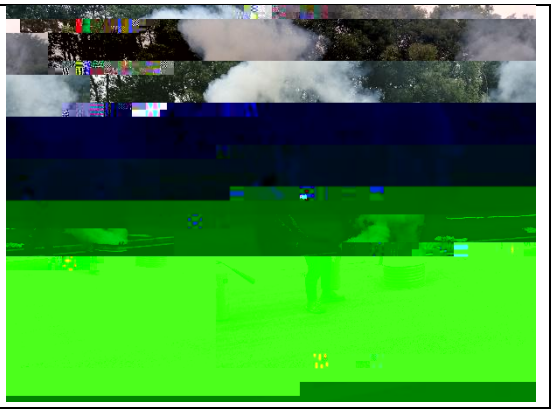
In order to effectively respond to safety risks in emergencies, emergency plans including the Emergency Plan for Fires, the Emergency Plan for Environmental Emergencies and the Emergency Plan for Accidents Endangering Production Safety

preparedness for emergencies.

As the raw materials, packages and finished products we need for production contain flammable materials (e.g. paper), we also pay special attention to fire control and strictly abide by *the Fire Control Law of the People's Republic of China*. Fire control trainings and drills are organised every year and fire control trainings are part of on-boarding trainings for new joiners. Employees are required to participate in annual fire control trainings to enhance their fire control awareness and skills.

Every June is the month for production safety campaigns. During this period, trainings on production safety and occupational health, and knowledge quizzes are

employees are required to participate.



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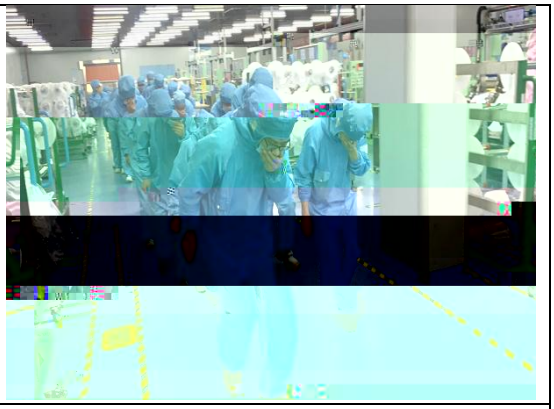

Employees taking part in emergency and fire drills

During the reporting period, the Group organised a total of 17 emergency drills and trainings, with a total of 6,451 participants, including special trainings for first-aid personnel, trainings on safety-related laws and regulations and on the use of fire equipment, fire drills and hazardous chemical drills.

Response to COVID-19:

In 2020, under the difficult circumstances resulting from COVID-19, the Group implemented measures for epidemic control purposes, resumed production in an

in difficulties. Replacements were assigned for employees who were unable to return to work and no employee was laid off due to COVID-19. We tried our best to provide necessities for employees in quarantine. For example, Zhuhai Energy New Material Technology Co., Ltd. lost no time in formulating COVID-19 control plans and emergency plans, clarifying the responsibilities of persons in charge at all levels and adopting the following measures:

- Performing checks on employees that were back to work, understanding each

  undergo a 14-day self-quarantine and work from home during this period. They should not return to work until confirming that they were all right. Each
  s was registered. We attached importance to the physical and mental health of, and brought comfort to, our employees who were required to stay in Hubei and other provinces.

- Measures were formulated to ventilate, disinfect and sanitate common areas. Office areas, canteens, dormitories, washrooms, and elevators were disinfected twice a day. Disinfecting wipes were provided in office areas and had sanitizers in washrooms and common areas. Desks were relocated in office areas to ensure distancing between desks. Employees were required to eat at canteens during specified time intervals. WeChat and videoconferencing and conference calls were preferred to avoid crowding.

