

Stock Code: 300109



# 2023

## Environmental, Social and Governance (ESG) Report

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Boai NKY Medical Holdings Ltd.

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# About This Report

This is the first Environmental, Social and Governance Report (ESG Report) issued by Boai NKY Medical Holdings Ltd. (hereinafter referred to as “NKY” “Company” or “We”). This report provides a detailed disclosure of the Company’s environmental, social and corporate governance practices and performance in 2023 based on the principles of objectivity, standardization, transparency and comprehensiveness.

## ○ Reporting Scope

The subject of this report is Boai NKY Medical Holdings Ltd., including Boai NKY Pharmaceutical Ltd., Wuhan Heer Medical Technology Development Co., Ltd., Eastwin Scientific Equipments Inc., Changsha Sanji Bio-technology Co., Ltd. and Shanghai NKY Precision Medicine Technology Co., Ltd.

## ○ Time Range

The reporting period of this report covers from January 1, 2023 to December 31, 2023. For the purpose of making the report more comparable and forward-looking, some of the content appropriately refers back to previous years or has forward-looking descriptions. This report is issued on an annual basis, consistent with the financial year.

## ○ Compilation Basis

- *Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market (2023)*
- Chinese Academy of Social Sciences, *China CSR Reporting Guide (CASS-ESG 5.0)*
- *Global Reporting Initiative (GRI Standards) (2021)*
- Sustainable Development Goals of the United Nations
- State-owned Assets Supervision and Administration Commission of the State Council *Guiding Opinions on the Performance of Social Responsibilities by Central Enterprises*

## ○ Data Interpretation

The sources of data used in the report include raw data of the Company’s actual operation, public data from government departments, annual financial data, relevant internal statistical statements, third-party questionnaires, third-party evaluation interviews, etc. The financial data in this report are expressed in RMB, and in case of any inconsistency with the financial report, the financial report shall prevail.

## ○ Explanation of Terms

Subject	Content
NKY, Company, We	Boai NKY Medical Holdings Ltd.
NKY Pharmaceuticals	Boai NKY Pharmaceuticals Ltd.
Tianjin NKY	Tianjin Boai NKY Internationals Trade Ltd.
German NKY	Boai NKY Chemical GmbH (Germany)
NKY Biotechnology	Boai NKY Biological Technology Co., Ltd.
Beijing NKY	Beijing NKY Precision Medicine Technology Co., Ltd.
Heer Medical	Wuhan Heer Medical Technology Development Co., Ltd.
Sanji Bio-technology	Changsha Sanji Bio-technology Co., Ltd.
Genergy Bio-Technology	Genergy Bio-Technology (Shanghai) CO., Ltd.
NKY (Jiaozuo) Polymer Materials	NKY (Jiaozuo) Polymer Materials Co., Ltd.
NKY(Shanghai)	NKY (Shanghai) Medical Technology Co., Ltd.
Shanghai NKY	Shanghai NKY Precision Medicine Technology Co., Ltd.
Huadiao Biopharma	Huadiao (Shanghai) Biomedical Co., Ltd.
Eastwin	Eastwin Scientific Equipments Inc.

## ○ Assess to the Report

This report is published in electronic form and the digital version of the report can be downloaded from the websites of Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) or Boai NKY Medical Holdings Ltd. ([www.boai-nky.com](http://www.boai-nky.com)) for more Company information. The report is published in both Chinese and English version. If you have any questions and suggestions about the report, you can send an e-mail to ([board.sec@nkygroup.cn](mailto:board.sec@nkygroup.cn)) or can call 0391-8696320.

## ○ Feedback

If you have any questions or suggestions about the Company’s sustainable development, please feel free to contact the Company through the following contact information to help us make continuous improvements to our reports.

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# Statement of Chairman

Looking back to the challenges we've overcome, we remain true to our original aspirations so that to win more success. 2023 was a very critical year in the history of the Company's development. In the context of national Carbon Peaking and Carbon Neutrality policy and the new situation of increasingly fierce market competition and rapid technological progress, we maintained the spirit of "breakthrough", the momentum of "innovation", and the style of "getting things done". And under the guidance of annual work policy, we adjusted ourselves according to the situation, actively responding to new challenges, fully achieving various business objectives, and continuing to write a new glory for the Company.

**Solidify governance for steady progress.** In 2023, we were always committed to improving the Company's governance system, maintaining communication with investors, ensuring compliance disclosure of information with openness and transparency. At the same time, we continuously strengthened internal control and upheld business ethics to lay a solid foundation for the Company's sustainable development. In addition, we adhered to party building to lead high-quality development and made a contribution to the Company's growth and the revitalization of the nation.

**Going green for environment protection.** In 2023, we continued to optimize the environmental management system, clarify and implement the environmental responsibility system, strengthen environmental risk management, and enhance the emergency response capability of our staff. To be specific, we actively carried out environmental protection training, and advocated green office, strictly controlled the three wastes and ensured that the emissions are up to the standard. Moreover, we strengthened the management of water resources, and endeavored to build a water-saving Company, so that we could practice our commitment to the earth with actions.

**Strengthen cooperation for win-win situation.** In 2023, adhering to the concepts of quality first and production safety, we continued to improve the quality management system, supplier assessment and grading management to promote the digital transformation of the supply chain. And the responsibility system for production safety was completely implemented and a solid bottom line for production safety was built with the help of the intelligent safety and emergency comprehensive supervision platform. Moreover, in order to meet customer satisfaction, we strengthened the management of the customer complaint process and after-sales service, so as to effectively safeguard the rights and interests of customers.

**Strive for excellence by innovation.** In 2023, more efforts were put to increase the introduction of research and development personnel to inject vitality into the development of innovation. And we constantly explored and introduced new technologies, stimulated the transformation of scientific and technological achievements, fully grasping the market opportunities and deepening product development, structural adjustment and technological innovation. At the same time, we also protected our intellectual property rights through intellectual property rights investigation, training and other means.

**Joint hands for the development of Boai.** In 2023, we implemented equal and democratic management to ensure that employees could give full play to their potential and realize their personal values. To be more specific, we continuously improved the training system to provide employees with diversified learning and development opportunities to help them grow. In the way, it could optimize the occupational health and safety management system to safeguard the occupational health of employees.

**Enthusiastic dedication for presenting the images of Boai.** In 2023, we carried out employee physical examination and established mental health care system with all-round attention to the physical and mental health of employees. In detail, through the provision of Chinese New Year benefits and other ways, we showed love and care to the retirees. Additionally, we devoted into the charitable associations of the Joint General Association of Scholarships, donations to combat natural disasters and other public welfare projects, to give back to the community and pass on the positive energy through actions.

It is the best time to create a better future. In 2024, we will stick to the original aspiration of "Diligence and Innovation", strive to open up new fields and new tracks in the development of PVP industry and give birth to more new technologies and new industries. All in all, we aim to write a new chapter of high-quality development with better services and products, contributing to the development of China's new polymer materials, functional chemicals and pharmaceutical products in China.



Chairman of NKY

张早政

# About NKY

## Company Profile

Boai NKY Medical Holdings Ltd (NKY, stock code: 300109) is a leading company to research, develop and manufacture polyvinylpyrrolidone (PVP) series products in China. With more than 30 years' experience, we have made great progress in improving the production technology and automatic control level, perfecting the industrial chain structure, expanding the production scale and improving the quality management level. We occupy an important position in the global PVP industry pattern, and are also one of the leading enterprises capable of producing PVP products and high-purity vinyl ether intermediates in China. Based on the production of health care products and Precision Medicine Sector services, we are committed to technological innovation and new product development. With the aim of sustainable development and the concept of fraternity, we are devoted to researching technology and quality, serving the general public and creating a better life.

### Boai NKY Medical Holdings Ltd.



Group Organization Chart

# Milestones of Development

Looking back on the vibrant development process of more than thirty years, we have experienced ups and downs. With the spirit of exploration, we forge ahead courageously and continuously grow through hard work, rising and thriving in adversity. A series of historical moments witnessed our magnificent transformation from nothing to something, from small to large.



**1987** NKY founded and became the first PVP manufacture in China.

**1995** The establishment of the first branch factory.

**2003** Completion of the restructuring of private enterprises.

**2006** Formation of an international marketing team and introduction of the chief scientist, Mr Herbert Wilhelm Ulmer (Herbrt).

**2008** Established Tianjin Boai NKY International Trade Ltd. Researched and development of OraRez series products, which were currently the only benzene-free PVM/MA series products globally.

**2009** Annual production reached 4,000 tons. Converted into a joint stock company and prepared for IPO(Initial Public Offering).

**2010** Listed on Shenzhen Stock Exchange as a public company and issued 9 million shares to raise RMB 270 million.

**2011** Construction of the project with an annual output of 10,000 tons of vinyl methyl ether/maleic anhydride copolymer and 10,000 tons of polyvinylpyrrolidone commenced.

**2013** The first phase of the project with an annual production capacity of 10,000 tons of vinyl methyl ether/maleic anhydride copolymer and 10,000 tons of polyvinylpyrrolidone was completed and moved to the new plant.

**2014** Planning Fine Chemicals Sector and healthcare dual-main business strategy, merging and acquiring three precision medicine companies, Sanji Bio-technology, Wuhan Heer Medical and Genergy Bio-Technology, which passed the approval of the Securities and Futures Commission (SFC) in 2015.

**2015** Becoming the first pharmaceutical excipient production enterprise in China to obtain EXCiPACT GMP Certificate. Completed the construction of the "Healthcare Service Platform" and NKY healthcare.

**2018** The new R&D Centre in Jiaozuo was inaugurated. The Company's factory passed the US FDA (for the second time) third party audit.

**2020** Construction has started on the Precision Medicine Sector Industry Base in Songjiang, Shanghai.

**2022** Started the construction of PVP series new material project in Jiaozuo Zhongzhan Chemical Engineering Park.

**2023** The first phase of the NKY (Jiaozuo) polymer materials project was completed and put into production. Shanghai Songjiang Precision Medicine Sector Industry Base was put into production.

# Enterprise Culture



## Corporate Philosophy

Innovation, Dedication to Tasks, Broad Origins and Enduring Flow.

NKY, with the long accumulation of history, always maintains the dynamic spirit of innovation, adheres to the belief of dedication to tasks, and seeks a sustainable future.

Xin: NKY has always been concerned about and committed to the forefront of medical technology, research and development concepts, technology and equipment, customer experience, management systems, etc. We insist on being close to or leading the forefront with a dedicated, innovative mindset and proactive approach, akin to fresh growth on a whetstone, enduring like the beginning.

Kai: We focus on developing and researching technology, mastering cutting-edge medical concepts, transforming the most advanced scientific research achievements in medical science into applications, and bringing the most suitable life and health technology solutions to the most needed social audience.

Yuan: NKY was founded with a focus on the medical field, dedicated to exploring the truth of diseases and improving the quality of life. With a compassionate heart that remains unchanged, we aim for enduring development and broad impact. Remembering the original aspiration is the key to persistence.

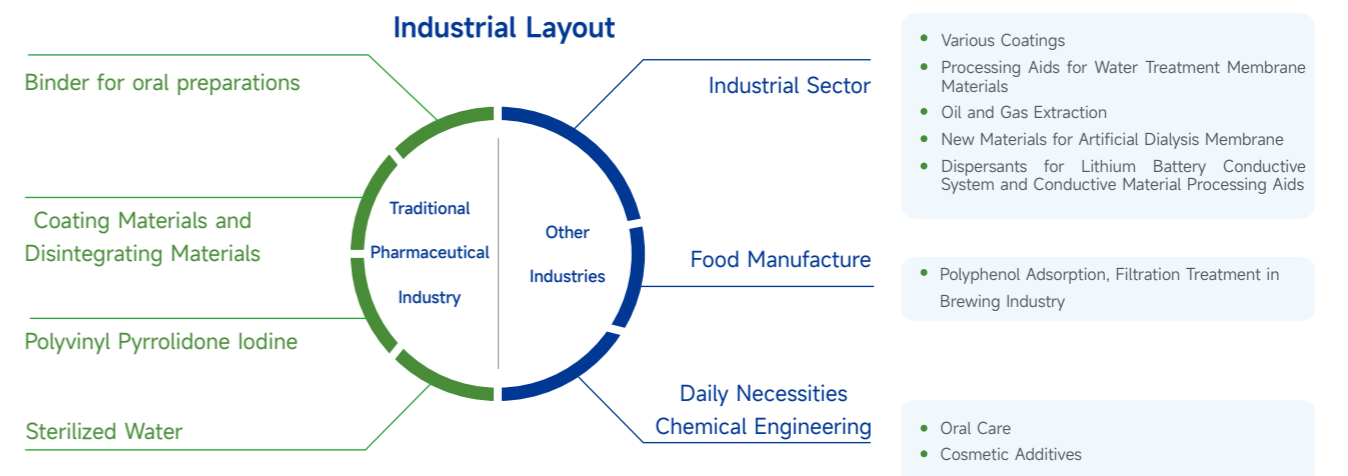
# Industrial Layout

At present, the main business of NKY is divided into two segments, Fine Chemicals Sector engineering and precision medicine, with different development modes to synergize and promote the Company's growth.

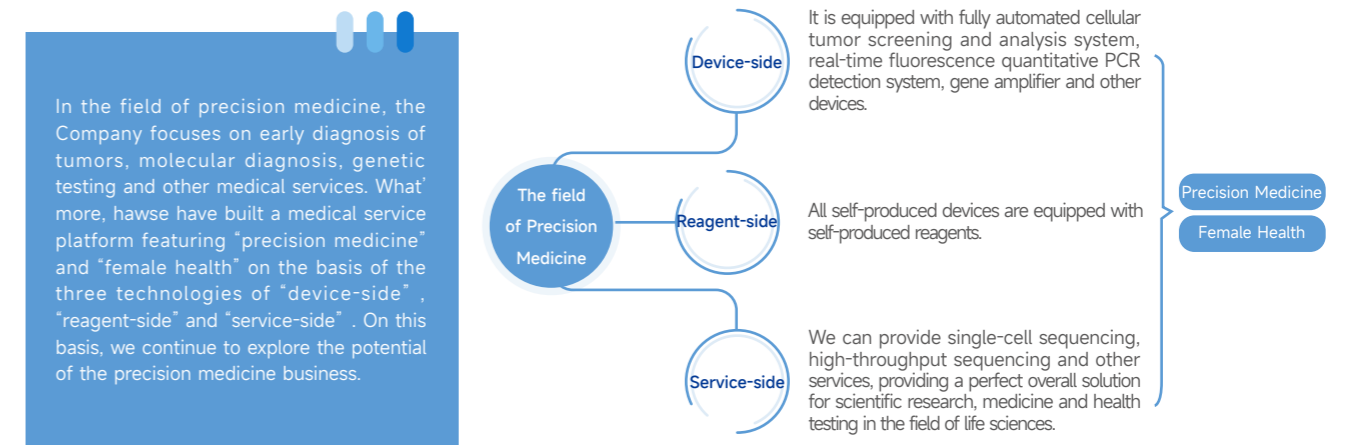
In the field of Fine Chemicals Sector engineering, the Company is the first high-tech enterprise in China that focuses on the production, R&D and sales of polyvinylpyrrolidone (PVP) series products and vinyl methyl ether and maleic anhydride copolymer (PVME/MA) series products. Moreover, we are also the first enterprise in China that have the ability to produce PVP K12 (powder and liquid), PVP K90 and PVP K60 powder and K120 powder on a large scale. Our products are widely used in many modern industrial fields, such as daily-use chemicals, pharmaceutical industry, brewing and beverage industry, pigment and coating industry, textile industry, paper industry, oil extraction, photographic materials and electronic industry.

A list of the main products in the field of Fine Chemicals Sector

Butyrolactone	Polyvinyl Pyrrolidone Cross-linked
2-Pyrrolidinone	Polyvinyl Pyrrolidone and Related Pharmaceutical Intermediates
N-Vinylpyrrolidone	Polyvinyl Pyrrolidone K12 (Powder and Liquid)
Polyvinyl Pyrrolidone Series	Polyvinyl Pyrrolidone K90 and Polyvinyl Pyrrolidone K60 Powders
Copper Glycinate and other VP/VA Copolymer Series Products	K120 Powder



## Main Uses of PVP







Patterns of Development in the Field of Precision Medicine

# ESG Management

As a responsible listed company, NKY has always insisted on green, low-carbon and high-quality development and continued to promote the Company to improve the environmental, social and corporate governance system. Moreover, we proactively integrate ESG management into the Company's development strategy, production and operation, incorporating the enhancement of the level of ESG governance into the Company's development direction. In this way, we can gradually play the roles of ESG management and practice to promote the Company's sustainable development.

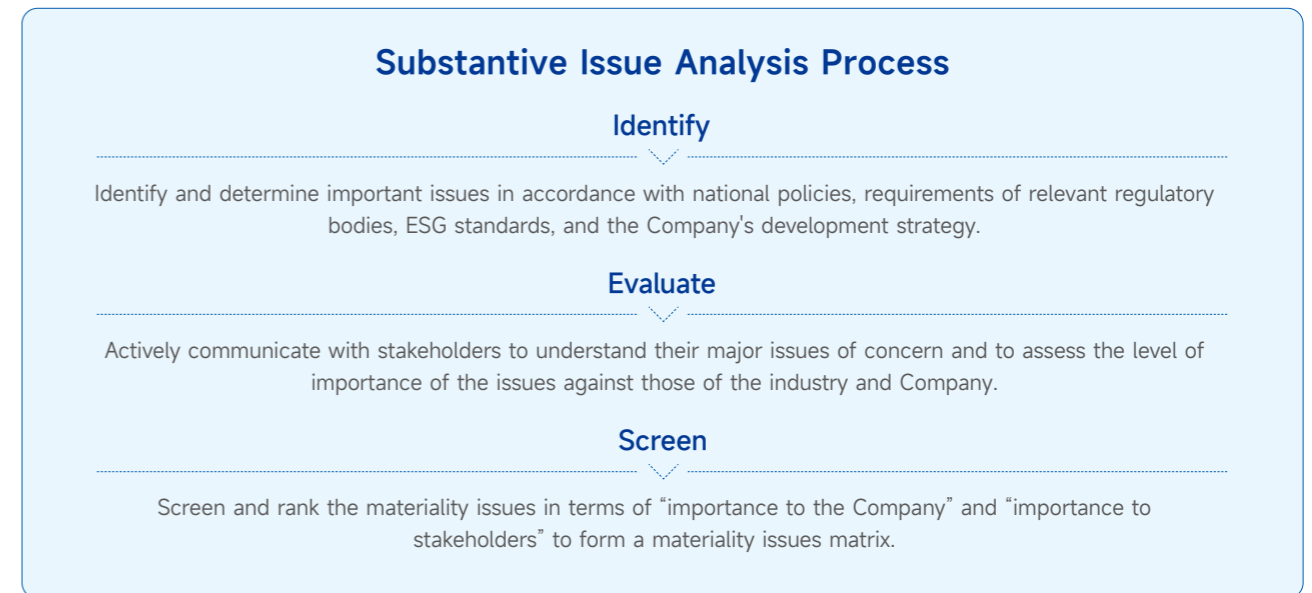
# Stakeholders Communication

Upholding the concept of environmental protection as an important part of the corporate social responsibility, the Company continuously improves the efficiency of comprehensive resource utilization, and promotes the sustainable development of the enterprise and the environment. At the same time, the Company attaches great importance to the rights and interests of investors, customers, employees, partners and other stakeholders, actively listens to and responds to their concerns about ESG issues, and establishes solid cooperative relationships through a variety of communication channels.

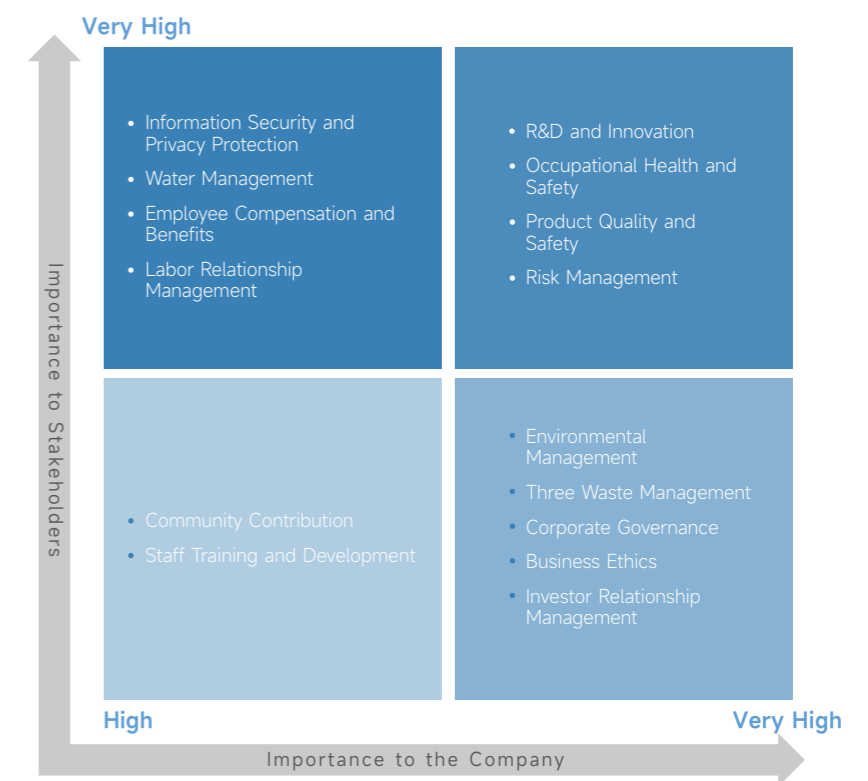
Stakeholders	Expectations and Claims	Actions
 Government	<ul style="list-style-type: none"> <li>Compliance Operation</li> <li>Paying Taxes according to the Law</li> <li>Environmental Protection</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Laws and Regulations</li> <li>Active Tax Payment</li> <li>Low Carbon Development</li> </ul>
 Investor	<ul style="list-style-type: none"> <li>Improving Corporate Governance</li> <li>Timely Information Disclosure</li> <li>Dividend returns</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing Internal Controls</li> <li>Regular Information Disclosure</li> <li>Protect Shareholders' Rights and Interests</li> </ul>
 Client	<ul style="list-style-type: none"> <li>Privacy Protection</li> <li>After Sales Service</li> <li>Product Quality and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Protecting Customer Privacy</li> <li>Customer Satisfaction Survey</li> <li>Strict Quality Management</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Mutual Benefits</li> <li>Co-development</li> </ul>	<ul style="list-style-type: none"> <li>Building a Responsible Supply Chain</li> <li>Commitment to Business Ethics</li> <li>Co-operation and Communication</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Establishment of Career Development Channels</li> <li>Rich Compensation and Benefits</li> <li>Ensure Occupational Health</li> <li>Protect the Rights and Interests of Employees</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of Internal Management System</li> <li>Employee Work and Life Protection</li> <li>Strengthen the Construction of Occupational Health</li> <li>Employee Communication and Feedback Mechanism</li> </ul>
 Communities	<ul style="list-style-type: none"> <li>Social Welfare</li> </ul>	<ul style="list-style-type: none"> <li>Public Welfare Donations</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>Energy Saving and Emission Reduction</li> <li>Protecting the Ecology</li> </ul>	<ul style="list-style-type: none"> <li>Energy Savings</li> <li>Green Office</li> </ul>

# Substantive Issue Matrix

In determining ESG issues, the Company fully draws on relevant ESG standards and other corporate best practices, taking into account the Company's development strategy and industry characteristics and establishing a mechanism for identifying material issues. To conclude, we determine the annual materiality of the issues through analyses and researches of internal and external related parties.



