

Beijing Shougang Company Limited
2022 Annual Social Responsibility Report

19 April 2023

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Interpretation

I. Paraphrase

Item	Refers to	Contents
Company, the Company or Shougang, Shougang Co.	Refers to	Beijing Shougang Company Limited
The Articles of Association	Refers to	The Articles of Association of Beijing Shougang Company Limited
Rules of procedure for Shareholders' General Meeting	Refers to	Rules of Procedures for the General Meeting of Beijing Shougang Company Limited
Qiangang Co.	Refers to	Shougang Qian'an Iron&Steel Co., Ltd. (Branch of the Company)
Cold-R Co.	Refers to	Beijing Shougang Cold Rolling Co., Ltd. (Holding subsidiary of the Company, the Company holds 70.2806%)
New-E Co.	Refers to	Beijing Shougang New Energy Automobile Material Technology Co., Ltd. (Holding subsidiary of the Company, the Company holds 45.9184%)
Zhixin Co.	Refers to	Shougang Zhixin Qian'an Electromagnetic Materials Co., Ltd. (Holding subsidiary of the Company, the Company holds 75.3989%, New-E Co. holds 8.9042%)
Qian'an Metallurgical Co.	Refers to	Qian'an Shougang Metallurgical Technology Co., Ltd. (Wholly-owned subsidiaries of the Company)
Steel Trading	Refers to	Beijing Shougang Steel Trading Investment Management Co., Ltd. (Wholly-owned subsidiaries of the Company)
Qianshun Base	Refers to	The integrated production organization and product research and development system formed by Qiangang Co, located in Qian-an, Hebei province, and Cold-R Co., located in Shunyi District, Beijing.
Jingtang Co.	Refers to	Shougang Jingtang United Iron&Steel Co., Ltd. (Holding subsidiary of the Company, the Company holds 70.1823%, Steel Trading Co. holds 29.8177%)
Reporting Period	Refers to	From 1 January 2022 to 31 December 2022

II. Scope of the report

The 2022 Annual Social Responsibility Report of Beijing Shougang Co., Ltd. contains the performance of social responsibility of Beijing Shougang Co., Ltd. and its holding subsidiaries in 2022.

Note: This report is prepared based on the Chinese text and is prepared in both Chinese and English versions. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Section I. Overview

Beijing Shougang Co., Ltd. was exclusively initiated by Shougang Corporation (renamed Shougang Group Co., Ltd. in 2017) and established through public offering. It was listed on Shenzhen Stock Exchange in December 1999. The registered capital of the Company is RMB7,819,869,170.

Beijing Shougang Co., Ltd. has always adhered to the theme of "scientific development", the main line of "accelerating the transformation of economic development mode", the goal of "first-class products, first-class management, first-class environment and first-class benefits", adhering to the development policy of paying equal attention to social benefits, environmental protection and economic benefits, and constantly making progress in the efficient use of energy, energy conservation and emission reduction. The Company strives to build a digital iron and steel enterprise, and build a world-class green iron and steel enterprise with the common development of employees, enterprises, society and environment.

Section II. Protection of shareholders' interests

I. Corporate government

1. Corporate profile

In accordance with the Company Law, Securities Law, Governance Standards for Listed Companies, Listing Rules of Shenzhen Stock Exchange and other relevant laws, regulations, rules and normative documents, the company continues to deepen standardized operation, strengthen scientific governance, innovate interactive communication channels, maintain good investor relations, and constantly improve the construction of internal control system and comprehensive risk management system. The Company strictly performs the obligation of information disclosure and effectively improves the quality of corporate governance operation. The Company has the general meeting of shareholders, the board of directors, the board of supervisors and the management layer and other corporate governance structures. In 2022, the Company will continue to improve its management system and organizational structure according to market changes, operation, production and development needs. During the reporting period, the company had 6 holding subsidiaries: Shougang Zhixin Qian'an Electromagnetic Materials Co., Ltd., Shougang Jingtang United Iron & Steel Co., Ltd., Beijing Shougang Cold Rolling Co., Ltd., Beijing Shougang New Energy Automobile Material Technology Co., Ltd., Beijing Shougang Steel Trading Investment Management Co., Ltd., Qian'an Shougang Metallurgical Technology Co., Ltd.

2. Independence of the Company in terms of business, personnel, assets, institutions, finance, etc. relative to the controlling shareholders

The Company and its controlling shareholder maintain complete independence in business, personnel, assets, institutions, finance and other aspects. The Company has a complete procurement, production, marketing and management system, with complete product research and development institutions and personnel, with independent production and management ability.

II. General meeting

The Company shall determine the time and place of the general meeting of shareholders in accordance with the Articles of Association, the Rules of Procedure of the General Meeting and relevant provisions, and issues notice for the shareholders' general meeting in accordance with the provisions. The Company adopts the method of "on-site & online voting" to hold the general meeting of shareholders to ensure that the matters submitted to the general meeting of shareholders for deliberation and approval are in compliance with the law and ensure that shareholders, especially minority shareholders, exercise their rights.

In 2022, the Company held 5 general meetings of shareholders, deliberated and approved 22 proposals, including the 2021 Annual Report of the Board of Directors of Beijing Shougang Co., Ltd., the Proposal of Beijing Shougang Co., Ltd. 's cash acquisition of the pelletizing -sintering business Assets and Related Party Transactions of Shougang Mining Corporation., and the proposal of Beijing Shougang Co., Ltd.' s amendment of Articles of Association and its attachments.

The convening of the general meetings of Beijing Shougang Co., Ltd. is as follows:

Sessions	Type	Investor participation ratio	Date	Date of Disclosure	Index of disclosure
2022 First Extraordinary General Meeting	Extraordinary General Shareholders Meeting	81.73%	2022/03/18	2022/03/19	"China Securities Journal", "Securities Times", "Shanghai Securities News", Juchao Information Network (http://www.cninfo.com.cn)
2021 Annual General Meeting	Annual General Shareholders Meeting	83.64%	2022/06/29	2022/06/30	Ditto
2022 Second Extraordinary General Meeting	Extraordinary General Shareholders Meeting	83.35%	2022/09/09	2022/09/10	Ditto
2022 Third Extraordinary General Meeting	Extraordinary General Shareholders Meeting	27.96%	2022/11/15	2022/11/16	Ditto
2022 Fourth Extraordinary General Meeting	Extraordinary General Shareholders Meeting	83.98%	2022/12/23	2022/12/24	Ditto

III. Information disclosure

The Company performs its information disclosure obligations in accordance with relevant laws, regulations and regulatory documents, and the relevant provisions of the Shenzhen Stock Exchange. The Company establishes a normalized internal audit process for information disclosure, continuously improves the efficiency and quality of information disclosure, and ensures the truthfulness, accuracy, and completeness of information disclosure, and that there are no false records, misleading statements or major omissions. The Company should disclose information to investors in a timely and fair manner through the China Securities Journal, Shanghai Securities News, Securities Times, Security Daily and CNINFO.

In 2022, the Company completed 55 information disclosures and submitted 396 documents to Shenzhen Stock Exchange, including 217 public disclosure documents (including 100 newspaper announcements) and 179 documents for filing. The accuracy rate of information disclosure reached 100% throughout the year, and there was no need for correction or supplement.

IV. Profit distribution

Since the establishment of the Company, it has always attached great importance to the return of shareholders, and maintained the legitimate rights and interests of all shareholders, especially small and medium-sized shareholders. According to various regulations and related requirements issued by the regulatory authorities, the Company promptly revises and improves the terms of the profit distribution policy in the Articles of Association, and strictly implements the approval procedures. The standard and proportion of the Company's cash dividend are clear and definite.

