



# 2023

Environmental, Social  
and Governance Report

**Haitian International Holdings Limited**

(Incorporated in the Cayman Islands With Limited Liability)  
Stock Code: 1882



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# About the Report

Haitian International Holdings Limited hereby publishes the Environmental, Social and Governance (ESG) Report (hereinafter the “Report”) for the year 2023 to inform stakeholders of the Group’s management and performance regarding environment and society.

## Reporting Scope

Unless otherwise specified, the Report covers the performance of Haitian International Holdings Limited and its subsidiaries (collectively referred to as “Haitian International”, “the Group” or “we”) during the period from 1 January 2023 to 31 December 2023 (“the Reporting Period”). To ensure the integrity of the Report, description in some parts of the Report goes beyond the above scope.

## Reporting Standards and Principles

This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (《環境、社會及管治報告指引》) (the “ESG Reporting Guide”) set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). For information on governance, it is recommended to read in conjunction with the *Corporate Governance Report* (《企業管治報告》) in the annual report of the Group published on 19th April 2024. The ESG Report is prepared in accordance with the following reporting principles:

- **Materiality:** In preparation of this Report, the Group has identified main stakeholders and determined material ESG issues based on stakeholder engagement and materiality assessment.
- **Quantitative:** The key performance indicators (“KPIs”) in the environmental and social aspects are disclosed on a quantitative basis, accompanied by a narrative to explain their purposes and impacts in the Report. Comparative data on KPIs from previous years are also provided in the Report.
- **Balance:** The Report follows the balance principle to objectively present the Group’s ESG performance.
- **Consistency:** Unless otherwise specified, the statistical approaches for relevant disclosures in the Report are consistent with those in the 2022 *Environmental, Social and Governance Report* (《環境、社會及管治報告》), and will remain unchanged in subsequent years.

## Data Source

The data cited in this Report include the business data and annual financial data from the Group’s actual operations, as well as the data derived from relevant internal statistical reports, administrative documents and other reports. Unless otherwise specified, all currencies in the Report refer to RMB. If there is any inconsistency with the financial report, the financial report shall prevail.

## Report Availability

The Report is published in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail. The electronic version of the Report is available for viewing or download on the HKEXnews website (<http://www.hkexnews.hk>) and the website of the Group (<http://haitianinter.com/>).

# Chairman's Statements

The year 2023 was a year of challenges and opportunities, the global economic recovery was not as expected, and the international geopolitical relations are still complicated and severe; on the other hand, with the accelerated restructuring of the global industrial chain, some overseas regions have provided new development opportunities and created new demand for mechanical equipment. In the face of the complex and volatile external environment, Haitian International adheres to the corporate mission of "Communication, Innovation, Efficiency". We integrate ESG concepts into all aspects of operation management, R&D and production, sales and customer service, and community engagement, and work with our partners to explore the potential for sustainable development across the entire value chain, with the aim of creating long-term benefits for our stakeholders, including shareholders, customers, employees, and partners, etc.

We establish and continuously improve our ESG governance structure to clarify the duties and responsibilities for management at all levels. The Board of Directors of the Group assumes full responsibility for ESG-related matters, ESG risk assessment and reporting, and leads and oversees the effective implementation of the Group's ESG strategy in a top-down manner. At the same time, we incorporate the achievement of ESG-related objectives into the performance appraisal of responsible persons to ensure that ESG concepts are fully integrated into operational decision-making. As a result of our ongoing optimisation of the ESG system and practical accomplishments, Haitian International's MSCI ESG rating was upgraded from BB to BBB, marking a consecutive two-year leap in ratings.

We actively fulfill our corporate environmental governance responsibilities. On the production and operation side, we have pushed forward the construction of rooftop photovoltaic projects, strictly regulated emissions management, and promoted intelligent closed-loop management of hazardous waste. At the same time, we are committed to renovating and upgrading our gas and water supply networks to minimize the negative impact of our operations on the environment. On the product side, we continuously refine and upgrade clean technologies and fully implement the fifth-generation (G5) models, which are more energy-efficient and intelligent, to meet the growing market demand for environmentally friendly products around the world. Compared with their third-generation counterparts, the full series of G5 models can reduce energy consumption by 20%-40%, and provide customers with diversified solutions such as digital production, material lightweighting, and recyclable materials, leading the value chain toward a greener and cleaner future.

We value working together with our partners, always adhering to the principle of "customer-oriented" and continuously optimising product and service quality. In 2023, we have received awards from partners in various industries, including Haier and Foxconn. Guided by the concept of "people-oriented" management, we provide a competitive compensation and benefit system, establish an incentive mechanism based on ability, performance and dedication, and set up a variety of online and offline training programmes to attract, retain and cultivate outstanding talents. We shoulder social responsibility and actively participate in various public welfare and charitable activities, delivering love and good deeds in the fields of poverty alleviation, education, medical care and other social welfare, and continuously giving back to the society.

Looking back, Haitian International's efforts in sustainable development over the years have been widely recognised. Looking forward to our new journey, we will continue to provide our customers with technologically innovative, high-quality and environmentally-friendly products, continuously improve our ESG management and performance, create long-term value and actively give back to society. Finally, on behalf of the Board of Haitian International, I would like to express my sincere gratitude to all stakeholders, partners and friends who have long concerned about and supported the development of the Group!



# I. About Haitian International

## 1. Company Profile

Founded in 1966, Haitian International Holdings Limited is specialised in the research, development, production and sales of plastic injection moulding machines (PIMM) that are precise, highly-efficient, energy-saving and environment-friendly. The Group has long focused on strengthening the enterprise through technology, and continuously carry out technological innovation and product optimisation. With a nationally-recognised enterprise technology centre and a postdoctoral work station, we provide products in every field of the plastics processing industry, under the brand of “Zhafir”, “Haitian”, etc., which are widely applied in various industries including automobile, household appliance, consumer goods, electronics and medical device. Our products are sold to customers over more than 130 countries and regions, winning a variety of honours, including “Famous Chinese Brand”, “Major Chinese Brand for Export Sales” and “State Science and Technology Advancement Award”. The Group actively provides high quality services to customers all over the world.

## 2. Awards and Recognitions in 2023

Entities Rewarded	Title/Award	Awarded by
Haitian International Holdings Limited	MSCI ESG Rating scored BBB	MSCI
Haitian Plastics Machinery Group Co., Ltd.	Double “Top 10” “Large, Excellent and Powerful” Enterprises in Manufacturing Industry in Ningbo in 2022	People’s Government of Ningbo Municipality
Haitian Plastics Machinery Group Co., Ltd.	Top 50 Manufacturing Taxpayers in Ningbo in 2022	People’s Government of Ningbo Municipality
Haitian Plastics Machinery Group Co., Ltd.	The 14th among Ningbo’s Top 100 Enterprises in Manufacturing Industry in 2023	Ningbo Enterprise Confederation, Ningbo Entrepreneur Association, Ningbo Industrial Economy Federation
Haitian Plastics Machinery Group Co., Ltd.	The 22nd among Ningbo’s Top 100 Enterprises with Comprehensive Strength in 2023	Ningbo Enterprise Confederation, Ningbo Entrepreneur Association, Ningbo Industry Economy Federation
Haitian Plastics Machinery Group Co., Ltd.	China’s Top 500 Private Enterprises in 2023	All-China Federation of Industry and Commerce
Haitian Plastics Machinery Group Co., Ltd.	Top 35 Enterprises with Comprehensive Strength of China’s Plastics Machinery Manufacturing Industry in 2023	China Plastics Machinery Industry Association
Haitian Plastics Machinery Group Co., Ltd.	Top 18 Enterprises of China’s Plastic Injection Moulding Machinery Industry in 2023	China Plastics Machinery Industry Association
Haitian Plastics Machinery Group Co., Ltd.	Ningbo Time-honoured Brand	Ningbo Municipal Bureau of Commerce, Ningbo Time-honoured Brand Association

# I. About Haitian International

**MSCI ESG Ratings** **BBB**

CCC	B	BB	<b>BBB</b>	A	AA	AAA
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COUNTRY: China      INDUSTRY: Industrial Machinery



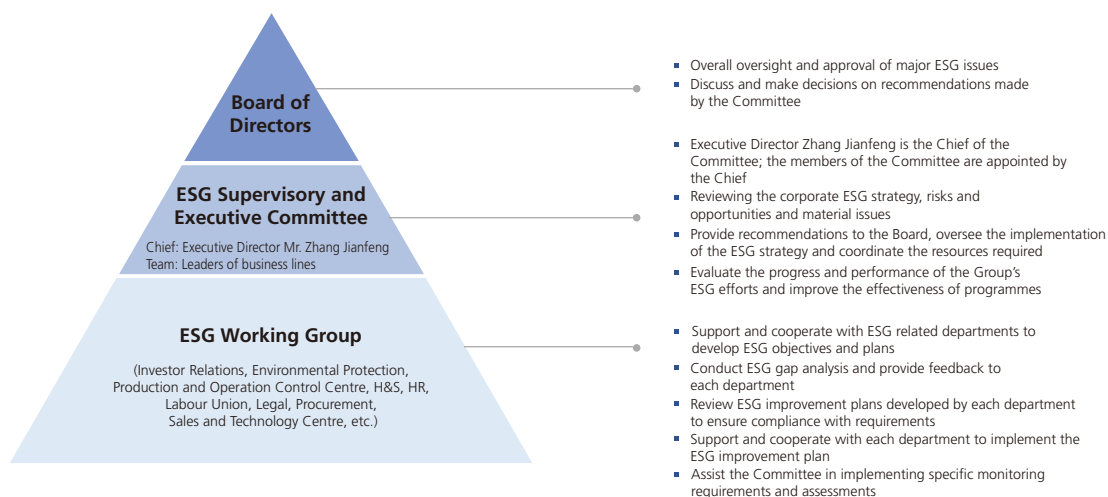
## II. Sophisticated Governance

### Progress in 2023

- Business ethics training covering 100% of directors and employees.
- Conducted 17 internal audits covering 100% of China operating bases.
- Litigation cases on business corruption and bribery incidents: 0.
- Information and privacy breaches: 0.

### 1. ESG Governance Structure

In compliance with relevant requirements of the Stock Exchange, Haitian International responds positively to the expectations of internal and external stakeholders (e.g., customers, investors and employees), and establishes a top-down three-tier ESG governance structure.



ESG Governance Structure

## II. Sophisticated Governance

### 2. Stakeholder Communication

The Group adheres to sustainable operation, maintains close communication with stakeholders, understands and actively responds to their concerns and expectations, striving to realise mutual benefits for the enterprise and stakeholders. Our stakeholders include governments and regulatory agencies, investors and shareholders, customers, suppliers, employees, and community residents. The main issues of stakeholders' concerns and the communication channels are listed in the table below:

Stakeholders	Issues of Concern	Communication Channels
<b>Governments and regulatory agencies</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Tax payment in accordance with law</li> <li>• Production safety</li> <li>• Clean production</li> </ul>	<ul style="list-style-type: none"> <li>• Regular and interim announcements</li> <li>• Supervision and inspection</li> <li>• Communication with regulatory agencies</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Return on investment</li> <li>• Compliant operation</li> <li>• Information disclosure</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Regular and interim announcements</li> <li>• Shareholders' general meeting and other shareholders' meeting</li> <li>• Activities promoting investor relations</li> <li>• Investor due diligence and visits</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Quality service</li> </ul>	<ul style="list-style-type: none"> <li>• Daily communication</li> <li>• Business visit</li> <li>• Conference and exhibition</li> <li>• Sales team</li> <li>• Customer satisfaction survey</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier management</li> </ul>	<ul style="list-style-type: none"> <li>• Contract performance</li> <li>• Daily communication</li> <li>• Business visit</li> <li>• On-site due diligence</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Protection of labour rights and interests</li> <li>• Remuneration and benefits</li> <li>• Development and training</li> <li>• Occupational health and safety</li> <li>• Humanistic care</li> </ul>	<ul style="list-style-type: none"> <li>• Employee training</li> <li>• Employee performance appraisal</li> <li>• Employee mailbox</li> <li>• Labour union</li> </ul>
<b>Community residents</b>	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Community involvement</li> <li>• Promotion of local employment</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities</li> <li>• Charitable contribution</li> <li>• Local recruitment</li> </ul>





## II. Sophisticated Governance

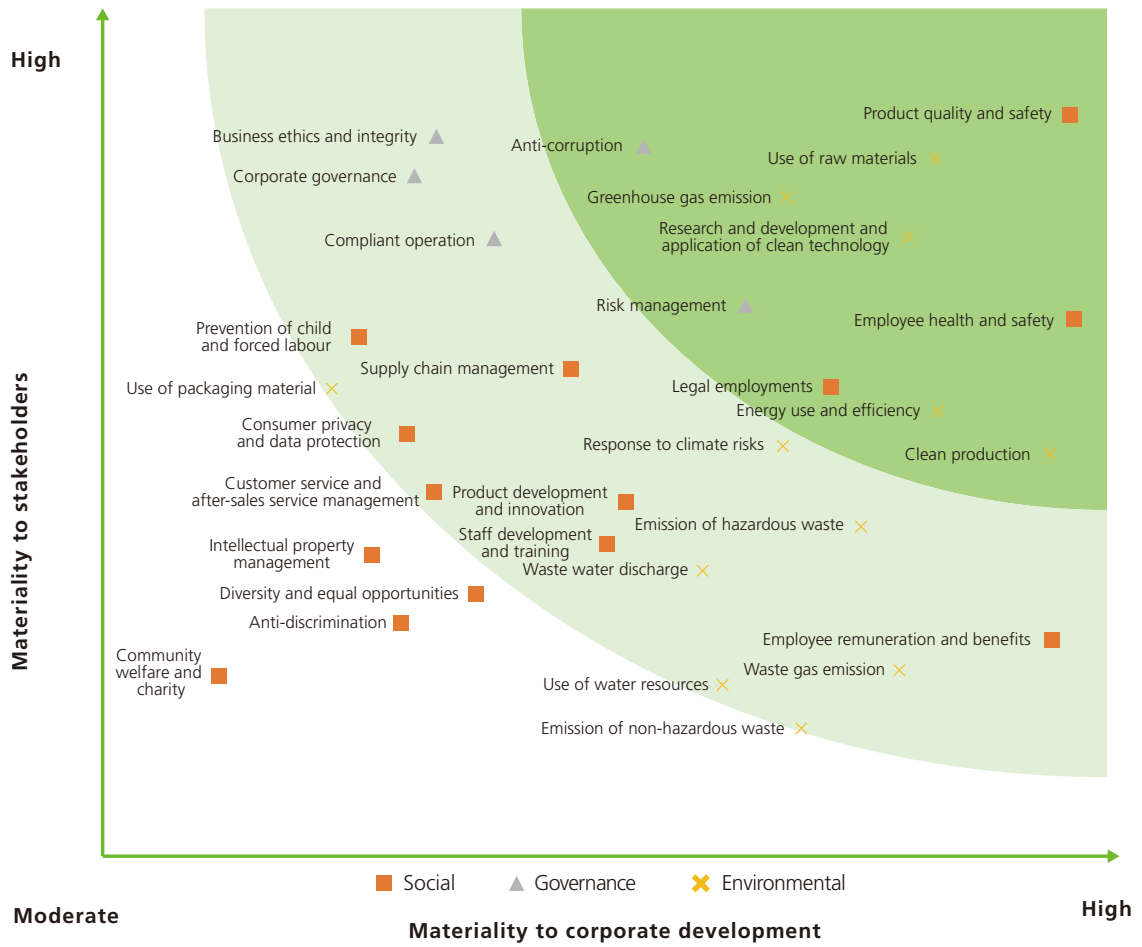
### 3. Materiality Assessment

To assess material ESG issues related to the Group's business operation, and understand and respond to expectations of stakeholders on the Group's ESG work, we have conducted the materiality assessment through the following steps:

- **Identification of issues:** According to the requirements in the *ESG Reporting Guide*, as well as ESG issues of concern in the capital markets and industry trends, we have sorted out 31 ESG issues, including 12 issues related to environment, 14 to society and 5 to governance.
- **Survey and evaluation:** We identified important internal and external stakeholders of the Group and invited them to evaluate the materiality of the issues through interview and online questionnaire, so as to seek their opinions and suggestions.
- **Confirmation of results:** We analysed the retrieved questionnaires, and then ranked the issues by materiality based on their materiality to corporate development and to stakeholders. By also considering advice from our management and experts, we formulated the ESG materiality matrix.

In 2023, the Group discussed the results of the materiality assessment. Considering that there were no significant changes in our business and operating environment, the Group decided to adopt the results of the materiality assessment in FY2022. Please see the exhibit below for details. This Report will refer to the results of the materiality assessment, and focus on responding to material ESG issues of medium and high importance.

## II. Sophisticated Governance



ESG Materiality Matrix of Haitian International

## II. Sophisticated Governance

### 4. Business Ethics

Haitian International attaches great importance to business ethics management and strictly follows the laws and regulations related to anti-corruption and business ethics, such as the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and the *Interim Provisions on Banning Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》). On this basis, we have set up a series of regulations to standardise the Group's management mechanism in anti-corruption, anti-bribery, reporting process, whistleblower protection, conflicts of interest, fair trade, and internal control and audit, including the *Social Responsibility System* (《社會責任制度》), the *Statement of Compliance with Provisions on Anti-Money Laundering* (《遵守反洗錢規定的聲明》) and the *Code of Professional Ethics for Employees* (《員工道德準則》). In addition, all directors, employees, suppliers and partners are required to implement various anti-corruption measures in accordance with relevant policies, so as to jointly build a business environment of integrity and compliance.

- **Regulatory Mechanisms**

Our group strictly implements audit work, which is led and supervised by the board of directors, mainly dealing with complex and major audit projects involving finance, infrastructure and engineering technology. Meanwhile, we have set up an independent Internal Control Department to audit and supervise financial revenue and expenditure and other economic activities. The Internal Control Department reviews business segments in accordance with relevant policies, and evaluates and improves the effectiveness of risk management, control and corporate governance processes. In addition, it conducts ad-hoc projects and investigations as requested by the Management or the Board of Directors. All business operations are reviewed by the Internal Control Department at least once every three years.

For internal management, the Internal Control Department conducts annual internal audits of all domestic operating bases, as well as annual internal audits of operating bases in four different countries overseas, ensuring coverage of all overseas operating bases every two years. In 2023, Haitian International conducted a total of 17 internal audit activities. While enhancing the internal audit system of the Internal Control Department, the Group also engages third-party organizations to conduct external audit activities to prevent and promptly identify any bribery and corruption risks. We adopt a zero-tolerance policy on all violations against business ethics, including but not limited to illegal activities such as commercial bribery, embezzlement, fraud, extortion and money laundering in our operation. Any employee involved in such activities will have their employment terminated immediately and relevant acts will be reported to the relevant authorities.

In terms of external cooperation, the Group requires suppliers to sign the *Supplier Integrity Letter* (《供方廉政承諾書》), which specifies the business ethical standards that suppliers should comply with during the term of cooperation. In this way, we try to continuously strengthen the integrity culture among suppliers and enhance their ability to fulfil responsibilities. We will immediately terminate the business relationship with any supplier that breaches such integrity clauses. To deepen supplier integrity co-governance, we have developed relevant clauses in the supply agreement, including prohibiting suppliers from engaging in any form of commercial bribery in their business dealings with the Group, and requiring suppliers to establish anti-corruption rules and regulations and take corresponding measures to regulate their employees' business behaviours.

## II. Sophisticated Governance

- **Reporting on Corruption**

The Group has established various complaint and reporting channels. Once a violation is detected, a whistleblower can directly contact the supervisor, manager or department head of relevant service to report it in a timely manner. If the matter reported involves the aforesaid personnel, the whistleblower may also choose to report directly to the Internal Control Department. The whistleblower channels set up by the Internal Control Department include telephone reporting channel (0574-86188652), email reporting channel (htlz@mail.haitian.com) and letter reporting channel. In addition, the Group also provides a reporting channel – external independent legal counsel, to whom whistleblowers can report violations via hotline (0574-87193704) or email (lihua.xu@dentons.cn). During the Reporting Period, the Group was not involved in any litigation concerning commercial corruption and bribery.

Upon receiving a report, the Internal Control Department will launch a compliance investigation with relevant responsible departments to confirm the authenticity of the reported matter. Once confirmed, the Internal Control Department will issue an investigation report and put forward handling suggestions. Then, the reported misconduct will be handled by the relevant responsible departments and the Human Resources Department according to the results of the investigation report and relevant regulations of the Group. The results and execution will be reported across the Group by the Internal Control Department or the Human Resources Department. If the investigation reveals that the report is false or malicious, the Group will take disciplinary actions against the whistleblower, including dismissal of the employee.

- **Whistleblower Protection**

The Group will keep the information of the whistleblower and the contents of the report strictly confidential. To fully respect whistleblowers' willingness, a whistleblower can choose to report in real name or anonymously, and we promise that cases received in both ways will be treated equally. For real-name reporting, the identity of the whistleblower and the information that could be used to identify the whistleblower would be disclosed to assist with the investigation only with the written consent of the whistleblower and as permitted by law. For the reported content, the Group strictly restricts access to relevant information and de-identifies the information when necessary. The external report recipient will comply with the attorney's obligation of confidentiality stipulated in the *Criminal Procedure Law* (《刑事訴訟法》) and the *Lawyers Law* (《律師法》) to ensure the confidentiality for both the contents of the report and the identity of the whistleblower.

In no event will the Group tolerate any retaliation against whistleblowers with good intentions or persons involved in the relevant investigation. Whistleblowers who believe they are ill-treated for whistleblowing can immediately report to the Internal Control Department. The Internal Control Department will adopt various approaches to protect whistleblowers' safety and interests, including but not limited to investigating retaliation, monitoring and regulating other employees' behaviours, allowing the whistleblower to change the workplace, giving disciplinary sanctions against retaliators, notifying relevant law enforcement agencies in serious cases, and providing legal support for whistleblowers.

## II. Sophisticated Governance

- Culture of Integrity

The Group endeavours to create a clean and compliant culture, and provides regular integrity education and training for employees and directors every year, to ensure that all staff fully understand the integrity requirements of laws and regulations, and deeply learn the specific provisions and rules, thus spreading and building a culture of integrity. During the Reporting Period, we organised anti-corruption training via offline and online courses. Specifically, we invited professorial lawyers to popularise the laws and regulations on anti-corruption, anti-bribery and operation compliance, detailed the responsibilities of personnel at all levels in anti-corruption work, analysed specific cases, and interpreted the amendments to the *Listing Rules* (《上市規則》). We also synchronously update training videos on the Haitian information platform for employees to supplement their learning. During the Reporting Period, all employees (including part-time employees) completed training on anti-corruption and business ethics, and all directors completed the training regarding anti-corruption and business ethics and signed the declaration on the code of business ethics.

## II. Sophisticated Governance

### 5. Business Information Security

Haitian International regards safeguarding the information security and privacy of the Group and our customers as one of the fundamental business principles. The Group strictly abides by the laws and regulations regarding data security and personal information, and has developed the *Information Security Management System* (《信息安全管理制度》) and other policies to continuously improve relevant systems. Besides, we have also obtained the certification of Multi-level Protection of Information Security (Level 2) assessed by the Ministry of Public Security. While observing the *Sinosure Confidentiality Agreement* (《中信保保密協議》) in trade, we also have strict confidentiality clauses in our *Agency Agreement* (《代理協議》), promising not to disclose any information to third parties without permission. During the Reporting Period, there was no information or privacy leakage incident.

At the technical level, we set up a firewall between the server area and the office area to monitor abnormal interactions between office computers and servers. Besides, we also install an access system and desktop management system to prohibit unauthenticated computers from accessing the corporate network. For external access, we have designed a VPN system and enabled two-factor authentication with password and SMS verification codes to further enhance security verification management. For personnel at certain posts who have access to important information, their use of external devices, such as USB, and their rights to transfer data will be restricted to some extent.

At the operational level, we back up the data on the servers on a daily basis, select certain systems for data recovery drills every year, and conduct risk assessments and vulnerability scanning on information systems at regular intervals. Employees can access the Central Apparatus Room (CAR) upon authorisation and detailed registration; some areas can only be entered when accompanied by administrators. The training on Information Security Policies (ISP) has also been incorporated into our employee training programmes. During the Reporting Period, we organised online training on information security and opened an information security column to comprehensively enhance employees' awareness of information security, and reduce the risk of human-induced information leaks at the source.



### III. Responsible Operation



Quality Management System Certification Certificate

We have formulated the *Inspection and Test Control Procedure* (《檢驗和試驗控制程序》), assigning professional inspectors who have been approved by the Quality Control Centre to monitor and measure product attributes at all stages from raw material procurement, metal processing to finished product shipment, and keep strict records for the related information, to ensure that product manufacturing and delivery meet specifications and requirements. For any exception found in the quality inspection of raw materials, semi-finished products or finished products, we will designate relevant personnel to determine whether the product is qualified in strict accordance with the *Nonconforming Product Control Procedure* (《不合格输出的控制程序》). If the product is determined as unqualified, we will identify the problematic status according to the *Control Procedure for Product Identification and Traceability* (《標識和可追溯性控制程序》), zoning for separate analysis with detailed records for further tracking. During the Reporting Period, the Group experienced no product recall.



### III. Responsible Operation

- **Fostering a quality culture**

High-standard production cannot be achieved without professional talents, so we provide regular training courses thereon for relevant employees to help them acquire knowledge about product performance, quality control, product application, service FAQ, etc., and ensure that professional technicians keep abreast of the latest technology and knowledge, so as to create quality culture within the Group.



*Training Courses for Application Engineers*



*Application Engineers Awards*

## 2. Quality Service

On the basis of continuous supplying of high quality products, the Group continues to improve customer services, and is committed to enhancing customer satisfaction constantly. We have a sound communication and cooperation mechanism with our customers. Through telephone, email, online video conference, offline visits, invitations to negotiation, exhibitions and other online and offline communication mechanisms, we understand customers' expectations on the Group and our products, and solve the problems that customers may encounter when using the products, to ensure the quality and safety of the products sold as well as the services provided. The Group coordinated and integrated internal resources, and set up offices for key domestic/overseas customers. With such offices, we are capable of offering global customers business support and aftersales services in a timely and rapid manner, thereby effectively improving customer satisfaction.

### III. Responsible Operation

- Responsible Advocacy

The Group's product promotion channels mainly include online and offline exhibitions, seminars, official websites and WeChat official account. We strictly abide by the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and other laws and regulations of the place of operation, and have established marketing, advertising and sales-related policies such as the *Incentive Measures for Distributor Marketing Activities* (《銷售商市場推廣活動鼓勵辦法》), as well as a mechanism responsible for reviewing and supervising marketing materials, which clearly stipulates that the relevant contents and methods in distributors' marketing activities must comply with internal corporate policies and be reviewed and approved by authorised personnel, and that marketing activities containing exaggerated, deceptive and false contents are strictly prohibited.



*Koplas in Korea*



*Manufacturing Expo in Thailand*



*Plástico Brazil*



*Plast Eurasia Istanbul in Turkey*

To help customers correctly use and operate products, we also provide technical training services for them, and assign professional technicians to customer companies to explain product functions and impart maintenance knowledge.



*Yibin Plastic Specialized Training Session*



*Fifth-Generation Models Training for European Agencies*



### III. Responsible Operation

- Customer Complaint Handling Process

We have developed a sound after-sales and complaint-handling process along with the *Domestic After-sales Service Management Rules* (《國內售後服務管理規範》) and the *Overseas After-sales Service Management Rules* (《國外售後服務管理規範》). If customers are not satisfied with our products or services, they can give feedback or make complaints through our official complaint hotline. During the Reporting Period, we further improved our customer complaint handling process and related allocation of responsibilities.