In 2023, the Company identified a total of 15 substantive topics.

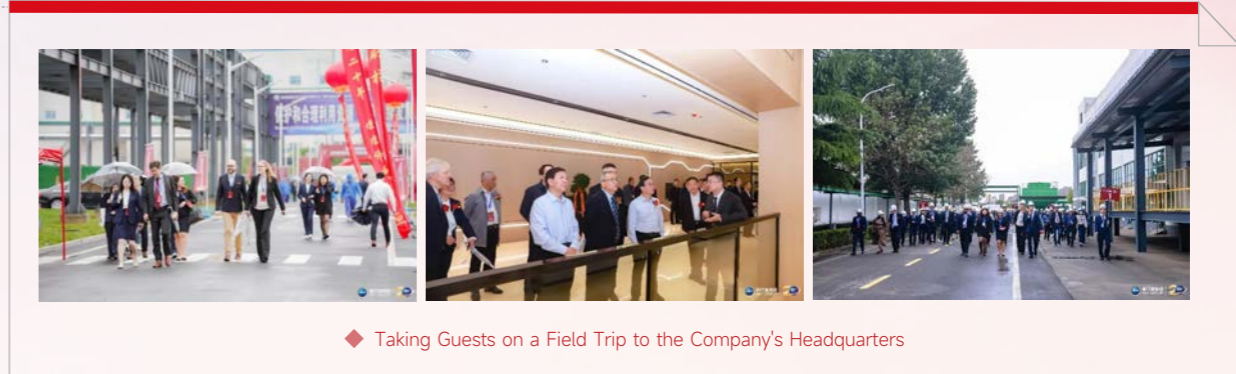




# Topic

## Remain True to our Original Aspiration after Struggling for 20 Years

Recalling the past years; looking at the present day to make new prosperity. 2023 was the 20th anniversary of the reorganization of NKY, so the Company held a grand celebration activities. Over the past twenty years, the Company has concentrated on manufacturing and focused on research and development. Based on the domestic, we explored the world and contributed to improving the technical level of China's new polymer materials, functional chemicals and pharmaceutical products, promoting the development of China's chemical engineering and pharmaceutical industries.



◆ Taking Guests on a Field Trip to the Company's Headquarters

## Construction of an Entirely New Base

On 21st May 2023, to celebrate the 20th anniversary of restructuring and the completion and launch of the new project of NKY (Jiaozuo) Polymer Materials Co, Ltd, the Company held an unprecedented celebration. Leaders of Jiaozuo Municipal People's Government, the Company's chairman and customer representatives from all over the world came to the scene and witness this historic moment. After the celebration, the Company invited the guests to the headquarters for a site visit, deepening their understanding of the Company's technology, products and corporate culture, and further promoting cooperation and win-win situation.

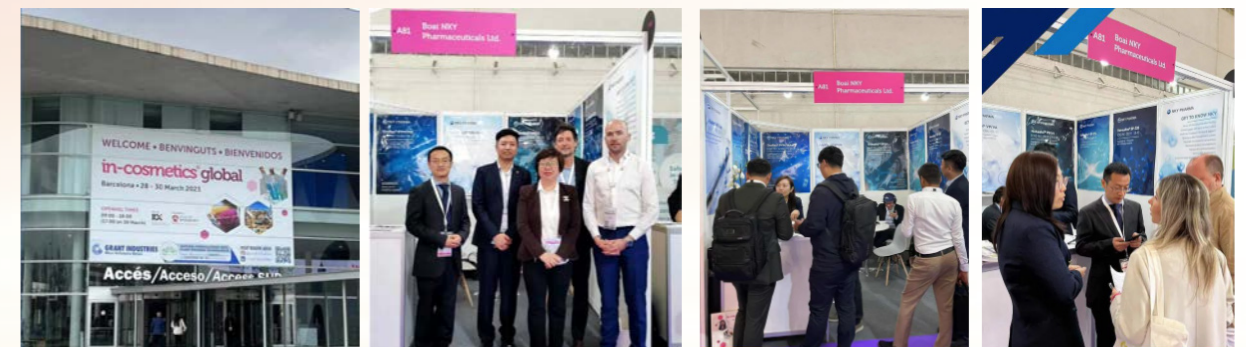
Based on a new starting point, we are heading for a new journey and forging a new glory. On the occasion of the 20th anniversary of restructuring, the Company has ushered in a brand-new stage of development and will embrace more opportunities and challenges in the future. The Company will continue the "fine products, fine work" of the original aspiration, from the past journey to draw the power to move forward, strive for excellence, and effectively meet the needs and expectations of all sectors of society. With "Intelligence" and "Innovation", NKY strives to win the first opportunity for development, achieving the vision of "World-class Products, Centuries of Excellence".

## Leadership in Development Technology

In 2023, NKY continued to deepen its technological research, promote industry innovation and development. And we actively participated in well-known research forums and industry summits both domestic and abroad to enhance international visibility and help shape the Company's image and brand.

### Case ▶ Attending In-cosmetics Global

On 29th March 2023, the world's top cosmetic raw materials industry exhibition "In-cosmetics Global" was successfully carried out in Barcelona, Spain. NKY brought its own innovative cosmetic raw materials to the exhibition, and demonstrated the excellent quality and safety of the Company's products to the attendees from all walks of life. Through the on-site explanation, the Company fully demonstrated our scientific and technological strength, product advantages and the ability to provide international solutions.



◆ the Twentieth Anniversary of NKY Restructuring and Start-up Celebration for New Project Completion of NKY (Jiaozuo) Polymer Materials Co, Ltd.

Case ▶ — The 15th China International Battery Fair

On 16th May 2023, the 15th China International Battery Fair (CIBF2023) hosted by China Chemical and Physical Power Industry Association (CCPPI) was held as scheduled. NKY brought PVP ultra-low moisture conductive paste dispersant and related technologies to the exhibition for the first time, attracting the attention of many participants. Through this event, the Company deeply understood the dynamics of industry's cutting-edge technology, and discuss potential applications with many partners actively, further establishing the Company's new image in the industry.



Case ▶ — The fifth Watertech China

"The 15th Watertech China" was grandly opened on 5 June 2023 in Shanghai National Convention and Exhibition Centre. NKY appeared in the exhibition, showing the green PVP series products. Through the exhibition, the Company not only deepened the trust and friendship with existing customers, but also laid a solid foundation for cooperation with potential customers, injecting new vitality for future market expansion.



Case ▶ — Successfully held G60 Biomedical Industrial Base Cell and Gene Therapy Innovation Forum

On 18th October 2023, NKY, together with the Great Health Research Centre of China Industrial Securities Co., Ltd., jointly held a grand G60 Biomedical Industry Base Cell and Gene Therapy Innovation Forum. The forum gathered more than 150 outstanding representatives of the biomedical industry from all over the country to seek new opportunities for cooperation and talk about a new stage of industrial development.

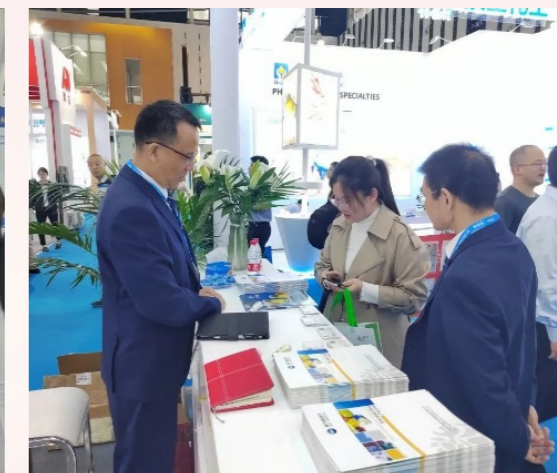
At the forum, the chairman and general manager of the Company introduced the "NKY Songjiang Precision Medicine Sector Base" to the industry and investment community, fully demonstrating the Company's profound strength and forward-looking layout in the field of precision medicine. Subsequently, the four cell and gene therapy companies invested by the Company introduced the latest progress of their respective R&D pipelines, highlighting the Company's innovative strength and continuous investment in the field of biomedicine.

The successful holding of this forum not only demonstrated the stage-by-stage results achieved by the Company's medical segment, but also highlighted the Company's determination and strength to firmly promote the innovative development of China's cell and gene therapy profession and industry.



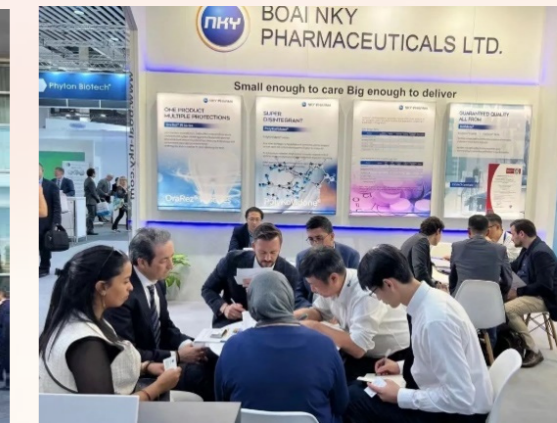
**Case ▶ — Attending the 89th China Active Pharmaceutical Ingredient API / Intermediates / Packaging / Equipment Trade Fair (API China)**

On 18 October 2023, the 89th China Active Pharmaceutical Ingredient API / Intermediates / Packaging / Equipment Trade Fair (API China) and the 27th China International Pharmaceutical (Industry) Exhibition and Technology Exchange(CHINA-PHARM) were held in Nanjing International Expo Centre. And NKY brought high-quality products to the exhibition, which attracted the attention and praise of many people inside and outside the industry. The Company will unswervingly take innovation as the core driving force, promote industrial upgrading, and contribute to the continuous progress and development of the pharmaceutical industry.



**Case ▶ — Attending Chemical Pharmaceutical Ingredient Exhibition (CPHI Worldwide)**

On 24th October 2023, 2023 International Pharmaceutical Ingredients Exhibition (CPHI Worldwide) was held in Barcelo, Spain. Leaders such as Chief Scientist of NKY, General Manager of Chemical Engineering Sector and General Manager of NKY Chemical Engineering in Germany attended the exhibition with relevant teams and displayed a series of high-quality pharmaceutical excipient products, which fully demonstrated the Company's internationalized and professionalized image.



## Layout of Global Markets

NKY always engages into the process of globalization with a positive attitude and makes global layout with an open vision. So the Company gradually moves to the center of the world stage and ranks among the world's first-class standards by virtue of our excellent technology and product strength. By the end of the reporting period, the Company's products have covered more than 60 countries and regions around the world.

Academic research, as the deep foundation for exploration in the medical field, provides constant inspiration and support for technological innovation and progress, and is a solid cornerstone for the development and innovation of medical technology. Therefore, the Company has established comprehensive and in-depth cooperation with the European Society of Medical Oncology and other internationally renowned universities and institutions.

# Focusing on Governance, Consolidating the Foundation to Move Steadily Forward

# 01

## Our Philosophy

Adhering to the mission of "Rewarding shareholders and benefiting society", NKY integrates the concept of sustainable development into corporate governance. In addition, we continue to improve the governance structure, standardizing the operation of the three committees, strengthening communication with investors, strengthening internal control and strictly adheres to business ethics. In this way, we can promote the high-quality development of the Company.

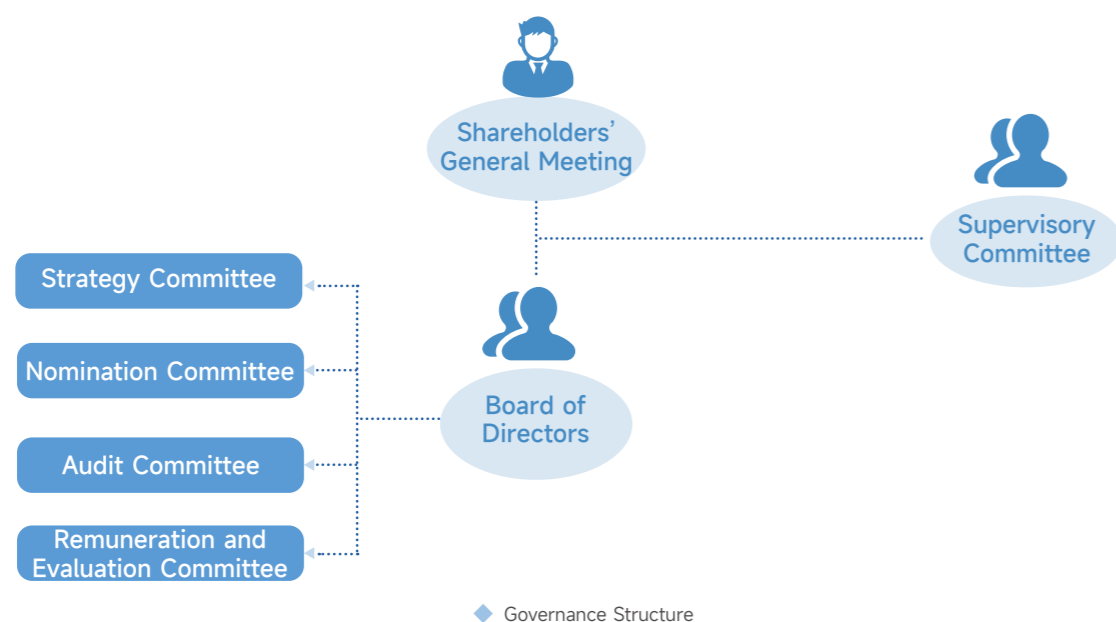
## Responsive SDGs



# Commitment to Corporate Governance

## Three-Committee Governance

NKY strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Governance for Listed Companies*, the *Guidelines for the Standardized Operation of Companies Listed on the Growth Enterprise Market of the Shenzhen Stock Exchange* and other relevant laws and regulations of the State and the Securities and Futures Commission. Besides, we have formulated the *Articles of Association*, and established the governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the senior management. The Company emphasizes the diversity of the Board of Directors, clarifies the responsibilities of all parties, fully respects the independence of independent directors, and works together to maintain the Company's compliance and sound operation. Under the Board of Directors, there are four specialized committees, namely Strategy Committee, Nomination Committee, Audit Committee and Remuneration and Evaluation Committee, each comprising five members.



The Company clarifies the convening and convening procedures of the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee in accordance with the *Rules of Procedure for the Shareholders' General Meeting*, the *Rules of Procedure for the Board of Directors*, and the *Rules of Procedure for the Board of Supervisors*, so as to effectively safeguard the shareholders' rights to information, participation and voting through the General Meeting of Shareholders.

The Company has formulated the *Implementing Rules of the Remuneration and Evaluation Committee of the Board of Directors*, specifying that the Remuneration and Evaluation Committee is responsible for the incentive and restraint mechanism for directors and senior management, ensuring a high degree of transparency in the management of the remuneration of the Board of Directors and senior management. During the reporting period, the Company continued to improve the performance appraisal system and remuneration system for directors and senior management, linked performance appraisal to income, released 1,464,000 restricted shares of 2021 restricted shares for directors and senior management, and granted 350,000 reserved shares of 2021 restricted shares to senior management.

## Composition of the Board of Directors, Supervisory Board, and Various Committees

	Number of persons/person	Number of meetings held	Consideration of the number of adopted motions
General Shareholders' Meeting	1	5	5
Board of Directors	9	10	48
Board of Supervisory Meetings	3	8	19
Audit Committee	5	4	15
Strategy Committee	5	0	0
Nomination Committee	5	1	1
Remuneration and Evaluation Committee	5	2	3

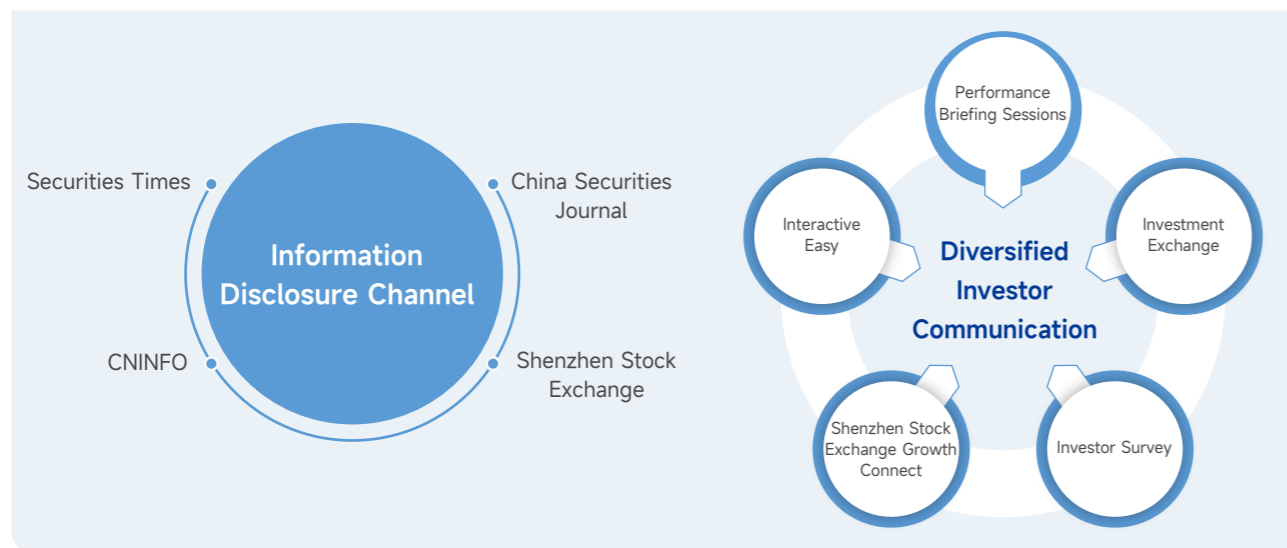
## Diverse Board Composition

Disclosure by Gender	Male Directors	Female Directors
	7	2
Disclosure by Type	Independent Directors	Non-independent Directors
	3	6

## Investor Relationship Management

The Company strictly abides by the requirements of *Administrative Measures for Information Disclosure of Listed Companies* and has formulated systems such as *Internal Reporting System for Material Information* and *Investor Relationship Management System*. Moreover, the leadership of the Board of Directors manages the disclosure of information, and the Secretary of the Board of Directors is responsible for the specific coordination and organization of information disclosure and other matters to ensure that the relevant information is disclosed in a true, complete, accurate, timely and fair manner. During the reporting period, the Company disclosed a total of 4 periodic reports and 102 interim reports to the public.

The Company designates Securities Times, China Securities Journal, Shanghai Securities News, Cninfo (<http://www.cninfo.com.cn>), and Shenzhen Stock Exchange as the official information disclosure channels. And we communicate and interact with investors through diversified communication methods. Besides, the Company earnestly receives visits and inquiries from investors and research institutions, safeguards the legitimate rights and interests of investors in accordance with the law, promoting the discovery and recognition of the investment value of the Company by the capital market. During the reporting period, the Company's information disclosure grade was B.



**Case ▶ — Conducting the 2022 Annual Performance Briefing Sessions**

In order to further protect the interests of small and medium-sized investors and strengthen the communication with investors, NKY held the online meeting of the 2022 Annual Performance Briefing Sessions on May 12, 2023. At the meeting, the chairman, vice chairman, independent directors, secretary of the board of directors and chief financial officer attended together to answer the questions and solve the problems of the shareholders, which deepened the investors' understanding and recognition of the Company.



◆ 2022 Annual Performance Briefing Sessions

**Case ▶ — Participation in the 2023 Online Collective Reception Day for Investors of Listed Companies in Henan Jurisdiction**

On May 18, 2023, "Sincere Communication, Transmitting Value -Henan Jurisdictional Listed Companies 2023 Online Collective Investor Reception Day Activity" was held at Panorama Roadshow. The secretary of the board of directors of NKY attended the activity on behalf of the Company, who gave a detailed introduction of the excellent market performance of OraRez products, indicating that the Company will continue to promote technological progress and strive to create value for customers and returns for shareholders.