According to the "Profit Distribution Plan of Shougang Co. 2021" reviewed and approved by the Company's 2021 Annual General Meeting of Shareholders on June 29, 2022, as the Company was promoting the issuance of shares to purchase assets and raise supporting funds and related party transactions, according to the relevant provisions of the Measures for the Administration of

Securities Issuance and Underwriting issued by China Securities Regulatory Commission, The Company does not carry out dividends this time, nor does it implement capital reserve to increase share capital. The Company intends to review and arrange matters related to profit distribution in accordance with relevant laws, regulations, rules, normative documents and the articles of association as soon as possible after the implementation of the transaction.

As of June 7, 2022, the Company has completed the implementation of issuing shares to purchase assets and raising supporting funds and related party transactions. The total share capital of the Company increased from 6,750,325,410 shares to 7,819,869,170 shares. In accordance with the company's articles of association and other relevant provisions, combined with the actual operation, the company intends to distribute the profits of 2021 and the first half of 2022 together.

In 2021 and the first half of 2022, the net profit attributable to the owner of the parent company in the consolidated statement of the company is RMB 934,021,480.93 (including RMB 802,053,622.97 in 2021 and RMB 131,967,857.96 in the first half of 2022). After withdrawing 10% of the statutory surplus reserve of RMB 93,402,148.09, the profit available for distribution to investors is RMB 840,619,332.84 (including RMB 721,848,260.67 in 2021 and RMB 118,771,072.16 in the first half of 2022).

According to the "2022 Interim Profit Distribution Plan" reviewed and approved at the second extraordinary General Meeting of shareholders of the Company in 2022 on September 9, 2022, the Company will distribute cash dividend of RMB 0.8 (including tax) for every 10 shares of the total share capital of 7,819,869,170 shares to all shareholders, with a total cash distribution of RMB 625,589,533.60, which accounts for 74.42% of the distributable profit of the parent company in 2021 and the first half of 2022. There is no conversion of capital reserve into share capital this time.

As of September 27, 2022, the implementation of the above profit distribution plan has been completed

V. Communication with investors

In 2022, the Company organized and held 2021 and 2022 first quarter performance presentation, 2022 semi-annual performance presentation and 2022 third quarter performance presentation to actively respond to investors, introducing the industry development prospects, the Company's operations and production activities and other information, and actively respond to investors' concerns as well. Among them, the semi-annual and third quarter performance presentation is held in the form of "online performance presentation" and "performance presentation for specific investors". The Company's senior executives conduct text Q&A interaction with small and medium investors on the Company's business performance through the investor relations interactive platform of Panorama, and interact with investors in real time.

The Company ensures smooth communication channels between the company and investors, maintains communication with investors through the interactive platform of Shenzhen Stock Exchange, investor consultation telephone and other ways, and organizes and answers more than 600 questions covering electrical steel, finance, capital operation, industry development and other aspects, with the number of answered questions increasing by more than 6 times year-on-year. In 2022, the Company maintains a voluntary information disclosure announcement in the form of

monthly production and operation bulletins to disclose the Company's monthly production and operation and output of key products, so as to facilitate the majority of investors to timely understand the Company's current production and operation situation and effectively improve the transparency of the Company.

Section III. Protection of Employee's Rights and Interests

I. Protection of employee interests

The Company strictly implements the provisions of national and Beijing laws, regulations, rules and normative documents, and participates in social insurance in accordance with laws and regulations. The Company has established a sound system to protect the rights and interests of employees in labor protection, labor remuneration, rest and vacation; For the retired employees, the company has adjusted their basic retirement fees according to the regulations of Beijing Human Resources and Social Security Bureau on adjusting the basic pension of enterprise retirees, which ensures their stable life. In view of the Company's transformation and efficiency improvement work, the company adheres to the people-oriented, including the completion of the diversion and resettlement work of employees, to ensure the ideological stability and work stability of the resettlement personnel, which realizes the harmonious development of employees and enterprises and maintains social harmony and stability.

The Company strictly abides by the provisions of laws, regulations, rules and normative documents such as Labor Law and Labor Contract Law, and strictly implements national regulations and standards in social security and labor rights protection for employees. First, the Company goes through labor relations filing procedures in accordance with policies and regulations, and the labor contract signing rate is 100%, without illegal employment; Second, the Company pays employees' salaries in full and on time and pays social insurance in accordance with regulations; Third, the Company strictly implements the national working hour system, and if it needs to be put on record for examination and approval, it will perform the examination and approval procedures in accordance with regulations; Fourth, the Company strictly implements policies for special groups such as work-related injuries, non-work-related injuries, female workers (pregnancy, childbirth, lactation) and etc.

The Company strictly implements the Special Provisions on Labor Protection for Female Employees, Provisions on the Scope of Forbidden Labor for Female Employees and other provisions, as well as the provisions of the company's labor protection and management measures for female employees, and realizes equality between men and women in equal pay for equal work, vocational education, technical training, promotion and promotion, and participation in democratic management of the enterprise. The Company organizes female employees to participate in female health lectures, and organizes female employees to carry out special physical examination, with the census rate reaching 100%, safeguarding the physical health and legitimate rights and interests of female employees.

The Company focuses on meeting the beautiful needs of employees, effectively serves the majority of employees, and actively carries out the work of sending warmth during festivals, sending cool and refreshing in summer, and sending care for major situations, which have continuously improved employees' happiness and sense of gain.

II. Safety in production

Qianshun Base and Zhixin Co. adhere to the guidance of safety culture, the construction of safety standardization as the main line, the construction of "dual control" mechanism as the core, and the essential safety management as the focus, to build a refined safety management system. Qianshun Base and Zhixin Co. independently develop the "dual prevention and control system of production safety", which takes the lead in realizing the digitalization, informatization and intelligence of "grassroots implementation, management supervision and leadership decision-making", and promotes the effective implementation of the main responsibility of production safety. Qianshun Base and Zhixin Co. carried out three-year special safety rectification action, took the two topics as the core, strengthened ideological guidance, consolidated responsibility, took multiple measures to build a long-term mechanism for production safety, completed 17 sub-plans of special rectification action, formulated 21 process safety standards, innovated 11 safety technologies, formed 7 national patents, and reduced the total value of on-site risk by 10% throughout the year. As a result, the security governance system and governance capacity have been comprehensively improved.

Jingtang Co. has further promoted the safety production responsibility system for all staff, paid close attention to the safety performance evaluation of leaders and key personnel, and deepened the work of "two pairs, two ends and one promotion". Jingtang Co. continues to promote the construction of dual prevention mechanism, carry out sorting out safety risks and accidents caused by risks, pay attention to the application of essential safety management thinking, enhance the ability of risk identification, control and elimination, and significantly improve the ability of major hazard sources and major risk control. Jingtang Co. promotes the construction of safety management information platform, builds 5 first-level processes, 26 second-level processes, 65 third-level processes, which realizes the deep integration of safety information with safety system and system, and greatly improves the efficiency of safety management. Jingtang Co. continues to promote essential safety management, carry out 82 essential safety research projects, comprehensively promote energy isolation lock listing, essential safety work has made new progress. Jingtang Co. implements the "nine-step working method" for risk identification and assessment of hot fire operation, promotes fire information management, and realizes closed-loop control of the whole process of 7 main links of hot fire operation. We will continue to strengthen the safety management of relevant parties, urge and guide the improvement of the safety management system, and constantly build a solid defense line of production safety. In 2022, Jingtang Co. successfully passed the external audit of occupational health and safety management system and the audit of Hebei A-level honest enterprise.

