Disclaimers:

This report may contain predictive information, including but not limited to information on the operations and product series of Zhejiang Hailide New Materials Co., Ltd.
Due to the existence of many uncertain factors in practice, there may be some differences between actual results and predicted information.

Zhejiang Hailide New Material Co., Ltd

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2022

Zhejiang Hailide New Material Co., Ltd.

Sustainable Development Report in 2022

2022 CONTENTS

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About the Report

This report is the second sustainable development report released by Zhejiang Hailide New Material Co., Ltd. The Report mainly discloses the management measures and achievements of the Company in terms of corporate governance, innovative development, customer services, work safety, environmental protection, employee responsibilities and public charity. The Company actively communicates with stakeholders, and work hard to fulfill their concerns and expectations.

Time Range

The time range is from January 1, 2022 to December 31, 2022. In order to improve the continuity and completeness of the Report, some contents go beyond that time range.

Scope of the Report

The organization scope of the Report covers Zhejiang Hailide New Material Co., Ltd. and its controlling subsidiaries and branches in Chinese Mainland with the shareholding proportion of 51% and above, excluding subsidiaries and branches in Hong Kong and overseas countries.

For the convenience of expression and reading, unless otherwise indicated, “Hailide”, “Company” or “We” in the Report shall all refer to the reporting entity.

The definitions for other terms are shown as the following:

The definitions for other terms are shown as the following:

Flooring Company	Refers to	Zhejiang Hailide Flooring Co., Ltd.
Film Company	Refers to	Zhejiang Hailide Film New Materials Co., Ltd.
Composite Company	Refers to	Zhejiang Hailide Composite New Material Co., Ltd.
Haining Halide	Refers to	Haining Halide Fiber Technology Co., Ltd.
Shanghai Research Institute	Refers to	Hailide New Material Research (Shanghai) Co., Ltd.

Preparation Basis

The Report is drafted according to the core “Conformance” scheme of Standard of Sustainable Development Report (GRI Standards-2021) of Global Reporting Initiative. At the same time, the Report is also prepared by refer to the Preparation Guidance for Corporate Social Responsibility Report of Chinese Enterprises (CASS-CSR4.0) of Chinese Academy of Social Science, ISO26000: Corporate Social Responsibility Guideline (2010) of the International Standardization Organization, Sustainable Development Target 2030 (SDGs) of the United Nations and ten principles of Global Deed of the United Nations.

Description about the Data

Information and data of the Report are from official documents, statistical reports and financial statements of the Company. Unless otherwise indicated, the relevant data of the Report shall cover Zhejiang Hailide New Material Co., Ltd. and its affiliates. Unless otherwise indicated, the currency unit of data in the Report is RMB Yuan. The Company guarantees that the contents of the Report is free from any misrepresentation, misleading statement or major omission. Moreover, the Company will undertake joint and several liabilities for the authenticity, accuracy and completeness of the contents in the Report.

Approval of the Report

Upon the confirmation of Management, the Report was approved by the Board of Directors of the Company on March 29, 2023.

Acquisition of the Report

The Report is released to stakeholders through electronic document in PDF format. The electronic document in PDF format is available for downloading and reading on the official website of the Company (www.Hailide.com). If report in paper version is required, please contact us through below information.

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Keynote of Leader



Limin Gao, Chairman

Lead the industry benchmark in practical innovation

With the constant insistence on the Thought on Socialism with Chinese Characteristics for a New Era of Jinping Xi and the guideline of Double-Eight Strategy, Hailide has remained committed to making the domestic industry bigger, better and stronger. The Company mainly engages in the production of three top categories of products, including polyester industrial filament, plastic materials and polyester tire cord fabrics. By virtue of industrial development experiences of several years and a complete manufacturing system, we present most superior products to global customers. Especially in the last few years, the Company has attached high importance on the dual-track of industrial economy and digital economy, and intensified efforts on industries, business and enterprise to continuously consolidate the product competitiveness and brand influence.

In 2022, the Company took market as the orientation, customer demands as the target and differentiated high-end market as the main direction to carry out various decisions and deployments. In addition to the core values of “Customer First, Accountability, Teamwork and Pursuit of Excellence”, the Company kept forging ahead in the path of stable development.

Insist on independent innovation in R&D, and promote the construction in technological breakthrough.

The Company remains committed to contributing to the society with better quality. With the carrier of the provincial research institute, the we engage high-end R&D talents to intensify the R&D efforts on fine chemicals, covering structural analysis, thermal analysis, rheological analysis, micro-structure analysis, aggregation structure analysis, polymer, spinning and many other sectors. These efforts have laid a sound foundation for our technological innovation and product innovation.

The polyester industrial filament is widely used in automotive fiber sectors like tyre, safety belt and air bag by virtue of its high quality, high starting point, expertise and differentiated features. With the performance exceeding the domestic peers and reaching the world leading level, the product enjoys high reputation and praises in the industry. The share of safety belt filaments in the global passenger car market is 1/3, and the share of air bags in the polyester air bag market is more than 60%. These two products have been widely used inwell-known automobile brands like Benz, BMW, Ferrari, Tesla Motors, etc. In 2022, we completed the technological renovation project for differentiated polyester industrial yarn for new air bags used in trucks with the

capacity of 5000 tons. At the same time, the Company established strategic cooperation relationship with world-renowned tyre manufacturers like Michelin, Bridgestone, etc. Plastic materials of the Company, including digital printing materials, coating materials, decorative materials and environmentally friendly SPC flooring, have passed the certification of several European standards and American standards. These products have been widely sold in many countries and regions in the world. With the center of high-end, intelligent and green system, the Company has continuously developed new technologies and new products with broad market prospects and competitive edge, which have resolved many stranglehold issues of Europe and America in critical raw materials. As of the end of 2022, the Company owns 17 invent patents, 68 utility model patents, 5 appearance patents and five software copyright patents, which have boosted the in-depth innovation and achievements of the R&D business of the Company and significantly improved the comprehensive competitiveness of the Company.