Process	Responsible person	Handling instructions
Assignment of Problems	Head of Product Management Department	Manually assign problems that cannot be assigned automatically (wrong machine number)
Quality Management Department Analysis	Head of Quality Management Department in each plant	Preliminary analysis of after-sales feedback
Responsible Department Analysis	Person in charge of design issues, person in charge of issues with outsourced components, etc.	Design issues, plasticizing issues, issues with outsourced components, etc., are subject to secondary analysis by the Technical Department, Plasticisation Plant, Supply Chain Quality Control Department, and others
Responsible Department Analytical Review	Head of Quality Management Department in each plant	Review the analysis from the responsible department, and the analysis can be returned if not approved
Finished Product Quality Management Department Review	Head of Domestic/Foreign Trade Quality Management Department	Review whether the fault handling is correct, whether the fault level is accurate, whether the rectification measures are effective, and whether the quality penalties are properly implemented
Product Management Department Review	Head of Product Management Department	Review whether the entire process is carried out in accordance with the management requirements of the Quality Control Center
Rectification Confirmation	Head of Quality Management Department in each plant	Confirm whether the rectification measures for the identified faults have been properly executed

### III. Responsible Operation

The staff at the local office will cooperate with distributors, maintenance personnel and relevant service personnel to go to the customer's location to deal with the issues, and record related treatment process by completing the *Customer Complaint Form* (《客戶投訴處理表》). The Group will also arrange specialists to conduct follow-up investigations to make sure that the problems raised by customers are effectively resolved. During the Reporting Period, the Group did not receive any product-related complaints.

- **Customer Recognition**

Our superior quality of products and services has been widely recognized by many customers in various industries. We have established strategic partnerships with leading companies in the electronics, automotive parts, packaging and other industries. During the Reporting Period, we also won a number of partner awards, and these honours have inspired us to continue to improve and work with our partners to forge a culture of excellence and quality.



Received Haier Excellence Partner Award



Long-term partner for Haier 40th anniversary



Won the Huaxiang Strategic Partner Award



Reached a strategic cooperation agreement with Qiaxing Packaging

### III. Responsible Operation



Awarded Huazhong Technical Cooperation Award



Foxconn Partner Award



Long-term strategic partner with Hisense



Signed a strategic cooperation agreement with Panasonic

### 3. Supply Chain Management

A stable and sustainable supply chain is the basis for the Group to provide high quality products and services for our customers. We have not only formulated relevant management systems, including the *New Supplier Entry Rules* (《新供应商准入规则》) and the *Supplier Evaluation and Assessment Methods* (《供应商评估考核办法》), but also defined the responsibilities of internal procurement staff, in an effort to reduce and actively manage supply chain risks. For processes outsourced to third party contractors which involve potential pollution to the environment, we request the contractors to obtain relevant license from the environmental protection bureau of the local government to ensure they are qualified to perform the relevant work. In 2023, there were 2 suppliers newly granted access upon assessment, and no suppliers were removed from the supplier list due to poor product quality or safety issues.

We have actively expressed our requirements and expectations for environmental protection and social responsibility to our suppliers and other partners, to promote the sustainable development of supply chain together. We investigate suppliers' management system certifications at the entry stage, and prioritize suppliers that have obtained international authoritative system certifications such as ISO 9001, ISO 14001 and ISO 45001.

### III. Responsible Operation

At the same time, we also request them to abide by the *Supplier Administrative Rules for Safety, Environmental Protection and Social Responsibility* (《供應商安全環保與社會責任管理規則》), the *Haitian Group Supplier Safety and Environmental Protection Management Measures* (《海天集團供應商安全環保管理辦法》), the *Notice Regarding Haitian Group Supplier Safety and Environmental Protection Management System* (《海天集團供應商安全環保管理制度告知書》) and the *Haitian Group Plastic Machinery Supplier Social Responsibility Guidelines* (《海天塑機供應商社會責任準則》). Furthermore, we share the industry best practices with them in an endeavour to jointly achieve green development. We require our supplier partners to sign the *Haitian Group Supplier Social Responsibility Commitment Letter* (《海天集團供應商社會責任承諾書》), which specifies detailed requirements on labour rights, child labour, forced labour, health and safety, environmental protection, business ethics and management systems, etc. In addition, we have also formulated the *Supplier Social Responsibility Assessment Form* (《供應商社會責任評估表》), according to which we conduct annual reviews of suppliers' compliance with environmental regulations and safety responsibilities, as well as their fulfilment of social responsibilities. The results will be taken into account in the annual assessment of suppliers.

For outsourced construction suppliers, we will sign the *Safety Agreement for Commissioned (Outsourced) Construction* (《委外(外協)施工作業安全協議書》) with them to ensure their compliance of regulations on environmental protection, production safety and production site traffic, etc. Based on the agreement, the suppliers must perform adequate analysis for works with safety hazards and provide sufficient protections accordingly, so as to ensure the safety of production environment and project implementation.

Number of suppliers*	FY 2023
Suppliers having passed ISO 14001 environmental management system certification	26
Suppliers having passed ISO 45001 occupational health and safety management system certification	22
Suppliers having passed ISO 9001 quality management system certification	61
Suppliers having passed ISO 27001 information security management system certification	3
Suppliers having signed the <i>Supplier Integrity Letter</i> (《供方廉政承諾書》)	203
Suppliers having signed the <i>Supplier Safety and Environmental Protection Commitment Letter</i> (《供應商安全環保承諾書》)	205
Suppliers having signed the <i>Haitian Group Supplier Social Responsibility Commitment Letter</i> (《海天集團供應商社會責任承諾書》)	205

\* Supply chain management data includes production and procurement suppliers of Ningbo plant, Wuxi plant and South China plant (some under construction), excluding administrative procurement suppliers and overseas suppliers.

### III. Responsible Operation

#### 4. Intellectual Property Protection

The Group strictly abides by the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and relevant laws and regulations, and establishes a number of systems and procedures to standardise intellectual property protection (IPP), such as the *Control Procedures for Intellectual Property Risk Management and Disputes Resolution* (《知識產權風險管理與爭議處理控制程序》), the *Intellectual Property Management Manual* (《知識產權管理工作手冊》), the *Control Procedures for Intellectual Property in Research and Development* (《研發活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Production* (《生產活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Procurement* (《採購活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Sales* (《銷售活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Human Resources* (《人力資源知識產權控制程序》) and the *Control Procedures for Intellectual Property in Financial Operation* (《財務活動知識產權控制程序》). In addition, we emphasize on the cultivation of intellectual property protection culture, and regularly conduct intellectual property training for R&D personnel, which empowers R&D personnel to take the initiative to write high-quality and high-value patents, and thus continuously enhance the Group's innovation competitiveness. During the Reporting Period, we conducted 6 intellectual property trainings with the participation of 970 employees.

We are qualified for GB/T 29490 with Certification of Enterprise Intellectual Property Management. We have built a professional team responsible for patent application and maintenance, and have registered our trademarks in over 90 countries to protect our interest in local businesses. Meanwhile, we have engaged third-party professional organisations to regularly supervise and inspect the certification scope, operation status, fulfilment of relevant targets and key indicators, etc. of our intellectual property management system. Also, we carry out re-certification every three years. During the Reporting Period, we were granted 99 patents, 22 software copyrights and 1 registered trademark.



## IV. Green Production

### Progress in 2023

- Carbon emissions per RMB10,000 revenue decreased by 9.0% from 2022 and 14.8% from 2021.
- Total hazardous waste decreased by 2.2% from 2022 and 15.9% from 2021.
- Launch of more energy-efficient and intelligent fifth-generation models.
- Revenue from automation, digitalization and clean technology products to account for 66.4% of the Group's total revenue in FY2023.
- The Tongtu Road Plant's rooftop photovoltaic (PV) system generated 23,262 MWh of electricity in 2023, representing 33.9% of its annual electricity consumption.
- The first phase of the South China Plant's PV project has been completed, with a total installed capacity of 6,200 kW, and is expected to generate 5,210 MWh of electricity annually.

Haitian International undertakes the responsibility for environmental governance, builds an efficient environmental management system, promotes innovation in clean technologies, implements energy conservation and emission reduction measures on all fronts. Besides, we actively respond to the challenges presented by climate change and ecological environment crisis, adhere to the concept of green development, and become a contributor and leader in green production.<sup>1</sup>

### 1. Implementation of Green Management

- **Environmental Management System**

The Group abides by the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), the *Law of the People's Republic of China on Energy Conservation* (《中華人民共和國節約能源法》) and relevant laws and regulations. The Group has developed a series of systems and procedures internally, such as the *Control Procedures for Identification and Evaluation of Environmental Factors* (《環境因素識別與評價控制程序》), the *Operational Planning and Control Procedures for Environmental Processes* (《環境過程運行策劃和控制程序》), the *Provisions on Graded Responsibility for Handling Accidents Concerning Safety and Environmental Protection* (《安全環保事故分級當責處理規定》), the *Control Procedures for Waste Water Discharge* (《污水排放控制程序》), the *Control Procedures for Waste Gas Emission* (《廢氣排放控制程序》), the *Control Procedures for Energy Management* (《能源管理控制程序》), and the *Control Procedures for Noise Discharge* (《噪聲排放控制程序》) and has reviewed and updated them regularly. The Group's environmental management system has been certified with ISO 14001 and has passed annual reviews by a third-party professional organisation since it was certified.

<sup>1</sup> Unless otherwise stated, the contents set out in Section 1, 3, 4 and 5 of this Chapter are applicable to the Group's plants in Ningbo.



## IV. Green Production



ISO 14001 Certificate

- **Environmental Performance Assessment**

The Environmental Protection Department of the Group is responsible for identifying and evaluating environmental factors, supervising the environmental performance of all plants and functional departments, setting environmental targets and assessing the achievement of the targets of each department, organising training on environmental protection and providing relevant technical support. Each plant and functional department is equipped with dedicated safety and environmental protection personnel, responsible for checking the department's environmental performance and promoting the rectification of non-conforming items. In daily operation, all departments should ensure the normal operation of environmental protection facilities in their daily operations and keep operation records, regularly check, maintain and promptly repair relevant equipment.

In addition to internal audits and assessments, the Group also engages third-party independent organisations to conduct annual environmental impact audits of all locations of operations. Meanwhile, the Group has taken out green insurance, and the insurance company commissions third-party environmental consulting agencies to conduct environmental hazard inspections at each plant twice a year; Annual compliance audits are also conducted for all locations of operations, with reference to the ISO 14001 Environmental Management System and relevant laws, regulations and standards, covering factors including waste gas, waste water, toxic substances, waste emissions and noise. During the Reporting Period, the Group did not violate any environmental laws and regulations or receive any penalties from regulatory authorities.

## IV. Green Production

- **Environmental Protection Culture Cultivation**

The Group's efforts in fulfilling environmental responsibilities have received widespread recognition from external parties. In 2023, the Group was selected as one of the fifth batch of national level Industrial Product Green Design Demonstration Enterprises by the Ministry of Industry and Information Technology, and was honoured as one of Ningbo's "Top 10" Enterprises for Ecological Environment Governance and Ningbo's Four-Star Green Plant. In addition, the Group's project, "Carbon Labelling Leading Low Carbon Development of the Industry" was successfully selected as one of the Top 10 Typical Cases in the Second "Two Mountains" Transformation Practice Competition in Beilun District and won the Excellence Award. These honours are a recognition of our efforts to promote green production, and further strengthen our determination to continue to fulfil our corporate environmental governance responsibilities.



*Ningbo's "Top 10" Enterprises for Ecological Environment Governance*



*Award Ceremony of Top 10 Typical Cases of "Two Mountains" Transformation Practice Competition*

We highly value the cultivation of an environmental protection culture and actively respond to the call for "Zero-Waste City" put forward by the Zhejiang Provincial Government. We also conduct environmental protection publicity campaigns in each operation area and arrange employee training on a regular basis. The training content includes popularising environmental laws and regulations, introducing the Group's environmental management system, and organising practical training to enable employees to acquire necessary environmental knowledge and skills. During the Reporting Period, we organised 3 internal offline training sessions on environmental protection, with a total duration of around 10 hours. Meanwhile, we provide our staff with online training courses on standardised hazardous waste treatment, waste water treatment, exhaust gas treatment, etc. via Haitian University's E-learning platform.

In addition, we also focus on the overall environmental management of the Group's surroundings and communication with relevant parties. In 2023, the Group served as the vice chair of the Ningbo Association of Ecology and Environmental Protection, as well as the chair of the Professional Committee of Coating Industry Governance Enhancement. We organise regular environmental protection exchanges to actively communicate with environmental authorities and other enterprises to keep abreast of the latest environmental regulatory requirements and industry trends. At the same time, we strengthen green supply chain management and promote legal and compliant operations of both upstream and downstream enterprises in supply chains. Besides, we actively organise volunteers to carry out activities such as community environmental protection campaigns and environmental cleaning activities. During the Reporting Period, we participated in around 150-hour external communication and training sessions on environmental protection.

## IV. Green Production

### Case: Themed salon on safety and environmental protection

In 2023, the Group and the street office co-organised a themed salon on safety and environmental protection, which was attended by more than 300 representatives from over 100 enterprises in the jurisdiction. During the activity, key companies shared their management experiences in safety and environmental protection. Meanwhile, the government's safety, environmental protection and fire safety regulators also interpreted relevant policies, with discussions and Q&A sessions taking place among regulatory authorities, industry experts and enterprise representatives. This activity enhanced the participants' safety awareness and risk avoidance ability, further improving the development of safety and environmental protection among the enterprises in the jurisdiction.



*Themed Salon on Safety and Environmental Protection*

### Case: "Supervision on Classification of Industrial Solid Waste" Ecology Month special campaign

On 15th June 2023, to respond to the Ecology Month campaign of "Green Port City" in Beilun District, the Group organised environmental managers of all industries and plants, as well as the environmental volunteers to hold a "Supervision on Classification of Industrial Solid Waste" special campaign. The training took place at the Haitian Zhisheng Plant located in the bonded area, where the participants learned about how to create a zero-waste plant and how to classify industrial solid waste. Through on-site observation, supervision and guidance, and classified placement, we established a solid waste classification awareness to lay the foundation for promoting the building of "Zero-Waste Plant".