◆ 2023 Online Collective Reception Day for Investors of Listed Companies in Henan Jurisdiction

**Key Performance**

Number of on-site Investor Surveys	Number of Investors Attending on-site Surveys	Number of Investor Questions Answered
8	97	37
Response Rate to Investors' Questions	Number of Interactions on the Shenzhen Stock Exchange's "Interactive Easy" Platform	Number of Investor Open House Sessions
90%	268	1
Number of Investor Calls Answered	Number of Communications via Email/Social Platforms	
210	21	

The Company pays out cash dividends to reward investors, aiming to boost investor confidence and loyalty and promote the Company's long-term development.

**Key Performance**

2021	Cash Dividend per share 0.51 RMB/Share	Total Cash Distribution (including Tax) 16,789.22 Ten Thousand RMB
2022	Cash Dividend per share 0.50 RMB/Share	Total Cash Distribution (including Tax) 16,195.27 Ten Thousand RMB
2023	Cash Dividend (including tax) 10 RMB/ten shares	Total Cash Distribution (including Tax) 32,260.18 Ten Thousand RMB
	Bonus Shares per ten shares 2	
	Capital Reserve Was Converted into 3 shares	

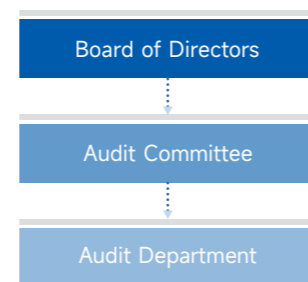


## Internal Control

In accordance with the provisions of the Basic Standard for Enterprise Internal Control and its supporting guidelines and other internal control regulatory requirements, the Company has formulated internal control systems and evaluation methods, such as the *Internal Control System*, *Internal Audit Management System* and *Compendium of Internal Control Processes*. In addition, we also have established and improved the Company's internal control system, carried out internal audits on a regular basis, strengthening the internal control and standardizing the Company through a combination of daily supervision and special supervision operation. Therefore, it can continuously optimize the management process and internal supervision mechanism, and enhance the risk prevention capability. In 2023, the Company conducted a comprehensive internal audit and issued an internal audit report.

## Business Ethics

In order to strengthen the construction of business ethics in the process of production, operation and management, and effectively manage anti-graft and anti-corruption and anti-commercial bribery, the Company has formulated the *Anti-graft and Anti-Corruption System*. To be specific, we have established the leading organization for the governance of business ethics and identified the Audit Department as the coordinating and managing department responsible for the governance of work related to business ethics, supervision and auditing. Moreover, we have continuously improved the internal control mechanism, strengthened the system of supervision and promoted the system of anti-corruption to strengthen the prevention and treatment of corruption from the source. To establish a clean and clear business atmosphere, we have prevented and governed corruption, insisting on treating both the symptoms and the root causes, ensuring a long-term mechanism for governance against corruption and anti-corruption and preventing all kinds of improper behaviors from occurring.



◆ Organizational Structure of the Leadership Body for Business Ethics Governance

The Company advocates all employees and stakeholders to consciously resist corruption, encouraging our employees to report to the Audit Department by telephone and other means to expose all kinds of disciplinary violations. In addition, we promise to keep the acceptance of the report, the investigation and other aspects as well as the personal information of the informant strictly confidential. Upon receiving the report or complaint, the Audit Department shall immediately register and investigate it according to the jurisdiction.

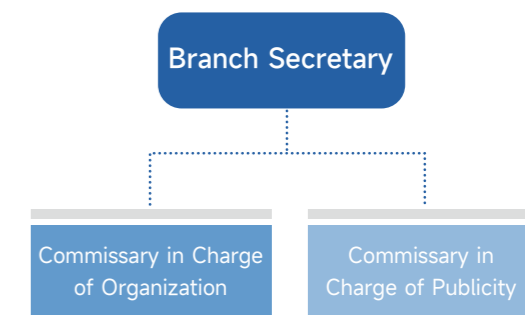
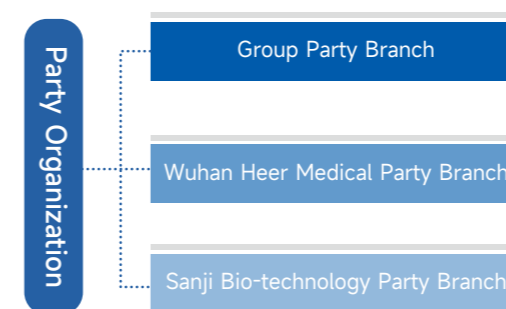
For employees in important positions and important links, the Company has implemented a commitment system for the prevention of commercial bribery, requiring managers and important positions to sign the *Employee Commitment to Anti-Graft and Anti-Corruption*, and requiring relevant parties with business dealings with the Company to sign the *Commitment to Integrity in Practice*. By doing so, we aim to strengthen the supervision and management of improper behaviors, such as graft and corruption and commercial bribery. In 2023, the Company's signing rate of commitment to anti-corruption and anti-corruption commitment was 100% and the signing rate of the Commitment Letter for Integrity in Business was 100%.



# Party Building Leads to Development

## Party Building Organizations

NKY has implemented the spirit of General Secretary Xi Jinping's instructions on party building. We have comprehensively strengthened the ideological, organizational, work style, and institutional construction of party branches to fully play the role of party organizations as bridges and bonds and the role of party branches as bastions. Moreover, we adhere to the party building work and production and management objectives "with the deployment, with the inspection, with the assessment, with the recognition", guiding party members to base themselves on their positions, blazing new trails, fully playing the role of pioneers and models, and escorting the Company's sustainable development. As of the end of the reporting period, the Company has a total of 3 party branches, 45 party members, and held 9 party committee meetings.



◆ Structure of the Branch Committee

## Party Building Activities

Complying with the general requirements of "Learning Ideology, Strengthening Party Character, Emphasizing Practice and Building New Achievements", NKY regularly carries out party building activities such as branch committees and theme party days according to the requirements of the "Three Meetings and One Lecture System". By doing so, we hope the party members to improve their ideological and political qualities and to change their working styles and promotes the construction of party members and grass-roots party organizations. In addition, we carry out education and study of party history on a regular basis, conducts in-depth study and implementation of the theme of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era so that we organically combines party building activities with production, operation and management.



Case ▶ **Thematic Party Day Activities**

In 2023, the Party branch of NKY regularly organized its employees to study the spirit of the 20th Party Congress and Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era. In that way, we aim to enable the Party members to fully understand the Party's history of development, motivating the Party members to make unremitting efforts to undertake the mission of development in the new era.



◆ Thematic Party Day Activities

Case ▶ **July 1st Event**

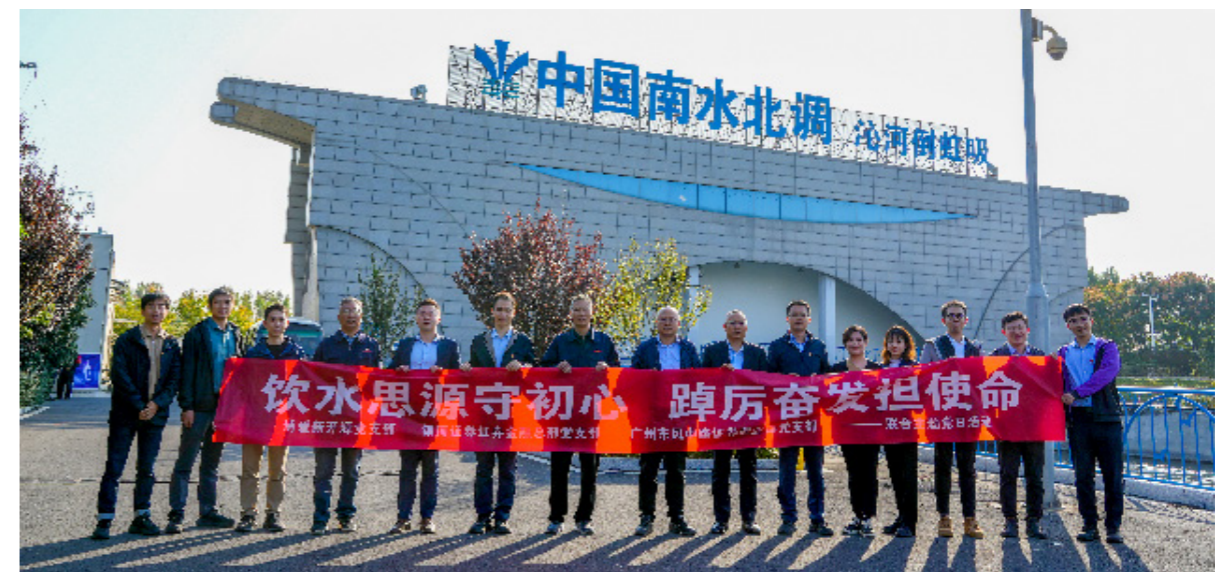
On July 1, 2023, the Party branch of NKY organized the staff to visit the Shierhui Village and the Taihang Ba Ying Museum to commemorate the birthday of the Party, remember the martyrs of the revolution, and remind the Party members to always bear in mind the historical mission of the great rejuvenation of China.



◆ Visiting the Shierhui Village and the Taihang Ba Ying Museum

Case ▶ **Joint Theme Party Day Activities**

On October 20, 2023, the Party Branch of NKY, the Party Branch of Securities and Finance Headquarters of China Galaxy Securities Co., Ltd and the Party Branch of Guangzhou Dongfeng Middle Road Securities Business Department jointly held the joint theme party day activity of "Remember Origins, Stay True, Fulfill Mission". Through this activity, the party comrades had a deep understanding of the history of Jiaozuo's profound economic and social changes and the spirit of people's dedication to south-to-north water diversion project, which is characterized by "loyalty and responsibility, tenacity and hard work, unity and cooperation, and selfless dedication".



◆ Joint Theme Party Day Activity of "Remember Origins, Stay True, Fulfill Mission"



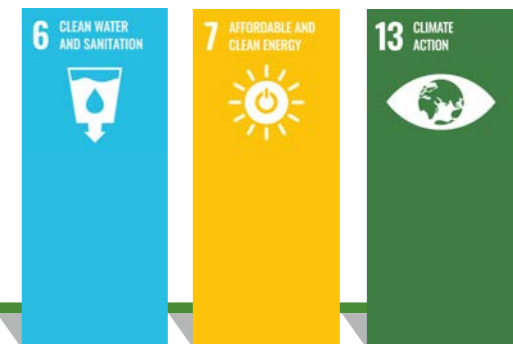
# Protect Environment with Efforts

# 02

## Our philosophy

Adhering to the environmental protection policy of “law-abiding, clean production, energy saving, pollution prevention”, NKY is committed to reducing the pressure and impact from its own operations on the environment. Additionally, we stick to protect the ecological environment and biodiversity from being damaged, and contributing green power to the realization of the national “Carbon Peaking and Carbon Neutrality” goal.

## Responsive SDGs



# Responsible Environmental Management

NKY adheres to the concept of respect for and protection of the natural environment, and actively seeks low energy consumption, low pollution, low emission production mode. Taking "compliance, clean production, energy saving, pollution prevention" as the Company's environmental protection policy, we integrate low-carbon concepts and awareness of environmental protection in the operation of the various aspects and put them into practice, unswervingly taking the road of green development.

## Environmental Management System

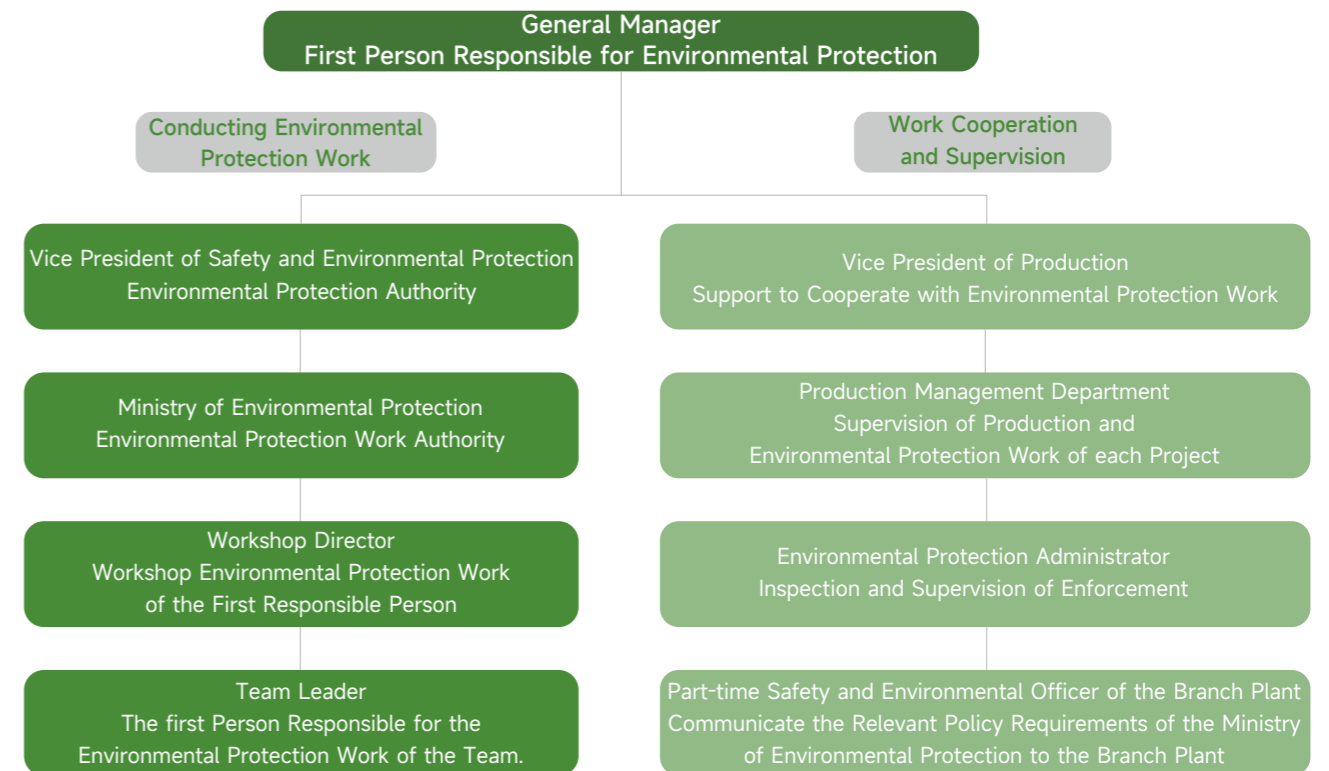
In order to promote the deepening of the concept of environmental protection, NKY has formulated environmental protection policies and implementation targets within the Company, implementing technological innovations and deepening the importance of pollution control.

### 2023 Environmental Performance Targets of Fine Chemicals Sector

- ✓ Elimination of Major Environmental Pollution Incidents.
- ✓ The Waste Gas, Waste Water and Noise Generated by the Production Process are all in Compliance with the Standards.
- ✓ Strict Implementation of National Solid Waste Related Management Requirements.
- ✓ All Sub-factories and Workshops Strictly Implement the Concentration Limits of Wastewater Pollutants Discharged by the Company.
- ✓ Train Employees on Environmental Protection in Accordance with the Environmental Protection Training Management System.
- ✓ The Operation of Wastewater Treatment Facilities at the Wastewater Treatment Station is Required to Reach 100%, and the Wastewater COD Discharge Concentration is Required to be Controlled within 150mg/L, and the Ammonia Nitrogen Discharge Concentration is Required to be Controlled within 25mg/L.
- ✓ In accordance with the Implementation of Cleaner Production Standards, the Incidence of the Phenomenon of "Running, Bubbling, Dripping and Leaking" of Equipment is Controlled at 98%.

**In 2023, All of the above Environmental Implementation Targets have Completed**

The Company has established a complete environmental management organization structure, formulated the *Environmental Protection Job Responsibility System*, implemented the environmental protection responsibility attribution, and effectively finished the environmental management work. For each environmental protection management department, the Company formulated *Environmental Protection Assessment System*. The assessment standards were coordinated by the environmental protection department, including facilities and equipment, wastewater, domestic garbage, accounts, rectification of hidden dangers and other aspects of management. The situation of management is linked to the performance of the responsible department, which will be inspected and assessed by the Ministry of Environmental Protection and each month the department develops a work plan for the following month. At the end of the month, the senior leadership conducts a performance appraisal of the work from level to level to supervise the practical fulfillment of the environmental protection work.



Organization Structure of Environmental Protection Positions in the Company

The Company attaches importance to the compliance management of environmental protection. We have formulated the *Enterprise Environmental Information Disclosure System*, and disclosed environmental protection information through the enterprise environmental information disclosure system according to the law (Henan) and the national sewage discharge license management information platform. During the reporting period, the Company adhered to the environmental protection "three-simultaneous" system (safety facilities shall be designed simultaneously, constructed simultaneously, and put into operation simultaneously with the main building) for new, reformed and expanded construction projects. In addition, we apply for sewage discharge license and water intake license according to the requirements. Therefore, there are no environmental protection accidents and illegal and unlawful incidents in the field of environment.



In 2023, the Company has obtained the certificate of environmental management system certification and has been awarded the honorary title of energy saving and emission reduction science and technology innovation demonstration enterprise in Henan Province.



Environmental Management System Certificate

## Environmental Risk Management

Attaching importance to environmental risk management, NKY has established a complete risk prevention mechanism, formulated the Environmental Risk Hidden Trouble Identification and Management Responsibility System and Environmental Risk Hidden Trouble Identification Organization and Implementation System. By doing so, we aim to clarify the responsibility of the risk hidden trouble investigation and implementation methods.

### Classification of Potential Hazards

- General Hazard: Hazards and rectification difficulties are small, and the hazards can be rectified and eliminated immediately after discovery.
- Significant hazards: For significant hazards with rectification difficulties, either requiring a complete or partial shutdown of operations, the hazards can only be eliminated after a certain period of rectification and treatment. Alternatively, external factors may cause difficulties in eliminating the hidden dangers in production and operations.

### Approach to Screening

- Self-inspection: Workshops are inspected weekly; the environmental protection department conducts quarterly inspections, and keeps good records in the log.
- Self-reporting: Report any hidden dangers promptly and ensure a smooth handover of the rectification status.
- Self-correction: Hidden dangers discovered are rectified in a timely manner with clear responsibilities and timely follow-up.
- Self-inspection: Assessment and acceptance by technicians and experts after rectification.
- Strengthen publicity and drills: Annually publicize and conduct drills for environmental incident risk prevention and control.

### Case — Promptly Rectify Each Identified Hazard during Inspections

On March 22, 2023, the Company found that the hazardous waste signs needed to be replaced during the environmental risk hazard investigation, and promptly remade them in accordance with the requirements given in the *Technical Specification for the Setting of Hazardous Waste Identification Signs* (HJ1276-2022).



◆ Before Rectification

◆ After Rectification

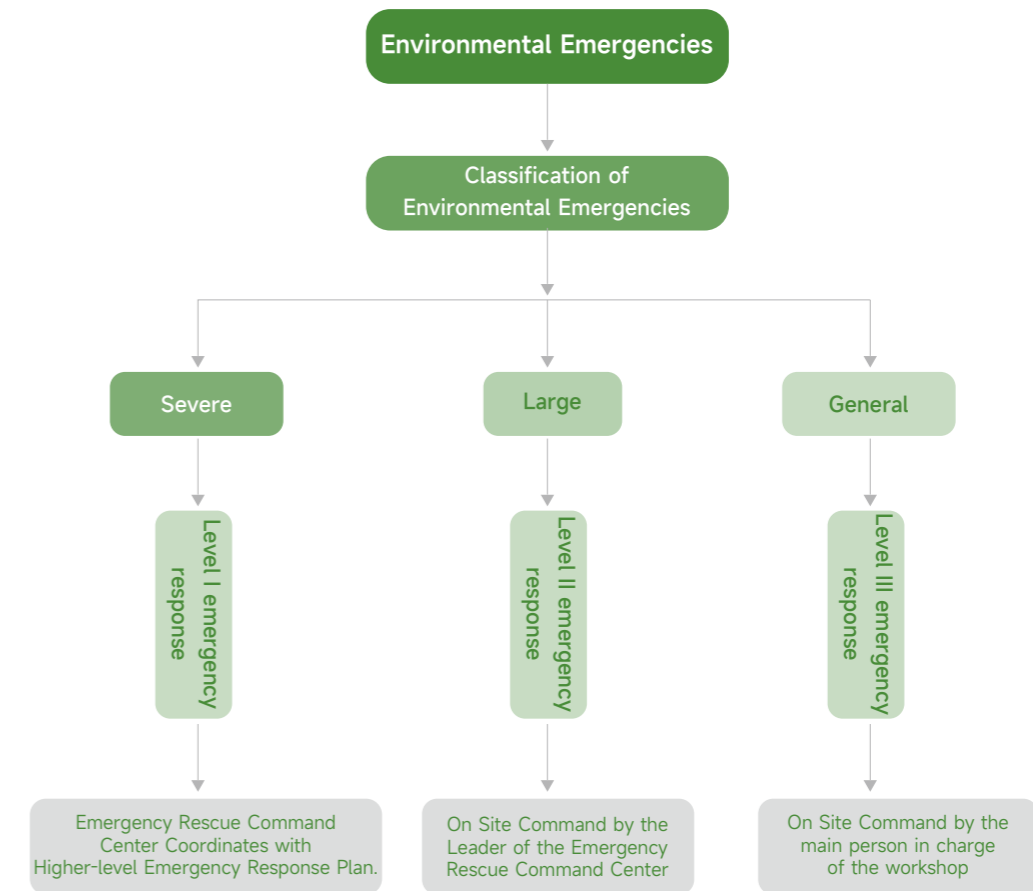
On November 8, 2023, the Company found that the hand valve in front of the liquid ammonia tank level gauge did not hang a "No shut-off" sign during the environmental risk hazard investigation, and supplemented the signage in a timely manner on the next day to ensure normal warning.