Adhere to independent innovation in research and development, and promote the construction of scientific and technological research.

The Company carries out the policy of Revitalizing China with Brands, based on customer needs, and persists in the vision of becoming a world leading product and service provider in the professional field. There is no doubt that Hailide is a pioneer in the construction of brand and standard system. The Company has honors like Leading Backbone Enterprise in Industries in Zhejiang, Green Enterprise of Zhejiang, Brand-name Enterprise in Export of Zhejiang, etc. The Company has passed the certification of ISO14001 Environmental Management System, ISO9001 Quality Management System, IATF16949 Quality Management System, ISO50001 Energy Management System, ISO45001 Occupational Health Management System and ISO/IEC27001 Information Security Management System. The trademark of“Hailide” is a “Famous Brand of Zhejiang”; the flexible lamp-box fabrics in “Hailide” brand is a famous-brand product of Zhejiang; HMLS polyester industrial yarn and polymer digital printing grid material are high-tech products of Zhejiang; polyester industrial yarn product has been granted with the honor of Famous-brand Product of China by General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China. Ultra High-Strength and Low-extension Polymer Industrial Yarn for High-end Protection is enlisted into the list of “Quality Products Made in Zhejiang” in 2022. In order to further improve the reliability and stability of products, we intensified our efforts on market development, efficiency boosting and value adding for our owned brand. These efforts have significantly enhanced the influence and reputation of brand made in Zhejiang.

Boost the energy conservation, emission reduction and low carbon operation, and fulfill the corporate social responsibility.

The “14th Five-year” period is the critical five years for China to achieve the carbon dioxide peaking. As an accountable enterprise, we persistently incorporate the ideas, objectives and measures of energy conservation and emission reduction into the whole value chain of operation and whole life cycle of products. We take measures to resolve the relations between development and circulated use of resources and cope with global climate change to contribute to the sustainable development of the environment and the whole community. In 2022, the Company attached great importance on sustainable development from the strategic perspective, and formulated the Long and Medium-term Sustainable Development Objective List to guide the green development path of the Company; we released annual corporate responsibility report to various stakeholders to respond to the appeals and concerns of various parties; the Company took the initiative to engage in activities about reduction of carbon emission, and engaged third party CDP for rating. In addition, the research institute of the Company also carried out the R&D strategy of “sustainable development” to promote the in-depth integration of new green, low-carbon and environmentally friendly technologies, new products and advanced low-carbon technologies to improve the energy utilization efficiency. With the leading and anti-driving for the vision of carbon neutrality, the Company has developed new growth drivers in sectors with great development potential and strong boosting performance like high technologies, high technologies, high performance and low emission.

In addition to the fulfillment of the social responsibilities during its own production and operation activities, the Company also faithfully carries out program of Zhejiang in promoting the high-quality development and construction of demonstration region for common prosperity. The Company took the initiative to coordinate with the government, public welfare organizations and communities to contribute to the program of

About Us:

Company Profile

Zhejiang Hailide New Material Co., Ltd. was established in 2001 and listed on Shenzhen Stock Exchange in 2008 with the stock code 002206. Main products of the Company include polyester chips, polyester industrial yarn, tire cord fabrics, digital printing materials, coating materials, decorative materials, SPC flooring, etc. These products have been widely sold to more than 80 countries and regions.

After the development of more than 20 years, the Company has become a national key high-tech enterprise integrating production, scientific research and sales. With the outstanding high and medium-end talent team, we have made remarkable achievements in technological research and development by virtue of the provincial Key Research Institute of Enterprise and intensified efforts in research.

With the strategic thinking of global operation, international advanced core technologies, leading manufacturing capacity and excellent enterprise brand, the Company aims to become the world's leading provider of products and services in the professional field of industrial yarns, plastic materials, tire cord fabrics and plastic floors.