*"Supervision on Classification of Industrial Solid Waste" on-site explanation*

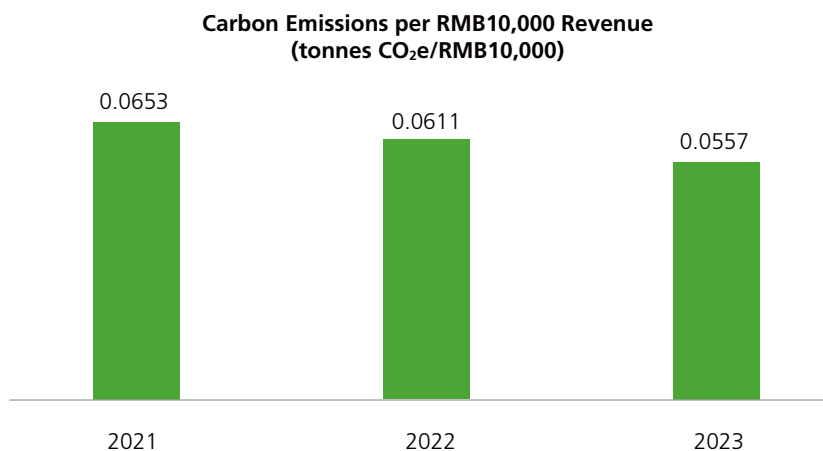
## IV. Green Production

- **Environmental Target**

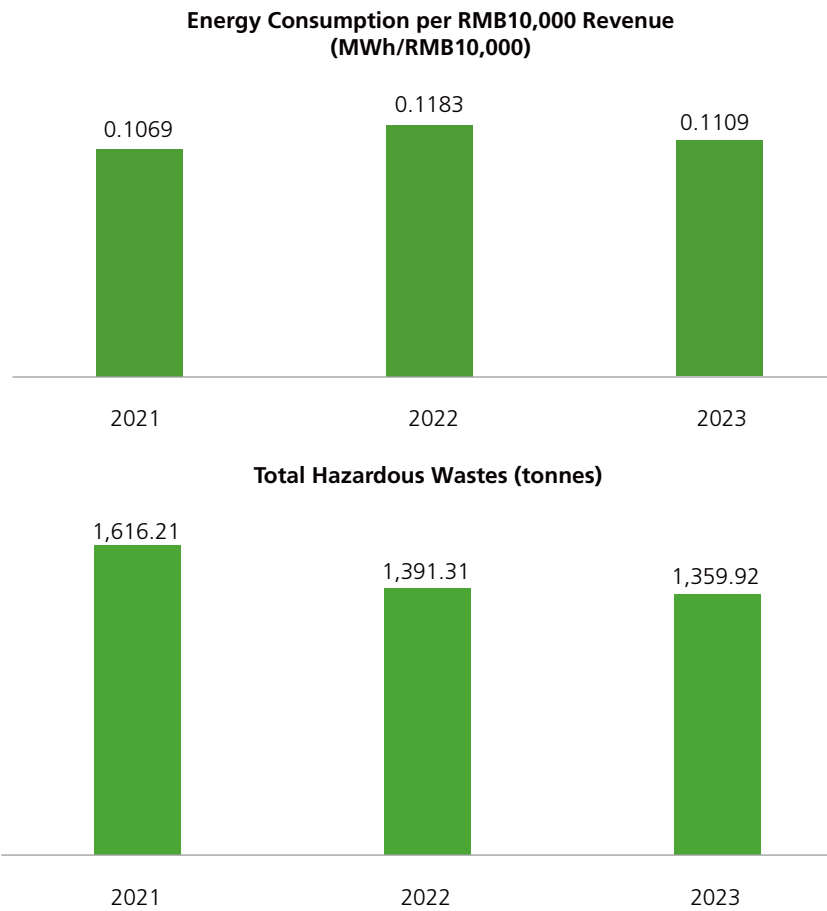
The Group has set 2025 environmental targets\* centred around carbon emissions, energy consumption and hazardous waste emissions. During the Reporting Period, the Group actively promoted the construction planning of photovoltaic (PV) projects and deepened the reduction of solid waste at source. We will continue to control our environmental impact and strive to maintain carbon emissions, energy consumption and hazardous waste emissions at current levels, while improving economic performance, in order to meet our 2025 targets.

Target in 2025	Progress in 2023
A decrease of 7.5% in carbon emissions per RMB10,000 revenue on the basis of 2021	A decrease of 14.8% in carbon emissions per RMB10,000 revenue on the basis of 2021
A decrease of 7.5% in energy consumption per RMB10,000 revenue on the basis of 2021	An increase of 3.7% in energy consumption per RMB10,000 revenue on the basis of 2021
A decrease of 7.5% in total hazardous wastes on the basis of 2021	A decrease of 15.9% in total hazardous wastes on the basis of 2021

\* The fiscal year 2021 is regarded as the base year. The above-mentioned environmental targets cover the Group's plants in Ningbo, and exclude the Wuxi Plant, South China Plant (partly under construction), and overseas plants.



## IV. Green Production



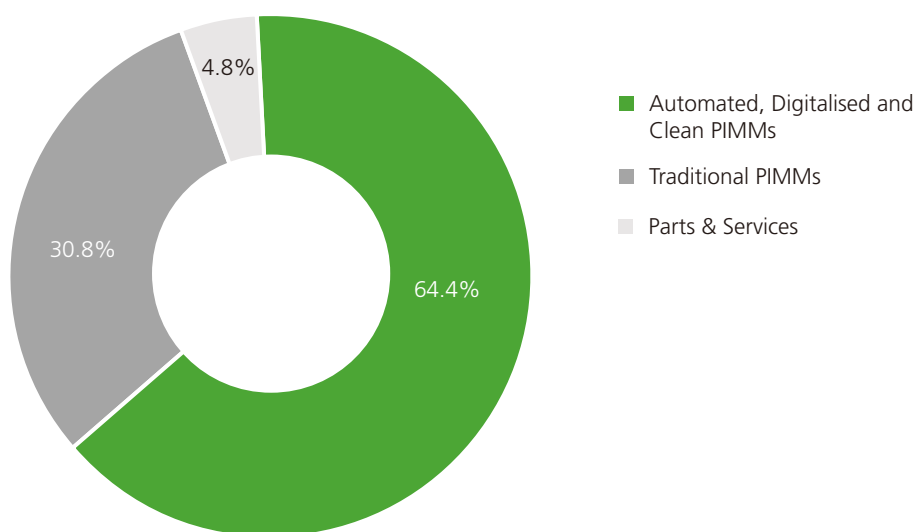
The achievement of the above-mentioned environmental targets is planned to be linked with the performance assessment of departments and persons in charge. Meanwhile, any negative incidents related to environmental pollution will affect the annual variable compensation of the persons in charge. We reward entities, departments/teams and individuals that have succeeded in the effective improvement of energy conservation, emission reduction and pollution prevention, while penalising those that fail to satisfy the environmental protection requirements.

## IV. Green Production

### 2. Clean Technology Innovation

In response to the national strategy of “carbon peak in 2030 and carbon neutrality in 2060”, as well as to meet the growing demand for environmentally friendly products from our customers, we have set clean technology as one of our core product strategies. In recent years, with the rapid popularization of electric vehicles (EVs), the application of the Group’s products in the EV industry has become the key driver of business growth. Haitian International regards the EV industry and the clean and low-carbon transformation in traditional automobile manufacturing industry as a core strategic opportunity. Therefore, we actively provide solutions for automated production, lightweight material, recyclable material and battery logistics to accelerate the application of technological achievements in the NEV industry chain, and make constant efforts to empower the industry’s sustainable transformation and upgrading.

During the Reporting Period, our JU, MA, VE, ZE, JE, and HA series plastic injection moulding machines (PIMMs) passed the national energy-saving index testing, and were selected again as the “Key Energy-Saving Products for Promotion in Ningbo”. The Group’s full range of PIMMs has fully integrated with automation, digitalisation, and clean technologies since the third-generation models. Through multiple innovations in hardware and software, we have helped customers achieve energy savings, automated production and meet their digital management needs. In 2023, the revenue from automated, digitalised, and clean products accounted for 64.4% of the Group’s total revenue.



Percentage of sales by product type in 2023<sup>2</sup>

Haitian International will continue to increase investment in automated, digital and clean technologies, ensuring that appropriate funds are invested annually in technological innovations for product automation, and energy conservation and consumption reduction. Meanwhile, we keep a close eye on the trend of technology across the value chain to ensure that our technologies are aligned with market needs and have competitiveness. Through continuous investment and innovation, we will lead the industry in providing superior automation and cleaning solutions to our customers.

<sup>2</sup> Automated, digitalised and clean PIMM products refer to Haitian International’s full range of third-generation (G3) and later PIMM products; traditional PIMM products refer to pre-G3 PIMM products.

## IV. Green Production

### Case: Focus on the fifth-generation technology to create a new benchmark for energy-saving, intelligent injection moulding equipment

Haitian International is committed to providing customers with advanced intelligent green solutions to meet the needs of sustainable development in various industries. During the Reporting Period, the Group gradually introduced the fifth generation (G5) models, which are more energy-efficient and intelligent, in various markets. Compared with the equivalent G3 models, the G5 models can reduce the overall operating energy consumption by 20-40%. Meanwhile, all series are equipped with the "Go Factory 2.0" digital and intelligent management software and open integration functions, which can maximize customers' one-stop demand for automated and digital production.

With the popularity of new energy vehicles, the demand for lightweight parts has put forward more stringent requirements on the injection moulding process of automotive parts, and the G5 JU series two-platen injection moulding machine adopts the microfoam moulding process, which is widely used in the production of automotive interior parts. This process realises weight reduction and significantly improves warpage and dimensional stability of the parts. In addition, the microfoam moulding process reduces clamping force, saves material, and improves production efficiency.

In the face of the environmental challenges posed by plastic pollution, it has become more and more urgent to accelerate the application of biodegradable and recyclable materials, and the MA series of high-speed injection moulding machines are capable of producing products that comply with the international biodegradable packaging material standards of EN13432/ASTM D6400. For example, the PLA material, which has a biodegradation rate of more than 90%, is utilized in the production of high rigidity, strong toughness, heat-resistant food containers, plates, trays, cups, etc. The G5 ZE series of electric injection moulding machines can utilize the recycled plastics of ABS and PP, which are widely utilized in the consumer electronics industry, achieving clean recycling and renewal of plastic products and empowering the development of the circular economy.

We will persist in iterating and upgrading our core technology platform to create a new intelligent manufacturing business integrating injection moulding equipment, moulding and application technologies, and one-stop solutions, to provide customers with the ultimate experience, create professional and efficient value, and promote sustainable development.



*G5 JU series two-plate injection moulding machine*



*MA Series High Speed Injection Moulding Machine*



*G5 ZE series electric injection moulding machine*

## IV. Green Production

### 3. Strict Control over Discharge and Emissions

- **Waste Discharge**

The Group strictly abides by the laws and regulations on waste discharge management, the *Procedures for the Control over Solid Waste Discharge* (《固體廢物排放控制程序》), and the *Management Requirements for Environmental Protection against Solid Waste* (《固體廢物環保管理要求》) to achieve effective control over the collection and disposal of solid waste. Among our wastes, hazardous wastes mainly include sludges, waste emulsified mixture, paint residues, waste mineral oil, oily wastes, waste oil barrels, waste hydrochloric acid, waste carbon-based catalysts and waste filters, which will be handled by qualified contractors for harmless disposal. Non-hazardous wastes include packaging materials, metal scraps and other domestic garbage, among which, recyclable solid waste will be handled by waste recyclers with professional qualification, and other domestic garbage will be regularly handled by the sanitation department.

We closely follow the call of “Zero-Waste City” put forward by the Zhejiang Provincial Government and endeavour to make each of our plants a “Zero-Waste Plant”. We encourage all plants and functional departments to reduce the waste generation at source, actively explore solutions for waste recycling, and formulate plans for waste reduction, recycling and harmless disposal. In 2023, the Group promoted the installation of hazardous waste intelligent management terminals and the application of “Zhejiang Solid Waste Code” hazardous waste labels in all Plants to implement closed-loop supervision of the entire process of hazardous waste, including inbound weighing, joint reporting, and ledger management, thus achieving digital reform in hazardous waste management. During the Reporting Period, the total amount of hazardous waste was 1,359.92 tonnes, representing a year-on-year decrease of 2.2% compared with 2022.

- **Waste Gas Emissions**

In strict accordance with the laws and regulations on air pollution in the regions where we operate, we have formulated the *Procedures for the Control over Waste Gas Emissions* (《廢氣排放控制程序》), ensuring that the waste gas is qualified for emission standard after pollutants are treated by treatment facilities with process of capture and purification. For various waste gas emissions from operation, we take the following treatment measures:

Category	Measures
<b>Volatile Organic Compounds (VOCs) from painting</b>	We use filters or hydro-spin to filter overspray, with filters replaced and paint residue removed from waste water containing overspray at regular intervals. In addition, we use carbon-based catalyst tanks to adsorb the filtered waste gases to meet the emission standard, and then emit them through an exhaust funnel with specified height. Saturated carbon-based catalyst will be desorbed at regular intervals, and pollutants desorbed will be discharged upon catalytic combustion.
<b>Nitrogen oxides and particulate matters (PMs) from natural gas combustion</b>	We use low-nitrogen combustors and collect the combustion exhaust for high-altitude emission, satisfying the emission standard.
<b>Dust from powdering process</b>	We adopt two-layer treatment through cyclone precipitator and bag precipitator for standardised emission.
<b>PMs from polishing and shot blasting</b>	We collect PMs through suspended hoods, and then treat them through cyclone precipitator and bag precipitator or Venturi scrubbers for standardised emission.
<b>Chromic acid mist from electroplating</b>	We use acid mist inhibitors to reduce the generation of chromic acid mist at source, and collect the mist produced through indraft for treatment with mesh chromic acid mist purifiers and pure water spraying. The treated waste gases are emitted through a 25m exhaust funnel.



## IV. Green Production

- Waste Water Discharge

We have formulated the *Procedures for the Control over Waste Water Discharge* (《污水排放控制程序》) and built an in-plant waste water treatment station to treat the following production waste water by category: waste water from hydro-spin for paint overspray removing, waste water from the phosphating process, waste water from pre-treatment of the powdering process, waste water from site cleaning, as well as waste water from the electroplating process. The treatment station is equipped with an online monitoring system for waste water discharge, responsible for monitoring the quantity of waste water discharge, pH, chemical oxygen demand, the concentration of ammonia nitrogen, and others in real time. Waste water is discharged into the municipal waste water network after meeting the discharge standard. Domestic waste water from business activities is also discharged in compliance.