◆ Before Rectification

◆ After Rectification

The Company attaches great importance to the emergency management of environmental emergencies. We have established a comprehensive set of emergency management mechanism and formulated *Environmental Emergency Management System*, *Emergency Response Plan for Environmental Emergencies* and for the record. Besides, we have equipped with trained emergency rescue duty personnel and emergency rescue equipment, and regularly conducts emergency response drills, so as to minimize the impacts of possible environmental events.



◆ Plant Emergency Response Procedures



### Case — Emergency Rescue Drill for Liquid Ammonia Leakage

On June 27, 2023, the Company conducted an emergency rescue drill for liquid ammonia leakage accidents. It simulated the scene of liquid ammonia leakage accidents, and organized the relevant employees to learn the handling process carefully. Besides, the employees made a summary of the incident to improve after the drill, which had a very positive effect on improving the employees' ability to deal with the accidents.



### Environmental Awareness Raising

In addition to emergency drills, the Company also attaches importance to the promotion of environmental protection. For example, in the daily office, it will carry out a variety of environmental awareness-raising activities, especially in June each year as the National Security Month. The Company will focus on a series of activities, such as group learning, to further deepen the knowledge of environmental protection and safety, and enhance the awareness of environmental protection and safety.



◆ Focus on Learning Promotional Materials during Safety Month

### Case — Environmental Knowledge Training

On October 12, 2023, the Company carried out online environmental protection knowledge training to popularize the basic knowledge of environmental protection, environmental pollution and hazards, increasing employees' understanding of environmental protection knowledge.



#### Key Performance

Number of Environmental Trainings	Number of Participants in Environmental Training	Hours of Environmental Training
2	23	3 Hours

## Regulate the Use of Energy

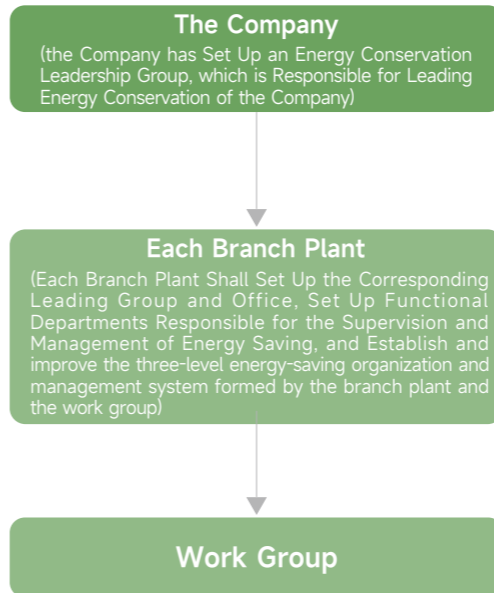
To adhere to the energy-saving policy of "Abiding by regulations, green manufacturing, continuous improvement and harmonious development", NKY continues to promote the establishment of resource-saving and environmentally friendly enterprises.

### Energy Conservation Management

In order to better fulfill its social responsibility of energy conservation and environmental protection, NKY comprehensively promotes the concept of green manufacturing and build a resource-saving and environment-friendly enterprise. Besides, we have established an energy management system in accordance with the *Energy Conservation Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China*, and other laws, regulations, and departmental rules and regulations, and formulated the *Energy Management System*, *Energy Measurement Management System*, and so on. In addition, the Company has set up an energy-saving leading group, which is responsible for promoting the Company's energy-saving work. The leading group has established an office under it, which is located in the production management department, and is responsible for undertaking the daily energy-saving management tasks of the Company.

#### Energy Conservation Management

In accordance with the three-level management responsibilities of the Company, each branch plant, and the work team to implement graded, categorized management, level by level supervision and evaluation.



#### Energy Conservation Management Group

#### Energy Conservation Measurement Management

Energy measurement is an important part of the enterprise measurement work. The guiding ideology of energy metering management is to focus on energy metering data management, based on metering instrument management, to ensure the authenticity, completeness, accuracy, and continuity of the collected data. An energy metering management leadership team, consisting of a leader and members, has been established.



◆ Energy Management System Certification

The overall goal of energy saving of NKY is to establish a relatively perfect long-term mechanism for monitoring, evaluation, incentives and other energy-saving management. Besides, we aim to have a management level compatible with that of leading domestic enterprises, to have the ability to produce international first-class products through green manufacturing, and to continue to enhance the social image and brand value of the Company. At the same time, we also conduct energy consumption audits based on relevant national energy-saving norms and standards, and have now issued an energy consumption audit report for 2022.

▼ System of Statistics, Monitoring and Assessment of Energy Consumption Indicators ▼

- 01 • Strengthening the basic management of energy measurement, quotas and statistics, establishing statistical accounts of energy consumption, and collecting, summarizing and analyzing energy consumption indicators on a regular basis, in strict accordance with the statistical methods, coverage and conversion standards stipulated by the State.
- 02 • Strengthening the statistical monitoring of data on energy consumption in the production process, upgrading the level of informatization of energy management, and establishing and improving energy consumption statistics.
- 03 • Ensuring the completeness and accuracy of energy statistics. In detail, the Company assesses and approves energy-saving effects in various forms such as self-inspection, third-party testing, internal audits and audits, and breaks down the assessment indicators layer by layer to strengthen the assessment of grass-roots units.

The Company has established an energy-saving assessment mechanism, which incorporates the energy-saving management work into the business performance evaluation and assessment system of the main responsible person of each branch plant level by level. The assessment includes daily production and operation and energy-saving inspection. There will be economic rewards for excellent energy-saving achievements. Meanwhile, the Company has formulated a reward and punishment system to reward those who have made contributions in energy saving, as well as those who have reported energy wasting behaviors. Units that do not actively carry out energy-saving work will be held accountable. Each sub-factory should formulate an energy-saving assessment, reward and punishment system according to the situation. The Company and sub-factories have also set up special reward funds to motivate departments and employees to make outstanding contributions to energy saving and environmental protection.

Electricity  
Conservation  
Measures

- Promote green lighting technologies, products and energy-saving appliances.
- Adoption of energy-saving transformers and gradual phasing out of various types of old transformers.
- Promote energy-efficient electric motors and upgrading and phasing out inefficient electric motors and high power-consuming equipment.
- Accelerate the upgrading of inefficient fans, pumps, motors and transformers to improve system operational efficiency.
- Optimize the operation and control of motor systems: promote soft-start devices, reactive power compensation devices, computerized automatic control systems, etc., and rationally allocate energy through process control to achieve economic operation of the system.
- Promote the use of clean energy.

▣ Cleaner Production

The Company carried out a cleaner production audit in 2019. Now we have completed the cleaner production audit acceptance, set up a cleaner production audit leading group and working group, and organized cleaner production training. Moreover, we put forward dozens of feasible cleaner production programs, through the implementation of cleaner production work to continue to promote the Company's continuous transformation in the direction of energy saving, reduction of consumption, reduction of pollution, and increase in efficiency.

Case ▶ — Cleaner Production Training

In order to promote the smooth progress of the cleaner production audit, the Company has carried out cleaner production training within the Company, which explains the importance and necessity of carrying out cleaner production, as well as how to carry out cleaner production audits.



◆ Cleaner Production Training Site

Key Performance

During the reporting period, the Company's total expenditure on environmental protection was nearly **500,000 RMB**, and there was no environmental protection incident and no violation of laws and regulations in the environmental field. In the past three years, the Company's environmental protection facilities synchronous operation rate and the execution rate of the "three simultaneities" for construction projects are **100%**.



## Green Office

By improving the system mechanism and strengthening the scientific management, the Company constantly raises the awareness of all employees to save resources and protect the environment. And we encourage everyone to start from the small things around them, cherishing every degree of electricity, every drop of water and every piece of paper. We continue to promote the classification of garbage, practicing the concept of green and low-carbon with actions.

Water Conservation	<ul style="list-style-type: none"> <li>Leaks are Found and Repaired in a Timely Manner</li> </ul>
Power Conservation	<ul style="list-style-type: none"> <li>Formulation and Implementation of the <i>Management System for the Use of Central Air-conditioning and Lighting Facilities</i></li> </ul>
Paper saving	<ul style="list-style-type: none"> <li>Implementation of a Registration System for the Collection of Printing and Copying Paper</li> </ul>
Waste management	<ul style="list-style-type: none"> <li>Implementation of Waste Segregation for Office Waste</li> </ul>



## Guaranteeing Cleaner Emissions

In the treatment of pollutants, NKY adheres to the operational process of various types of pollutants generated by the whole process of control. By doing so, we aim to reduce the generation of pollutants from the source and strict control of pollutant emissions to ensure that emissions meet the standards.

### Management of Three Wastes

In the Fine Chemicals Sector, the Company has established the *Three Wastes Management System*, which follows the principle of "prevention first, source management and comprehensive prevention and control" in the treatment of three wastes. Besides, we specified the treatment, emission and monitoring methods for the waste gas, waste water, solid wastes and noise generated in the process of production to prevent environmental pollution and reduce the risk of production and operation.

#### Exhaust Gas Management

The project waste gas generated by the Company mainly comes from gas boiler exhaust, spray drying exhaust, crushing and packaging exhaust and incinerator exhaust. To control them, the Company has taken various waste gas management measures to strictly control the emission of waste gas to meet the emission standards for organized and unorganized emissions are well controlled. For example, the Company has formulated the *Management System for Unorganized Emission of VOCs in the Factory Area* for the unorganized emission of VOCs.

Monitoring	<ul style="list-style-type: none"> <li>In the organized emissions of exhaust gases, 20 tons of gas boilers installed with automatic monitoring facilities. The rest of the emissions of exhaust gases in accordance with the requirements of the emission permit self-monitoring program, commissions a third party to carry out regular testing and issued a test report, the results of which meet the limits of emission requirements of the relevant standards.</li> </ul>
Emission Reduction	<ul style="list-style-type: none"> <li>The storage of volatile raw materials and products adopts airtight facilities, and the storage tanks are equipped with breathing valves, pressure regulating devices or adopt internal floating roof storage tanks to reduce the emission of exhaust gas.</li> <li>Strictly operate in areas and equipment where VOC leaks may occur according to regulations, conduct regular inspections, and reduce unorganized emissions.</li> </ul>
Addressing	<ul style="list-style-type: none"> <li>Dust removal and treatment equipment such as air collection hoods, baghouse dust collectors and cyclone dust collectors are installed for organized emission sources.</li> <li>Set up a person in charge of the operation and maintenance of environmental protection facilities for the unorganized waste gas, and monitor the emission of pollutants on a regular basis.</li> </ul>
Maintenance	<ul style="list-style-type: none"> <li>Exhaust gas treatment and collection equipment is regularly maintained and serviced to ensure proper functioning.</li> </ul>
Recording	<ul style="list-style-type: none"> <li>Keep a running record of the operation of waste gas generation and treatment equipment.</li> </ul>

### ▼ Wastewater Management ▼

The wastewater generated by the Company includes production wastewater and domestic wastewater.

Monitoring	<ul style="list-style-type: none"> <li>In the total discharge of wastewater, automatic online monitoring equipment is installed to carry out real-time monitoring of water, pH, total nitrogen, ammonia nitrogen, COD, etc., And the rest of the indicators are to be manually detected in accordance with the requirements of self-monitoring program. The third-party testing company is commissioned to regularly test and issue test reports to ensure that the wastewater discharged in compliance with the standards.</li> </ul>
Addressing	<ul style="list-style-type: none"> <li>After the production wastewater and domestic sewage are collected by the sewage pipeline in the plant, part of the wastewater is treated by the water reuse system and recycled, and the other part is treated by the sewage treatment station and discharged to the sewage network in compliance with the standard.</li> </ul>
Recording	<ul style="list-style-type: none"> <li>The wastewater treatment station records its operation on a daily basis, and the Environmental Protection Department produces a monthly workshop production and discharge assessment form to manage monthly discharges.</li> </ul>

### ▼ Solid Waste Management (except Hazardous Waste) ▼

The solid waste generated by the Company mainly consists of general solid waste (calcium carbide slag, sludge, waste desiccant) and domestic garbage.

Addressing	<ul style="list-style-type: none"> <li>After press-filtering the calcium carbide slag, it is temporarily stored in the calcium carbide slag shed and regularly sold outside.</li> <li>Sludge is regularly transported to the dump station for uniform treatment.</li> <li>The waste desiccant is heated and dried for recycling.</li> <li>Domestic garbage is collected and put into garbage cans, and is regularly removed by the sanitation department of the industrial cluster area.</li> </ul>
Recording	<ul style="list-style-type: none"> <li>Record ledgers for the amount of solid waste in general and calcium carbide slag in particular that is transported.</li> </ul>

### ▼ Other Management ▼

Noises	<ul style="list-style-type: none"> <li>Adopt measures such as sound insulation and muffling. Besides, every year the Company commissions a third party to carry out noise testing to ensure that the noise at the plant boundary meets the standard.</li> </ul>
Soil and Groundwater	<ul style="list-style-type: none"> <li>The Company commissions a third party to carry out soil and groundwater testing every year. To be specific, we formulate a self-monitoring program for soil and groundwater, builds and maintains monitoring facilities, implements the monitoring program, records and saves monitoring data. Based on these data, we analyze the monitoring results, prepare an annual report on monitoring, and report the monitoring data to the environmental protection department in accordance with the law, so as to ensure that the testing is up to standard and that it does not have an impact on the biodiversity of the surrounding area.</li> </ul>

### ■ Hazardous Waste Management

The Company continues to strengthen the management of hazardous waste, formulating systems such as *Hazardous Waste Management System, Hazardous Waste Management Responsibility System, Hazardous Waste Management Plan and Management Account System, Hazardous Waste Identification Marking Management System*, etc. Moreover, we set up a separate management system for hazardous wastes with greater hazards in addition to the three-waste management system.

For hazardous waste, the Company follows the principle of "unified collection, classification and disposal, centralized incineration", and aims at "minimization, resourcefulness and harmlessness". In the process of generating, collecting, storing, transporting, transferring, disposing and recording of hazardous waste, a specially established hazardous waste management team makes decisions on, supervises and coordinates the management of hazardous waste, and establishes management accounts for the whole treatment process of hazardous waste to ensure standardized management with records to follow.

Type of hazardous waste	<ul style="list-style-type: none"> <li>Mainly HW11 Distillation Residue</li> </ul>
Treatment	<ul style="list-style-type: none"> <li>Incineration by Plant Incinerator</li> </ul>

The Company also requires that the storage, transportation and disposal of hazardous waste sites must be set up in accordance with the law to meet the requirements of the national standards of the appropriate signs, warning signs and signage. Besides, we will carry out training on hazardous waste storage and identification signs set up to strengthen the degree of awareness of employees on the handling of hazardous wastes.

### Case ▶ — Conduct Training on Hazardous Waste Storage and Identification Markings

On September 6, 2023, the Company's environmental protection department carried out key points of the training on the *Hazardous Waste Storage Pollution Control Standards, Hazardous Waste Identification Marking Setting Technical Specification* for environmental protection administrators and part of the personnel involved in the generation of hazardous waste sub-factories. By doing so, it aims to let relevant staff to learn to understand the norms and standards of hazardous waste requirements and to enhance the level of management of hazardous wastes.



◆ Hazardous Waste Storage and Identification Marking Training Site

Summary of Solid Waste Disposal Data for the Fine Chemicals Sector

2023

General Waste Generation	General Waste Disposal	General Waste Disposal Rate
<b>7,890.00</b> ton	<b>7,890.00</b> ton	<b>100%</b>
Hazardous Waste Generation	Volume of Hazardous waste Disposed	Hazardous waste Disposal Rate
<b>195.80</b> ton	<b>195.80</b> ton	<b>100%</b>


### Water Resource Management

The Company attaches importance to the saving and reuse of water resources, improving the utilization rate of water resources, reducing the consumption of tap water and helping to build a resource-saving and environment-friendly society.

In terms of water conservation, the Company's fresh water source is mainly from underground water sources, and the municipal water supply network supplies part of the domestic water. In order to conserve water resources, the Company has formulated *Water Conservation Management Regulations* and *Water Conservation Reward and Punishment System*, calling on all employees to conserve water in production and life, and has set up rewards and penalties for water conservation, giving rewards to employees who have made contributions to water conservation technology and prevented the waste of major water resources, and penalizing individuals and departments who have seriously exceeded the amount of water consumption and intentionally wasted water resources, so as to practically supervise the implementation of water conservation work.

In terms of recycled water, the Company increases the utilization rate of water through the resourceful use of non-conventional water sources such as recycled water. In the Company's water treatment system, water with different levels of contamination is diverted and treated by different systems.

- For rainwater, steam condensate, purified soft water filtration water, etc., they're collected by the rainwater network system.
- Production wastewater and domestic sewage are treated by the water treatment system. Currently, the Company has a water reuse project with a treatment capacity of more than 3,000t/d which constructs complete sewage treatment equipment including sedimentation tanks, oxidation tanks, etc. The process is that through hydrolysis, acidification, and other reactions, the clean water that meets the standards after treatment is returned to the system for reuse or directly discharged. In this way, it reduces the consumption of fresh water and promotes the saving of resources.




◆ Reuse Water Recycling Tower

◆ Recycling Pumps for Water Reuse

Summary of Water Utilization Data for the Fine Chemicals Sector

2023

Total Water Consumption	Groundwater Withdrawals
<b>334,795.00</b> ten thousand ton	<b>333,743.00</b> ten thousand ton
Municipal Water Purchases	Wastewater Discharge
<b>1,052.00</b> ten thousand ton	<b>97,300.00</b> ten thousand ton

### Environmental Equipment Management

In order to guarantee the normal operation of the three-waste treatment and monitoring equipment, the Company has formulated the *Environmental Protection Facilities Operation Management System* and *Environmental Protection Facilities Inspection (Maintenance) Management System*. They stipulate that the environmental protection facilities must be operated in synchronization with the production facilities, and that the environmental protection facilities are inspected on a regular basis or at irregular intervals, so as to eliminate the hidden dangers of the equipment. Besides, the third-party operation and maintenance unit carries out daily management of the waste gas and waste water online monitoring equipment, establishes environmental protection equipment operation accounts in daily operation, and conducts maintenance and overhauling of various environmental protection equipment on a regular basis to maintain the normal operation of the Company's environmental protection.





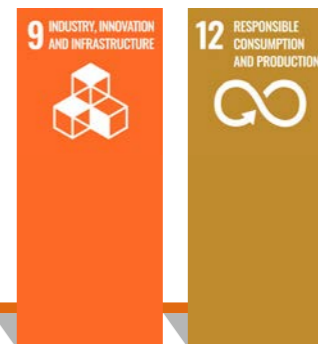
# Ensure Good Quality with Craftsmanship

# 03

## Our philosophy

Adhering to the quality policy of "timely, truthful and scientific", NKY makes continuous efforts for the quality vision of "Fully participation, pursuit of excellence, and becoming the best in the industry". It also strives to realize the long-term vitality of the enterprise and strong core competitiveness in the market, to ensure that the needs and expectations of customers are satisfied by making continuous efforts towards quality development.

## Responsive SDGs





The Company has obtained a number of certificates such as ISO 9001 Quality Management System Certification, ISO 22000 Food Safety Management System Certification, EXCiPACT Pharmaceutical Excipients Supplier Certification, Safe Production License. Wuhan Heer Medical has achieved two certificates, ISO 9001 Quality Management System Certification and ISO 13485 Medical Device Quality Management System Certification.