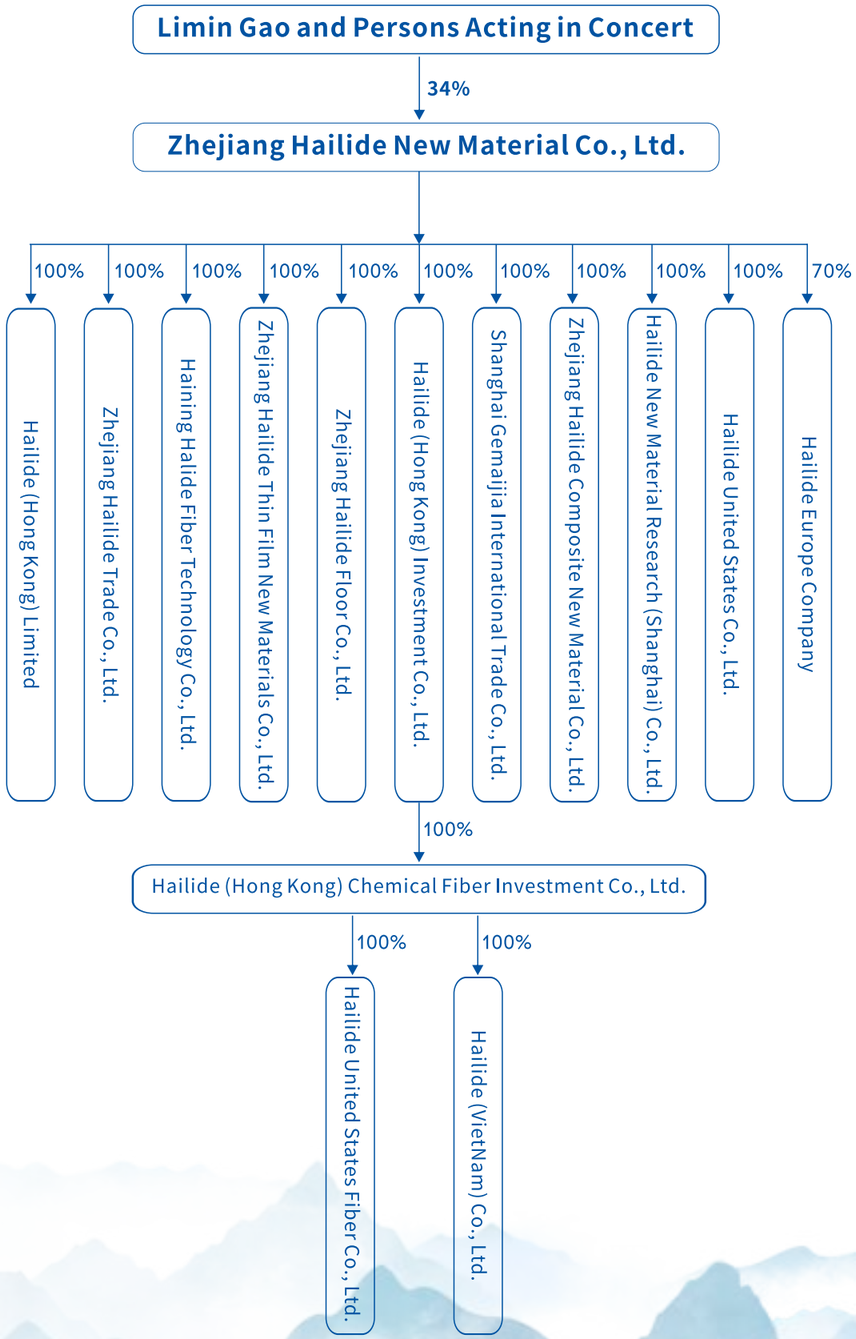
Annual Core Performance

(Operating income, operating cost, total salary paid, input in employee welfare, dividend of shareholder, and R&D input. The coverage range shall be the consolidation scope, which includes Hong Kong, Vietnam and overseas countries. The other data is within the reporting scope)

Unit: RMB'0000

Item	2020	2021	2022
Operating Income	351,255.70	506,739.33	551,205.48
Operating cost	278,485.88	398,324.66	459,689.56
Total amount of salaries paid	29,112.32	36,223.64	38,504.57
Input of employee benefits	1,519.75	1,847.84	1,954.10
Shareholder dividend	11,585.07	23,170.14	11,679.57
Tax amount payable	5,796.31	8,603.25	7,732.05
Public welfare donation	73.30	120.00	444.88
R&D Input	14,768.05	18,609.79	21,445.06

Subsidiaries of Hailide



Corporate Culture

Hailide takes corporate culture as the spiritual core to gather resultant force of innovation drivers and common values and insist on the value convention of all employees for innovation. With these values, the Company devotes itself to improving the operation and management level and creating outstanding performance. Leaders of the Company have fully played their demonstration role in the culture construction. Employees have faithfully performed their job responsibilities. With the strong sense of responsibility and positive spirit, we work hard to achieve the organic unification of the country, shareholders, enterprises and employees to reflect the mutual coordination among them and guarantee the achievement of the harmony between short-term development and long-term development, between the enterprise and the community and among the enterprise, community and environment.

Mission

To make contribution to the Society with Better Quality.

Vision

To become the world's leading product and service provider in the professional field.

Core values

Customer

Duties

Teamwork

Excellence.

Layout of Production Bases



Maqiao Base



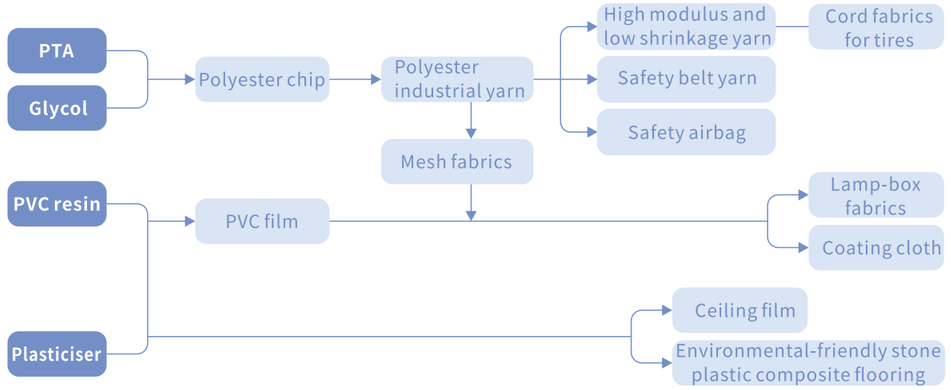
Jianshan Base



Vietnam Base

Industry Chain

The whole industrial landscape of Hailide is extended from the core of “One Piece of Yarn”. With the efforts of more than ten years on this piece of yarn, the Company has developed a vertical integrated industrial chain, which has provided higher guarantee to the product quality.



The first industrial chain of Hailide is polyester slices produced with procured raw materials, which are produced into rolls of polyester industrial yarn through solid-state polymerization, spinning and other relevant processes. Polyester industrial yarn could be processed into twisted yarn, ply yarn through twisting process, which are raw materials for the production of grey cloth. Tire cord fabric can be produced from grey cloth by dipping process for use of tyre manufacturers.

The second industrial is to produce PVC film by pressing and flattening main raw materials like PVC, etc. The Company applies warp-knitting process to change the self-produced polyester industrial yarn to warp knitting fabric. With the plying-up, coating and other relevant process, the PVC film and warp knitting fabric could be produced into lamp-box fabric and coating fabric. The Company could also use the flooring equipment produce environmental friendly SPC floor with such products.

UN Sustainable Development Goals (SDGs) Action

Sustainable Development Goals



Global Layout, Lean Operation

With a strong global marketing network, the products of the Company are well sold in more than 80 countries and regions in the world.