*Rooftop Treatment Tank of the Waste Water Treatment Station*



*Waste Water Treatment and Reuse Control System*



*Waste Water Treatment in Action*



*Data Monitoring*

## IV. Green Production

### 4. Energy Management

We have formulated the *Procedures for Energy Management and Control* (《能源管理控制程序》) to systematically achieve targets in energy conservation and consumption reduction. Our direct energy use mainly includes natural gas and liquefied petroleum gas, etc. used by the drying process after painting and powdering as well as the canteen stoves, and gasoline used by commercial vehicles. Our indirect energy use mainly includes purchased electricity and heating used in our plants and offices.

The Plastics Machinery Management Centre of the Group (“Plastics Machinery Centre”) is responsible for the statistics and analysis of energy consumption, and for the formulation of annual energy control indicators and energy reduction targets. The Environmental Protection Department is responsible for regularly supervising, inspecting and assessing the energy consumption of all functional departments and plants. Each department is responsible for energy control and management in production, and for collecting energy consumption data and reporting to the Plastics Machinery Centre as required, and achieving energy assessment criteria. To achieve the purpose of energy saving, each equipment management department deploys personnel to inspect and maintain equipment regularly so that the equipment stays in optimum condition. Additionally, production is scheduled reasonably to reduce the idling time of equipment or to provide appropriate downtime for the equipment.

- **Energy Saving Measures**

During the Reporting Period, the Dagang Plant carried out a centralized air supply renovation by opening up the compressed air supply pipelines in the plant and changing the original distributed air supply to a centralized air supply method. After the renovation, the number of air compressors in use in the plant was reduced from 6 to 3, which reduced the electricity consumption of air compressors.

- **Renewable Energy Usage**

The Group established PV power generation projects in the Tongtu Road Plant and the South China Plant respectively in 2022. Among them, the total installed capacity of the Tongtu Road Division was 22,698 kW, with an installed area of 140,600 m<sup>2</sup>. During the Reporting Period, the total amount of electricity generated by the power plants amounted to 23,262 MWh, of which 17,151 MWh were consumed by the Tongtu Road Plant, accounting for 33.9% of its total annual electricity consumption. The first phase of the PV project at the South China Plant, with a total installed capacity of 6,200 kW, is scheduled to be officially put into operation in March 2024 and is expected to generate 5,210 MWh of electricity annually.



Tongtu Road Plant PV projects

## IV. Green Production

### 5. Water Management

We highlight the rational use of water resources in production and daily operations. The water we use comes from municipal water supply, which is mainly used for surface treatment of parts in production, including painting, powdering, cleaning, and for domestic water in offices and dormitories. The Group did not experience any difficulties in securing appropriate water supplies.

We will carefully consider water conservation and water pollution prevention when formulating a plan for the production process, give priority to mature and water-saving technology and environment-friendly products, and reasonably plan the best pipeline network for water supply based on production demands. We install precise water metres at each water consumption point to control the water consumption in real time. All plants and functional departments regularly inspect water consumption equipment and water supply systems to ensure normal operation.

During the Reporting Period, the Structural Parts Workshop of the Jiangnan Road Division discovered the leakage of pipelines in a timely manner through water consumption comparison and analysis, and carried out renovation of the underground water supply pipeline network in the plant, replacing the leaking underground water supply pipelines around the workshop with overhead pipelines. The water leakage was reduced by about 158 tonnes/day after the renovation.

Meanwhile, we actively carry out water-saving publicity campaigns for employees, and encourage all departments to take measures to enhance water recycling and reuse of reclaimed water. Our waste water treatment station is equipped with the reclaimed water reuse facility. In 2023, the amount of condensed reuse water was 9,532 tonnes.

## IV. Green Production

### 6. Climate Change

Climate change has become one of major challenges for the development of human society. The Group has established a greenhouse gases (GHG) Control Leading Group, with the President of the Group as the leader, the key department heads as the deputy leaders. The GHG Control Leading Group is responsible for implementing laws, regulations, guidelines, policies and standards relating to GHG emissions at the national and local levels, organising the formulation of corporate GHG control plan, deploying and coordinating GHG control initiatives, and reviewing the fulfilment of relevant performance target. We actively identify risks and opportunities related to climate change and develop actions to address the identified risks.

Risk type	Potential impacts	Our responses
<b>Physical risk</b>	<ul style="list-style-type: none"> <li>• Extreme weather, such as rainstorms, typhoons and floods, are becoming more frequent and more unpredictable, which will threaten the safety of employees, disrupt the normal supply of electricity and water, damage business assets, and interrupt the continuity of the supply chain.</li> <li>• In the long term, global warming will put more requirements on both cooling the equipment to prevent overheating and cooling the working environment, which in turn will lead to higher electricity costs. Higher temperatures will expose employees to heat-related health risk, which will directly affect the labour productivity.</li> </ul>	<ul style="list-style-type: none"> <li>• We have prepared contingency plans for emergencies, including special contingency plans for extreme weather such as typhoons, rainstorms and floods.</li> <li>• We will track changing weather and modify our operation procedures as appropriate to incorporate climate risk into our risk management and strategic planning.</li> </ul>
<b>Transition risk</b>	<ul style="list-style-type: none"> <li>• The laws and regulations on limiting carbon emissions and carbon tax policies may lead to an increase in upstream raw material prices, indirectly causing a rise in procurement costs.</li> <li>• More stringent product energy efficiency standards will increase R&amp;D expenditures.</li> <li>• Both market demands and requirements for clean technology rise, and existing products may no longer meet customer needs, leading to a reduction in sales.</li> <li>• Investors and the public put forward higher requirements for us in active response to climate change, and any omission may have a negative impact on our performance in the capital markets and on our public image.</li> <li>• As various regions gradually introduce strengthened climate information disclosure guidelines, the Group will need to increasing related investments to meet compliance requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• We timely understand the latest laws, regulations and standards in the regions where we operate, and continuously improve our environmental management systems to ensure the implementation and follow-up supervision of relevant energy-saving and emission-reducing measures.</li> <li>• We proactively explore market needs, improving product lifecycle environmental impact assessments and certifications, actively invest in and develop clean technology, and prioritise the purchase of environment-friendly raw materials.</li> <li>• We disclose information in strict accordance with relevant standards, and actively communicate with stakeholders to promote multi-cooperation and enhance our reputation.</li> </ul>



## V. Employees' Rights and Interests

### Progress in 2023

- Employee training rate reached 100%, with an average training duration of 17 hours per employee.
- Over the past three years, provided talent apartments and public rental housing to a total of 2,036 employees (including those who have left).
- Work-related fatalities: 0 cases; Workdays lost due to work-related injuries: 0 days.
- Performance-based variable compensation covers 100% employees.

Adhering to the management philosophy of “people-oriented”, Haitian International is committed to creating an equal, diversified workplace, establishing multi-dimensional career development channels for employees, and safeguarding employees' occupational health and safety. Under “institutionalised human-centric management”, we provide competitive compensation and benefits, and sincerely care for our employees, striving to create a better future jointly with our employees.

### 1. Legal Employment

In strict accordance with the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other relevant laws and regulations, we have formulated the *Employee Manual* (《員工手冊》), the *Regulations of Haitian Group on the Management of Attendance and Leave* (《海天集團考勤休假管理制度》) and other rules and regulations. By specifying management measures on employee benefits, career development, employee training, production safety, occupational health, etc., such policies are developed to protect the legitimate rights and interests of employees in a comprehensive manner.

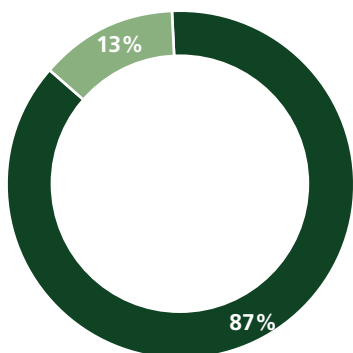
Furthermore, the Group promises to fully respect human rights. In addition to distinctly defining the management regulations on anti-discrimination, anti-harassment and prohibition on forced labour in the *Employee Manual* (《員工手冊》), we have formulated institutional norms on safeguarding human rights, such as the *Statement of Haitian International on Human Rights Policy* (《海天國際人權政策聲明》) and the *Social Responsibility Management Manual* (《社會責任管理手冊》). We, by law, prohibit any form of child labour and forced labour, provide an equal and fair working environment, establish a harmonious communication mechanism, provide a channel for employee feedback, respect human rights, and prohibit any form of harassment, abuse and humiliation. Meanwhile, we are committed to following the principle of fairness and equality in terms of recruitment, compensation, benefits, training, promotion, dismissal, etc. We are determined to eliminate discrimination in race, nationality, religion, disability, gender, age, educational background, etc. During the Reporting Period, the Group had no illegal employment of child labour or forced labour.

We attach great importance to collaboration between labour and management, and advocate the freedom of association and the collective bargaining right of employees. The labour union signed a collective contract with the Chairman of the Group on behalf of the whole staff to protect the rights and interests of each employee.

As of 31st December 2023, the total workforce of the Group was 7,382, of which 836 are female employees, with an employee turnover rate of 7.11% during the Reporting Period. During the Reporting Period, the Group was not subject to any legal procedures due to the violation of labour practices.

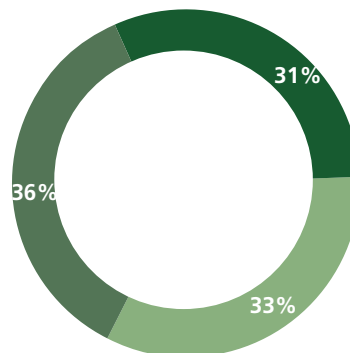
## V. Employees' Rights and Interests

Total workforce by geographical region



■ Domestic employees    ■ Overseas employees

Total workforce by age



■ Under 30 years old  
■ Between 30 and 40 years old  
■ Over 40 years old

### 2. Remuneration and Benefits

Sticking to the principle of “fairness and timely adjustment”, and in accordance with the regulations such as the *Statement of Haitian International on Human Rights Policy* (《海天國際人權政策聲明》) and the *Social Responsibility Management Manual* (《社會責任管理手冊》), we are committed to the reasonable arrangement of the work-rest cycle for employees, and the provision of competitive salaries and benefits. Therefore, we offer competitive salaries to attract and retain employees internally, while collecting industry compensation data in the labour market externally, to establish a fair, reasonable, and competitive compensation system.

We have established an employee stock ownership plan, covering the mid-level and senior management and core technicians to motivate and retain high-quality talents and core employees, and achieve a win-win situation in terms of employee accomplishments and corporate development.

We have developed a democratic and fair performance assessment system, and the variable compensation linked to performance is contained in all employees' remuneration. Based on the performance assessment plans, the Group calculates and distributes variable compensation and year-end bonuses to all employees every year to fully motivate employees' working enthusiasm. We also establish an appreciation sharing bonus, distributing the net profit appreciation from the growth of the Group's business performance to organisations and positions that have made a significant contribution.

## V. Employees' Rights and Interests

Employees	Variable compensation
Frontline employees	Calculate the monthly performance bonus based on the monthly performance level and the number of working shifts; the year-end bonus is subject to a 20%-150% variances based on the Group's year-end bonus.
Non-front-line and managerial staff	Calculate based on the salary of each position level and monthly performance level index; the year-end bonus is subject to a 20%-150% variance based on the Group's year-end bonus.
Board of Directors and senior management	Link to individual performance, the Group's performance and profitability, as well as value-added contribution to the Group, with due regard to factors including workload, responsibilities, the complexity of work, and the Group's purposes and objectives.

In terms of employee benefits, we offer a wide range of non-compensation benefits to all employees in accordance with the laws and regulations. All employees are entitled to statutory holidays and statutory benefits, such as five social insurance and housing provident fund. In addition, we provide additional benefits to our employees, such as paid annual leave, working meals, working uniforms, shuttle buses, dormitories for single employees, affordable housing, public rental housing, monthly sanitation fee, financial aids from the labour union, and regular health check-ups. We will present gifts and benefits to our employees during traditional holidays, especially to those who stay on their posts during the holidays.

Furthermore, we are committed to making our employees live and work in peace and contentment. Since 1998, we have been building talent apartments and public rental housing, with the aim to relieve the house-buying pressure of young employees. Talent apartments and public rental housing not only solve the housing problem of our employees, but also reduce their living costs and hence improve their living quality. During the Reporting Period, the construction of Haitian Youth Apartment commenced, with a total investment of RMB79.88 million, aiming to cover every employee's needs and provide them with housing security. Over the past three years, the Group has provided talent apartments and public rental housing to a total of 2,036 employees (including those who have left).

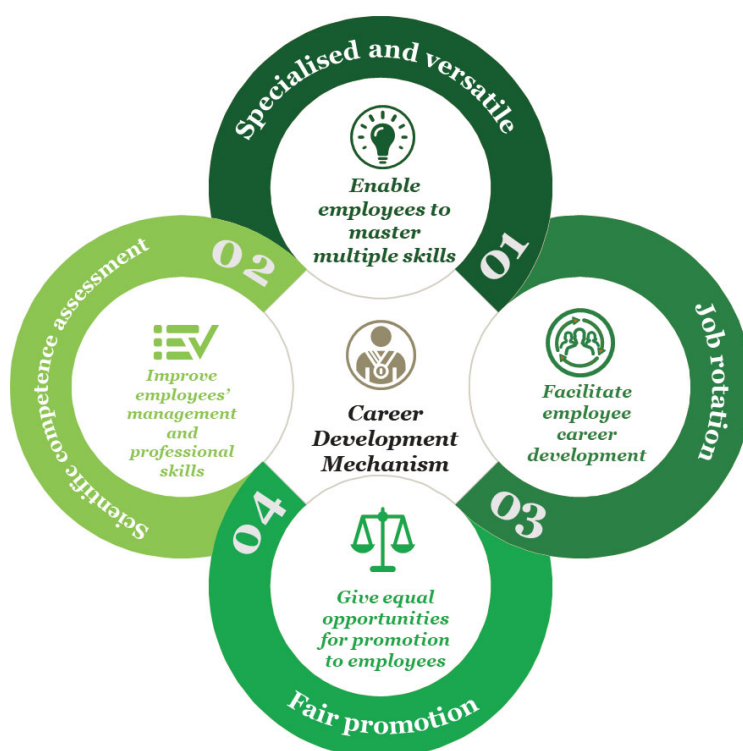


*Construction of Haitian Youth Apartment*

## V. Employees' Rights and Interests

### 3. Development and Training

To achieve the goal of mutual growth and development of employees and the Group, we have formulated a series of talent development and training management policies to provide policy guarantees for the improvement of talent management. Such policies include the *Employee Career Management Policy of Haitian Group* (《海天集團關於員工職業生涯管理政策》), the *Education and Training Management Manual of Haitian Group* (《海天集團教育訓練管理手冊》), the *Academic Education Management Policy of Haitian Group* (《海天集團學歷教育管理政策》) and the *Qualification Level Promotion and Demotion Management Measures* (《任職資格等級晉升與降等管理辦法》). Meanwhile, we have established a scientific career development mechanism from 4 dimensions, namely employee skill training, job rotation development, competency assessment and fair promotion, striving to build a highly competitive talent team.