III. Professional training

In accordance with the national and Beijing Municipal Vocational Skills Improvement action plan, combined with the overall requirements of the construction of the workforce, Qianshun Base and Zhixin Co. take quality improvement, ability training and talent value-added as the core, adhere to the combination of theory and practice, learning and summary, and establish the "voyage" development system for the whole life cycle career of high-potential talents. According to the talent positioning needs of different levels, such as training reserve, backbone, core, key and strategy, Qianshun Base and Zhixin Co. design talent development and training projects at five levels, such as "wave, sail, set sail, pilot and pilot", to form a continuous and progressive high-potential talent training and development map, which is continuously promoted in stages and

levels. Qianshun Base and Zhixin Co. formulate a series of talent training implementation projects according to the characteristics of talent ability and growth factors at different stages, effectively realize the unified guidance of high-potential talent training of the three talent sequences and accelerate talent growth. Qianshun Base and Zhixin Co. organized and completed more than 130 training programs at all levels throughout the year, realizing full coverage of the three talent teams of operation and management, professional technology and skill operation, providing strong support for building a team of employees with both political integrity and ability and excellent quality, and constantly enhancing enterprise cohesion and high-quality development.

Jingtang Co. focuses on improving the quality and ability of the staff and continues to expand and grow into a talent platform. Jingtang Co. establishes the correct orientation of personnel selection and employment, pays attention to practical training in undertaking urgent, difficult and heavy tasks, holds training classes for middle management personnel and rotation training classes for grassroots management personnel, implements "seedling" training and "hanging up" learning for young backbone, and strengthens the construction of management personnel. Jingtang Co. gives full play to the advantages of school-enterprise joint training, and holds the second phase of high-end compound technical personnel training class to improve the ability of professional and technical personnel. Jingtang Co. continues to carry out skills competition and hierarchical training of team leaders to improve the operation skills of staff. Jingtang Co. explores the differentiated training path of graduates, focuses on the "Qinglan" training plan, and strengthens the training of reserve force.

IV. Labor union activities

The Company earnestly implements the work requirements of All-China Federation of Trade Unions, Beijing Federation of Trade Unions and Hebei Federation of Trade Unions, and fully performs the work of trade unions to safeguard the legitimate rights and interests of employees. The Company is dedicated to serving the basic responsibilities of the workers and the masses, adhere to the service of the overall situation as the center, to harmony as the goal, to the workers as the fundamental, to the grassroots as the focus, closely around the company's operation and production objectives and tasks, hold trade union cultural and sports activities, enrich the leisure cultural life of the workers.

Qianshun Base and Zhixin Co. around the celebration of the 20th Party Congress held a series of activities such as "Welcome the 20th Party Congress, the heart of the workers to the Party" and "Welcome the 20th Party Congress, the history of the Party in the song" theme concert, unite and lead the workers to listen to the party, follow the party, for the development of the company to gather strength. Qianshun Base and Zhixin Co. organized the establishment of Shougang staff choir to participate in the 33rd TV drama "Flying Sky Award" and the 27th TV literature and art "Starlight Award" award ceremony, and sang "Pilot" and other songs to win honors for the enterprise. Qianshun Base and Zhixin Co. organized a series of activities in 2022 Spring Festival Garden party, including guessing lantern riddles, sharing New Year's taste, manual art exhibition, online sports meeting and other activities, with more than 10,000 people participating. In order to enrich the leisure cultural life of employees and ensuring production and supply, Qianshun Base and Zhixin Co. held an online series of activities, which attracted more than 400 participants and more than 100,000 votes. Qianshun Base and Zhixin Co. organized employees to participate in the

Beijing Federation of Trade Unions 2022 "Warm March, care for the Mind" female employees psychological care service week activities, care and care for female employees, further enhance the cohesion of the enterprise.

Jingtang Co. focuses on the needs of workers' cultural and sports activities, takes the workers' cultural festival as the main line, and relies on the cultural and sports association to carry out various forms of mass cultural and sports activities to create a high and enterprising cultural atmosphere. Jingtang Co. held the 2022 Employee Innovation Festival, organized a series of activities such as innovation work exchange meeting, employee innovation achievement exhibition, big country craftsman lecture hall and innovation tour to create an innovative atmosphere for all employees, which was highly praised by China Machine-Metallurgical Building Materials Trade Union and Beijing Federation of Trade Unions. Jingtang Co. held the "12th Staff Cultural Festival", organized a series of activities such as 10km mini marathon, vigorous walking and basketball league, which continuously enriched the connotation of "healthy Jingtang, artistic Jingtang and literary Jingtang". During major traditional festivals, Jingtang Co. has carried out a series of online activities such as fitness for all staff, answering questions and drawing prizes, guessing lantern riddings and welfare, with a total participation of more than 150,000 people. Jingtang Co. holds a series of interesting garden tour activities, carry out "summer 'home' time" garden tour activities, which create a harmonious and festive atmosphere. Jingtang Co. continues to expand the service capacity of "staff mind station", add intelligent physiological screening robots and other professional equipment, and carry out staff psychological services. "Staff Mind Station" of Jingtang Co. won the 2022 "Beijing Excellent Staff Psychological Service Boost Project". The trade union of Jingtang Co. was awarded as "Advanced Unit of Economic and Technical Work of Trade Union of National Mechanical and Metallurgical Building Materials Industry".

Section IV. Honest Operation, Protection of Suppliers' and Customers' Rights and Interests

I. Operate in good faith according to law

The Company adheres to operating in good faith in accordance with the law. During the reporting period, no case of the Company and its directors, supervisors and senior managers being investigated by competent authorities, taken compulsory measures by judicial authorities or disciplinary inspection departments, transferred to judicial authorities or investigated for criminal responsibility, nor was any commercial bribery problem found.

Firstly, Qianshun Base and Zhixin Co. are committed to the construction of disciplinary education system. Qianshun Base and Zhixin Co. do a good job in publicity and education of party conduct and clean government, and carry out systematic anti-corruption education and training. By holding clean employment warning education and training courses, Qianshun Base and Zhixin Co. have achieved full coverage of training for personnel in positions with business disposal authority. Qianshun Base and Zhixin Co. carry out publicity themed activities in the Communist Party branch to achieve full coverage of education in the Party branch. Qianshun Base and Zhixin Co. through the way of explaining specific cases, to achieve full coverage of Communist Party member education. Second, Qianshun Base and Zhixin Co. strengthen the restriction and supervision of power operation. Qianshun Base and Zhixin Co. strengthen the dynamic management of the supervision objects, comprehensively check the key supervision objects, find the integrity risk points in the business process, and make prevention and control measures for the risk points, including the job rotation of the personnel with the power of business disposal in accordance with the regulations, so as to further build the integrity risk prevention and control management system. Qianshun Base and Zhixin Co. strengthen the supervision of the "key minority", "top leader" and leading group, and urge the key personnel to conduct interview and remind conversation and honesty and self-discipline education conversation according to the authority in charge. Third, Qianshun Base and Zhixin Co. comprehensively cultivated enterprise honesty culture. Qianshun Base and Zhixin Co. participated in the collection of "Clean air Beijing · Clean Family" family style works, to boost the construction of clean culture with good family style construction. Qianshun Base and Zhixin Co. organized the third clean Culture Month activities, held family style theme exhibition, signing the clean proposal, watching the film to send messages, publicize the red family style story, family love to help clean, clean culture knowledge competition and other special activities, to build a good family style in the new era, so that the construction of clean culture into the construction of corporate culture. Establish the integrity concept of "work and clean integration, diligent and clean government as one".

Jingtang Co. earnestly implements the requirements of the anti-fraud system, adheres to the integrated promotion of dare not be corrupt, cannot be corrupt, do not want to be corrupt, establishes and improves the "five-in-one" clean government risk prevention and control system, and puts an end to commercial bribery. Jingtang Co. strengthens the risk prevention and control of clean government in key areas, strengthens the supervision of the implementation of measures, actively promotes the construction of "Clean Jingtang" clean culture, continues to deepen the

education of "Clean Jingtang" clean working, and guides cadres and employees to use their rights clean, cultivate their morality clean and form a family clean. Jingtang Co. strengthens the integrity construction with relevant parties, and actively creates a clean environment.