We remain committed to serving the global customers with high-quality products

Global Marketing Network:
United States, UK, Russia, Italy, Germany, Hong Kong

Global Customer Network:
United States, Canada, UK, Germany, Australia, France, Spain, Arab



Important Honors



High-tech enterprise of Zhejiang



Enterprise technical center of Zhejiang



National torch plan project



Navigating enterprise of local private transnational corporation of Zhejiang



Trustworthy Enterprise of Haining



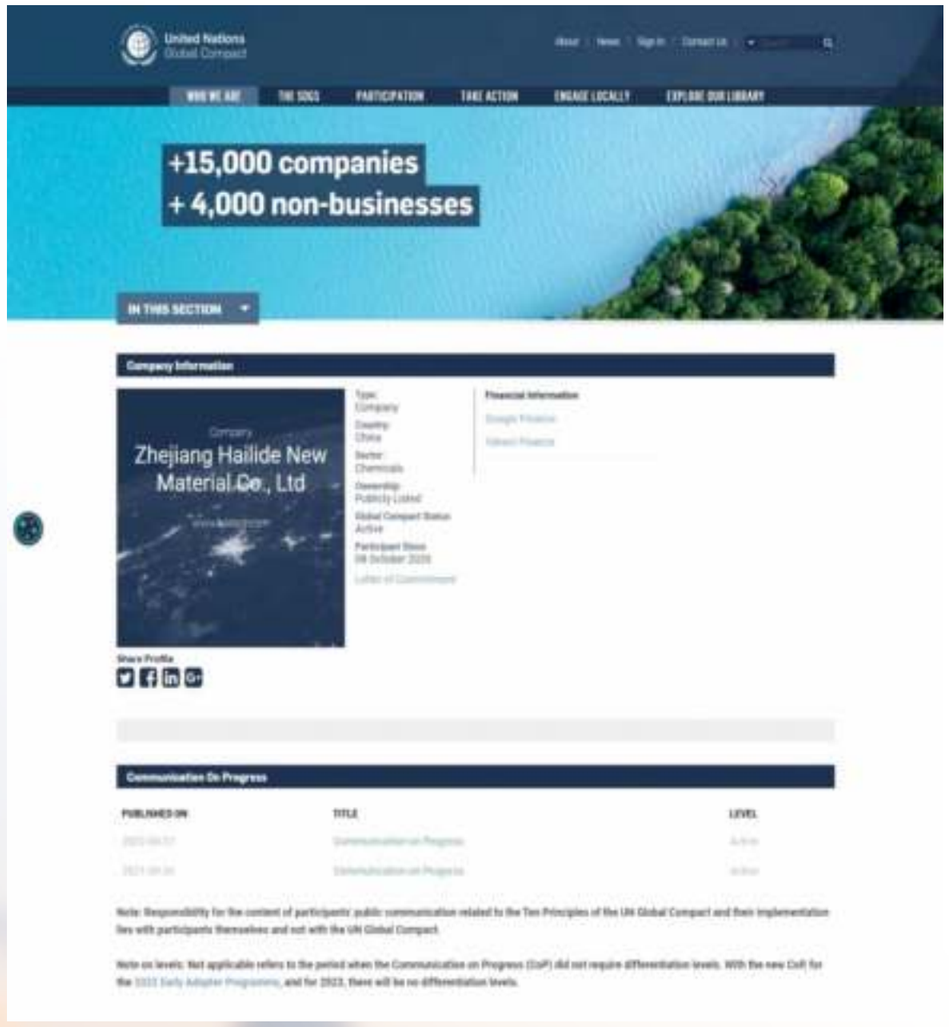
Top 10 Enterprises of Tax Contribution in Manufacturing



Vice President Unit of Textile Industry Association of Zhejiang

Join the United Nations Global Compact

In October, 2020, Hailide joined the United Nations Global Compact in October, 2020, and advocates its belief that “the enterprise practices rooted in universal principle are beneficial for a more stable and tolerate global market, and for the construction of a thriving and prosperous society”. The Company strongly supports the ten principles advocated by the United Nations Global Compact in sectors like human rights, labor, environment protection and anti-corruption, and takes the initiative to incorporate these principles into the strategy, operation and culture of the Company. At the same time, we keep introducing the United Nations Global Compact and its principles into the decision-making process of top managers of the Company.



With the foothold of the modern corporate governance system, Hailide keeps consolidating the foundation, seeking for planning and drawing blueprint to continuously optimize the corporate responsibility governance and strengthen the comprehensive risk control. The Company attaches constant importance on the performance ability for social responsibility to guarantee the sustainable development of the enterprise with efficient responsibility governance.

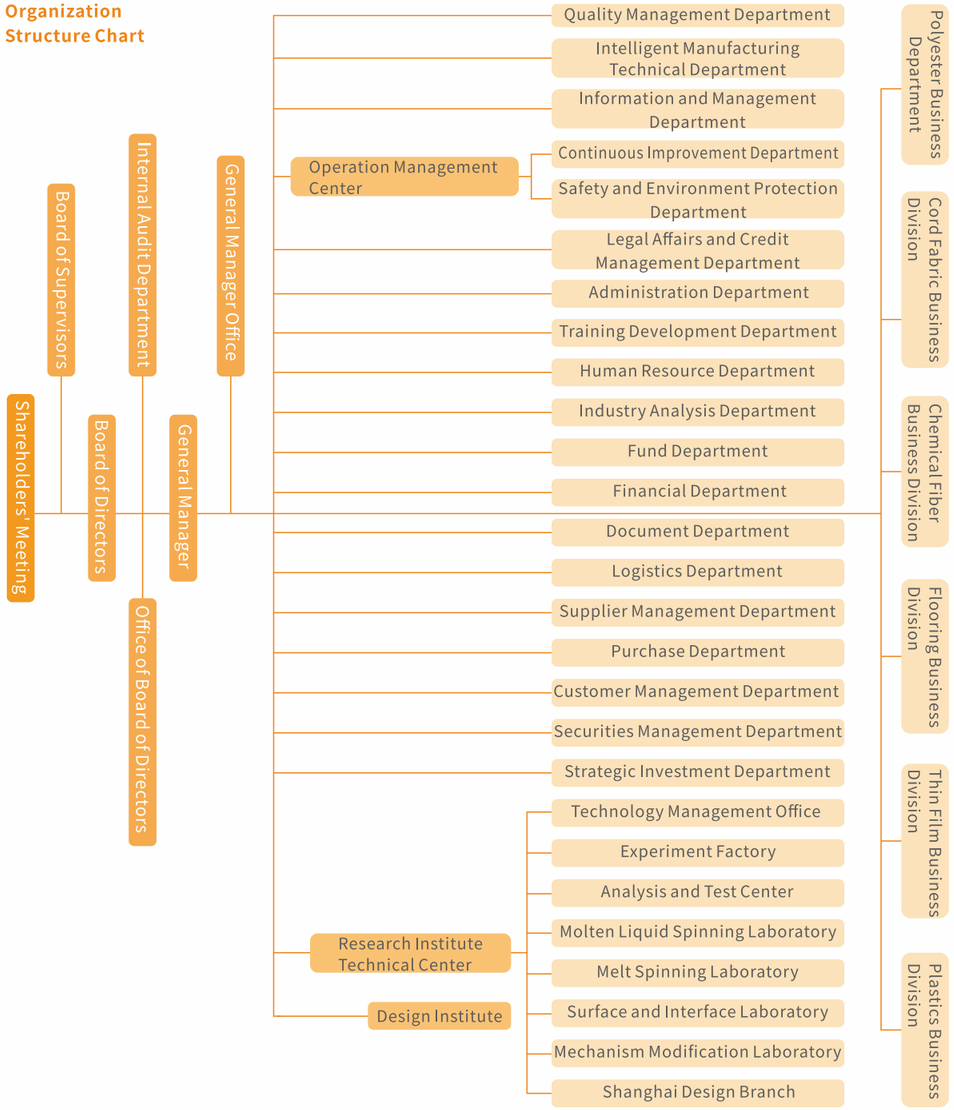
Steady Governance Consolidate Evergreen Foundation for Development