- Checkpoints were set up at gates and everyone going in and out was required to wear masks and have their temperature checked; employees commuting by

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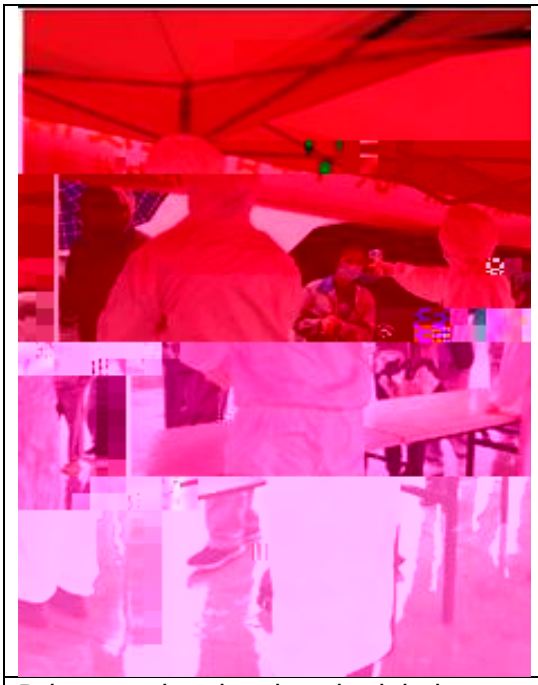
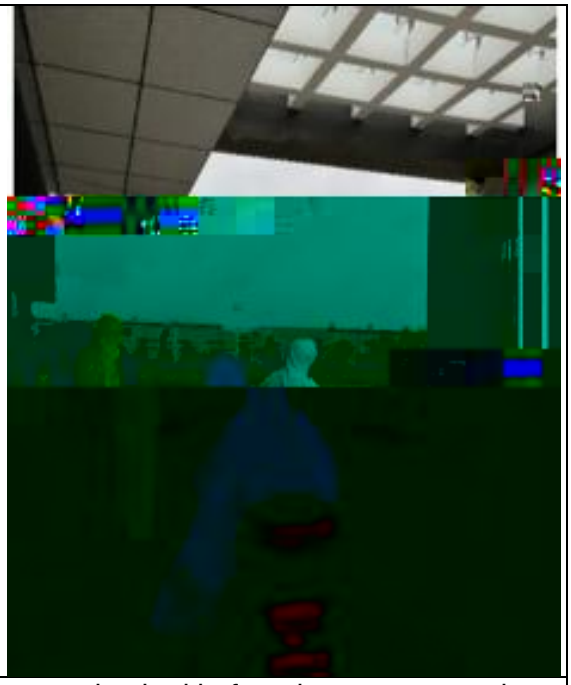
taking the shuttle bus were required to have their temperature checked one by one, disinfect their hands and register their temperature; the G
were fully disinfected after they are used.