II. Protection of rights and interests of suppliers and clients

1. Protection of rights and interests of suppliers

In order to protect the rights and interests of suppliers, the Company does the following measures:

First, the Company revised the Procurement and Supplier Management Measures to establish a supply chain system with integrity, high quality, stability and sustainable competitiveness as the goal, adhere to the principle of equality, win-win and development, strengthen supplier evaluation, optimize and improve bulk raw fuel evaluation indicators. Second, the Company promotes IATF16949 system certification, and according to functional material requirements and annual supply quality, the Company formulated "functional material spare parts two party audit work plan arrangement", in order to strengthen the source control, which promotes the sound development of the supply chain system. Third, the company actively promotes fairness and justice in procurement business and strengthens compliance management. The Company issued the Procurement Management Measures for Raw Fuel Materials, which standardized the procurement method, optimized the business process, unified the procurement text, promoted the online quotation of the supplier system, avoided the tedious offline data transmission of suppliers, and avoided the risk points of procurement business. The above measures have improved the procurement efficiency.

Fourth, the Company promotes suppliers to actively implement carbon reduction actions. The carbon reduction and green procurement business promoted by the Company reduces the carbon emissions of upstream suppliers. The Company has developed a survey questionnaire with 22 questions in 9 categories by identifying key suppliers and carrying out field measurement of carbon emissions. Meanwhile, the company has also formulated the LCA work promotion plan for the next year, which will be gradually implemented according to relevant requirements. Fifth, the Company strengthens the construction of party conduct and clean government. The Company adhere to the party member zero violation of discipline as the central task, to this end, the Company carries out "speak laws and regulations, learn cases, talk about experience" and other activities, but also through the compilation and distribution of "honesty and self-discipline week tips", "read honesty" "honesty" and other forms of clean government education manual, these measures will further strengthen the party members and cadres, business disposal power personnel clean practice ideological defense line. The Company continues to implement the spirit of the eight-point regulations of the CPC Central Committee, and supervises and inspects special items such as official vehicles, bidding and official reception for violations. The Company sorted out the risk points of integrity, and formulated prevention and control measures, including issuing the "Integrity Notification Letter" to suppliers, so as to remind and inform suppliers of integrity, and jointly manage the construction of integrity with suppliers.

2. Protection of rights and interests of clients

Guided by meeting user needs, the Company adheres to the responsibility mission of "service creates value" in practicing user service, which further improves differentiated service ability and enhances the Company's service brand image. The Company continues to strengthen service

management through the collection and transmission of client information, closed-loop management of demands, list of problems and collaborative management of listing supervision. The rapid response of front-line service work and the rapid solution of combined production line and R&D resources can quickly solve product quality problems, which improve customer experience. By improving the star rating system of resident representative, the Company has strengthened the construction of new energy and Japanese service team. The product quality performance analysis model established by the Company efficiently supports the timeliness and accuracy of service. Through the production, marketing and research coordination platform of monthly customer service regular meetings, the Company promoted 114 client problems to form a closed loop. The platform handled 581 customer complaints and objections and responded to 178 customer needs throughout the year. At the same time, the front-line service capacity of the Company has also been greatly improved, with the simple and easy judgment objection processing rate of 93%, accounts for 48% of the total number of objections. In 2022, the Company won the "Special Contribution Award" of BYD as the only steel enterprise, the "Partner Progress Award" of FAW Volkswagen, the "Best Partner Award" of Geely Automobile, the "Excellent Supplier" of CIMC and China Railway Shanjiao, and received letters of thanks from 31 companies including Shaanxi Auto and Titan Steel Pipe for their supply. All this shows that the Company's "manufacturing + service" recognition continues to improve.

In 2022, as the only steel enterprise, the Company won the BYD "Special Contribution Award", FAW Volkswagen "Partner Progress Award", Geely Automobile "Best Partner Award", CIMC and China Railway Shanjiao "Excellent Supplier" and 16 other awards. Meanwhile, the Company received thank-you letters from 31 companies such as Shaanxi Automobile and Julong Steel Pipe for supply assurance, and win-win cooperation. The recognition of the Company's "manufacturing+service" continues to increase.

The Company insists on fair cooperation with customers in accordance with the requirements of clean government construction, which is legal and compliant. The Company has strengthened the requirements of honesty and self-discipline between employees and customers in marketing activities to protect the relevant rights and interests of customers. The Company has set up "Party conduct and clean government supervision public boards" in prominent positions in the marketing office area, and explored the use of intelligent marketing, 3PL office system and other information means, which opens up the supervision and reporting channels of customers and service management objects, forming a new all-weather, no-dead corner supervision mode.

III. Responsibilities for product quality

Qianshun Base and Zhixin Co. with high station standard, high standard requirements, high efficiency to promote the total quality management. Qianshun Base and Zhixin Co. focus on the quality management work of "reducing spot as the main line," double Ten "as the starting point, and consolidating the quality control ability of the whole process" as the core. And Qianshun Base and Zhixin Co. adhere to the customer-centered, high quality, low cost manufacturing purpose, and continue to reduce quality loss. Qianshun Base and Zhixin Co. continue to focus on the "Double Ten" research, in order to concentrate the superior strength to overcome the internal bottlenecks and external focus problems of the process. At the same time, Qianshun Base and Zhixin Co. linked the closing evaluation index with the spot reduction, and a total of 17 projects

completed the plan throughout the year, with a standard rate of 81%. Among them, the solution of focus problems such as "improving the O5 hit rate of the whole process of automobile outer panel" and "efficient production of the whole process of steelmaking" has improved Qianshun Base and Zhixin Co.'s manufacturing capacity, product quality and customer satisfaction. Qianshun Base and Zhixin Co. also improved their process control ability by strengthening the tracking and inspection mechanism of quality inspection, weekly kanban and monthly meeting assignment. In 2022, the Kanban management process will continue to be promoted for 48 periods, focusing on 9 key works and completing 8 plans, with a completion rate of 89%.

Jingtang Co. regards product quality as the life of the enterprise, and has been committed to the continuous improvement of product quality and customer satisfaction. First, Jingtang Co. has steadily promoted the construction of quality management system. With the production line of the first and second phase of the project construction, the scope of quality management system certification has been extended to all products of the company. Jingtang Co. and obtained the first new version of IATF16949 certificate in the iron and steel industry in 2017. According to the process classification proposed by IATF16949 automobile industry, it is divided into customer oriented process (COP), management process (MP) and support process (SP). Jingtang Co. has established a system for management. Second, Jingtang Co. has steadily improved its process capacity, promoted the implementation and integration of SPC, MSA, FMEA, APQP and other quality tools, which has improved product quality consistency and the excellent and good rate of key products SPC reached 93.5%. Third, Jingtang Co. focuses on the bottleneck quality problems and continues to overcome the problems of user concerns, production line quality bottlenecks and product shortcomings in the way of three-level "listing supervision". Finally, the completion rate of the above indicators reaches more than 85%. Fourth, through the effective support of information technology, relying on the intelligent scheduling system and refined production organization, Jingtang Co. has formed the integrated management mode of production, marketing, research and transportation and improved the contract delivery capacity, resulting in the overall contract fulfillment reaching more than 97%.