Haitian International Career Development Mechanism

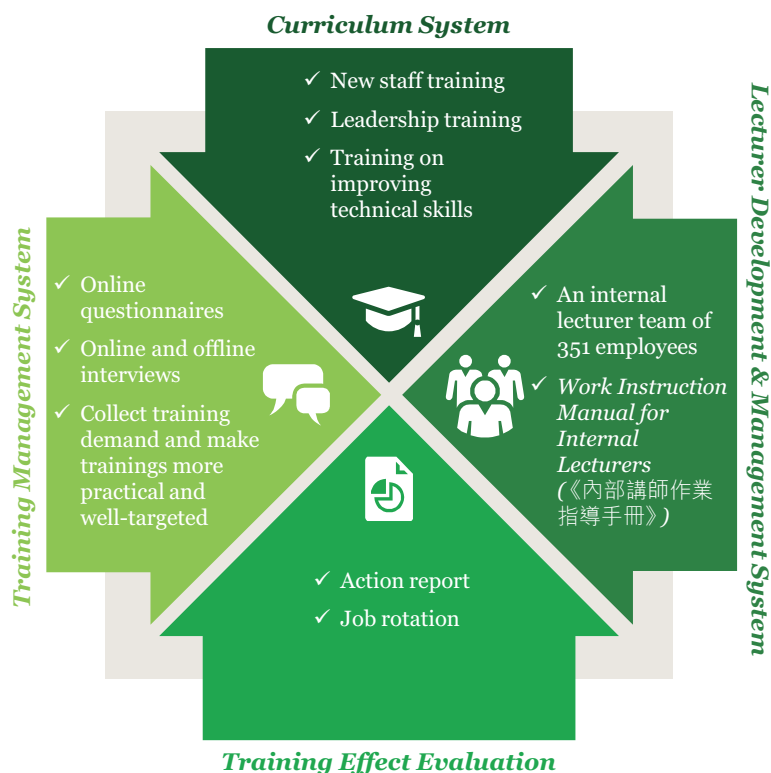
The Group, based on the job responsibilities of each post, has established a career development system with IT, PMC, finance, technology, production, after-sales, administration, application, marketing, manufacturing technology and quality control as the core, providing a balanced and sustainable career development path and platform for our employees in different posts.

In terms of career development, we provide four promotion channels, namely, technology, specialisation, operation and administration, to meet the multidimensional development demands of each employee. Through annual contribution and performance, and the employee review committee, a comprehensive review system is in place to provide Haitian employees with a platform to advance their careers and display their individual talents and worth. We have also formulated the *Special Projects for Talent Cultivation through Job Rotation* (《人才輪崗培養規劃專案》) to encourage and support our employees to involve in internal job rotation and transfer for development in line with the corporate development demands and the individual development path.



## V. Employees' Rights and Interests

We have developed a sound employee training system in accordance with the *Employee Manual* (《員工手冊》) to fully secure and support employee development. Our four major training systems are as follows:



*Haitian International Four Major Training Systems*

- Curriculum system: The Group has established a comprehensive curriculum system for its employees, which encompasses three core areas: new staff training, leadership training, and training on improving technical skills.
- Lecturer development & management system: To align with the strategic objectives of the Group, we have formed an internal lecturer team of 351 employees across various departments and functional areas within the Group. Moreover, we vigorously develop and manage our internal lecturer team in accordance with the *Work Instruction Manuals for Internal Lecturers* (《內部講師作業指導手冊》).
- Training management system: At the beginning of each year, the Group gathers, collates, and analyses the annual training demands of employees through various methods, including on-line questionnaires and interviews to make trainings more practical and well-targeted, thereby empowering its business.
- Training effectiveness evaluation: We adhere to the philosophy of training management that all training should be accompanied by an evaluation. We employ action reports and job rotation as the primary means to assess the effectiveness of training, directing and promoting the implementation of training results.

## V. Employees' Rights and Interests

We provide employees with a variety of training and learning channels, including the E-learning platform, lecturer trainings within the Group, mentor-ship programmes, internal training sessions with external lecturers, and external open classes. In addition, we have launched numerous programmes to cultivate talents at different levels, such as the Spring Buds Programme, the Eyas Programme, the Eagle Programme, the Flying Programme, the Pilot Programme, and the Class for the Young and the Middle-aged. On an annual basis, we carry out all-round and systematic training on thought and leadership, etc. for these talents, and conduct team building at regular intervals to meet the demands for improving employee skills and promoting corporate development. Meanwhile, the Group implemented a credit hour system, which stimulates the learning enthusiasm of employees. In addition, the Group further promotes the Group's knowledge succession and knowledge management among all employees, activates the organisation's internal dynamics, empower employees to foster their own growth and builds a learning organisation with Haitian characteristics. During the Reporting Period, we conducted a total of 1,344 internal training sessions and 73 training sessions with external lecturers, covering all the employees. The courses covered six categories: General Knowledge, Self-Development, Quality Control and Work Safety, Supply Chain, Professional and Technical Skills, and Management Skills.

### Case: "Frontline leadership and coaching techniques" programme

In 2023, the Group provided the training course of frontline leadership and coaching techniques to help junior-level team managers fully understand themselves and master core lean management skills and team building techniques, thereby improving their own capabilities and making corporate productivity more efficient. This training was conducted both online and offline, offering a training opportunity for colleagues who were unable to attend in person due to geographical constraints. During the Reporting Period, the Group provided leadership training to a total of 170 frontline managers.



### Case: "Building learning maps for key positions" programme

In 2023, the Group developed a training programme for employees in the human resources department to create learning maps for key positions. The aim was to assist employees in establishing a knowledge system for each role, define the specific requirements for those roles, and thereby create a job competency model for the Group's key positions. During the Reporting Period, a total of 58 employees participated in the training.



## V. Employees' Rights and Interests

### Case: "PMC procurement negotiation skills" programme

In 2023, the Group conducted procurement negotiation skills training to employees within PMC. The course utilises practical exercises to mimic the procurement process, integrating theoretical understanding with practical experience. This approach imparts procurement negotiation skills via practical application, enabling employees in PMC to learn within a realistic context and to swiftly apply their recently acquired skills to their daily work. During the Reporting Period, a total of 50 employees participated in the training.



### Case: E-learning platform

In 2023, the Group's E-learning platform offered a total of 132 projects with a total of 1,719 courses, comprising 1,118 external courses and 601 internal ones, with 3,641 participants engaging in on-line learning. Furthermore, the Group actively conducted a series of activities on the platform, including the inaugural micro-lecture competition, the micro-lecture incentive programme, and the Haitian Diligence Day, to build a learning-oriented organization, energise the creative potential of all employees, and continuously enhance and improve the knowledge system of the platform.



# V. Employees' Rights and Interests

## 4. Health and Safety

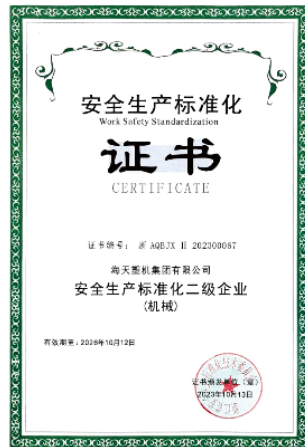
With the occupational health and safety of employees as our top priority, we have kept strict compliance with the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) and other laws and regulations, and have formulated and adopted the *General Rules and Regulations for Work Safety* (《安全生產規章制度總則》), the *Rules and Regulations for Occupational Safety and Health* (《職業安全健康規章制度》), the *Procedures for Hazard Identification, Risk Evaluation and Risk Control Measures* (《危險源辨識、風險評價和控制措施確定程序》), the *Management Procedures for Hazardous Chemicals* (《危險化學品管理程序》), the *Control Procedures for Emergency Preparedness and Response* (《應急準備和響應控制程序》) and other safety management related policies in accordance with relevant laws and regulations. In addition, keeping in mind the "all-staff, whole-process, all-round and all-day" safety management principle, we have spared no effort to protect the health and safety of employees on all fronts. We have also established an organisational structure for work safety management, under which management and employees at each level clearly understand their safety ranks and responsibilities and strictly perform their duties in compliance with relevant work safety policies.

The Group's occupational health and safety management system has obtained the ISO 45001 certification and is regularly audited and monitored by a professional third-party organisations. Meanwhile, the Group has passed the Level II Review for Work Safety Standardisation during the Reporting Period.



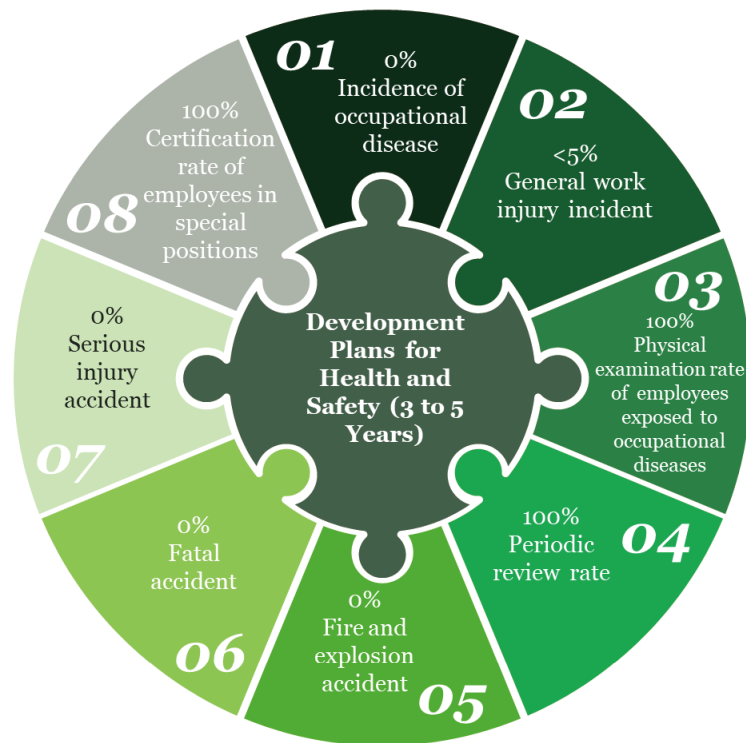
Haitian International Occupational Health and Safety Management System Certification Certificate (ISO 45001)

## V. Employees' Rights and Interests



Level II Certification for Work Safety Standardisation

Meanwhile, we have drawn up medium and long-term development plans for health and safety and set corresponding quantitative objectives and assessment indicators to navigate our development direction in occupational health and safety on a scientific basis.



Development Plans for Health and Safety of Haitian International (3 to 5 Years)

## V. Employees' Rights and Interests

We practice the principles of "safety first, prevention beforehand, comprehensive management" and "safety management going hand in hand with production management". In order to enhance our ability of accident prevention and pre-control, and avoid work-related accidents, we have formulated the *Management System for "Five Principles of Simultaneity" in Production Safety* (《安全生產「五同時」管理制度》). In other words, efforts to plan, arrange, inspect, conclude and evaluate production are also needed for safety in the same way, at the same time. In addition, we have adopted 6S management principles on all fronts so as to effectively manage production factors in production areas such as people, machinery, materials, methods and environment. During the Reporting Period, to enhance our health and safety management level on an ongoing basis, we continued to increase investment in health and safety, and strengthen the deployment and establishment of safety teams. To be specific, we newly recruited 1 nationally certified safety engineers, and we currently have 5 nationally certified safety engineers, 105 full-time or part-time safety management personnel and 66 certified Red Cross rescuers in service. Moreover, we set up a micro fire station equipped with 6 volunteer fire fighters, and launched the safety hazard detection and management system. During the Reporting Period, there were no lost days due to work injury, and the number of work-related fatalities was also zero.

Always keeping in mind the fire safety principle of "prevention first, prevention and elimination combined", we conduct regular fire safety emergency drills for all employees in accordance with the *Emergency Response Plan* (《應急救援預案》), the *Emergency Rescue Plan for Chemical Leakage* (《化學品洩漏應急救援預案》) and other policies, and have set up the fire emergency headquarters and related subordinate groups (including the evacuation group, firefighting group, rescue group, guarding group and supply group) to realise a rational division of labour in emergency response actions in the case of accidents. Specifically, the headquarter is responsible for leading and coordinating each group, the evacuation group for personnel evacuation, the firefighting group for controlling the spread of the fire, the rescue group for providing emergency aid to the injured, the guarding group for preventing the accident area from outsiders entering, and the supply group for logistical support. Additionally, after each emergency drill, the leading group will evaluate the results and put forward improvement plans for problems.

### Case: Tongtu Road emergency drill

In June 2023, in order to enhance employees' ability to escape and self-rescue from a sudden fire, the Tongtu Road Plant conducted drills on emergency evacuation and firefighting, with a total of 46 participants. This emergency evacuation drill required all participants to get familiar with evacuation routes and means of escape to enhance their ability to escape during emergency situations. The firefighting drill was designed to equip employees with proficiency in fire rescue practices and become adept at using fire extinguishers and fire hydrants correctly, effectively bolstering their capacity to manage initial fire incidents.