- Governance of Directors, Supervisors and Executives
- Insist on the Leading of Party Construction
- Social Responsibility Governance
- Maintain Investor Relation
- Avoidance for Conflicts of Interest
- Guarantee for Compliance Operation
- Consolidate Integrity Management
- Protection of the Information Security

Governance of Directors, Supervisors and Executives

In accordance with the *Company Law, Securities Law, Governance Principles of Listed Enterprises, Stock Listing Rules of Shenzhen Stock Exchange* and other applicable laws and rules, Hailide improves corporate governance structure to strengthen the construction for the duty performance ability of directors, supervisors and executives. With the attitude of accountability to all shareholders, the Board of Directors of the Company faithfully carries out various resolutions of the shareholders' meeting, duly organize various tasks of the Board of Directors in a due diligent manner, and take measures to promote the governance level and healthy and steady development of various businesses of the Company.

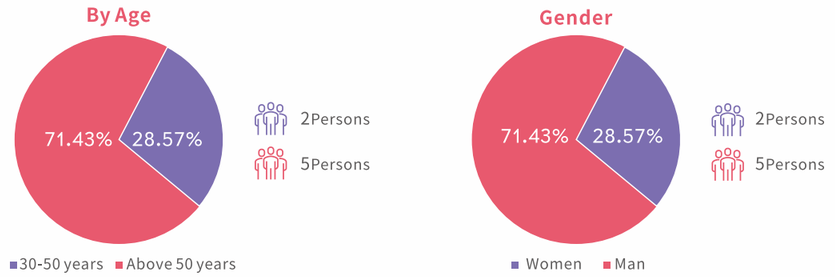
Organization Structure Chart

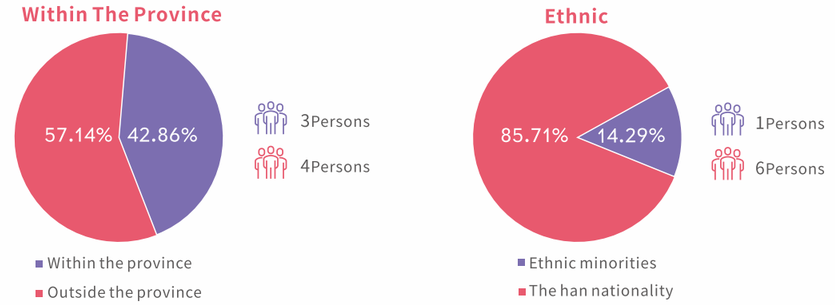


Composition of the Board of Directors

Audit Committee, Strategy and Investment Committee, Nomination Committee and Remuneration and Assessment Committee are established under the Board of Directors. Various committees worked hard to provide reference and important opinions for decision-making of the Board of Directors in their respective professional fields. The Board of Directors is constituted by seven directors, including 3 independent directors, one of which is an expert in accounting.

Types of the personnel of the governing organization





Duty Performance of Independent Directors

All independent directors have the knowledge about finance, laws and other expertise required for the duty performance, and could faithfully perform their independent duties and responsibilities. They report their annual work on time, and put forward precious and professional opinions about system improvement and daily operation decisions. Independent directors have played their desired role in improving the supervision mechanism of the Company and safeguarding the legitimate interests of the Company and all shareholders.

Nomination and Selection

Candidates of directors are nominated in written by shareholders holding more than 3% of the voting shares of the Company independently or jointly. As for the term change of the Board of Directors, all candidates are submitted to the previous Board of Directors for qualification examination. The candidates for the replenishment of directors of the current Board of Directors shall be submitted to the current Board of Directors for qualification examination. After passing the examination, the candidates of directors shall be submitted to the shareholders' meeting for election. In the reporting period, the Company completed the election and appointment of directors, supervisors and executives in the eighth session.

Meetings of the Board of Directors

All meeting notices of meetings of the Board of Directors are sent to all directors and supervisors ten days in advance. Meeting notices of temporary meetings of the Board of Directors are sent to all directors and supervisors no less than five days before the relevant meetings.

the Board of Directors organized **11** meetings

the Board of Directors reviewed **40** motions

Shareholders' Meeting

The Board of Directors is responsible to the shareholders' meeting, report work to the shareholders' meeting, and carry out resolutions of the shareholders' meeting. In the reporting period, the Company totally organized three meetings of Shareholders' Meeting. Information about resolution of such meetings was disclosed to the public through CNINF according to relevant regulations.