Section V. Environmental Protection and Green Development

In accordance with the requirements of laws, regulations, rules and normative documents such as Air Pollution Prevention and Control Law of the People's Republic of China, Clean Production Promotion Law of the People's Republic of China, Ecological Environmental Protection Regulations of Hebei Province, Ultra-Low Emission Standards of Air Pollutants in the Iron and Steel Industry, the company has established a sound professional management organization and environmental protection management system, and adheres to the long-term mechanism of environmental protection and green development. Strictly abide by the environmental protection related laws and regulations, improve the professional management system, post operation rules and environmental protection facilities operation records, environmental protection facilities efficient operation. In 2022, Qiangang Co. and Jingtang Co. will continue to maintain the "A-level" enterprises in environmental performance evaluation of Hebei Province.

During the reporting period, all pollutants of the Company are discharged up to standard, which is reflected in the 100% completion rate of total pollutants and 100% standard rate of pollutant environmental protection. At the same time, the Company's environmental protection equipment and facilities synchronous operation rate of 100%. The Company has no major environmental or other major social security issues.

I. Environmental protection related policies and industry standards

The policies and industry standards related to environmental protection implemented by the Company and its subsidiaries mainly include: Environmental Protection Law of the People's Republic of China, Cleaner Production Promotion Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Environmental Pollution Prevention and Control Law of the People's Republic of China by Solid Waste, Noise Pollution Prevention and Control Law of the People's Republic of China, Soil Pollution Prevention and Control Law, Environmental Impact Assessment Law of the People's Republic of China, Regulations on the Administration of Pollutant Emission Permits, Regulations of Hebei Province on Ecological and Environmental Protection, Ultra-Low Emission Standards of Air Pollutants for the Iron and Steel Industry, Regulations of Tangshan City on Ecological and Environmental Protection, etc.

II. Administrative license for environmental protection

During the reporting period, Qiangang Co. successively completed the transformation project of steel slag production line pressing ball line drying equipment and the EIA approval work of nine general decline project, which ensured the compliance of environmental protection projects in accordance with the law. In September 2017, Qiangang Co. obtained a new version of sewage discharge permit issued by Tangshan Ecological Environment Bureau of Hebei Province. In November 2022, Qiangang Co. extended the sewage discharge permit and obtained a new version of the sewage discharge permit, which is valid until 29 November 2027.

Jingtang Co. adheres to the principle of attaching equal importance to production development and environmental protection, so it carries out environmental impact assessment of construction projects strictly in accordance with the Environmental Impact Assessment Law of the People's Republic of China. In the process of project implementation, Jingtang Co. carries out construction strictly in accordance with the EIA approval, and all construction projects are supporting the construction of environmental protection facilities, environmental protection approval procedures are complete, which meets the requirements of "three simultaneous" management of environmental protection. In August 2017, Jingtang Co. obtained a new version of the sewage discharge permit issued by Tangshan Environmental Protection Bureau, which enabled the construction of the second-phase one-step project to proceed smoothly. In April 2019, Jingtang Co. completed the change of sewage discharge permit and obtained relevant certificates, and incorporated the sewage discharge outlet of the second-phase one-step project into standardized management. In August 2020, Jingtang Co. completed the extension of the sewage discharge permit, with the validity period extended to August 2025. In February 2023, the permit was renewed again, this time extending until February 2028.

In strict accordance with the Environmental Impact Assessment Law of the People's Republic of China, Regulations on Pollutant Emission Permit Management and other laws and regulations, according to the requirements of pollutant emission permit and EIA management, Zhixin Co. continues to improve the post-emission permit management work, and continues to do a good job in EIA and acceptance. In August 2022, Zhixin Co. went through the procedures for changing the sewage discharge permit, which is valid until July 2026. In July 2022, Zhixin Co. completed the approval procedures for the environmental impact report form of the construction project of the environmental protection capacity improvement project of the wastewater station.

In October 2017, Cold-R Co. obtained the first pollutant emission permit for key enterprises in Shunyi District, Beijing. In September 2020, Cold-R Co. submitted an application for the renewal of the sewage permit in accordance with relevant regulations, and in October 2022, the application passed the government review, which extended the validity of the permit to October 2025.

III. Pollutant emission

All pollutants generated by the Company have been discharged in an organized and up to standard. Please refer to the attachment for the discharge in 2022

IV. Pollutant disposal

Each production process of Qiangang Co. is equipped with perfect environmental protection facilities, which will be regularly monitored by qualified testing departments. The test results prove that all dust removal facilities achieve ultra-low emission and the emission concentration of bag dust collector reaches less than 10 mg/m³. The key pollution sources of Qiangang Co. are equipped with 56 sets of online monitoring systems, including 1 set of online monitoring system for water pollution, which are all connected with the ecological environment department. The online monitoring system is compared and monitored quarterly by a qualified monitoring company, which ensures that the data is true and reliable. Qiangang Co. attaches great importance to saving water resources and reducing wastewater discharge, so it has invested in the construction of two sewage treatment plants, and the construction of deep water desalting station, which adopts the

international advanced membrane treatment process, can all the wastewater generated in the production process after treatment and recycling, so the water recycling rate of Qiangang Co. reaches 98.4%.

Jingtang Co. has desulfurization denitrification and other waste gas treatment facilities, which can be highly efficient treatment of all kinds of waste gas, but also built complete dust removal facilities, the measures using bag dust removal, plastic burning plate dust removal, electric dust removal and other ways to remove particulate matter; Coke oven flue gas is removed by moving bed calcium desulfurization +SCR denitration process. The sintering and pellet were removed by circulating fluidized bed desulfurization and SCR denitration process. Desulfurization of self-built power plant adopts seawater desulfurization +SCR denitration process to remove, and dense coherent tower desulfurization +SCR denitration process to blast furnace hot blast furnace. Jingtang Co. has complete wastewater treatment facilities, including coking phenol cyanide sewage treatment system, continuous casting wastewater treatment system, hot rolling, cold rolling, medium thickness plate, steel rolling wastewater treatment system and comprehensive sewage treatment station, etc. At the same time, the production wastewater generated by steelmaking and other processes is treated into the comprehensive sewage treatment station for treatment, so as to achieve coupling zero discharge of wastewater. Jingtang Co. has complete solid waste treatment facilities, including the construction of rotary hearth furnace - zinc resource recycling project, slag fine grinding cement production line, etc., to achieve comprehensive utilization of solid waste. During the reporting period, all the above environmental protection facilities ran well, and all processes in the whole process reached ultra-low emission standards.

Zhixin Co. continues to promote pollutant emission reduction. According to the "Green project" transformation plan, Zhixin Co. has completed the denitrification transformation of source treatment project CA1/2/4, which effectively reduces nitrogen oxide emissions. Zhixin Co. reached the ultra-low emission standard of Hebei Province, thanks to the continuous environmental protection capacity improvement project. According to the requirements, Zhixin Co. has completed the networking of 5 video monitoring systems and 3 CEMS, which provides data support for improving the level of environmental protection management.

During the reporting period, the pollution prevention and control facilities of Cold-R Co. maintained efficient operation, and all combustion exhaust gas was generated by using clean fuel natural gas through low nitrogen burners, which minimized the concentration of pollutants. The dust generated in the production of Cold-R Co. is disposed of by coated bag dust collector, and the filtration effect reaches 99.99%. The wastewater generated by the cold rolling company is treated by physical, chemical, biochemical and membrane processes and discharged after treatment. The emission concentration of all pollutants of Cold-R Co. maintains the leading level in China, and the emissions are far lower than the permitted emissions.