## V. Employees' Rights and Interests

We follow the Safety Management System of "Three Principles of Simultaneity" (《「三同时」安全管理制度》), the Occupational Diseases Prevention and Management System (《職業病預防管理制度》), the Management System for Safety Protection Equipment (《安全防護設備管理制度》), the Management System for Dust and Gas Prevention Facilities (《防塵防毒設施管理制度》), the Management System for Labour Protection Equipment (《勞動防護用品管理制度》) and other systems or policies, and arrange annual health check-ups covering all the employees. Also, we organise regular occupational health check-ups for employees frequently exposed to a hazardous environment. In addition, the Occupational Hazard Notification (《職業危害告知卡》) has been posted in each workshop to remind employees exposed to occupational hazard factors to keep compliance with the Code of Occupational Diseases Prevention (《職業病防護法》). According to the protection requirements for different positions, we provide employees with protective articles that are in line with the safety protection requirements on a regular basis, such as helmets, goggles, masks, ear protectors, protective gloves, protective footwear and protection suits, and supervise the correct wearing of protection articles. Employees who do not wear labour protection articles properly as required will be disciplined and educated in accordance with the Work Safety Rules (《安全生產條例》). During the Reporting Period, there was no occupational disease reported in the Group.



Occupational Hazard Notification

## V. Employees' Rights and Interests

In addition, the Group is regularly reviewed by professional occupational health detection institutions to strengthen external supervision. These professional institutions detect the occupational hazard factors in our workplace (e.g. workshops), check the set-up and operation of occupational disease prevention devices and the supply of personal occupational disease prevention articles. Accordingly, they will issue an evaluation report and propose suggestions for rectification and continuous improvement.



*Detection Report on Occupational Hazard Factors*

Safety training is of great importance to a safe working environment and employees' occupational health. Therefore, we organise health and safety training in a planned way to explain our corporate policies to employees and improve their awareness of occupational health and safety. During the Reporting Period, we carried out safety training in each plant following the Group's "Safety College Plan" through classroom teaching and multimedia instructions, with 3,625 people trained. The training covers regular training, occupational health and hygiene training, fire safety training and transportation safety training designated with different focuses according to the production process and actual situation, followed by assessments. We also stipulate that employees engaged in special operation shall receive special safety training before setting out to work.



*"Safety College Plan" Training*



## V. Employees' Rights and Interests

### Case: The second micro-lecture competition on safety and environmental protection

In June 2023, Haitian International held the second micro-lecture competition on safety and environmental protection, which comprised two segments: an online micro-lecture competition and an offline speech contest on safety and environmental protection. At the competition site, 13 participants from the Group's headquarters and various industrial sectors drew upon their own job experience, working methods and management skills to interpret the significance and the importance of safety and environmental protection through vivid videos and straightforward language. The competition awarded 1 first prize, 2 second prizes, and 3 third prizes. In addition, 1 senior lecturer and 5 junior lecturers were appointed, thereby continuously enriching, and reinforcing the lecturer team of safety and environmental protection. This is designed to elevate the safety and environmental protection management of front-line managers and foster a robust culture where "all members are engaged in learning about and discussing safety and environmental protection".



Furthermore, beyond ensuring the occupational health and safety of employees, we also focus continually on the mental health of employees. By offering psychological support and counselling services, we assist employees in managing stress, anxiety, and other emotional health concerns, dedicated to creating a supportive and inspiring workplace.

## V. Employees' Rights and Interests

### Case: "Psychology courses" for workshop employees

In partnership with Haitian Charity Foundation, the Group has established the Haitian Psychological Assistance Volunteer Service Team. Through initiatives such as the "psychology courses" delivered in workshops, the team aims to offer guidance to front-line team leaders and logistics staff in Haitian Road Plant and other plants. During the Reporting Period, the Haitian Psychological Assistance Volunteer Service Team employed 9 professional consultants and 10 volunteers. The team has delivered over 50 sessions on mental health, offered 107.5 hours of one-on-one counselling, and hosted 30 seminars on diverse aspects of psychological knowledge. The team aims to assist employees requiring psychological support by tackling concerns including parent-child dynamics, marital difficulties, family disputes, interpersonal interactions, job-related stress, and personal emotions, providing guidance and instruction on psychological understanding.



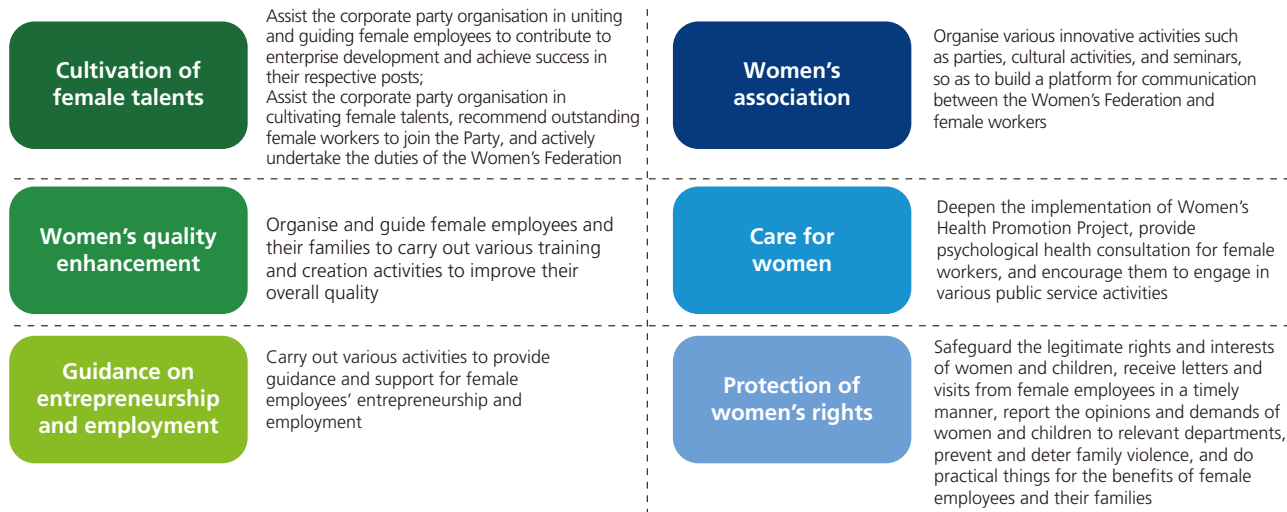
## 5. Staff Care

We maintain smooth communication and close contact with our employees. We have established various communication channels according to the *Employee Complaint Management System* (《員工申訴管理制度》) to help employees solve practical difficulties in a timely manner. Currently, the "staff voice" system was implemented in the Group's labour union and extended to sub-labour unions. We have also set up a "voice group" to give full play to the role of the labour union group and further improve the mechanism for expressing and coordinating the interests of employees. In the "Staff Voice" office, employees may talk about and express their demands, discuss issues on labour relations, discuss psychological needs and offer good suggestions for the Group's development. In the future, the labour union of the Group will promote the inspection and evaluation of "Staff Voice", taking the evaluation results as the basis for the assessment of labour unions at all levels and the evaluation of managements, to further enhance the ability of primary-level labour unions to maintain and develop harmonious labour relations. Due to the sound operation of the labour union, the Group was accredited as the Demonstration Unit for Collective Negotiation on Grade Pay in Beilun District in 2023, the District-Level Demonstration Enterprise for Refined Collective Negotiation and the Harmonious Enterprise Building Advanced Unit in Beilun District in 2023.

In addition, we conduct regular employee satisfaction surveys to collect and understand employees' satisfaction levels and demands in terms of the Group's management and system, working environment and atmosphere as well as remuneration and benefits, and find out the reasons for dissatisfaction and take timely rectification measures. In 2023, our employee satisfaction rate was 97%, a significant increase from last year.

## V. Employees' Rights and Interests

The Group is committed to protecting the rights and interests of female employees. To this end, we set up a women's association at the Group level to earnestly perform our duties of organising, guiding, serving, and safeguarding the legitimate rights and interests of female employees.



*"Six Responsibilities" of the Women's Association under Haitian International*

### Case: Haitian Group's general election of the 7th Labour Union Committee and the two-term joint conference

In 2023, the Group held the general election of the 7th Labour Union Committee and the two-term joint conference. At the meeting, a special collective contract on "grade pay" was signed for the first time, and a special collective negotiation activity was carried out. The purpose of this is to further improve the remuneration incentive mechanism, raise the remuneration of technicians and advanced employees, and enhance the employees' sense of ownership and enthusiasm for work.



## V. Employees' Rights and Interests

### Case: Deliver warmth to senior and distressed families

On 11th January 2023, representatives from the labour union of Haitian Plastics Machinery Group paid visits to some senior and difficult families. They brought gifts and care packages to the families to celebrate the upcoming New Year, wishing them a happy and prosperous 2024. During the visits, the representatives had cordial talks with the old people, learnt about their health conditions and difficulties in life, and actively provided assistance. By December 2023, the Group had 270 retired workers, and the labour union paid regular visits to senior employees over 80 years old and those with mobility difficulties. In the future, the labour union of the Group will continue to explore innovative ways to effectively provide more elaborate and caring services for retirees, and families with elderly and difficulties.



### Case: Team-building activity at Tiantai Mountain on International Women's Day

In 2023, the Group's labour union organised a two-day team-building activity for 249 female employees at Tiantai Mountain to celebrate International Women's Day. For those who were unable to participate in the activity, the labour union sent souvenirs to thank them for their dedicated work.



## VI. Public Welfare

### Progress in 2023

- Haitian Charity Foundation enters its 10th year of establishment, with total public welfare expenditure of approximately RMB4.6 million in 2023.
- Cumulative public welfare expenditure since its establishment exceeds RMB23 million.
- Accumulated number of volunteers exceeded 2,000.
- Accumulated public service hours exceeded 20,000 hours.

The Group is committed to creating a beautiful and harmonious social environment. To this end, we make use of our advantages and resources to actively devote ourselves to public welfare and charitable undertakings, and integrate the culture of great love, which features thanking and giving back to society, into our corporate culture. In 2023, the Group, adhering to the social responsibility concept of “benefit the people and contribute to the world”, established the Zhejiang Haitian Charity Foundation. The foundation organises donations and public welfare projects every year to support disadvantaged groups such as employees in difficulty, people in need, uneducated children, widows, orphans, and people with illnesses and disabilities. In doing so, we hope to pursue the culture of caring for the world and practising benevolence and good deeds. Zhejiang Haitian Charity Foundation was rated as a “4A” Chinese social organisation by Zhejiang Civil Affairs Bureau for its fruitful achievements in practising social responsibility.



Zhejiang Haitian Charity Foundation was Rated as an AAAA Social Organisation

## VI. Public Welfare

Adhering to the spirit of humanistic care, we are concerned about the well-being of special groups and bring hope and change to those in need through our efforts. The year 2023 marked the tenth year of the foundation's establishment. Over the past ten years, we, upholding the goal of creating value for the people, the society and the country, have made positive contributions to poverty relief, education support, medical assistance, public welfare and other fields.

### Ten years' contribution by Zhejiang Haitian Charity Foundation

#### Poverty support

Accumulated public welfare expenditure of RMB11.72 million, with over 3,000 beneficiaries

#### Education support

Accumulated public, welfare expenditure of RMB9.46 million, with more than 1,000 beneficiaries

#### Medical support

Accumulated public welfare expenditure of RMB2.25 million, with over 1,000 beneficiaries

#### Social Welfare

The number of volunteers has reached over 2,000, with more than 5,200 public service events conducted and over 20,000 hours of service provided

## VI. Public Welfare

- Promoting Youth Education

### Case: Endeavour scholarships for colleges and universities

During the Reporting Period, we cooperated with Zhejiang University of Technology, Ningbo University, Hangzhou Dianzi University and other 18 higher vocational colleges in and outside Zhejiang Province to provide scholarship assistance for students from poor families with good academic performance and well-rounded development. This scholarship was established to help underprivileged students realise their dreams of pursuing higher education and promote equity in education. During the Reporting Period, we invested RMB1,630,000 in “Endeavour Scholarships for Colleges and Universities”, benefiting hundreds of students.



### Case: Academic visits to colleges and universities in Shanghai

During the Reporting Period, we organised 50 teenagers to visit major universities in Shanghai, such as Fudan University and Tongji University, so that they could deeply feel the strong cultural atmosphere and learning environment. These visits further stimulated the children’s inquiring spirit of active learning and exploration, guided them to set up the right learning goals and ambitions, and played an important role in promoting the children’s academic and personal growth.



## VI. Public Welfare

- Assisting People in Need

### Case: Pairing assistance for rural revitalization

We actively responded to the national rural revitalisation policy. During the Reporting Period, we cooperated with the Sichuan Meigu Red Cross Society to help upgrade infrastructure in Meigu County, Sichuan. We also planned to construct a suspension bridge in Gengjue Village, Houbonaituo Town, Meigu County, to assist the production and life of the villagers at the relocation site and improve the life quality of the local villagers. Meanwhile, in accordance with the aid application rules of the foundation, we distributed bailout money to families in need reported by the Yaqian, Shanxia and Qianjin Village Committees of Xiaogang Street. During the Reporting Period, we donated RMB220,000 to Yaqian Village, RMB100,000 to Shanxia Village, and RMB100,000 to Qianjin Village, respectively, helping a total of 334 rural families in distress.

### Case: Help for people in difficulty

Upholding the spirit of poverty alleviation and benevolence, we responded to the urgent needs of the public, solved their difficulties, and took practical actions to help families in difficulty due to disasters, accidents, or treatment of serious illnesses. During the Reporting Period, the Group helped 12 families in difficulty, with an investment of RMB271,000. In addition, we visited 14 registered difficult families and delivered 2 bags of rice, 2 cartons of milk, RMB2,000-worthy shopping cards and a pair of couplets to each family to convey the Group's concern. We also paid continuous attention to the well-being of retired employees. During the Reporting Period, we assisted 94 households of retired employees in difficulty, with a total expenditure of RMB1,389,600, being committed to improving the quality of life of retired employees with difficulties and ensuring their living standards in their twilight years.