Board of Supervisors

The Board of Supervisors of the Company is constituted by shareholder representatives and 1/3 of the employee representatives. Candidates of employee representative supervisors in the Board of Supervisors are nominated by Employee Representative Congress or Labor Union of the Company. Directors shall not obstruct the Board of Directors or Board of Supervisors in exercising their functions and powers. Directors, General Manager and other executives shall not serve as supervisors concurrently. The Board of Supervisors shall review regular reports formulated by the Board of Directors, and initiate the written review comments; supervise the behaviors of directors and executives in performing functions and powers of the Company, and initiate removal suggestions about directors and executives violating laws, administrative rules, Articles of Association of the Company or resolutions of Shareholders' Meeting; put forward proposals to Shareholders' Meeting. In the reporting period, the Company totally organized 10 meetings of the Board of Supervisors.

Remuneration Policies

The income of executives is directly linked with their work performance. The Company carries out the remuneration system combining with basic salary and year-end performance bonus. In accordance with the "3+X" remuneration distribution and assessment method, Remuneration and Assessment Committee arranges comprehensive assessment for annual working results and completion of responsibility targets of executives. In 2022, the total salary of all directors, supervisors and executives was RMB 18,470,800.

Insist on the Leading of Party Construction

The Company totally has 91 regular Party members and 1 probationary party member. During the year, the Company newly developed 8 new party members. The Company insists on incorporating activities of the Party into the economic construction of the enterprise to integrate the development demands of the enterprise and guarantee the faithful implementation of plans. In 2022, the Party Committee of the Company took the initiative to participate in volunteer activities like anti-fraud publicity, support for check points and supply guarantee of supermarkets, and gave full play to the leading role of Party members. In the same year, the Party organization of Hailide was honored as Advanced Primary Party Organization by Maqiao Street of Haining.



The Party Committee of the Company won the Honor of Advanced Primary Party Organization

Case: The Party Committee studied the spirit of 20th CPC National Congress

On November 17, the Party Committee of Hailide organized a special information session about the spirit of the 20th CPC National Congress. The session elaborated lectures from four aspects of the Report, including agenda of the 20th CPC National Congress, new points of view, new judgments and new ideas in the Report, amendment to the Party Constitution, and messages of General Secretary to the youth. The simple but profound theory elaboration and deep personal insights had further enhanced the political identification, idea identification, theory identification and emotion identification.





Case: Various party branches came to Nanbei Lake to participate in the development activities about the red revolution

In the afternoon on September 24, various Party branches of the Company organized Party members to participate in development activities in Nanbei Lake of Haiyan. With profound red revolutionary blood and gene, Nanbei Lake is a region where the New Fourth Army established bases and engaged in anti-Japanese activities. It is also one of the earliest regions with activities and Party branches of the underground party of CPC in Haiyan. After these activities, the Party members have deepened their sentiment, and expressed that they would carry out the spirit of red revolution. They claimed that they would remain committed to their original aspiration and stay true to their mission to make untiring struggle for the achievement of the historical mission of the Party.

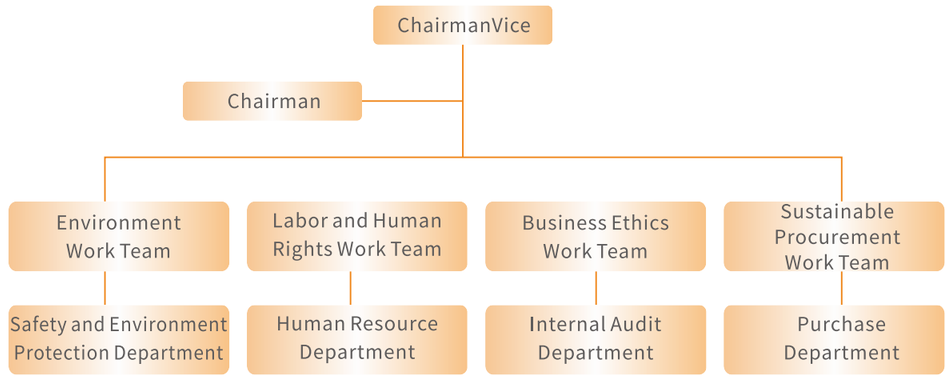




Social Responsibility Governance

The Company has actively performed the social responsibility, and established a perfect governance architecture for the social responsibility. The Company appoints Fubiao Wu, Operation Director as Environment Management Representative and Health and Safety Management Representative, and appoints Yuhua Shen, Deputy General Manager for Human Resources, Administrative and Training as Management Representative for Labor and Human Rights. Social Responsibility Management Team regularly formulates sustainable development reports. The Board of Directors signs written confirmation opinions for regular reports of the Company to guarantee the authenticity, accuracy and completeness of information disclosed by the Company.

Structure of the Social Responsibility Governance Team



Substantial Issues

Stakeholders, as the group with direct relation with the sustainable development of the Company, play extremely important role in the decision-making process of the Company. According to the actual business and operation characteristics, we identified main stakeholders like shareholders and investors, government and regulatory authorities, employees, suppliers, customers, media and non-governmental authorities, communities, etc. The collection of issues was conducted through on-site interview, telephone interview, survey questionnaire, etc.