V. Environmental self-monitoring programme

According to the Measures for Self-Monitoring and Information Disclosure of State Key Monitoring Enterprises (Trial), Measures for Supervisory Monitoring and Information Disclosure of Pollution Sources of State Key Monitoring Enterprises (Trial) and other relevant provisions, Qiangang Co. has established and improved the pollution source monitoring and information disclosure system and formulated the Pollutant Emission Monitoring Plan for 2022, and strictly

implemented it. In 2022, all environmental monitoring projects were entrusted to qualified third-party institutions for monitoring, and Qiangang Co. actively organized and coordinated self-monitoring work and completed monthly monitoring tasks, which strengthened the management of online monitoring operation and maintenance units and achieved 100% annual monitoring completion rate in 2022. Qiangang Co. fully completed the annual national pollution source monitoring information disclosure work, up to 100%.

The environmental monitoring system of Jingtang Co. consists of automatic monitoring and manual monitoring. The manual monitoring system is entrusted to a third-party testing institution. The automatic monitoring regularly conducts environmental monitoring on pollution sources, waste gas, waste water, noise, radioactive sources and other items in the plant according to the Self-Monitoring Plan of Key Monitoring Enterprises in 2022, and forms monitoring data and reports at the same time. The monitoring plan for 2022 has been completed, and all environmental control indicators have reached the standard.

Zhixin Co. adheres to green development, strictly observes the bottom line of environmental protection, and fully implements the main responsibility of enterprise environmental protection. In 2022, Zhixin Co. will achieve zero pollution of environmental protection, 100% synchronous operation of environmental protection facilities, and 100% smooth passing of environmental protection inspection. According to relevant laws and regulations, Zhixin Co. formulates self-monitoring plans and strictly implements them. While entrusting qualified third-party institutions to conduct monitoring, Zhixin Co. also actively organizes self-monitoring work. In 2022, Zhixin Co. carried out self-monitoring 75 times, reaching the standard rate of 100%.

Cold-R Co. shall formulate its own monitoring plan in accordance with the requirements of laws and regulations and sewage discharge permit, entrust a qualified third-party organization to monitor pollutants on a weekly, monthly and quarterly basis, and upload the data to the government-designated information disclosure system. The emission targets of pollution sources will all meet the standards in 2022.

VI. Contingency plan

No ecological and environmental emergencies occurred in the Company and its holding subsidiaries in 2022.

In accordance with the Environmental Protection Law of the People's Republic of China and other laws, regulations, rules and normative documents, Qiangang Co. has formulated the Emergency Plan for Environmental Emergencies. On this basis, Qiangang Co. also formulated three special plans respectively: Atmospheric Special Emergency Plan for Environmental Emergencies, Water Special Emergency Plan for Environmental Emergencies and Hazardous Waste Special Emergency Plan for Environmental Emergencies, which further improved the emergency disposal capacity of air pollution, water pollution and hazardous waste emergencies.

Jingtang Co. identified gas storage cabinets, pipelines, benzene storage tanks, acid storage tanks, liquid ammonia storage tanks and other dangerous chemicals and toxic and harmful substances production and storage areas as emergency rescue dangerous targets. According to the requirements of Shougang Jingtang United Iron&Steel Co., Ltd. 's Emergency Treatment Plan for Environmental Emergencies (Fourth Edition), in 2022, Jingtang Co. carried out 25 emergency

drills such as oil leakage emergency drill, oily sludge leakage emergency drill and radiation accident emergency drill, which ensures that Jingtang Co. can effectively carry out rescue in accordance with the requirements of the Plan. At the same time, the emergency drills also improve the skills and actual combat ability of preventing and dealing with sudden environmental pollution accidents.

In accordance with the requirements of laws and regulations, Zhixin Co. has prepared and put on record the Emergency Plan for Environmental Emergencies, which mainly consists of atmospheric special plan, water special plan, hazardous waste disposal, risk assessment, emergency resource investigation, on-site disposal plan and other plans. In 2022, Zhixin Co. mainly conducted drills for acid leakage, gas leakage and other risk points. Through the drill, Zhixin Co. found problems and rectifies them in time, which enhanced the company's ability to deal with environmental emergencies.

In accordance with the requirements of laws and regulations, Cold-R Co. has prepared and put on record the Emergency Plan for Environmental Emergencies. According to the plan, Cold-R Co. organizes drills in each workshop every year according to the requirements of the plan, through which problems are found and rectifies in time, which enhances Cold-R Co.'s ability to deal with environmental emergencies.

VII. Environmental protection input and environmental protection tax

During the reporting period, Qiangang Co. continued to implement 29 continuous improvement projects such as flue gas treatment of blast furnace hot blast furnace, increase of denitration facilities for heating furnace of hot rolling section, denitration improvement of three-fired particulate matter emission and desulfurization ash transformation, new electric dust removal and fan for the primary line of desulfurization in recycling industrial park, with an annual investment of RMB 785 million. In 2022, Qiangang Co. paid RMB 10.2702 million of environmental protection tax, with a reduction of RMB5.8853 million.

Jingtang Co. promoted the implementation of 13 key environmental protection and deep treatment projects, including hot rolling furnace desulfurization, blast furnace hot blast furnace flue gas denitrification, and sleeve kiln flue gas denitrification, with the annual investment of RMB 436 million. In 2022, RMB 23.21 million of environmental protection tax was paid, with a reduction of RMB 9.4064 million.

Zhixin Co. effectively reduced pollutant emissions by increasing environmental protection treatment facilities, with an annual investment of RMB 9.8 million. In 2022, RMB 759,100 was paid for environmental protection tax, with a reduction of RMB 143,800.

Cold-R Co. actively promoted environmental management and protection work, with an annual investment of RMB 52.636 million. In 2022, RMB 698,300 was paid for environmental protection tax, with a reduction of RMB 207,400.

VIII. Carbon emission reduction measures and effects

In order to accelerate the implementation of national industrial policies in the company, the Company scientifically and standardized to promote the development of "carbon management" activities, the company organized the preparation of Shougang Low-carbon Action Plan and

Shougang Low-carbon Development Organization Implementation Plan, including the formulation of phased goals, clear realization path and determined the schedule and roadmap. This undoubtedly accelerated the company to build a green and low-carbon development pattern. The company actively carries out carbon reduction tests, builds LCA basic models for carbon reduction technology, and carries out carbon reduction effect accounting. The Company has completed the environmental product statement (EPD) report and release of hot rolled steel plate and steel strip products in two bases, which strongly supports the green manufacturing of products. The Company started the third-party low-carbon certification work in response to the policies related to the carbon border adjustment mechanism.

Jingtang Co. focuses on the implementation of the "dual carbon" strategy and actively promotes the clean development of energy structure. Jingtang Co. continues to strengthen the basic capacity construction of carbon management, vigorously promote the green upgrading of low-carbon process, steadily layout revolutionary deep decarbonization technology research, simultaneously promote process carbon reduction and source carbon reduction, and enter the green electricity market transaction and purchase green electricity for the first time. To meet customers' carbon reduction needs, Jingtang Co. has steadily promoted the construction of LCA system, released EPD of weathering steel, completed the application of green products of key brands such as high-strength steel, and created a brand image of green manufacturing.

Zhixin Co. focuses on the implementation of the "dual carbon" strategy and actively promotes the clean development of energy structure. Zhixin Co. continues to strengthen the basic capacity construction of carbon management, promote the transformation of burner and SCR, vigorously promote the green upgrading of low-carbon process, and steadily layout revolutionary deep decarbonization technology. Zhixin Co. simultaneously promotes process carbon reduction and source carbon reduction, and actively promotes green electricity use and photovoltaic construction. In 2022, photovoltaic power generation was 2,594,800kwh. To meet customers' carbon reduction needs, Zhixin Co. has steadily promoted the construction of LCA system, completed the green design product application work for two series of products, oriented electrical steel and non-oriented electrical steel for new energy vehicles, and obtained national recognition, and created a green manufacturing brand image.