◆ ISO 9001 Quality Management System Certification



◆ ISO 22000 Food Safety Management System Certification



◆ EXCiPACT Pharmaceutical Excipients Supplier Certification



◆ Halal Certificate



◆ Certificate of Good Manufacturing Practice for Pharmaceutical Products



◆ Certificate of Suitability to Monograph of European Pharmacopoeia (Povidone K25)



◆ Certificate of Suitability to Monograph of European Pharmacopoeia (Povidone K30)



◆ Certificate of Suitability to Monograph of European Pharmacopoeia (Povidone K90)



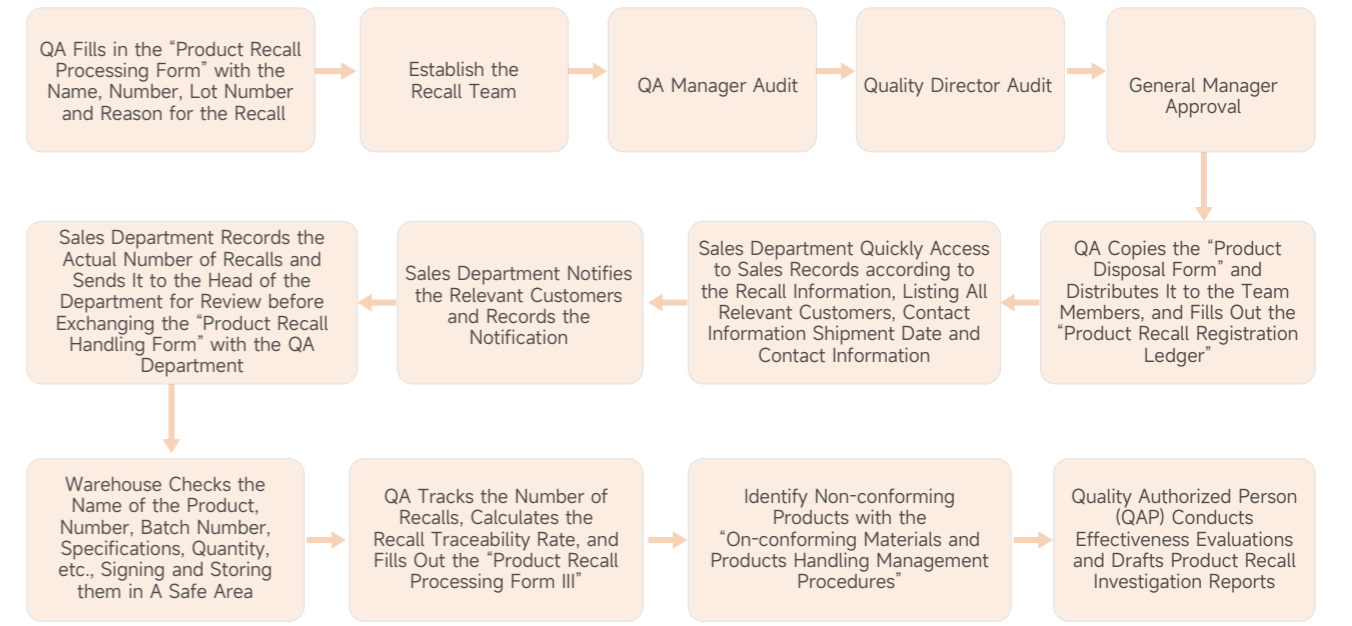
◆ Wuhan Heer Medical ISO 9001 Quality Management System Certification



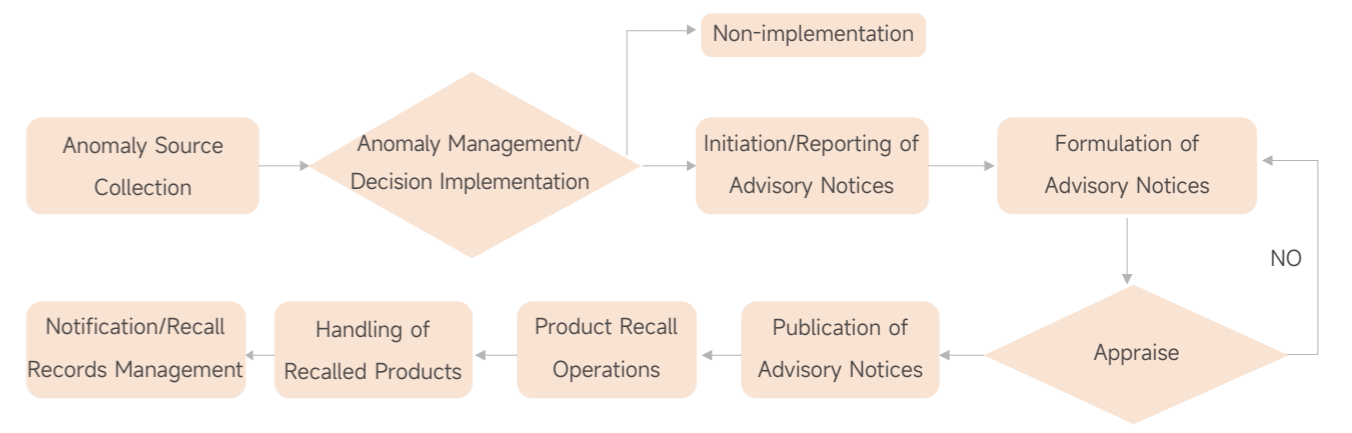
◆ Safe Production License

## Product Lifecycle Management

The Company implements product lifecycle management, and establishes a complete management process for products from production to recall. In the Fine Chemicals Sector, it includes warehouse material reception and release, material release, intermediate product release, product release, product recall, etc. In the Precision Medicine Sector industry segment, it includes product design and development, instrument product manufacturing, instrument product inspection, marking and traceability, special component inspection, and machine inspection, etc. All of the process has complete process management charts, and the responsible personnel and operation methods of each link are clearly defined, so that node management is in place and responsibilities are clearly attributed.



◆ Chemical Product Recall Flowchart



◆ Medical Product Recall Flowchart

After the delivery of the medical devices, in the event of any actual or potential harm to human body, property, or environment, or non-compliance with legal and regulatory requirements for the product, the Company will issue an advisory notice to provide users with additional information and recommended actions to ensure product safety.

The Company formulates annual quality training plan, actively carries out quality training activities, enhances the quality awareness and culture of the employees through centralized learning, consolidating the foundation of quality management.



◆ Quality Training for the Fine Chemicals Sector



◆ Wuhan Heer Medical -Device Manufacturing Quality Technology Learning

◆ Wuhan Heer Medical- Medical Device R&D (Reagents, Devices) Training

Key Performance

During the reporting period, there were no product recalls due to health and safety issues and no related negative public comments.

Quality Management Performance

2023

Number of Participants in Training Sessions on Quality Culture	Total Hours of Quality Culture Training	Number of training sessions on quality culture
13,288	73 Hours	38
Number of annual quality internal audits	Number of Third-party Agencies Hired for Sampling	
12	5	

## Strengthen Security Baseline

Adhering to the safety policy of "Safety first, prevention first, comprehensive management", NKY attaches importance to production safety, and has established a complete safety management system from establishing the safety committee, managing production safety risk, to the management of hazardous chemicals, emergency rescue management, etc., aiming to ensure the safety work with a comprehensive management system.

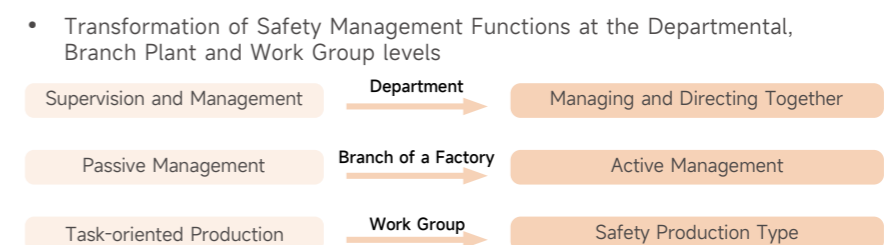
### ■ Safety Management System

The Company has established a multi-level safety committee, with the company-level safety committee coordinating the overall safety work, and the safety sub-committees of each department carrying out the safety work. In 2023, the company-level safety committee formulated the Company's safety management plan, defined the production safety target, and was guided by the safety work idea of "focusing on the annual safety target, practicing one concept, and transforming three-level functions". It aimed to implement the safety work and ensure accident-free production.

Practicing A Philosophy

- Practicing the core safety concept of "people-oriented, life first"

Transformation of the Three Levels of Functions



### Company's Safety Management Objectives for 2023



In 2023, all the safety management objectives have been accomplished

In terms of production safety responsibility, the Company has formulated the *Production Safety Responsibility System*, *Production Safety Responsibility Assessment System* and *Production Safety Reward and Punishment System*, etc. The policies designate the Safety Committee as responsible for overall coordination and guidance, with various levels of management, including the trade union, general manager, vice president of safety, etc., to the subordinate special safety management institutions, such as the Safety Department, the Environmental Protection Department, and the Department of Safety and Production, and stipulates that all levels and departments should implement a production safety responsibility system, sign production safety target responsibility letters at all levels, summarize the assessment of safety responsibilities on an annual basis, assess performance according to performance, and implement rewards and punishments, so as to ensure safe production and strengthen safety management.



### Security Risk Management

The Company attaches importance to safety risk management, has established a complete risk prevention mechanism and adopts a graded prevention and control approach for safety risks within the company. The team responsible for constructing the safety risk grading system conducts risk assessments and implements timely control measures to minimize the safety risks and safeguard the lives of employees.



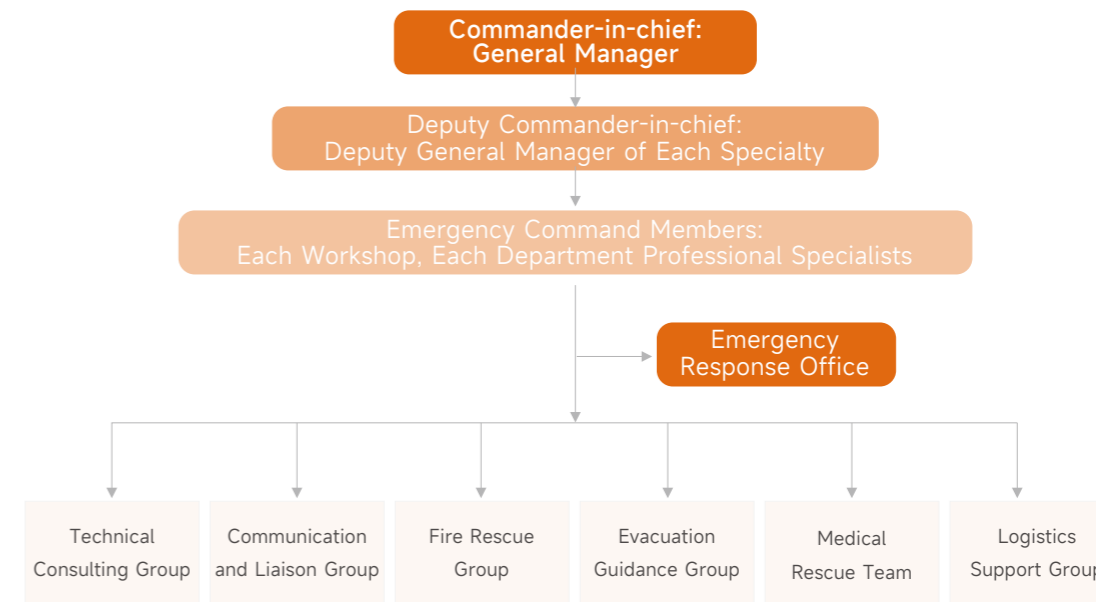
◆ Safety Risk Rating and Control Process

For the management of hidden dangers, the Company has formulated the Hidden Danger Inspection System for Safety Production Accidents. It combines daily hidden danger inspection, comprehensive hidden danger inspection, professional hidden danger inspection, seasonal hidden danger inspection, hidden danger inspection before major activities and holidays, and accident analogous hidden danger inspection, and systematically carries out the hidden danger inspection work. For the hidden dangers found in the inspection, timely rectification will be carried out; For the major sources of danger, the Safety Department will coordinate and focus on the management, identify the major sources of danger on a regular basis, and carry out monitoring, rectification and registration.

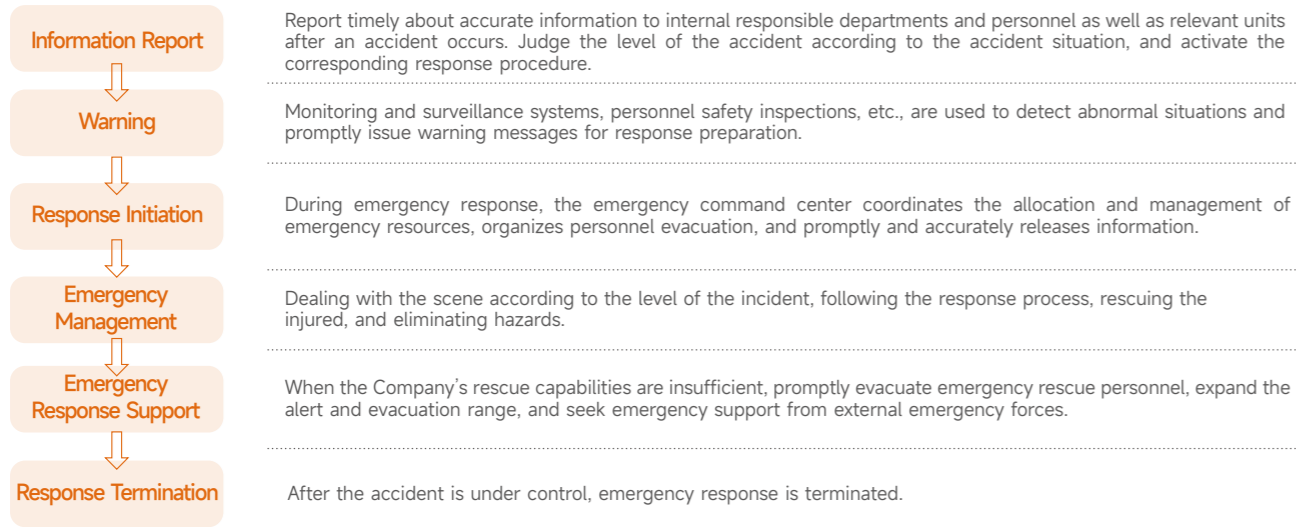
#### Key Performance

In 2023, the Company's Fine Chemicals Sector carried out a total of **43** safety inspections, including **4** comprehensive safety inspections at the company level, **4** seasonal safety inspections, **5** holiday safety inspections, **18** safety inspections of various specialties and **12** monthly safety inspections. A total of **281** hidden problems were found, all of which have been completed and rectified, with a rectification rate of **100%**.

In terms of emergency management, the Company has formulated the *Emergency Rescue Plan for Safety Production Accidents*. And it sets up the Emergency Command Department, which is responsible for the organizational leadership and decision-making command of the emergency rescue work in the event of accidents. At major sources of danger and fire and explosion accidents formulated the emergency response procedures, it formulated the targeted plans for the types of accidents such as accidents, so as to strengthen the ability of emergency management and control.



◆ Composition of the Emergency Response Command



◆ Emergency Response Process for Work Safety Accidents

In terms of emergency drills, during the reporting period, the Company continued to carry out a number of drills, such as emergency drills for fire accidents and emergency drills for electrocution, in order to improve the practical ability of employees in emergency rescue.

**Case ▶ Conducted Numerous Emergency Response Drills for Accidents**

In 2023, the Company conducted a number of emergency rescue drills to simulate a wide range of accident scenarios and improve the emergency rescue capabilities of employees.



◆ Emergency Rescue Drill for Methanol Leakage and Fire Accident



◆ Workshop Emergency Rescue Drill for Restricted Space Accident



◆ Emergency Rescue and Evacuation Drill for Crystallization Kettle Fire

## Digital Platform

In order to improve management efficiency, the Company integrates digital evaluation into safety management and adopts the intelligent safety and emergency comprehensive supervision platform. To be specific, it breaks down all production units and storage facilities involving hazardous chemicals into 3 safety risk analysis units, 56 sets of equipment and facilities, and 5 workplaces. By posting the QR code of hidden danger inspection in the unit parts and scanning the code on site to realize the hidden danger inspection and checking, the Company integrates the offline risk control and hidden danger inspection and management with the online digital system to realize the online safety management.



◆ Intelligent Safety and Emergency Comprehensive Supervision Platform

## Security Awareness Enhancement

In order to improve the awareness and ability of employees in production safety, the Company has formulated the *Safety Training and Education System*, formulated the annual education and training plan for production safety and introduced targeted safety training measures. Besides, it has provided different contents of training to internal employees and external contractors, so as to continuously improve the safety awareness of employees and partners.

### Case — “Safe Production Month”

In June 2023, the Company carried out activities under the theme of “Safe Production Month”, including emergency drills, safety knowledge competitions and prize-giving ceremonies.



◆ “Safe Production Month” Activity

### Case — Safety Training for External Construction Workers

The Company provides specialized safety training for external contractors and construction workers, including safety guidelines for worksites, procedures for obtaining permits for hazardous operations, and safety construction management agreements.



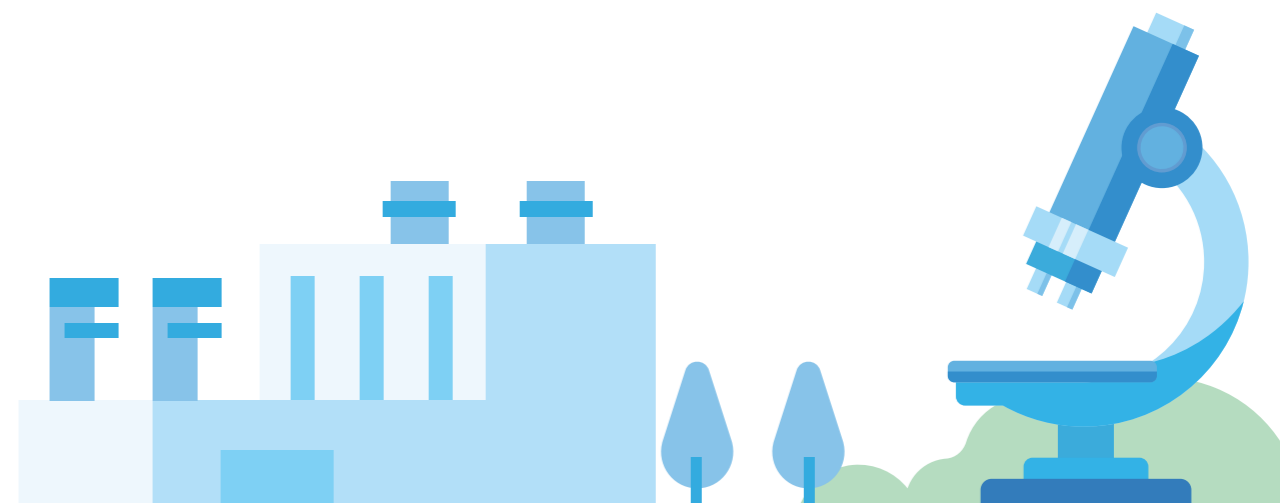
◆ Safety Training for External Construction Workers

### Key Performance

2023

In 2023, the Company invested more than **3** million yuan in safety production.

Number of Safety Emergency Drills	Special Operators Licensed Rate	Total Investment in Safety Education and Training
<b>18</b>	<b>100%</b>	<b>500+</b> Ten Thousand Yuan



# Sustainable Supply Chain

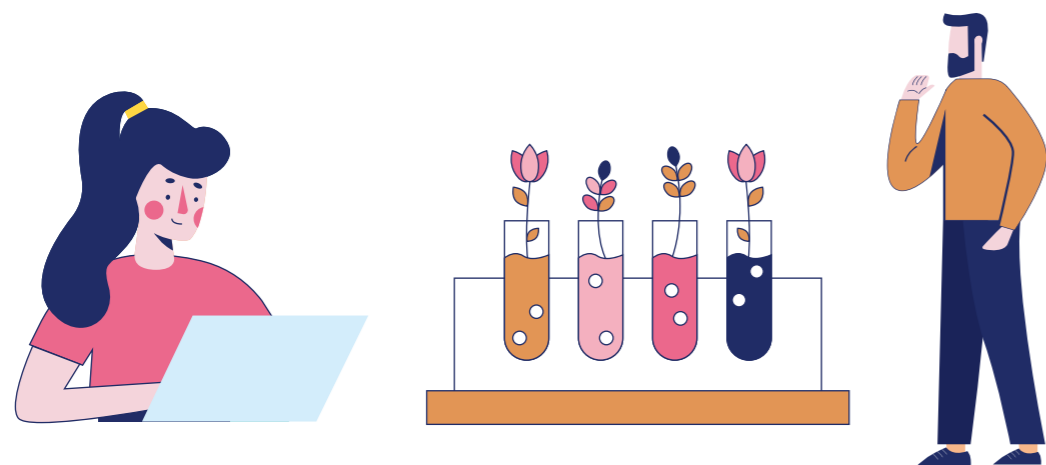
## Supplier Management

Supply chain management is an important link to maintain the normal operation of the whole enterprise. The Company continuously enhances the stability and sustainability of the supply chain through establishing a perfect procurement and supply chain management system, strengthening the evaluation and of suppliers, and continuously improving the safety and quality of suppliers' products.

For Fine Chemicals Sector, the Company has formulated the *Supplier Management System*, which makes provisions on suppliers' information acquisition, qualification review, selection, renewal, risk assessment and scoring standards, and evaluates the suppliers once a year and assesses grades of suppliers in accordance with the *Supplier Risk Evaluation Form*.

Scores	Supplier Rating
90.1—100	Lowest-Risk Suppliers
80.1—90	Low-Risk Suppliers
70.1—80	Medium-Risk Suppliers
60.1—70	High-Risk Suppliers
Below 60	Unqualified Suppliers

For Precision Medicine Sector, the Company has in place the *Supplier Evaluation Guidelines*, whereby the Purchasing Department compiles the *Qualified Supplier List*, categorizes suppliers into A, B and C, and fills out the *Supplier Evaluation Form* after initial selection, inspection and evaluation. The form includes the assessment of the supplier's ability in various aspects, such as productivity, quality management system, technology and after-sales service.



## Key Performance

2023

In 2023, there were **51** suppliers of Fine Chemicals Sector and **228** of Precision Medicine Sector, **279** in total.

Region	Quantity	Proportion	Region	Quantity	Proportion
North China	<b>27</b>	<b>15.08%</b>	Northeast China	<b>1</b>	<b>0.56%</b>
East China	<b>141</b>	<b>78.77%</b>	Central China	<b>87</b>	<b>48.60%</b>
South China	<b>19</b>	<b>10.61%</b>	Southwest China	<b>1</b>	<b>0.56%</b>
Overseas	<b>3</b>	<b>1.68%</b>			

And The Company has also drafted the *Warehouse Setting Management Regulations* to stipulate the storage and location of various materials and standardize the management of them.

## Protecting Customers' Rights and Interests

The Company actively listens to its users' voice, provides customers with perfect aftersales service, and regularly conducts customer satisfaction surveys to solve service problems in a timely manner.