By establishing long-term efficient communication mechanism with representatives of various stakeholders, the Company acquired the opinions and expectations of various stakeholders in a timely manner, and adjusted the sustainable development plans of the Company and the corresponding implementation of the plan too meet expectations of various stakeholders for the Company. The following table set forth main issues concerned by different types of groups of stakeholders:

Stakeholder	Concerned Issues	Communication Channel /Feedback Method	Frequency/Times
Government and regulatory authorities	The campaign of combating corruption and upholding integrityGuarantee of intellectual property rights Energy conservation and emission reduction Quality stability of products	Policy consulting Event reporting On-site surveyInformation disclosureExchanges in meetings with governmental authorities	Unscheduled on-site survey and visits Unscheduled reports to government Unscheduled meetings and exchange activities with the government
Shareholders and Investors	The campaign of combating corruption and upholding integrity Energy Conservation and Emission Reduction Product Quality Stability Employee Stability Impact of Climate Change on Businesses	Annual General Meeting/Extraordinary Meeting of Shareholders' Meeting Meetings with investors Performance release meetings News release/announcement On-site survey	Organize at least one meeting of Shareholders' Meeting in each year Extraordinary meeting is organized for special situations Unscheduled meetings with shareholders, and on-site survey
Employee	Diversified background and equal opportunities for employees Safe and comfortable working environment Employee development and training	Performance assessment interview Internal publications (newspapers and magazines) New employee training Informal talks with employees	Unscheduled face to face discussions Regular release of internal publications Regular organization of new employee training program Regular informal talks with new employees
Suppliers	Environment and social performance requirements for access of suppliers Evaluate the environment and social performance of suppliers Quality stability of products	On-site survey Meetings Telephone interview	Conduct supplier perform ance evaluation in each year Irregular interviews
Customer	Customer information and privacy protection Customer service and communication channels Quality stability of products	On-site survey Meetings	Unscheduled
Media and non-governmental organizations	Evaluate the environment and social performance of suppliers Comply with labor laws and rules Customer service and communication channels Quality stability of products Guarantee of intellectual property rights	Social media News press meetings and news release Media interview	Unscheduled
Community	Domestic sewage treatment and emission reduction Charity and public welfare Contribution to community	News release/announcement Participation in meetings	Unscheduled

The Company combines the opinions and expectations of stakeholders with the sustainable development demands of the Company, and arranges major evaluation and analysis for concerned issues about social responsibility to respond to concerns of stakeholders in a active and well-targeted manner in the work about social responsibility. Rigorous and efficient procedures are applied to perform importance evaluation of issues, which mainly covers four stages:

Identification of potentially important issues: after detailed review like media analysis, peer benchmarking analysis and other relevant documents, we identified the impacts of the business of the Company on the economy, environment and society, or potentially important issues for the evaluation and decision-making of stockholders on the Company.

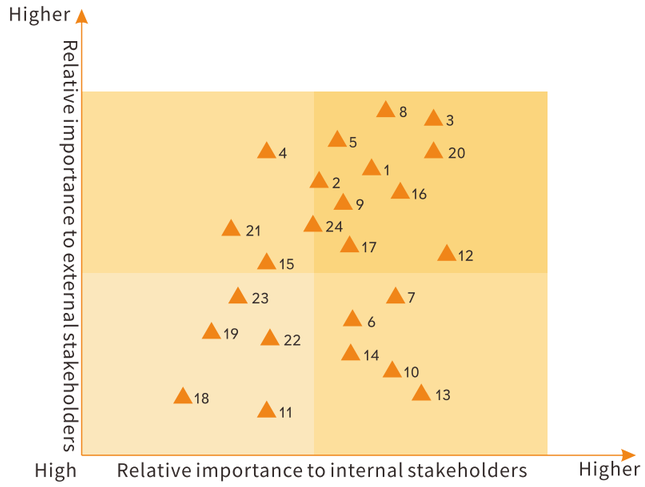
Ranking of potentially important issues: rank potentially important issues, formulate the communication plans with stakeholders, acquire the opinions and expectations of stakeholders, learn about the priorities concerned by various stakeholders, engage in important evaluation and formulate the importance matrix.

Verification results of Management: Management reviews and confirms the importance analysis of identified issues. We will faithfully reflect the performance of the Company on the relevant issues in the Report.

Review: check whether contents of the Report has offered reasonable description about the sustainable development performance of the Company on major social responsibility issues, and invite stakeholders to provide the relevant opinions.

Important Matrix

In the reporting period, we maintained sufficient communication with stakeholders and acquired the opinions and expectations of representatives of main stakeholders for sustainable development issues of the Company. Sources of concerns include official website of the Company, WeChat Public Platform, discussions of industry association, exchange meetings of suppliers, governmental meetings, conversazione of stakeholders, sustainable development forum, media reports, etc.



No.	Issue Contents	No.	Issue Contents
1	Exhaust treatment and discharge	13	Safe and comfortable working environment
2	Greenhouse gas emission	14	Employee development and training
3	Disposal of hazardous solid wastes	15	Comply with labor laws and rules
4	Using of materials	16	Environmental practices of suppliers
5	Waste management	17	Social practices of suppliers
6	Energy conservation and emission reduction	18	Social dialogs
7	Domestic sewage treatment and emission reduction	19	Final stage of product life cycle
8	Utilization of water resources	20	Chemical management
9	Using of packing materials	21	Customer information and privacy protection
10	Impact of Climate Change on Businesses	22	The campaign of combating corruption and upholding integrity
11	Diversified background and equal opportunities for employees	23	Contribution to community
12	Employee health and safety	24	Customer health and safety

Responsibility Communication



Director of municipal People’ s Congress visited the Company on January 10, 2022



On June 1, 2022, Chengsong Jiang, head of Jiaxing Customs, visited the Company




On June 1, 2022, Kuiyi Wang, deputy director of the Bureau of Foreign Experts Affairs of the province, and other leaders visited the Company




On September 23, 2022, Guoqiang Zhou, a member of the Standard Committee of the city and head of Publicity Department of the City, visited the Company for survey




On November 18, 2022, Zhongfei Lv, a member of the standing committee of the City and head of Organization Department of the city, visited the Company to instruct the talent and technology innovation work

Case: Guoliang Cao, secretary of the municipal Party Committee, and other leaders visited the Company for survey

In the morning of November 22, Guoliang Cao, secretary of the municipal Party Committee, led leaders from departments for development reform, economy and information, technology and commerce to come to Hailide for the special activity of “Grand Visit to 1000 Enterprise within 100 Days, Support and Boost Enterprises to Pass a Warm Winter”. The Company reported the overall operation situations to leaders, and exchanged opinions withe leaders for demands of the Company about energy supply, logistics and transportation, project examination and approval, etc.; we also introduced out work progress about talent introduction and technological innovation, and expressed that the Company would further intensify the efforts in R&D and technological transformation to cope with the external pressure under the support of the government. The overall operation of the enterprise was under a steady and healthy status, and the market performance was satisfactory.