Cold-R Co. adheres to the concept of green development and integrates carbon reduction into the whole process of development and into all links of production and operation. By adjusting the product structure in 2022, Cold-R Co. increased the proportion of high value-added products and further reduced energy consumption, meanwhile, the carbon emissions decreased by 4.3% year-on-year through such as market procurement of green electricity and photovoltaic power generation and other measures.

IX. Administrative supervision and management

During the reporting period, neither the Company nor its holding subsidiaries were punished by regulatory authorities in respect of environmental protection. At the same time, the Company urges the shareholding companies to abide by the Environmental Protection Law of the People's Republic of China and other laws, regulations, rules and normative documents.

X. Other environmental protection related information

On the basis of adhering to the work of environmental protection, Qiangang Co., Jingtang Co., Zhixin Co. and Cold-R Co. monitor and manage the national pollution source information and sharing platform and the website of the government environmental protection department, as well as establish the information publication platform by themselves. This propagates and displays environmental protection information such as enterprise environmental protection projects, operation of environmental protection facilities, name and emissions of main pollution sources, monitoring methods, name of monitoring indicators, comprehensive utilization of solid waste and so on. This is one of the ways that the company takes the initiative to accept social supervision.

In order to develop circular economy and low-carbon economy, build resource-saving, environment-friendly and low-carbon oriented enterprises, and achieve sound and rapid development of the company, the Company started the preparation of environmental responsibility report at the end of 2016, covering the preparation scope of Qiangang Co., Jingtang Co., Zhixin Co. and Cold-R Co. and other subsidiaries. In April 2022, the Company's website (<http://www.sggf.com.cn>) released the 2021 Annual Environmental Responsibility Report of Beijing Shougang Co., Ltd.

Section VI. Public Relations and Social Welfare

Based on enterprise development, the Company actively returns to the society, carries forward the volunteer spirit of "dedication, friendship, mutual assistance and progress", earnestly fulfills the responsibility of social assistance, and actively participates in social public welfare undertakings.

I. Volunteer service

Qianshun Base and Zhixin Co. have set up Shougang Youth Volunteer service team around major events such as the Beijing Winter Olympics to ensure the smooth development of all work. Eight young volunteers and three members of the Youth Commandos for service and support of the Winter Olympic Games won "special awards" for service and support of the Winter Olympic Games. A volunteer group has been set up to guarantee the needs of female workers in factories, and a "daily Necessities guarantee group for female workers in factories" has been set up to pay attention to the needs of female workers in factories and help them solve practical difficulties one on one.

Jingtang Co. set up a youth volunteer service team to contribute to the service guarantee of large-scale activities, and show their youthful style in a number of "urgent, difficult, dangerous and heavy" tasks. In the Winter Olympic Games, Winter Paralympic Games, Beijing Service Trade Fair and other large-scale activities, the young volunteers of Beijing and Tang actively participated in, were willing to contribute, and completed their work tasks with careful and thoughtful service.

II. Endowment drives

On the basis of the condolence of all staff during the Spring Festival, Qianshun Base and Zhixin Co. visited and visited 420 key personnel such as employees in need, injured and sick workers, backbone model workers and veterans, and issued hardship subsidies of RMB308,000. Qianshun Base and Zhixin Co. paid condolences to the front-line production workers and public security police who stuck to their posts during the Spring Festival, and paid condolences to the 245 employees and 1,610 support employees in Beijing and Qinhuangdao who could not go home during the Spring Festival and Dragon Boat Festival holidays, held summer hosting classes, and organized medical and rest work for 177 employees, which solved their worries. Qianshun Base and Zhixin Co. organized summer condolence activities, and sent 6,300 pieces of condolence goods to all employees. Qianshun Base and Zhixin Co. organized the "Offering Love" fundraising activity in 2022, raising RMB412,500, and settled 450 mutual insurance claims of RMB1.18743 million for in-service employees. In the special love and relief activities in Beijing, Qianshun Base and Zhixin Co. helped 186 people and donated RMB258,000, and helped 6 workers with gradient difficulties and donated RMB30,000. Qianshun Base and Zhixin Co. launched the employee health care plan, which selected 26 pilot teams to promote employee health management, and studied and formulated the three-year Construction Plan for improving the quality of life of Employees of Beijing Shougang Co., Ltd.

Jingtang Co. actively carried out the heart-warming service project, organized "two festivals" to send warmth, visited 1,100 key representatives of model workers and employees in need, and paid

RMB780,000 of condolence money. Jingtang Co. carried out the "golden autumn education" activity, which provides financial aid to the children of poor workers. Jingtang Co. organized 33 employees' children to participate in summer care classes, which solved the worries of employees. Jingtang Co. organized the "Offering Love" fundraising activity, the donation of RMB455,000. Jingtang Co. applied for Shougang Poverty Relief Fund for 42 employees with a total amount of RMB882,000, handled special security assistance of RMB1.48 million for 7 employees, handled assistance and assistance for 60 employees with a total amount of RMB270,000, and handled 751 mutual insurances for employees with a total amount of RMB1.85 million.

III. Energy conservation and emission reduction will help protect blue sky

In response to the national energy conservation and emission reduction policy, Qiangang Co. uses the waste heat of blast furnace slag water to provide heating for nearly 1.6 million square meters of the factory and local schools, hospitals and communities, replacing the original coal-fired boiler for heating, reducing the emission of pollutants such as sulfur dioxide and carbon dioxide, and helping to protect the blue sky.

IV. Expanding achievements in poverty alleviation and helping revitalize rural areas

1. According to the Opinions of the Central Committee of the Communist Party of China on Continuously Appointing the First Secretary and Task Force to Key Villages, the deployment of the Organization Department of the Party Committee of Beijing Municipal Committee and the deployment of the State-owned Assets Supervision and Administration Commission of Beijing, and the arrangement of the Organization Department of the Party Committee of Shougang Group Co., Ltd., the Company and Jingtang Co. each appoint a staff member to serve as the first secretary of the collective economically weak villages of Beijing. Under the leadership of the local Party committee and government, they conscientiously performed their duties and contributed to the implementation of the rural revitalization strategy.

2. The Company actively fulfills its social responsibilities, expands the achievements of poverty alleviation, implements poverty alleviation through consumption, and helps rural revitalization. In 2022, the Company purchased RMB3.387 million of agricultural materials for poverty alleviation in paired assistance areas.

Conclusion

In 2023, Shougang Co., Ltd. will implement the concept of "people-oriented, honest management, efficient development, mutual benefit and win-win, and contribution to society", always adhere to the same with the times, customers, shareholders and employees, and strive to build a new generation of metallurgical demonstration enterprise of "circular economy, energy saving and environmental protection, clean and efficient". The Company strives to maximize the interests of all parties in its business activities, so as to learn from and contribute to the society, actively fulfill its social responsibilities, and help build a harmonious society.