In after-sales service, in order to assist customers to better use the products, The Company made "Installation and Commissioning Instruction", "Guidebook of Repair, Replacement and Operation Change", "Operation Guidebook of Disinfection and Cleaning for Returned Products." etc., so as to enable the employees to provide customers with required services in a timely manner and make regular visits to customers. For improving the efficiency of after-sales service, the Company adopts video conferencing system to provide technical training and exchanges for customers. It publishes video product introductions, operating methods, etc. on WeChat Official Account, and customers can also make technical inquiries and sales contacts through it.

In 2021, the Company conducted a satisfaction survey on customers including Fudan University and the Institute of Hydrobiology, Chinese Academy of Sciences, with a score of 96.15/100.



# Concentrating on Creation, Devoting to Future Research and Development

# 04



## Our Philosophy

With technological innovation as its core concept, NKY continues to promote process innovation and develop new products, actively follow up global technological development trend, and endeavor to meet customer needs. In addition, the Company also attaches great importance to information security management, to take comprehensive measures to ensure information security, and avoid information leakage.

## Responsive SDGs



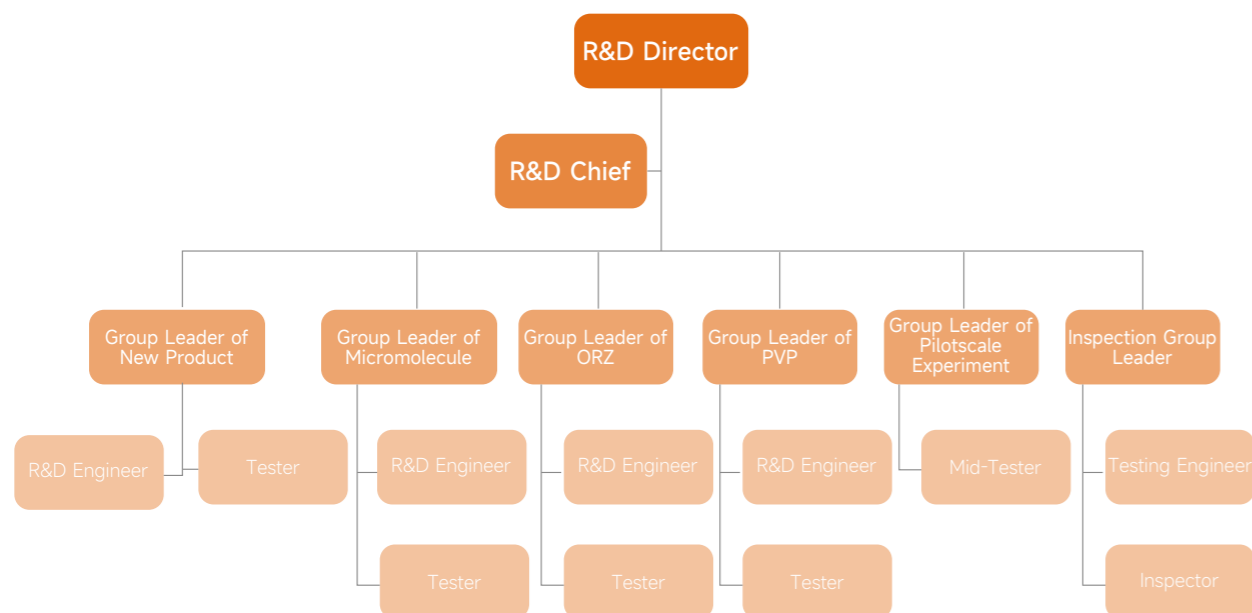
# Focus on Science and Technology Innovation

Based on the core value of "Creating Value for the Society" and promoting the research and development of related industries, NKY is willing to cooperate with related colleges, research institutes and enterprises. The cooperation is based on the principle of mutual benefits and consensus; We provide its R&D Center as an open platform for institutions and enterprises in need to contribute to the improvement of the technology of new polymer materials, functional chemicals and pharmaceutical products in China.

## R&D Management

Leading by scientific and technological innovation, NKY constantly improves its R&D innovation management system. Adhering to the love and pursuit of technology, it stands at the forefront of the industry and strives to promote the development of science and technology. To achieve this goal, the Company focus more on R&D innovation and continues to improve its own R&D capabilities to ensure smooth progress of the projects and improve the quality and efficiency of R&D.

The following is the organizational structure and corresponding responsibilities of the R&D center in Fine Chemicals Sector:

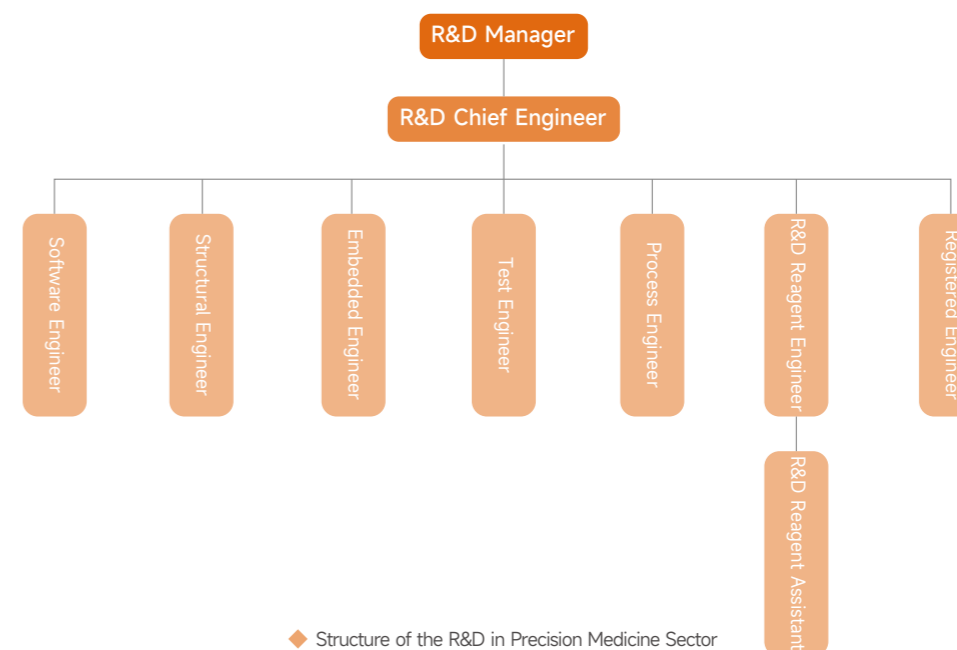


◆ Structure of the R&D Center in Fine Chemicals Sector

## Responsibilities of the R&D Center in Fine Chemicals Sector

Description	Responsibility
Product Development	<ul style="list-style-type: none"> <li>Put forward product development plan and make strategic suggestions to the General Manager and management team.</li> <li>Collect related data about new technology, process and equipment from domestic and foreign counterparts, conducting research and experiments of the data.</li> <li>Launch products, design and implement the research plan.</li> <li>Convert new products into manufacturing.</li> <li>Improve the technology of existing products.</li> </ul>
Technology Support	<ul style="list-style-type: none"> <li>Prepare samples for trial sale.</li> <li>Study the application performance of the products.</li> <li>Provide related technology support for pre-sale and after-sale services.</li> </ul>
Production Support	<ul style="list-style-type: none"> <li>Provide technology support for testing raw materials before producing.</li> <li>Manage and distribute special materials for related products.</li> <li>Coordinate with Product Branch Factory, Quality Department and Sales Department to deal with customers complaints and abnormal fluctuations in product routine indicators.</li> </ul>

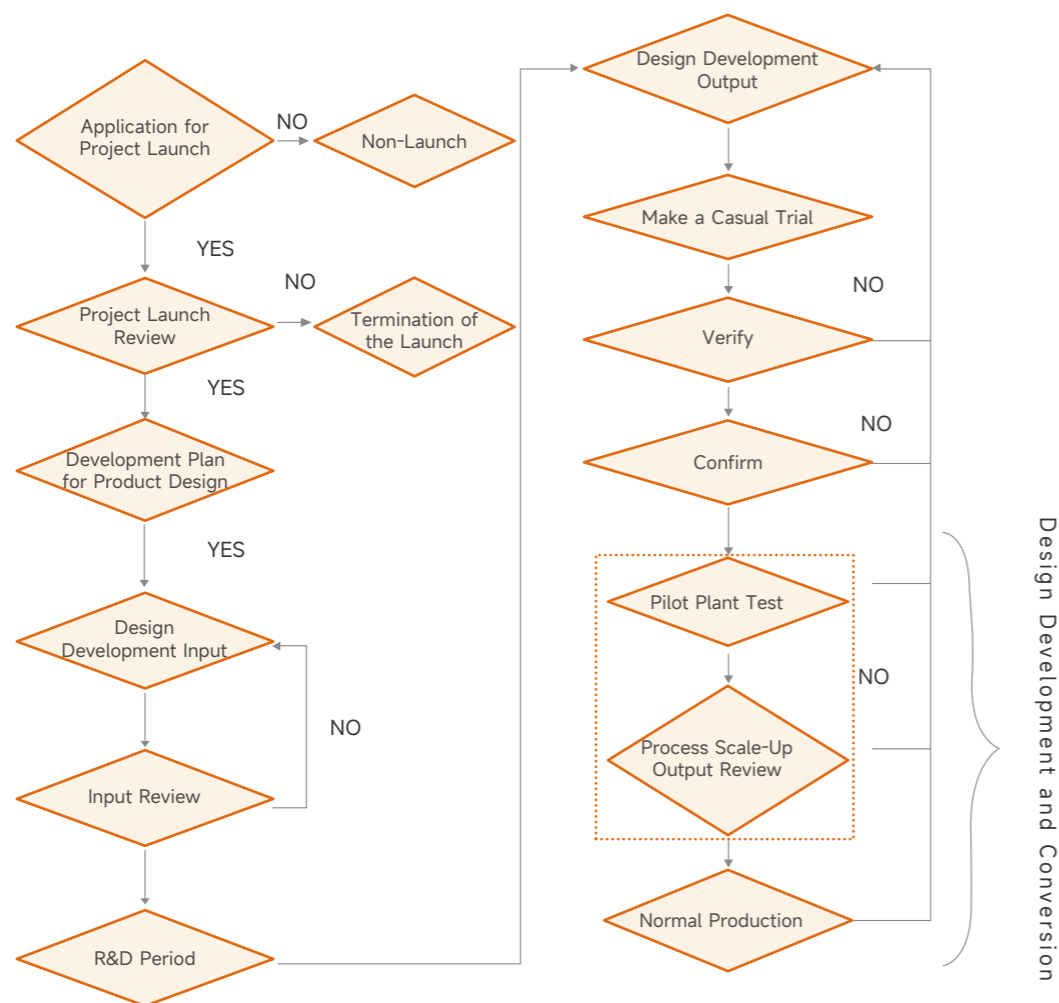
The following is the organizational structure and program plan of the R&D center in Precision Medicine Sector:



◆ Structure of the R&D in Precision Medicine Sector

▼ R&D Project Plan for Precision Medicine Sector in 2023 ▼

Name	Time
Non-Gynecological HE Stain Scanning Program	From April, 2023 to July, 2023
P16Ki67 Analysis Software	From March, 2023 to June, 2023
Artificial Intelligence analysis software for Cervical Cytology	From February, 2023 to December, 2023
Database Docking Tools	From June, 2023 to August, 2023
Upgrade for New Compound Dyeing Robotic Arms	From March, 2023 to December, 2023



◆ The R&D Procedure in Precision Medicine Sector

The Company has a wealth of achievements in the field of science and technology. It has also gained equal recognition in pharmaceutical field in addition to being certified as a high-tech enterprise in chemical field. As an innovative enterprise, the Company is committed to promoting the development of science and technology. For pharmaceutical field, it actively organizes section meetings to provide opportunities for experts and scholars in the industry to communicate and cooperate. The Company also actively participates in the Annual Meeting of Chinese Pathologists to share its research results and experience in this field with industry elites.

In 2023, the Company joined the Science and Technology Association of Boai County, Jiaozuo City, Henan Province. This not only recognizes the Company's technical strength and influence, but also provides an opportunity for it to further expand its influence in the field of scientific research. As a member of the association, the Company will discuss the importance of scientific and technological development with other members and make positive contributions to the scientific and technological progress of Boai County.



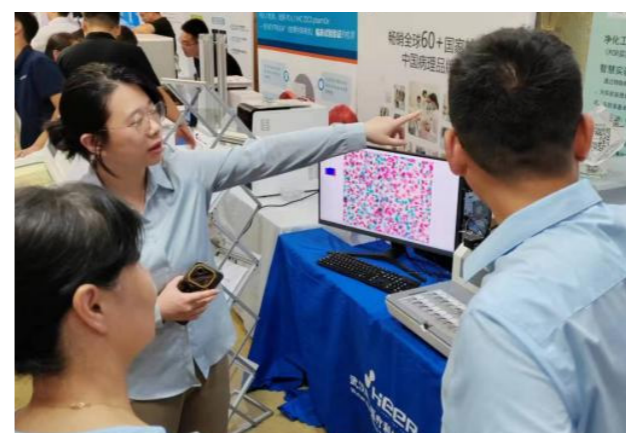
◆ Certificate for High-Tech Enterprise (Fine Chemicals)



◆ Certificate for High-Tech Enterprise (Precision Medicine)



◆ Section Meetings



◆ the Annual Meeting of Chinese Pathologists

Key Performance

2023

R&D Performance Summary

R&D Investment

**5,000+** Ten Thousand Yuan

Number of New Product Development Projects

**23**

Certificate for the Company's Innovation Ability

Enterprise with Specialized, Sophisticated, Novel and Unique Technology

**1**

National High-Tech Enterprises

**5**

Postdoctoral Workstation

**1**

Innovation Achievements

Number of Granted Patents

**174**

Number of Authorized Invention Patents

**42**

Number of Granted Utility Patents

**119**

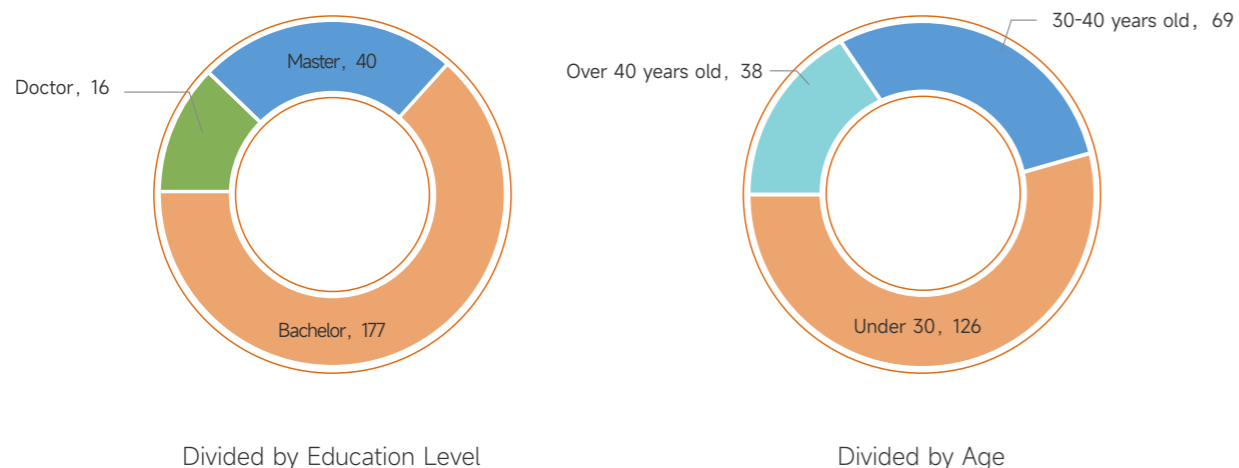
Number of Granted Design Patents

**13**

Composition of the R&D Team

Number of the R&D Team

**233**



## Encourage Research Talents

Aiming at motivating and promoting the development of the scientific research personnel, the Company has specially formulated the regulations such as *Performance Evaluation System for Research and Development Personnel*, *Management Provisions for Research and Development Organization*, *Performance Assessment for Research and Development Personnel*, *Incentive and Reward System for Organization and Implementation of Scientific and Technological Achievement Transformation* and so on. These rules focus on improving the professional quality of scientific researchers and promote technological innovation to better meet the development requirements of the Company.

## Talents Introduction

For the sake of meeting the Company's demand for human resources, the *Talents Introduction System* has been formulated. The system details the specific processes and standards for the introduction of talents to ensure that the recruitment process is fair, and transparent. The Company will apply a variety of ways to attract and recruit excellent talents. Firstly, we will search for suitable talents through market research and employee recommendation. Secondly, we will utilize online recruitment platforms to release recruitment information and actively participate in university and recruiting events. In addition, we will consider rehiring retirees and work with professional headhunters to find candidates for senior and specific positions.

### Ways of Talents Introduction

For high-level talents, direct transfer and recruitment can be taken to encourage the establishment of long-term and stable labor relations with the Company.

For those who do not have a job (including fresh graduates), they can sign a labor dispatch contract through the Company's designated dispatching company, so we can introduce talents by way of dispatching.

Qualified experts and senior personnel can be introduced flexibly in accordance with the introduction mechanism of "not seeking what they have, but seeking what they can", "not seeking to be located, but seeking to be competent." The introduction of talents is carried out flexibly and creatively by means of intellectual introduction, intellectual borrowing, part-time employment, temporary employment and technical cooperation.

## Intellectual Property Rights Protection

NKY respects the protection of intellectual property rights and strictly abides by relevant laws and regulations to ensure that innovations are protected and properly applied. At the same time, we actively take part in the development and promotion of domestic and international technical standards to promote the standardization of the industry.

### Methods to Protect One's Own and Others' Intellectual Property Rights

During the process of R&D projects, incorporate the status of intellectual property investigations into feasibility reports, and reduce the risk of products infringing on other's intellectual property rights of others by means of project review meetings.

When develop a project, apply and register for intellectual property rights timely.

Carry out intellectual property rights training regularly.

Key Performance

Number of Software Publications  
**100+**

Number of Trademarks  
**80**

Improve the Awareness and Ability

To strengthen the overall competency of scientific and technological workforce and promote the standardization and institutionalization of scientific and technological personnel training, NKY has formulated the *Scientific and Technological Personnel Training Rules* on the foundation of following the relevant state regulations. The provisions targets at enhancing the technical level and comprehensive quality of scientific and technological personnel, which aims to establish scientific, efficient and comprehensive system of personnel training to satisfy the needs of scientific and technological development.



Types of Training

# Protect Information Security

Information Management System

NKY strictly complies with the *Personal Information Protection Law of the People's Republic of China, General Data Protection Regulation* and other relevant national and regional laws and requirements of regulatory agencies. In order to facilitate the strategic development, the Company has drawn up a series of measures including equipment management system, information security management system, machine room management system and information security emergency plan to comprehensively strengthen the protection and management of information security, and to ensure the security and confidentiality of customer and business data. When planning and constructing information security, its measures should be synchronized with information security construction in accordance with the principle of "three synchronization" including synchronized planning, synchronized construction and synchronized operation.