Drivers and pedestrians had their temperature checked before the entrance to the

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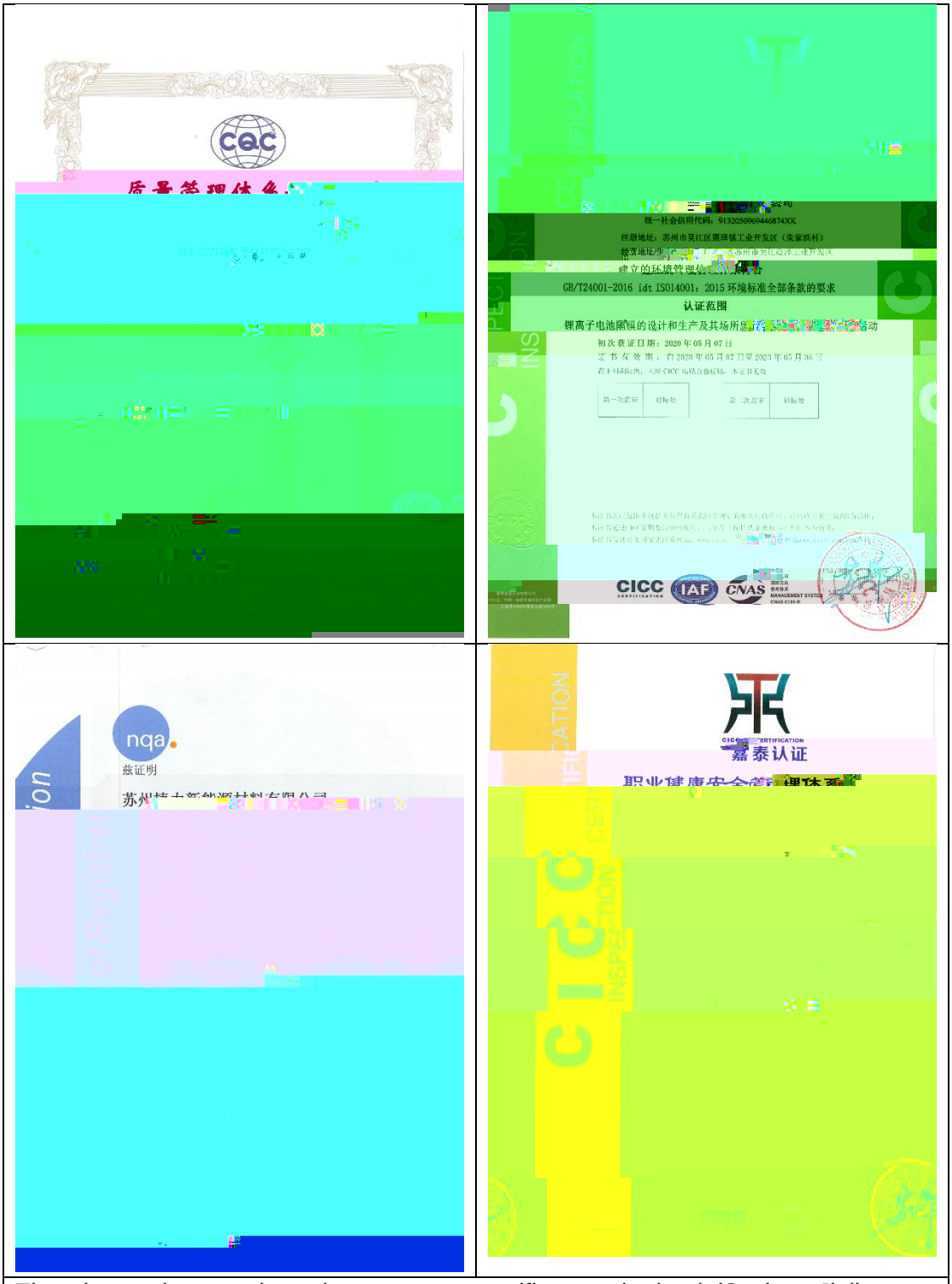

The above pictures show those system certificates obtained (Suzhou Jieli as an example)

In accordance with laws and regulations as well as system management requirements, we have set up a stringent product quality assurance process to ensure the quality of our products. The Quality Management Department of each factory is responsible for recording self-inspection and self-audit steps on a daily basis and providing analysis reports on eight dimensions, namely team formation, background description, corrective measures, cause analysis, improvement measures, verification of the effects of improvement measures, prevention of

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5.1.3 Focusing on innovation to protect property rights

The improvement of product quality hinges on technological innovation. To support technological innovation, internally, the Group has established a research institute under which there are eight research units and more than 200 professional researchers; externally, it has participated in technological cooperation with many scientific research institutes such as the Chinese Academy of Sciences. We are also actively cooperating with companies that possess leading intellectual property rights in professional fields. For example, Shanghai Energy New Materials and Teijin have signed a patent license agreement on solvent-based coating films for lithium-ion batteries, and are engaged in substantive cooperation on the provision of high performing, safe and cost competitive solvent-based separators for high-quality, high-density and large-capacity lithium-ion batteries.

We attach great importance to the protection of property rights. On the one hand, we proactively protect the intellectual property rights of the Group, and on the other hand, we respect the intellectual property rights of others to avoid infringement.

In accordance with *the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China* and other laws and regulations, we have established an Intellectual Property Department to clarify the standards and processes for the creation, use, management and protection of intellectual property rights of the Group. On the one hand, the Intellectual Property Department provides research personnel with t