Beijing Shougang Company Limited

19 April 2023

Shougang Co., Ltd. 2022 Annual Pollutant Emission

Name of Company or Subsidiary	Types of major pollutants and characteristic contaminants	Names of major pollutants and characteristic contaminants	Way of Discharge	No. of drains	Distribution of emission drains	Emission concentration	Implemented pollutant emission standards	Total emissions (tons)	Total approved emissions (tons)	Emissions exceed the standard
Qiangang Co.	Water pollutant	COD (Chemical Oxygen Demand)	Direct	1	Wastewater discharge port	3.64mg/L	50mg/L	1.5596	648.399	No
Qiangang Co.	Water pollutant	Ammonia Nitrogen	Direct	1	Wastewater discharge port	0.197mg/L	5mg/L	0.086025	64.899	No
Qiangang Co.	Air pollutants	Sulfur Dioxide	Organized	32	Power station boiler chimney, sintering machine head flue gas outlet, pellet roasting flue gas outlet, CCPP combustion exhaust gas, blast furnace hot blast furnace outlet, steel rolling heating furnace outlet, white ash kiln roof, sleeve kiln roof	Sintering, pelletizing < 9.54mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 24mg/m ³ power generation < 22mg/m ³	Sintering, pelletizing < 35mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 50mg/m ³ power generation < 35mg/m ³	883.6218	1698.055	No
Qiangang Co.	Air pollutants	Nitrogen Oxides	Organized	32	Power station boiler chimney, sintering machine head flue gas outlet, pellet roasting flue gas outlet, CCPP combustion exhaust gas, blast furnace hot blast furnace outlet, steel rolling heating furnace outlet, white ash kiln roof, sleeve kiln roof	Sintering, pelletizing < 38mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 34mg/m ³ power generation < 33mg/m ³	Sintering, pelletizing < 50mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 150mg/m ³ power generation < 100mg/m ³	1545.339	3493.843	No
Qiangang Co.	Air pollutants	Particulate Matter	Organized	129	Power station boiler chimney, sintering machine head flue gas outlet, pellet roasting flue gas outlet, blast furnace iron field dust removal, blast furnace silo dust removal, steelmaking converter secondary dust removal, converter primary dust removal, CCPP combustion exhaust gas, hot rolling heating furnace exhaust gas, environmental dust removal, material transfer exhaust gas	Sintering, pelletizing < 3.5mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln, other environment < 7.5mg/m ³ power generation < 4mg/m ³	Sintering, pelletizing < 10mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 10mg/m ³ power generation < 5mg/m ³	2036.834	2524.85	No
Jingtang Co.	Air pollutants	Sulfur Dioxide	Organized	42	Boiler chimney of power station of thermoelectric branch plant, flue gas outlet of sintering machine head, flue gas outlet of pellet roasting, primary flue gas dust removal 1#, primary flue gas dust removal 2#, secondary flue gas dust removal 2#, secondary flue gas dust removal on silo of 1# and 2# blast furnace, secondary dust removal from 1# decarbonization converter, secondary dust removal from 2# decarbonization converter, coke oven chimney 3 emissions Port, coke pushing machine ground station discharge port, coke dust removal 3 discharge port, dry extinguishing dust removal 3 discharge port, dry extinguishing dust removal 4 discharge port, 7# converter secondary dust removal, CCPP combustion exhaust gas, 6# converter secondary dust removal, etc	Sintering, pelletizing < 15mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 25mg/m ³ coke oven flue gas < 15mg/m ³ coal-fired power generation < 10mg/m ³	Sintering, pelletizing < 35mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 50mg/m ³ coke oven flue gas < 30mg/m ³ coal-fired power generation < 35mg/m ³	2022.4	2965.74	No

Beijing Shougang Co. Ltd Annual Social Responsibility Report 2022

Name of Company or Subsidiary	Types of major pollutants and characteristic contaminants	Names of major pollutants and characteristic contaminants	Way of Discharge	No. of drains	Distribution of emission drains	Emission concentration	Implemented pollutant emission standards	Total emissions (tons)	Total approved emissions (tons)	Emissions exceed the standard
Jingtang Co.	Air pollutants	Nitrogen Oxides	Organized	38	Boiler chimney of power station of thermoelectric branch plant, flue gas outlet of sintering machine head, flue gas outlet of pellet roasting, primary flue gas dust removal 1#, primary flue gas dust removal 2#, secondary flue gas dust removal 2#, secondary flue gas dust removal on silo of 1# and 2# blast furnace, secondary dust removal from 1# decarbonization converter, secondary dust removal from 2# decarbonization converter, coke oven chimney 3 emissions Port, coke pushing machine ground station discharge port, coke dust removal 3 discharge port, dry extinguishing dust removal 3 discharge port, dry extinguishing dust removal 4 discharge port, 7# converter secondary dust removal, CCGP combustion exhaust gas, 6# converter secondary dust removal, etc	Sintering < 25mg/m ³ pelletizing < 30mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 50mg/m ³ coke oven flue gas < 45mg/m ³ coal-fired power generation < 30mg/m ³	Sintering, pelletizing < 50mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 150mg/m ³ coke oven flue gas < 130mg/m ³ coal-fired power generation < 50mg/m ³	5231.9	6379.92	No
Jingtang Co.	Air pollutants	Particulate Matter	Organized	176	Boiler chimney of power station of thermoelectric branch plant, flue gas outlet of sintering machine head, flue gas outlet of pellet roasting, primary flue gas dust removal 1#, primary flue gas dust removal 2#, secondary flue gas dust removal 2#, secondary flue gas dust removal on silo of 1# and 2# blast furnace, secondary dust removal from 1# decarbonization converter, secondary dust removal from 2# decarbonization converter, coke oven chimney 3 emissions Port, coke pushing machine ground station discharge port, coke dust removal 3 discharge port, dry extinguishing dust removal 3 discharge port, dry extinguishing dust removal 4 discharge port, 7# converter secondary dust removal, CCGP combustion exhaust gas, 6# converter secondary dust removal, etc	Sintering, pelletizing < 5mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 8mg/m ³ coke oven flue gas < 8mg/m ³ coal-fired power generation < 5mg/m ³	Sintering, pelletizing < 10mg/m ³ blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 10mg/m ³ coke oven flue gas < 10mg/m ³ coal-fired power generation < 10mg/m ³	2745.5	4330.44	No
Zhixin Co.	Air pollutants	Sulfur Dioxide	Organized	50	Continuous annealing furnace, regular annealing furnace, decarbonization annealing furnace, ring furnace, hot drawing furnace	<30mg/m ³	30mg/m ³	5.048	45	No
Zhixin Co.	Air pollutants	Nitrogen Oxides	Organized	50	Continuous annealing furnace, regular annealing furnace, decarbonization annealing furnace, ring furnace, hot drawing furnace	<100mg/m ³	100mg/m ³	33.978	131.649	No
Zhixin Co.	Air pollutants	Particulate Matter	Organized	69	Acid regeneration, continuous annealing furnace, constant annealing furnace, decarbonization annealing furnace, ring furnace, hot drawing furnace, scoring	Acid regeneration < 30 mg/m ³ , heat treatment furnace, score < 10 mg/m ³	Heat treatment furnace, pull straightening machine, finishing and shot blasting: 10 mg/m ³ , acid regeneration: 30 mg/m ³	16.31	19	No
Cold-R Co.	Water pollutant	COD	Organized	1	Wastewater stations	8.36-15.93 mg/m ³	30mg/m ³	21.345	67.5	No
Cold-R Co.	Water pollutant	Ammonia Nitrogen	Organized	1	Wastewater stations	0.01-0.71 mg/m ³	1.5(2.5) mg/m ³	0.1681	3.937	No
Cold-R Co.	Air pollutants	Sulfur Dioxide	Organized	8	Around the plant	3 mg/m ³	Furnace and dust removal chamber: 20 mg/m ³ ; boiler room: 10 mg/m ³	3.8524	18	No
Cold-R Co.	Air pollutants	Nitrogen Oxides	Organized	8	Around the plant	Furnace and dust removal chamber: 1-97 mg/m ³ ; boiler room: 1-79 mg/m ³	Furnace and dust removal chamber: 100 mg/m ³ ; boiler room: 80 mg/m ³	49.326	99.58	No
Cold-R Co.	Air pollutants	Particulate Matter	Organized	10	Around the plant	Furnace and dust removal chamber: 1-9 mg/m ³ ; boiler room: 1-4.43 mg/m ³	Furnace and dust removal chamber: 10 mg/m ³ ; boiler room: 5 mg/m ³	18.5014	18.75	No