Overall Plan for Information Security Work

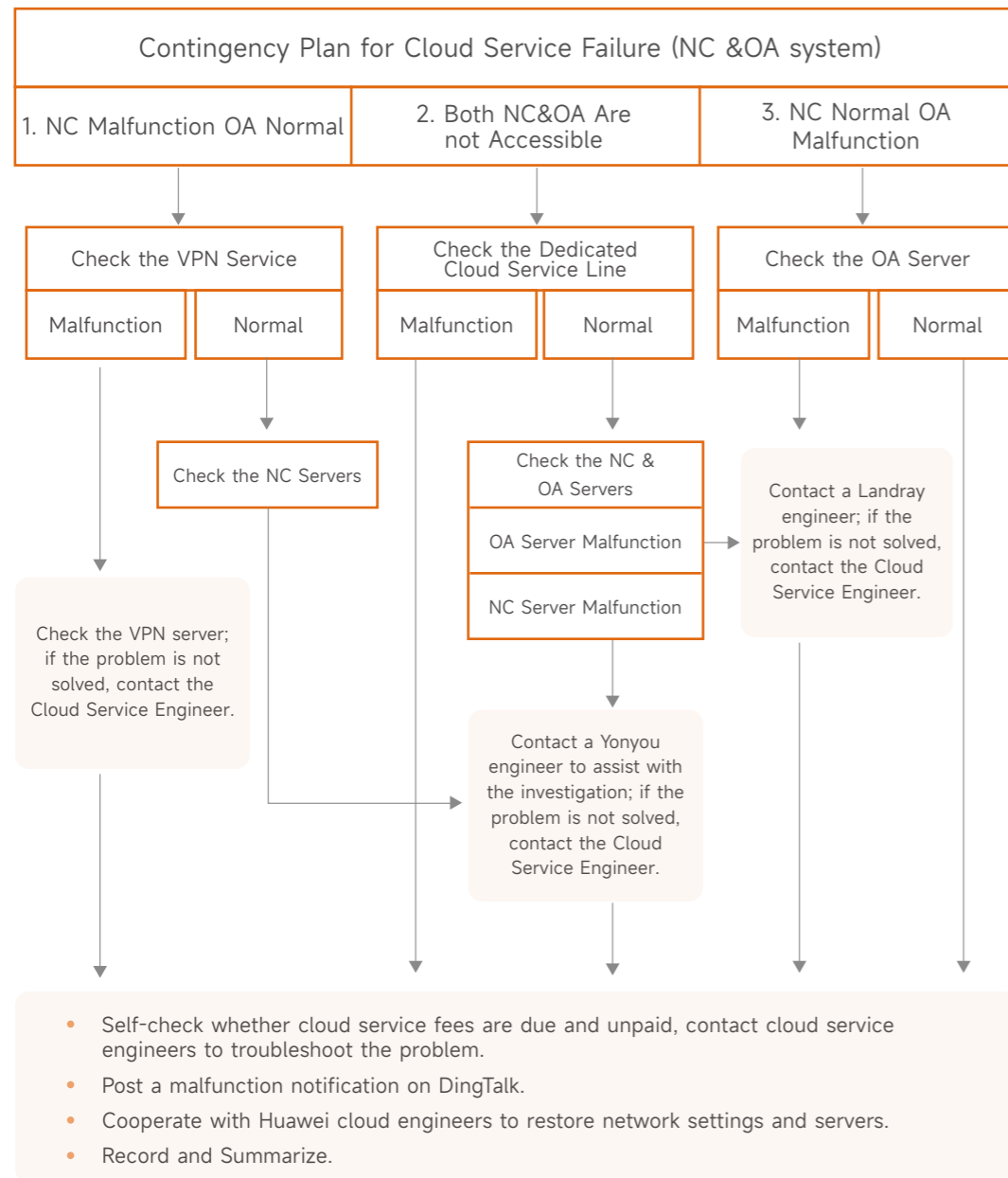
- Policies**
  - Adhere to the policy of "Safety first, prevention-oriented, equal emphasis on management and technology, comprehensive prevention", and realize information security being controllable and under control.
- Goals**
  - Ensure continuous, stable and reliable operation of information security, and guarantee the confidentiality, integrity and availability of information content.
- Principles**
  - Principle of Information Security Requirement
  - Principle of Responsibility for Key Leaders
  - Principle of Full Participation
  - Principle of Systems Approach
  - Principle of Continuous Improvement
  - Principle of Management by Law
  - Principle of Decentralization and Delegation
  - Principle of Choosing Mature Technology
  - Principle of Hierarchical Protection
  - Principle of Equal Emphasis on Management and Technology
  - Principle of Combining Self-protection and State Regulation

Responsible Departments for Information Security

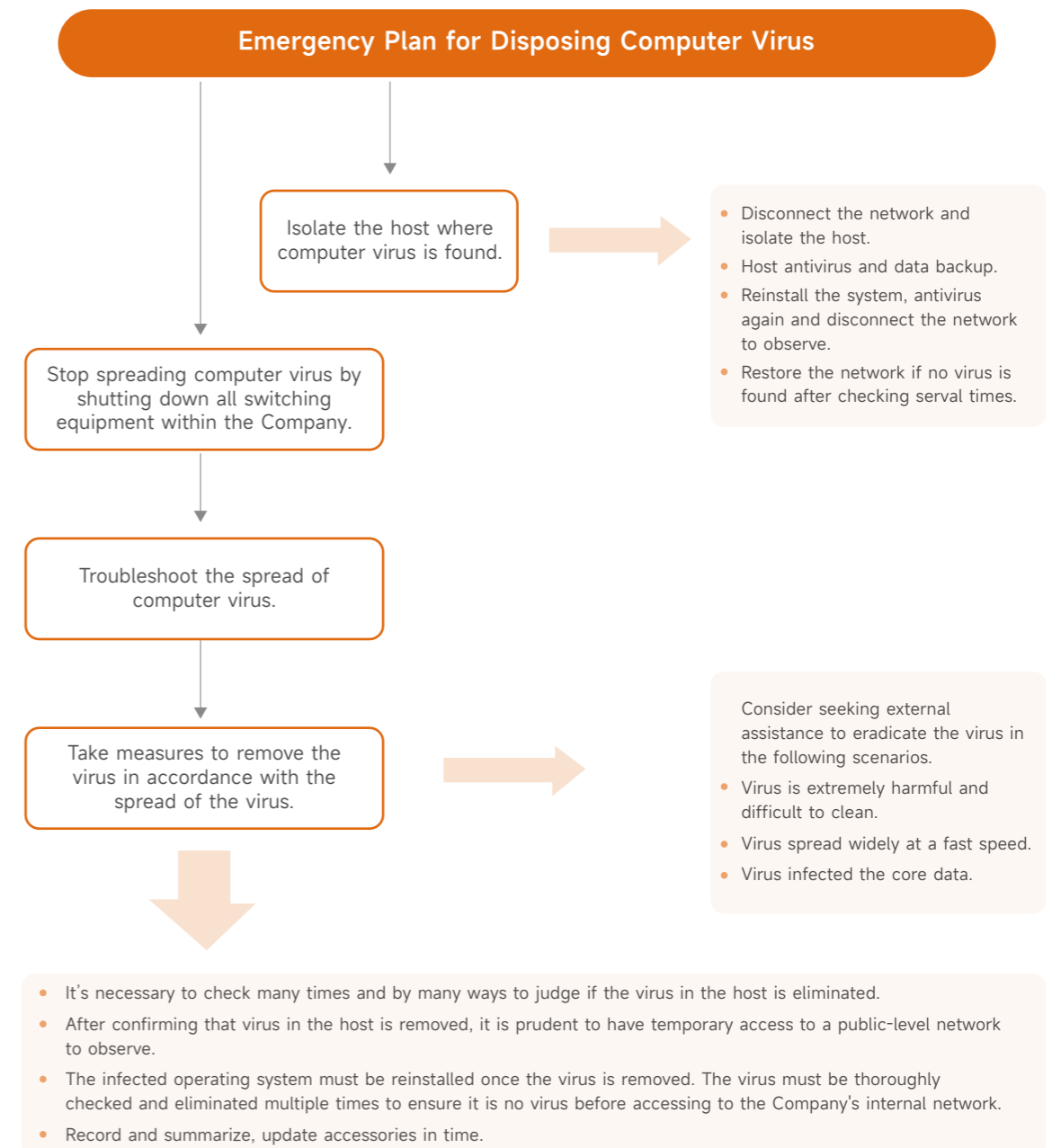
Department	Duty
Process Information Center	Responsible for the overall planning, management, and supervision of the Group's network information security, as well as for the formulation, interpretation, and supervision of the implementation of this system.
Infrastructure Department	Responsible for data management of IT equipment and related accounts, timely identifying security risks and reporting to the Process Information Center. In charge of internal promotion, implementation, and supervision of this system.
Head of Information Security	Responsible for the design, construction, maintenance, and optimization of the Company's network security infrastructure. Establish security strategy, baseline and emergency response plan; carry out security loophole tracking, testing and assessment; assist business departments in IT internal control compliance, and complete the construction and improvement of IT service system.
Departments of the Company	Accountable for data management of IT equipment and related accounts in its own department; in charge of internal promotion, implementation, and supervision of this system.

## Management Methods

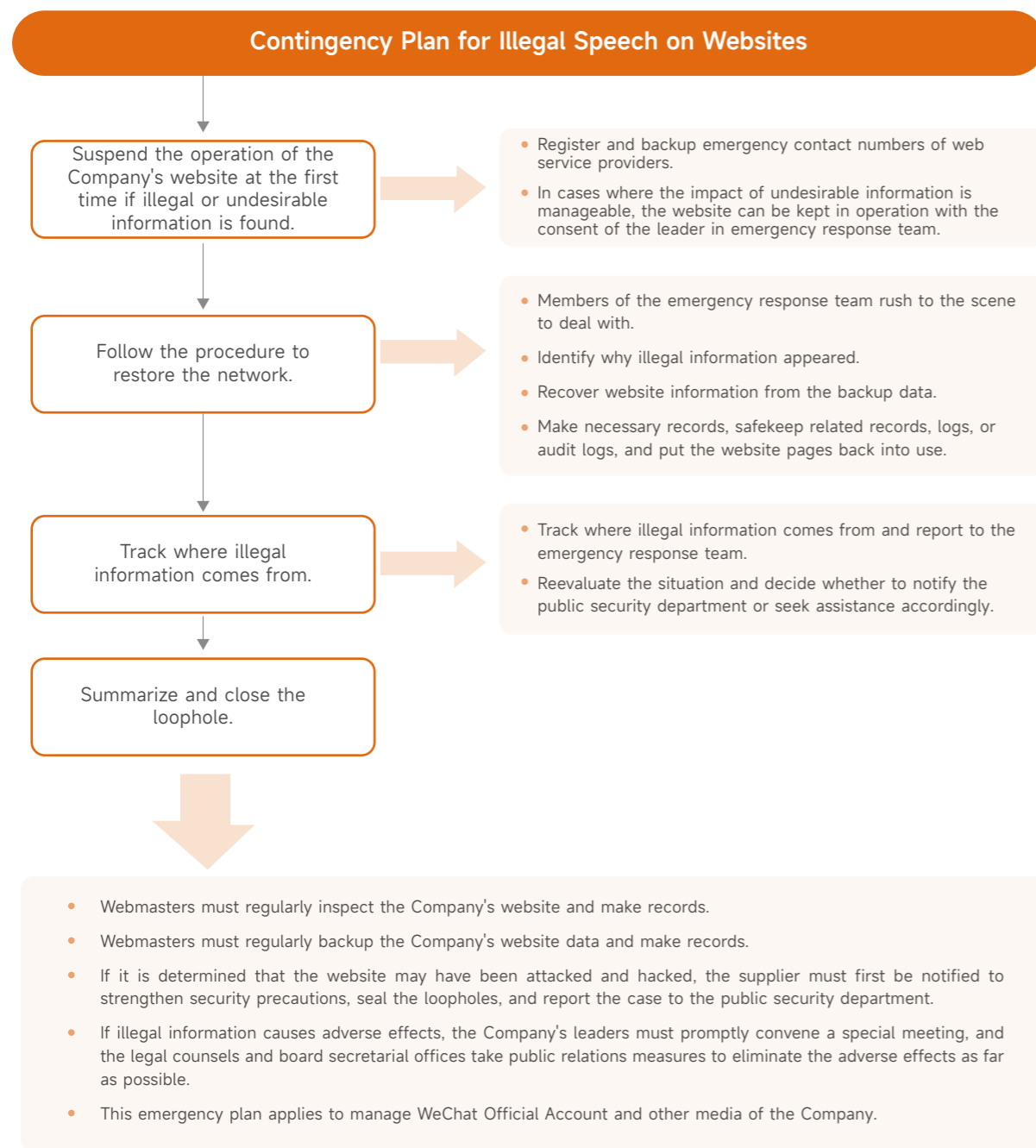
In the digital age, information security has become an indispensable and important part of enterprise development. In order to safeguard information security, NKY responds to various potential security incidents by formulating a variety of emergency plans. These plans include measures and processes to deal with situations such as network attacks, virus infections, data leaks, system failures, and so on. In addition, the development and implementation of emergency plans can also improve the security awareness and protection abilities of employees, and further strengthen the Company's information security capabilities.



◆ Contingency Plan for Cloud Service Failure



◆ Emergency Plan for Disposing Computer Virus



◆ Contingency Plan for Illegal Speech on Websites

### Case — Information Security Training

On November 28, 2023, the Company conducted information security training for employees. The training started with an example, thus highlighting the importance of information security awareness and guiding employees to better recognize and understand the importance of it. Then, it focused on a series of systems and regulations formulated by The Company for information security, so as to help employees better comply with The Company's information security requirements and thus safeguard The Company's information security.



◆ Training for Information Security

### Case — Training for Preventing Information Violation by Advertising Law

Ensuring that the Company's business operations are compliant, NYK has actively conducted a training for advertising law for its employees in order to popularize the knowledge of advertising law and reduce information violations. The training aims to strengthen employees' understanding and awareness of advertising law, improve employees' legal awareness and compliance awareness, and ensure that employees have a comprehensive grasp of the knowledge and skills in advertising law.



◆ Training for Advertising Law

### Key Performance

Times of Relevant Training	Number of Participants in Practice & Training	Employee Coverage for Practice & Training	Total Investment in Data Security
2	820	100%	10+ Ten Thousand Yuan

Number of Information Security and Privacy Breaches During the Reporting Period

0

NKY understands the importance of information security for business operations, and therefore strives to improve the security awareness and skills of its employees. The Company through a variety of training methods to ensure that employees have a comprehensive grasp of information security knowledge and skills, in order to better prevent and respond to possible information security incidents, so as to protect The Company's business operations.

# Moving Forward Together, Building a Harmonious Family

# 05

### Our Philosophy

NKY Mission: serve customers, improve employees, return to shareholders, and benefit society. We are committed to building an impartial, and transparent platform, a smooth career development path for employees, highly concern about employees' occupational health and safety, and try to protect the rights and interests of them. We place great emphasis on the personal welfare of our employees, aiming to create a conducive working environment while providing ample opportunities for career development and training, give due consideration in employee welfare and encourage for active participation in decision-making.

### Responsive SDGs

- 3 GOOD HEALTH AND WELL-BEING**
- 5 GENDER EQUALITY**
- 8 DECENT WORK AND ECONOMIC GROWTH**
- 10 REDUCED INEQUALITIES**
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**



# Safeguarding Employees' Rights and Interests

NKY has always attached great importance to the vital interests of employees and considers promoting their overall development as one of the company's significant development goals. The Company not only focuses on protecting employees' rights and interests to promote their physical and mental health, but also strives to create an inclusive, equal, mutual trust and collaborative work environment to achieve the unity of the Company's value and employees' value. The Company has taken a series of measures to protect the rights and interests of employees, such as formulating a comprehensive employee welfare system, paying attention to physical and mental health of employees, and providing vocational training and development opportunities. At the same time, the Company also advocates equal cooperation between employees and communication with mutual trust, encouraging employees to leverage their personal strengths and promote the development of the company.

## Management System

NKY has always strictly abided by national laws and regulations, focusing on protecting the legitimate rights and interests of employees. To this end, The Company has especially formulated the *Employee Handbook*, *Attendance Management Guidelines*, *Personnel Management Guidelines*, *Recruitment Management Guidelines*, and other systems to standardize and protect the work and life of employees. These systems not only clarify the Company's management policies and regulations, but also provide employees with clear working guidelines and management bases, and protect their legitimate rights and benefits.

## Employee Recruitment

The Company adopts a variety of recruitment channels according to the characteristics of the positions, including internal competition, campus recruitment, media recruitment, job fairs in the labor market, intermediary companies and so on. The principle of avoiding relatives is adopted during recruitment to ensure that the recruitment process is fair, just and open, and that human resources are allocated in a reasonable manner.

### ▼ Data of Employee Recruitment Channel ▼

Channel	Number of Resumes	Master	Bachelor
Campus Recruitment in Henan Polytechnic University	147	51	96
Campus Recruitment in Henan Normal University	78	37	41
Recruiting Event in Zhenzhou Longzihu	43	12	31
Talent Recruitment & Project Matchmaking Event in Henan Province	51	34	17

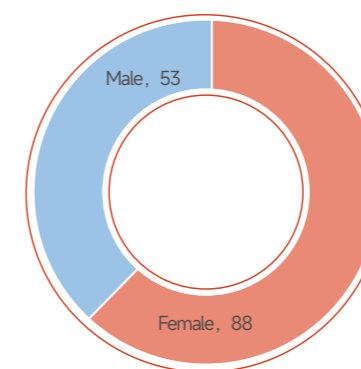


◆ Offline Recruiting Event

### Status of New Employees

Number of New Employees

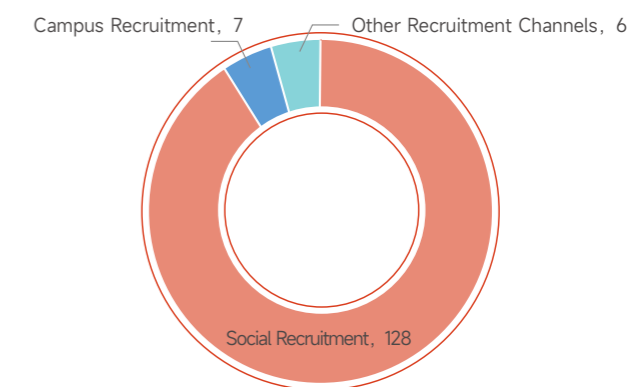
141



New Employees Divided by Gender

Rate of Labor Contract Signing

100%



New Employees Divided by Recruitment Channels

## Equalization Management

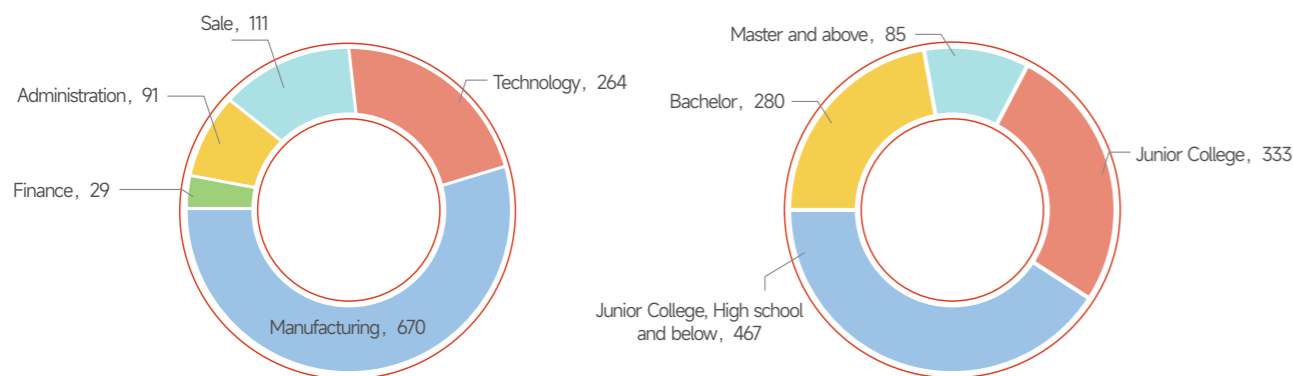
The Company has been committed to the implementation of a diversified talent strategy, promoting a culture of equality, fairness and inclusiveness, providing fair opportunities and development space for employees from different backgrounds, advancing the diversified development of employees and promoting the sustainable development of the company. At the same time, The Company has set up a relevant management system, establishes a list of prohibited issues for recruitment, sets up a canteen for Muslims, and pays attention to and cares for employees of ethnic minorities to further improve and strengthen the Company's human resource management and social responsibility.



◆ Canteen for Muslims

### Composition of Employees

Total Employees  
**1,165**



Employees Divided by Profession

Employees Divided by Education Level

The Company values the rights and interests of employees. In the event of discrimination, harassment, mistreatment, or violation of human rights against an employee, he/she can lodge a complaint orally or in writing to the HR Administration Office or the General Manager. In addition, the Company has set up a variety of complaint channels, including complaint phone line, E-mail and mailbox, so that employees can make complaints anytime and anywhere. The Company will strictly protect the privacy and rights of the complainants, handle each complaint incident seriously, and ensure fairness, impartiality and transparency.

NKY pays attention to safeguarding the rights and interests of female employees and is committed to creating an equal working environment for everyone. It actively promotes gender equality and strives to create a workplace without gender discrimination. In recruitment, promotion and other aspects, the Company will not make decisions with discrimination based on gender, but will assess and make decisions based on the employee's abilities and performance.

Channels for Complaint	Tel	E-mail	Mailing Address
	8694479	xkybgs@126.com	Living Building Lobby

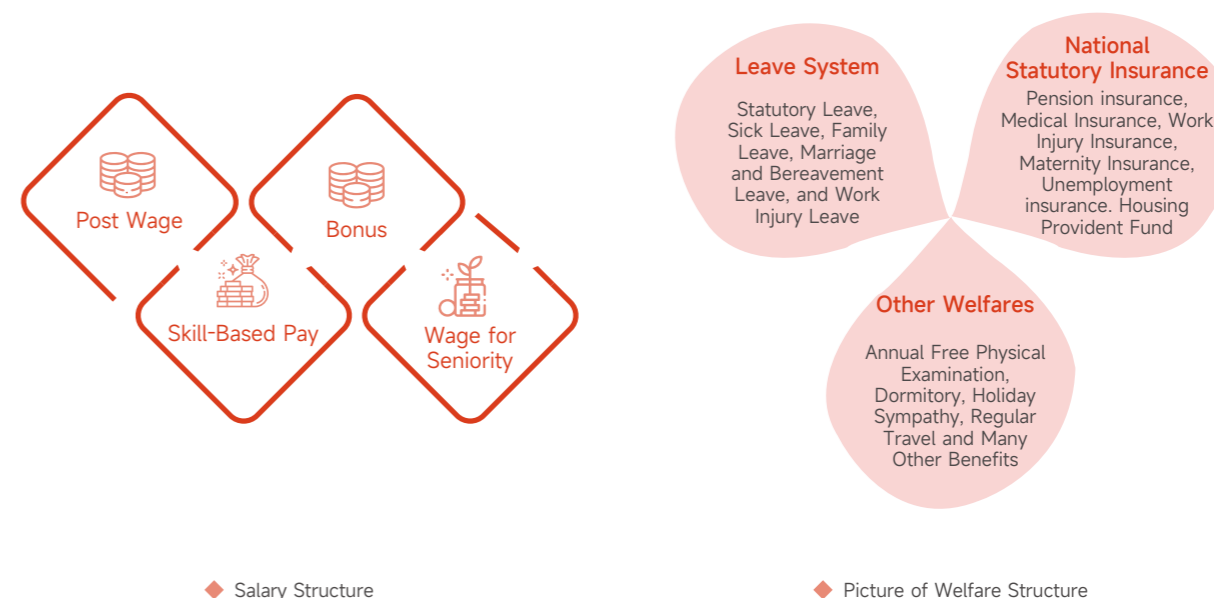
### Key Performance

In 2023, there were no negative incidents of child labor or forced labor in the Company.