## VI. Public Welfare

### **Case: Assistance for teenagers and impoverished women with cancer in Beilun District**

We are continuously concerned about the living conditions of children from special families and impoverished women with cancer. For a long time, we have collaborated with the Women's Association at Xiaogang Street to provide such children and women with care and support, alleviate their burden and improve their living conditions. During the Reporting Period, we invested RMB100,000 to bring forth positive energy, love and warmth to children from special families, while helping poor women suffering from malignant gynaecological tumours receive better treatment, with a total of 45 children and women benefiting from the investment.



## VI. Public Welfare

- **Staff Volunteer Activities**

### Case: Haitian volunteer groups

Since the establishment of the Haitian Charity Foundation in 2013, we have formed Haitian volunteer groups to provide public service from time to time to residents in the surrounding communities at weekends. The services include repairing bicycles and electric vehicles, sharpening kitchen knives and scissors, applying cell phone screen protectors, repairing household appliances, and providing networking and support, donating books, medical care, little reading camp, counselling, old clothes donation, and book exchange, benefiting nearly 1,000 people. During the Reporting Period, there were 10 volunteer groups engaged in volunteer activities and 74 registered charity volunteers.



### Case: Visit to Xiaogang Welfare Institute

Against the backdrop of an ageing population, we have paid sustained attention to the social issue of elderly people not having enough companionship or care. Therefore, we organised volunteers to visit Xiaogang Street Welfare Institute on the Double Ninth Festival, brought holiday gifts for the elderly and gave them haircuts, intending to promote the traditional virtue of respecting the elderly.



## VI. Public Welfare

- Upholding the Tradition of Charitable Activities

### Case: Haitian Charity Day

In April 2023 and September 2023, Haitian International held two “Haitian Charity Day” activities at Haitian Park. The “Haitian Charity Day” has been held for 13 consecutive years, aiming to provide a variety of community services for the convenience of residents. Our employees provided services to community residents, such as photographing, hairdressing, measuring blood pressure and blood glucose, repairing household appliances, donating clothes, shoes and books, providing networking and support, making handmade reusable bags and promoting waste sorting and recycling knowledge, serving more than 1,000 people in total, with an expenditure of RMB35,000.



# ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>A. Environmental</b>		
<b>Aspect A1</b>	<b>Emissions</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Green Production – Implementation of Green Management, Strict Control over Discharge and Emissions
<b>A1.1</b>	The types of emissions and respective emissions data	Green Production – Strict Control over Discharge and Emissions, ESG Performance Data
<b>A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Production – Energy Management, ESG Performance Data
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Production – Strict Control over Discharge and Emissions, ESG Performance Data
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Production – Strict Control over Discharge and Emissions, ESG Performance Data
<b>A1.5</b>	Description of emission target(s) set and steps taken to achieve them	Green Production – Implementation of Green Management
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets(s) set and steps taken to achieve them	Green Production – Strict Control over Discharge and Emissions



## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>Aspect A2</b>	<b>Use of Resources</b>	
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials	Green Production – Implementation of Green Management, Energy Management, Water Management
<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Green Production – Energy Management, ESG Performance Data
<b>A2.2</b>	Total water consumption and intensity (e.g. per unit of production volume, per facility)	Green Production – Water Management, ESG Performance Data
<b>A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them	Green Production – Implementation of Green Management
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Green Production – Implementation of Green Management
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable, because the Group's main business is not resource intensive for packaging materials
<b>Aspect A3</b>	<b>Environment and Natural Resources</b>	
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources	Green Production – Implementation of Green Management
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable, because the Group's activities have no significant impact on the environment
<b>Aspect A4</b>	<b>Climate Change</b>	
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Green Production – Implementation of Green Management
<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Green Production – Climate Change

# ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>B. Social</b>		
<b>Aspect B1</b>	<b>Employment</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Employees' Rights and Interests – Legal Employment/Remuneration and Benefits
<b>B1.1</b>	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region	ESG Performance Data
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region	ESG Performance Data
<b>Aspect B2</b>	<b>Health and Safety</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Employees' Rights and Interests – Health and Safety
<b>B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Employees' Rights and Interests – Health and Safety, ESG Performance Data
<b>B2.2</b>	Lost days due to work injury	Employees' Rights and Interests – ESG Performance Data
<b>B2.3</b>	Description of occupational health and safety measures adopted and how they are implemented and monitored	Employees' Rights and Interests – Health and Safety



## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>Aspect B3</b>	<b>Development and Training</b>	
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Employees' Rights and Interests – Development and Training
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	ESG Performance Data
<b>B3.2</b>	The average training hours completed per employee by gender and employee category	ESG Performance Data
<b>Aspect B4</b>	<b>Labour Standards</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to preventing child and forced labour.	Employees' Rights and Interests – Legal Employment
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour	Employees' Rights and Interests – Legal Employment
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered	Employees' Rights and Interests – Legal Employment
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain	Responsible Operation – Supply Chain Management
<b>B5.1</b>	Number of suppliers by geographical region	ESG Performance Data
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Responsible Operation – Supply Chain Management, ESG Performance Data
<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Responsible Operation – Supply Chain Management
<b>B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Responsible Operation – Supply Chain Management

## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>Aspect B6</b>	<b>Product Responsibility</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Responsible Operation
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Responsible Operation – Product Quality and Safety
<b>B6.2</b>	Number of products and services related complaints received and how they are dealt with	Responsible Operation – Quality Service
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights	Responsible Operation – Intellectual Property Protection
<b>B6.4</b>	Description of quality assurance process and recall procedures	Responsible Operation – Product Quality and Safety
<b>B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Sophisticated Governance – Business Information Security
<b>Aspect B7</b>	<b>Anti-corruption</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to bribery, extortion, fraud and money laundering.</p>	Sophisticated Governance – Business Ethics
<b>B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Sophisticated Governance – Business Ethics
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Sophisticated Governance – Business Ethics
<b>B7.3</b>	Description of anti-corruption training provided to directors and staff	Sophisticated Governance – Business Ethics
<b>Aspect B8</b>	<b>Community Investment</b>	
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests	Public Welfare
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Public Welfare
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area	Public Welfare





# ESG Performance Data

## Environment

Emissions <sup>1</sup>	Unit	FY 2023
Direct greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub> e	3,933.81
Indirect greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub> e	68,805.69
Total greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub> e	72,739.50
Greenhouse gas emission intensity <sup>2</sup>	tCO <sub>2</sub> e/RMB10,000 revenue	0.0557
NO <sub>x</sub>	kg	756.85
SO <sub>x</sub>	kg	133.10
PMs <sup>3</sup>	kg	2,234.96
VOC/Non-methane hydrocarbon	kg	36,365.25
Others (chromic acid mist) <sup>4</sup>	kg	0
Waste water <sup>5</sup>	Tonne	72,890.00
Waste water intensity	Tonne/RMB10,000 revenue	0.06
Waste mineral oil	Tonne	159.36
Waste emulsified mixture	Tonne	275.48
Waste carbon-based catalyst <sup>6</sup>	Tonne	18.48
Waste filter	Tonne	9.72
Paint residue	Tonne	167.48
Waste oil barrel	Tonne	48.35
Sludge	Tonne	466.51
Oily wastes	Tonne	132.89
Waste hydrochloric acid	Tonne	30.89
Others <sup>4</sup>	Tonne	50.77
Total hazardous wastes	Tonne	1,359.92
Hazardous waste intensity	Tonne/RMB10,000 revenue	0.0010
Total non-hazardous wastes <sup>7</sup>	Tonne	26,319.92
Non-hazardous waste intensity	Tonne/RMB10,000 revenue	0.0201

## ESG Performance Data

Use of Resources <sup>1</sup>	Unit	FY 2023
Gasoline	Tonne	214.00
Natural gas <sup>5</sup>	Cubic metre	559,735.00
Liquefied petroleum gas (LPG)	Tonne	67.83
Diesel	Tonne	609.59
Total direct energy consumption	MWh	16,780.70
Purchased electricity	MWh	103,554.32
Steam <sup>8</sup>	Tonne	32,017.01
Total indirect energy consumption	MWh	128,172.15
Total energy consumption	MWh	144,952.86
Energy consumption intensity	MWh/RMB10,000 revenue	0.1109
Total water consumption	Tonne	321,432.06
Water consumption intensity	Tonne/RMB10,000 revenue	0.2459

## Society

Employment	Unit	FY 2023
Total workforce	Person	7,382
Male employees	Person	6,546
Female employees	Person	836
Full-time employees	Person	7,303
Part-time employees	Person	79
Under 30 years old	Person	2,318
30 to 40 years old	Person	2,417
Over 40 years old	Person	2,647
Mainland China	Person	6,439
Overseas	Person	943



## ESG Performance Data

<b>Turnover rate</b>	<b>Unit</b>	<b>FY 2023</b>
Male employees	Person	466
Female employees	Person	59
Employees under 30 years old	Person	306
Employees between 30 to 40 years old	Person	81
Employees over 40 years old	Person	138
Mainland China	Person	409
Overseas	Person	116
Total turnover rate	%	7.11
Male employees	%	7.12
Female employees	%	7.06
Employees under 30 years old	%	13.20
Employees between 30 to 40 years old	%	3.35
Employees over 40 years old	%	5.21
Mainland China	%	6.35
Overseas	%	12.30

<b>Health and Safety</b>	<b>Unit</b>	<b>FY 2023</b>
Number of work-related fatalities <sup>9</sup>	Person	0
Rate of work-related fatalities	%	0
Lost working days	Day	0

<b>Proportion of trainees by employee category</b>	<b>Unit</b>	<b>FY 2023</b>
Total number of trainees	Person	7,382
Senior management	Person	41
Middle management	Person	256
Junior employees	Person	7,085
Male trainees	Person	6,546
Female trainees	Person	836
Senior management	%	1
Middle management	%	3
Junior employees	%	96
Male trainees	%	89
Female trainees	%	11

## ESG Performance Data

Average training hours by employee category	Unit	FY 2023
Senior management	Hour	25
Middle management	Hour	48
Junior employees	Hour	16
Male employees	Hour	17
Female employees	Hour	17

Supply Chain Management <sup>10</sup>	Unit	FY 2023
China	/	265
Other countries	/	7
New suppliers under access assessment in the current year	/	2
Suppliers eliminated due to product quality and safety issues	/	0
Suppliers having passed ISO 14001 environmental management system certification	/	26
Suppliers having passed ISO 45001 occupational health and safety management system certification	/	22
Suppliers having passed ISO 9001 quality management system certification	/	61
Suppliers having passed ISO 27001 information security management system certification	/	3
Suppliers signing the Letter of Commitment to Integrity	/	203
Suppliers signing the Management Measures for Safety and Environmental Protection	/	205
Suppliers signing the Code of Social Responsibility	/	205

Note 1: Data only covers the plants in Ningbo, excluding the Wuxi Plant, South China Plant (partly under construction), and overseas plants; the intensity is calculated by the output per RMB10,000 revenue.

Note 2: GHG emissions are mainly from the use of gasoline and natural gas during production (Scope 1), and from the purchased electricity and steam (Scope 2). GHG emissions are presented as CO<sub>2</sub> equivalent (CO<sub>2</sub>e), with the calculation method and conversion factors in line with the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises (《工業其他行業企業溫室氣體排放核算方法與報告指南》) issued by the National Development and Reform Commission and the Notice on the Management of Corporate GHG Emissions Reporting in Power Generation Industry from 2023 to 2025 issued by the Ministry of Ecology and Environment. (《關於做好2023–2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment.

Note 3: During the Reporting Period, due to the increased production capacity of the Group compared to 2022, and the use of natural gas as the drying heat source in the newly expanded structural component workshop paint spraying line, there was an increase in NO<sub>x</sub> and particulate matter emissions.

Note 4: During the Reporting Period, the emission concentration of chromic acid mist was lower than the detection limit of the testing unit (0.005 mg/m<sup>3</sup>), therefore no chromic acid mist emissions were detected.

Note 5: During the Reporting Period, due to the increased production capacity of the Group compared to 2022, and the inclusion of a surface cleaning section in the newly expanded structural component workshop, there was an increase in the amount of wastewater usage.

Note 6: During the Reporting Period, there was a one-time increase in the production of waste carbon-based catalyst due to the replacement cycle of carbon-based catalyst, which is considered an incidental factor.

Note 7: During the Reporting Period, due to the increased production capacity of the Group compared to 2022, and the expansion of the structural component workshop, there was an increase in the emission of non-hazardous waste.

Note 8: During the Reporting Period, the Jiangnan Road Plant of the Group completed the partial replacement of oil-based paint with water-based paint, and added water-based paint drying rooms. Due to the use of steam as the energy source for the drying rooms, there was an increase in steam consumption.

Note 9: The Group had 1 work-related fatality in 2022, which is detailed in the 2022 ESG report; there were no work-related fatalities in 2023 or 2021.

Note 10: Data on supply chain management covers production procurement suppliers for the plants in Ningbo, Wuxi Plant and South China Plant (partly under construction), excluding administrative procurement suppliers and suppliers for overseas plants.

# Feedback from Readers

Dear readers:

Thank you for reading our 2023 *Environmental, Social and Governance Report* (《2023年環境、社會及管治報告》). In order to provide stakeholders with valuable information and improve our ability and performance in the fulfilment of social responsibility, we are sincerely expecting your valuable opinions and suggestions.

You can fill in the feedback form and return it to us in the following ways:

Address: No. 1688 Haitian Road, Xiaogang, Beilun District, Ningbo City, Zhejiang Province

Tel (Mainland China): 86-574-86182786

Tel (Hong Kong): 852-24282999

Postcode: 315801

Email: wangjihui@mail.haitian.com; yxj0199@mail.haitian.com

1. Your overall rating for the Group's Environmental, Social and Governance Report:

Outstanding       Satisfactory       Unsatisfactory       Poor

2. Your rating for the Group's fulfilment of economic, social and environmental responsibility:

Economic Responsibility	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Social Responsibility	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Environmental Responsibility	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor

3. How the Report reflects the impact of the Group's ESG responsibility practice on the economy, society and environment?

Very good       Good       Fair       Poor       Very poor

4. What do you think about the clarity, accuracy and completeness of the information and data disclosed in the Report?

Clarity	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Accuracy	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Completeness	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor

5. Are the content structure and layout design convenient for you to read?

Yes       Fair       No

6. Other opinions or suggestions about the Group's ESG work and the Report:

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