from the perspective of intellectual property right

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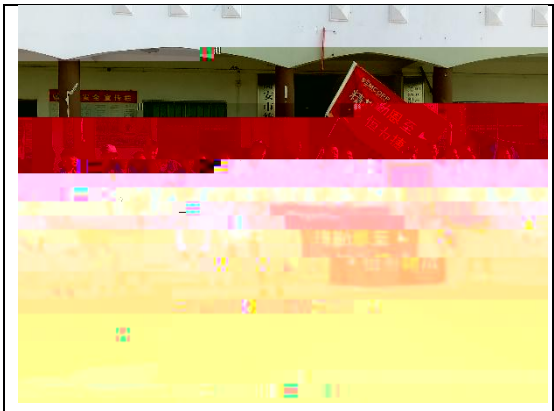
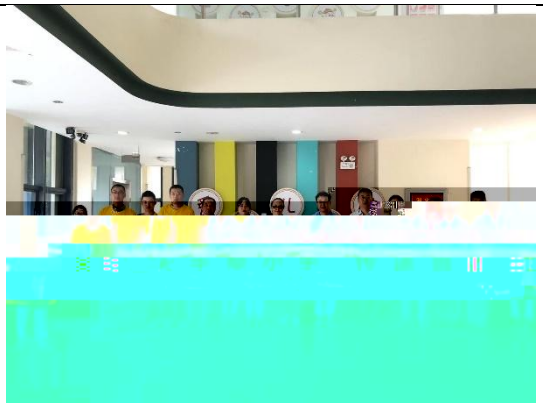
5.3 Charity and community participation

Co-existence and co-prosperity with the community is an important factor in promoting the steady development of enterprises. Over the years, while pursuing our





Staff members across China participate in various initiatives.

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19 pandemic, we still did our best and conducted various initiatives at the subsidiary level in 2020. For example, Zhuhai Energy organized employees to send warmth to nursing homes and needy families in September.

5.3.2 Facilitate epidemic prevention and act timely

Response to COVID-19

In 2020, we quickly took actions to fulfil our corporate citizen responsibility to join the nation-wide effort to fight against the COVID-19 outbreak. Shortly after the pandemic outbreak, we carried out donations in our headquarters and subsidiaries across China and donated a total of RMB 3 million to local charity organisations (e.g. the Red Cross Society of Yuxi City, Yunnan Province, Shanghai Charity Foundation, the Charity Society of Houqiao Street, Xishan District, Wuxi City, Jiangsu Province, the Red Cross Society of Gaoan City, Jiangxi Province, and the Red Cross Society of Zhuhai City, Guangdong Province) and donated goods and supplies worth of over RMB 30,000 to support these organisations in preventing and controlling the COVID-19 outbreak.

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We quickly responded to COVID-19 outbreak and made an initial donation of funds and goods in our subsidiaries across China.

Over the years, we have joined or organised employees to participate in a wide range of community service programmes for the well-being of local communities, and our efforts have been widely recognised. For example, Hongta Plastics (Chengdu)

Working Committee for the Care of the Next Generation, the Office of Cultural and Ethical Advancement, the Communist Youth League, and the Education Bureau of Wenjiang District in Chengdu City.

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Appendix

Industry Association

	assessed the light and thin ceramic coating film for power battery as "Excellent Innovative Technology and Product"

In 2020, the main honors received in terms of labor management are as follows:

Honored Company	Awards
Shanghai Energy	Awarded with the title of Shanghai Harmonious Labor Relations Standard Enterprise
Zhuhai Energy	Awarded by the Zhuhai Municipal Human Resources and Social Security Bureau as "Zhuhai City's Key Enterprise for Introducing University Graduates"
Chengdu Hongta Plastic	Awarded the "Five-Star Labor Union" by Chengdu Federation of Labor Unions

In 2020, the main honors received in terms of the market and economy are as follows:

Honored Company	Awards
Zhuhai Energy	Awarded the "Top 100 Zhuhai Enterprises in 2020" by Zhuhai Enterprise and Entrepreneurs Association and Zhuhai Economic Development Promotion Association
Zhuhai Energy	

Glossary of terms

Paraphrase		Paraphrase content
the Company	mean	Yunnan Energy New Materials Co., Ltd.
Enjie/ the Group/we	mean	the Company together with its subsidiaries and affiliated companies
ESG report/ this report	mean	Energy "2020 Environmental, Social and Governance Report"
Shenzhen Stock Exchange	mean	Shenzhen Stock Exchange

Feedback

Dear readers,

Thank you for reading this report. In order to continuously enhance and improve our management of sustainable development, we sincerely hope to hear your valuable opinions and suggestions. Please complete the content of this page and choose the following channels to give us feedback.

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