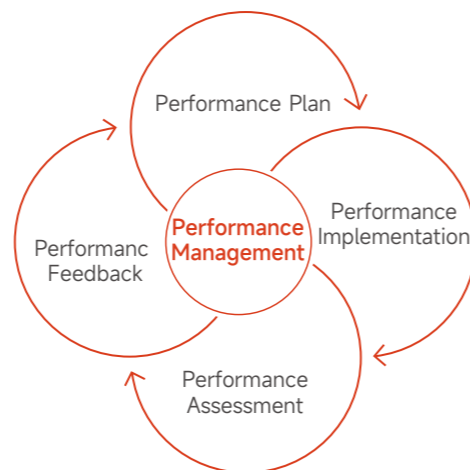
Total Training Hours of Employee Diversity Policy	Number of Employees on Maternity Leave	Number of Employees on Parental Leave	Return Rate of Employees After Parental Leave
<b>306</b> Hours	<b>105</b>	<b>97</b>	<b>100%</b>

### Salary and Welfare

The Company has always been committed to improving the motivation and efficiency of its employees so as to enhance the competitiveness. To achieve this, The Company has formulated the *Salary Management System*, *Performance Management Guidelines* and other systems, and makes adjustments to wages, performance, remuneration and job mobility based on the actual situation. NKY has carried out the *Management Measures for the Implementation and Assessment of the Restricted Stock Incentive Plan 2021*, to further establish and improve the long-term incentive mechanism of the Company, fully mobilize the enthusiasm of employees, attract and retain outstanding talents, and effectively combine the interests of shareholders, the company and employees.



NKY attaches great importance to employee performance management because it helps the Company to better manage its human resources, identify and cultivate high-performing employees, and optimize the allocation of employees. Through the monitoring and feedback of work performance, employees can better unleash their potential and improve work efficiency and quality, thus improving the company's human resource efficiency. The performance management system consists of a cyclic process of performance plan development, performance coaching and communication, performance appraisal and evaluation, and application of performance results, continuously evolving to meet the needs of the company and employees.



◆ Performance Management

Key Performance

Statutory Benefits Expenditure  
**200+** Ten Thousand Yuan

Other Benefits Expenditure  
**40+** Ten Thousand Yuan

Democratization Management

NKY respects and protects the democratic rights and interests of employees. According to the *Trade Union Law of the People's Republic of China*, *Regulations of Grass-roots Members of Trade Unions General Assembly* and other laws and rules, it has set up a trade union and formulated the *System of Trade Union for Safeguarding the Lawful Rights and Interests of Employees* and the *Wage Collective Contract of 2023*, which provide the employees with a channel and a platform to safeguard their rights and interests. The Trade Union will actively fulfill its functions, pay attention to the productivity and living conditions of employees, actively safeguard their legitimate rights and interests, and provide various services and assistance to them.



▼ Responsibility for Trade Union ▼

Regularly convene seminars to know needs and difficulties of grass-roots workers in their work and life.

Establish online talking group, so that all the union members can speak freely.

Set an E-mail (zsbgw8613568@163.com) and a telephone hotline (8613568) to provide appropriate assistance to workers in difficulty, etc.

Case — Collective Negotiation Meeting

On April 26, 2023, NKY held an important collective negotiation meeting, aiming at fully discussing and negotiating wage issues for the 2023 through collective consultation between representatives of the employees and the Company. The meeting mainly focused on the development of the Company, the rights and interests of the employees, targeting at providing the employees with a better working environment and more fair and transparent remuneration, so as to inject new impetus into the sustainable development of the company.

Key Performance

During the reporting period, NKY distributed offline quiz to all employees for satisfaction surveys.

Number of Items Adopted by the SRC/Trade Union	Agreement Coverage of Collective Bargaining	Number of Employees' Complaints
<b>1</b>	<b>85%</b>	<b>0</b>
Employee Satisfaction	Engagement Rate for Employee Satisfaction	
<b>98.84%</b>	<b>100%</b>	



# Support Employees in Professional Development

## Training System

NKY attaches importance to the employees' development and has formulated the *Training Management Regulations* to standardize the training system, providing employees with higher-quality and efficient training services and helping them improve their skills and abilities so as to promote the overall development of the company.

### Department Responsibility

#### QA Department

- Draft and review the Company's annual training plan of GMP, review and approve the training list.
- Organize and implement the Company's annual GMP training plan, including providing additional training; supervise, guide, and coordinate GMP training of various departments; assess the effectiveness of the training and write an annual GMP training assessment report.
- Evaluate internal GMP trainers to ensure that they can meet GMP-related training requirements.
- Collect GMP-related training records in a timely manner and deliver them to the HR Department for filing.

#### HR Department

- Carry out, draft, and complete the Company's training plan.
- Manage and control training fees.
- Build a team of internal trainers.
- Manage training records and materials.
- Track the effectiveness of training.
- Organize external training and retraining, and evaluate training results.

#### Heads of Departments

- Develop and implement training plan, subject to review and approval by the vice president or director in charge.
- Gather training needs of the employees.
- Develop specialized training materials for the department.
- Implement departmental training and reflect its effectiveness.
- Identify internal trainer candidates and support their work.

### Graded and Tiered Training System

Professional Knowledge Training	Basic knowledge required for employees to perform their assigned responsibilities or related tasks.
Specialized Skill Training	The job-specific skills required for employees to be competent in their own or related work.
Ideology and Quality Training	Enhance the overall ideology and quality of the employees, thereby enhancing the Company's image.
Cultural System Training	Training on culture, management system and rules and company regulations.

### Case — New Employee Training

On June 1, 2023, NKY conducted an induction training for new employees, aiming to help them be able to integrate into the company quickly and have a comprehensive and in-depth understanding of their positions. The whole induction process was full of warmth and care, giving the new employees sufficient information and resources so that they could adapt to the new working environment and identity quickly.



◆ New Employee Training

### Case — VMTA Training

From February 10th to 12th, 2023, NKY held the "Motivation Camp Class Training for Team Leaders". The Company specially invited top professional training organization in China, VMTA, to train and teach the employees. This training has facilitated employees in cultivating new perspectives, broadening their horizons, enriching their knowledge base, enhancing team cohesion, and establishing a robust foundation for building an invincible team.

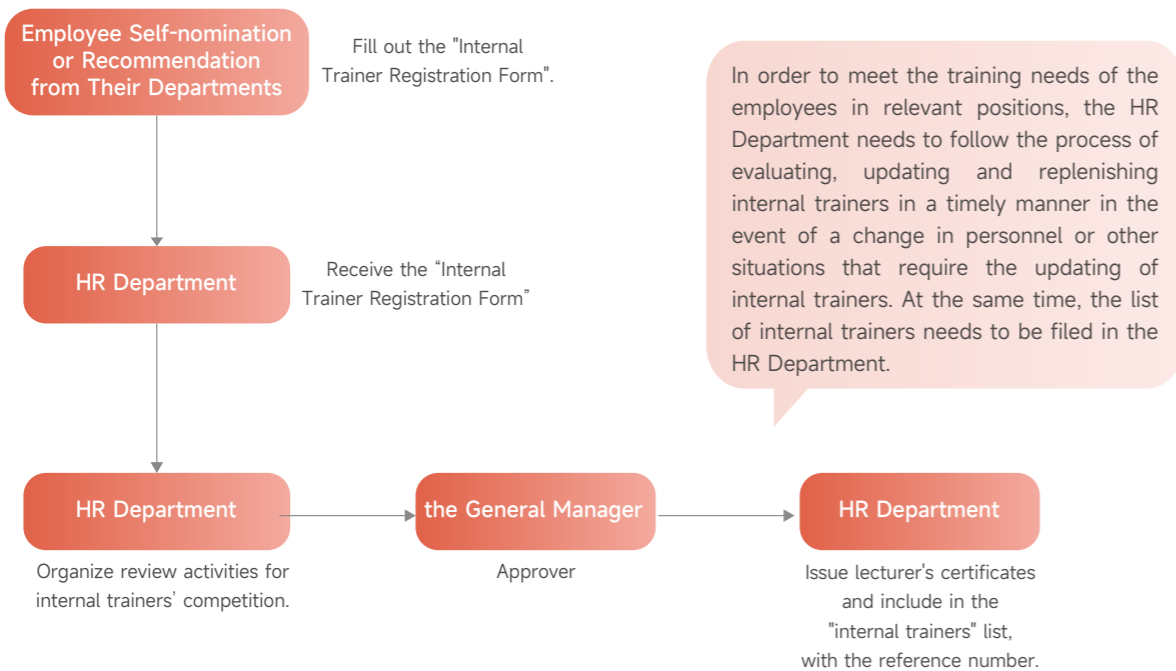


◆ VMTA Training

In the whole training system, the Company mainly focuses on internal instructional trainer, and emphasizes on establishing a team with high knowledge level, excellent business skills and outstanding quality. Such a team not only possesses professional knowledge and skills, but also has an in-depth understanding of the Company's culture and business to better meet the training needs of employees.

#### Building and Management of Internal Trainer Team

- ▶ The Company's general managers directly lead construction and management of the Company's internal trainer team.
- ▶ The HR Department is in charge of internal trainers and responsible for the organization and implementation of the recruitment, evaluation, certification, appointment and assessment of trainers.
- ▶ Heads of departments assist HR in managing internal trainers and supporting their work.



◆ Process of Internal Trainer Selection

**Responsibilities for Internal Trainers**

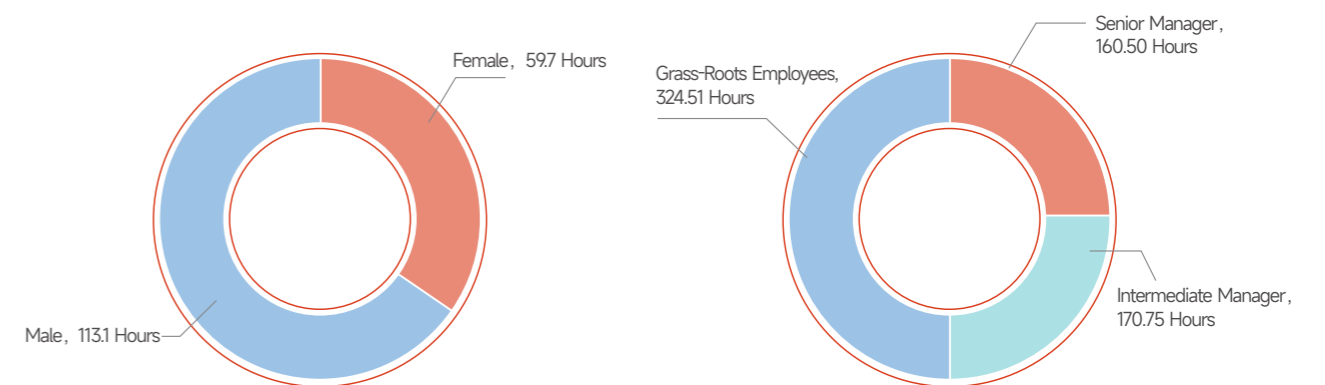
- Participate in research of training course demand and provide accurate information on employee and departmental training needs for the HR department.
- Develop and design relevant courses, such as standardized training materials, cases, PPTs, test papers and answers, etc., and regularly enhance their quality.
- Develop and implement training according to the training plans, and complete the delivery of classes on time, in quality and quantity.
- Responsible for assessing post-training effectiveness, reviewing the examination papers and improving lectures based on the results.
- Assist department heads in developing and implementing internal training plans for their departments.
- Draw a "job training checklist" for the orientation and re-education of new employees.



◆ Internal Trainer Meeting

**Key performance**

Investment in Employee Training <b>90+</b> Ten Thousand Yuan	Number of Training <b>215</b>	Total Number of Employees Trained <b>1,114</b>
Total Person and Times of Employees Trained <b>42,738</b>	Employee Training Coverage (Ratio of Employees Trained) <b>94.12%</b>	Total Hours of Training <b>2,713</b> Hours
Average Training Hours for Employees Participating in Management Training <b>47</b> Hours	Average Training Hours for Employees Participating in Professional Training <b>102.28</b> Hours	
Average Training Hours for Employees Participating in Leadership Training <b>62</b> Hours	Average Time Length of Training per Employee per Year <b>79.55</b> Hours	



Average Time of Training Divided by Gender

Average Time of Training Divided by Occupational Title

**Employee Promotion Channel**

NKY has been committed to standardizing the Company's promotion system and process, and constantly optimize the construction of the employee career promotion path, in order to create a fair, open and transparent competition mechanism. The Company provides employees with specialized promotion channels and internal transfer opportunities, so that employees have more opportunities to achieve career development and personal value enhancement. For managing and developing employees more accurately, the Company has set up five dimensions for different functions, namely, management sequence, technical sequence, production & operation sequence, functional sequence and sales sequence, to develop vertically and encourage employees to realize upward development. If employees meet the assessment requirements and relative performance conditions, they can apply for job promotion.

Administrative Level	Job Position	Grade	Management Sequences	Technical Sequences	Production Operations	Functional Sequences	Sales Sequences
Decision-making Level	1	13	CEO				
Senior Management	2	13	Vice General Manager/Director	Chief Engineer			
	3	13	Senior Manager	Technologist			
Middle Management	4	13	Manager/Factory Director	Senior Engineer	Skills Specialist	Functional Specialist	Sales Specialist
Administrator	5	13	Administrator/Workshop Director	Engineer	Senior Technician	High Commissioner	Senior Salesman
Supervisor	6	13		Senior Technician	Technician	Commissioner	Salesman
Executive	7	13			Ordinary Worker	Clerk, Cook, Driver	Sales Clerk
Ancillary	8	13				Landscaping, Janitorial, Gate Guards	

◆ Employee Promotion Path

Key Performance

A total of **11** employees were internally transferred or recruited during the reporting period.

# Maintain the Occupational Health

## Occupational Health

NKY values the management of occupational health, and actively complies with the *Occupational Disease Prevention and Control Law of the People's Republic of China*, *Measures for the Administration of Occupational Health Examination*, *Measures for the Supervision and Administration of Occupational Health for Employers* and other relevant laws and regulations. To pay better attention to the health of employees, the Company has customized the *Occupational Health Management System* and set up an occupational health management organization and equipping with full-time or part-time managers, who are responsible for the occupational health management of the Company. It also obtained the Occupational Health and Safety Management System Certificate to ensure employees' occupational health is effectively safeguarded and monitored.



◆ Occupational Health and Safety Management System Certificate

**Measures for Occupational Health Protection**

- Formulate the *Management System for Detecting Occupational Hazardous Factors in Workplaces*.
- Conduct occupational health monitoring regularly.
- Supervise the environment of the production areas.
- Registration form of personnel health management.
- Requirements for licensing: special equipment licenses.
- Distribute protective equipment according to types of occupational hazards.



◆ Posting of Information Cards in Specific Places

◆ Notification Card of Occupational Health in Workshop

Key Performance

Licensed Rate of Special Operators

**100%**

Employee Physical Examination Coverage

**100%**

Detection Rate of Occupational Disease Hazards

**100%**

Pass Rate for Monitoring Occupational Disease Hazards

**100%**

Increased Occupational Diseases

**0**

# Contributing to Society, Engaging in Public Welfare

# 06



## Our Philosophy

NKY attaches importance to employee's physical and mental health, thinking that employees are valuable wealth and important resources of the company and healthy development cannot be separated from the active participation and contribution of employees. It also actively fulfills its social obligations, and has made outstanding achievements in promoting employment, rural revitalization, supporting social welfare and other fields.

## Responsive SDGs



## Care Employee's Life

NKY attaches importance to work-life balance of employees, and actively organizes a variety of activities to enrich the spare time of them, cares and promote their physical and mental health, regularly organizes employees to designated hospitals to receive a comprehensive body checkup to provide employees with mental health services and support.

The Company has always put employees in an important position. In September 2023, it paid 50,000 yuan to aid the families of employees in difficulty, and at the end of 2023, it carried out retired employees' solicitude activities, distributing rice and oil to them for the New Year's greetings.

### Case — Annual Wrap-Up Recognition Gala in 2022

On January 11, 2023, NKY held the 2022 annual summary commendation party in the auditorium. The meeting summarized the work in 2022 and determined the work policy and annual work tasks in 2023, commended and rewarded the outstanding collectives and individuals in 2022, and held a New Year's Eve party.



◆ Set Sail for a New Journey

### Case — Autumn Outing

In the autumn of 2023, NKY organized an autumn outing - Hainan tour and Ningxia tour, so that employees can enjoy different landscapes and custom. Traveling allows everyone to temporarily get away from the pressure of work and the busy pace of life but relax and regain vitality. They relax physically and mentally, enrich personal horizons, and enhance team cohesion through the activities.



◆ Touring Hainan and Ningxia, Seeing the Splendid Desert and Blue Sea

### Case — The 10th Anniversary Annual Meeting of Eastwin

At the end of 2023, Eastwin organized a grand annual meeting. It was not only a celebration, but also an event of unity and motivation. Various wonderful cultural performances and the lucky draw at the annual meeting pushed the atmosphere to the climax. The participation of every leader added a solemnity and joy to the event. The laughter and applause of the employees were loud and clear, showing their positive spirit. The success of the annual meeting not only brought joy and encouragement to the employees, but also injected vigor and passion into the work of the new year.



◆ Photo of the Annual Meeting

## Pay attention to Public Welfare

NKY has always been mindful of the community, adhering to the common development with the community. It also actively participates in charitable causes and provides scholarships for poor students to help them successfully complete their studies. During the reporting period, the Fine Chemicals Sector donated 50,000 yuan to the United Association of Charitable Associations scholarship program, and 130,000 yuan of self-organized scholarships, fully demonstrating the Company's social responsibility and citizenship image.



◆ Caring Enterprise

NKY deeply recognizes rural revitalization is significant to the country's economic and social development. In line with the sense of responsibility and mission, it has been committed to contributing to rural revitalization and helping the comprehensive development of rural areas to achieve rural prosperity.

#### Key Performance

Total Investment in Public Welfare	Rural Revitalization Projects	Increased New Employees	Number of Trained Grass-Roots Cadres	Number of Trained Specialized Technician
18 Ten Thousand Yuan	2	36	30	30



# Indicator Index

First-Level Heading	Second-Level Heading	(GRI Standards)	(CASS-ESG 5.0)
About This Report	/	102-46/102-50/102-52/102-53/102-54	P1.1/P1.2/P1.3/G3.7
Statement of Chairman	/	102-14	P2.1/P2.2
About NKY	Company Profile	102-1/102-3/102-6	P4.1
	Company Growth	102-10	P4.1
	Enterprise Culture	102-16	P4.2
	Industrial Distribution	102-6	P4.3
ESG Management	Stakeholder Communications	102-21/102-40/102-42/102-44	G3.6
	Substantive Issue Matrix	102-47/103-1	G3.5
Topic: Remain True to Our Original Aspiration After Struggling for 20 Years		/	V2.2/V2.4/V2.8
Focusing on Governance, Consolidating the Foundation to Move Steadily Forward	Commitment to Corporate Governance	102-18/102-19/102-22/102-24/205-2	G1.1/G1.2/G1.6/G1.7/G1.9/G1.10
	Party Building Leads to Development	/	/
Protect Environment with Efforts	Responsible Environmental Management	/	E1.1/E1.2/E1.3/E1.4/E1.6/E1.7/E2.14
	Regulate the Use of Energy	302-1/302-2	E2.1/E2.2/E2.3
	Ensure Clean Emissions	306-1/306-2/306-4/303-3/303-4	E2.9/E2.10/E3.1/E3.2/E3.3/E3.5/E3.6/E3.8
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	Strengthen Security Baseline	403-1/403-2/403-4/403-5/403-7/403-8/410-1	S3.4/S3.5/S3.6/S3.7/S3.8/S3.9
	Sustainable Supply Chain	102-9/102-10	S5.2/S5.3/S4.7
Concentrating on Creation, Devoting to Future Research and Development	Focus on Science and Technology Innovation	/	V2.1/V2.2/V2.3/V2.4
	Protect Information Security	/	S4.6
Moving Forward Together, Building a Harmonious Family	Protect Employees' Rights and Interests	102-7/102-35/401-1/401-2/401-3/405-1/406-1/407-1	S1.1/S1.2/S1.3/S1.4/S1.5/S1.6/S1.7/S1.8/S1.9/S1.11
	Contribute to Employees' Development	404-1/404-2	S2.1/S2.2/S2.3/S2.4
	Maintain the Occupation Health	403-8/403-10	S3.1/S3.2/S3.3
Contributing to society, Doing Public Welfare	Care Employees' life	/	S1.10
	Pay attention to Public Welfare	415-1	V3.1/V3.2/V3.4/V3.7
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	Feedback Form	/	A5

# Feedback Form

Dear readers:

Thank you for reading this report. We value and look forward to hearing your feedback. Your comments and suggestions are an important basis for us to continuously enhance the quality of ESG information disclosure and promote ESG management and practice. We welcome and sincerely thank you for your valuable comments!

1. Your overall assessment for our fulfillment of ESG is:

Very good  Good  Fair  Bad  Vary Bad

2. Your overall rating of this report is:

Very good  Good  Fair  Bad  Vary Bad

3. How do you think what we do in stakeholder communication?

Very good  Good  Fair  Bad  Vary Bad

4. How do you think what we do in production responsibility?

Very good  Good  Fair  Bad  Vary Bad

5. How do you think what we do in environment, safety, and occupational health?

Very good  Good  Fair  Bad  Vary Bad

6. How do you think what we do in employees' responsibility?

Very good  Good  Fair  Bad  Vary Bad

7. How do you think what we do in ESG?

Very good  Good  Fair  Bad  Vary Bad

8. What other comments or suggestions do you have on this report and on our fulfillment of ESG?

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