Case: the Party and Government Delegation of Heishui County visited our company, and extended their care to employees of the Company

In the morning of July 13, the Party and Government Delegation of Heishui County visited Hailide under the companion of Jiayou Yan, a member of the Standing Committee and executive vice mayor of the municipal Party Committee, and Yufeng Du, Deputy Secretary of Party Committee and Town Mayor of Huangwan Town. During the visit, arty and Government Delegation of Heishui County convey their caring to 25 workers with the native place in Heishui that were working in Huangwan Town. The delegation hoped that the workers could give full play to their hard-working spirit to demonstrate the superior quality of the Heishui people.



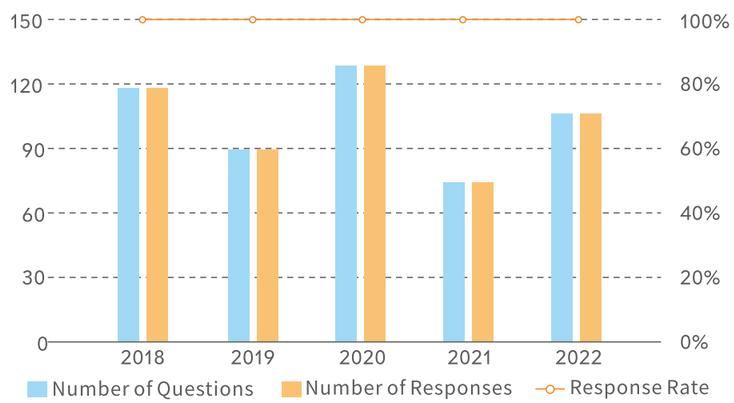

Maintain Investor Relation

The Company remains committed to maintaining good investor relations. We keep disclosing the dynamics and performance of the Company to investors in a timely and accurate, maintain steady cooperation relationship with investments, and create higher values and returns to investors.

Key Measures

- Release annual reports and announcement of resolutions to CNINF in time to guarantee the right to know of investors, and facilitate the investors to acquire information about the strategy, operation dynamics and financial performance of the Company.
- The Company has established a special column for investor relation on the official website of the Company to publicize the hot-line for investors. The office telephone could be directly switched to personal mobile phone to ensure that we will never miss any call from investors or relevant supervision authorities.
- We have applied a Q&A window on the Hudongyi Platform (http://irm.cninfo.com.cn/) to maintain smooth exchange with investors and classify concerns of investors in time.
- In the reporting period, we organized regular on-line performance illustration meetings, and received the survey of investors through both on-line and off-line method. We totally received more than 20 surveys of investors in the period. These efforts facilitated the investors to develop an in-depth understanding about the Company, and feel the culture of the Company.

Statistics for Responses on Hudongyi Q&A Platform



In 2022

The information disclosure rating of the Company was Grade **A**

Disclosure **115** announcements

more than **100** questions on Hudongyi Platform,The response rate was as high as **100**%

on-line performance illustration **1** meeting

arranged **1** reverse roadshow

received **20** surveys from investors.

Avoidance for Conflicts of Interest

The Company formulated and released the *Management Regulations on Avoidance in Employment* to identify potential conflicts of interests, and prevent damage of such risks to interests of the Company, customers and investors. The Company also intensified the efforts on the supervision and punishment for circumstances of conflicts of interests. We further improved the ERP management, organized the declaration work about relative relationship and social contacts, and classified the avoidance rules to guarantee the fairness and equality of the atmosphere within the Company.



Management Regulations on Avoidance in Employment



Declaration of Relative Relationships and Social Contacts

Guarantee for Compliance Operation

The Company faithfully complies with various national and local laws and rules, and has established and maintained a compliance management system conforming to laws, rules and standards for business ethics in the fields like fair competition, protection of intellectual property rights, business ethics, etc. The Company incorporates compliance management into various processes of the daily production and operation, instructs and regulates the business conducts of employees, management personnel and cooperation partners through systematic management and training, and works hard to construct a benign business environment with standard operation, transparent management and fair competition. At the same time, we keep listening to constructive opinions of stakeholders to improve the decision-making and operation management of the Company. In 2022, the Company was evaluated as Grade A "Trustworthy" enterprise of Zhejiang Province, and a navigating enterprise of local private transnational corporation of Zhejiang.



Certificate of Grade A "Trustworthy Enterprise" of Zhejiang Province



Certificate of Navigating Enterprise of local private transnational corporation of Zhejiang

Training program about business ethics

Percentage of Employees Receiving the Training Program about Business Ethics

100%

Times of Training about Business Ethics

7 times

Reporting Procedure

There are no Reports about Events or Legal Actions Confirmed/ There are no Reports arising from the Reporting Procedure

Legal Actions

There are no Legal Actions About Anti-competition Behaviors And Anti-monopoly

Evaluation on corruption risk

The Proportion of subsidiaries passing the evaluation on corruption risk

100%

he proportion of the operation places with internal audit/risk evaluation for business ethics taken in total number of operation places

100%

Comply with Business Ethics

The Company revised and improved the *Codes on the Management of Business Ethics* to further elaborate contents about improper competition, anti-fraud, conflict of interests, business bribes, commercial corruption, use and protection of assets, information security and confidentiality, anti-money laundering, insider trading, professional ethics of employees, receipt and provision of commercial gifts, etc. The coverage of the management measures on business ethics of the Company has reached as high as 100%. Comprehensive and standard management for business ethics have create a healthy and sound environment for the steady development of the Company. In 2022, the Company investigated and punished two incidents in which stakeholders violated the code of business ethics. According to the compliance requirements, we terminated the cooperation and labor relation with the related parties (supplier and employee of the Company) associated with these two incidents to safeguard the legitimate rights and interests of the Company.

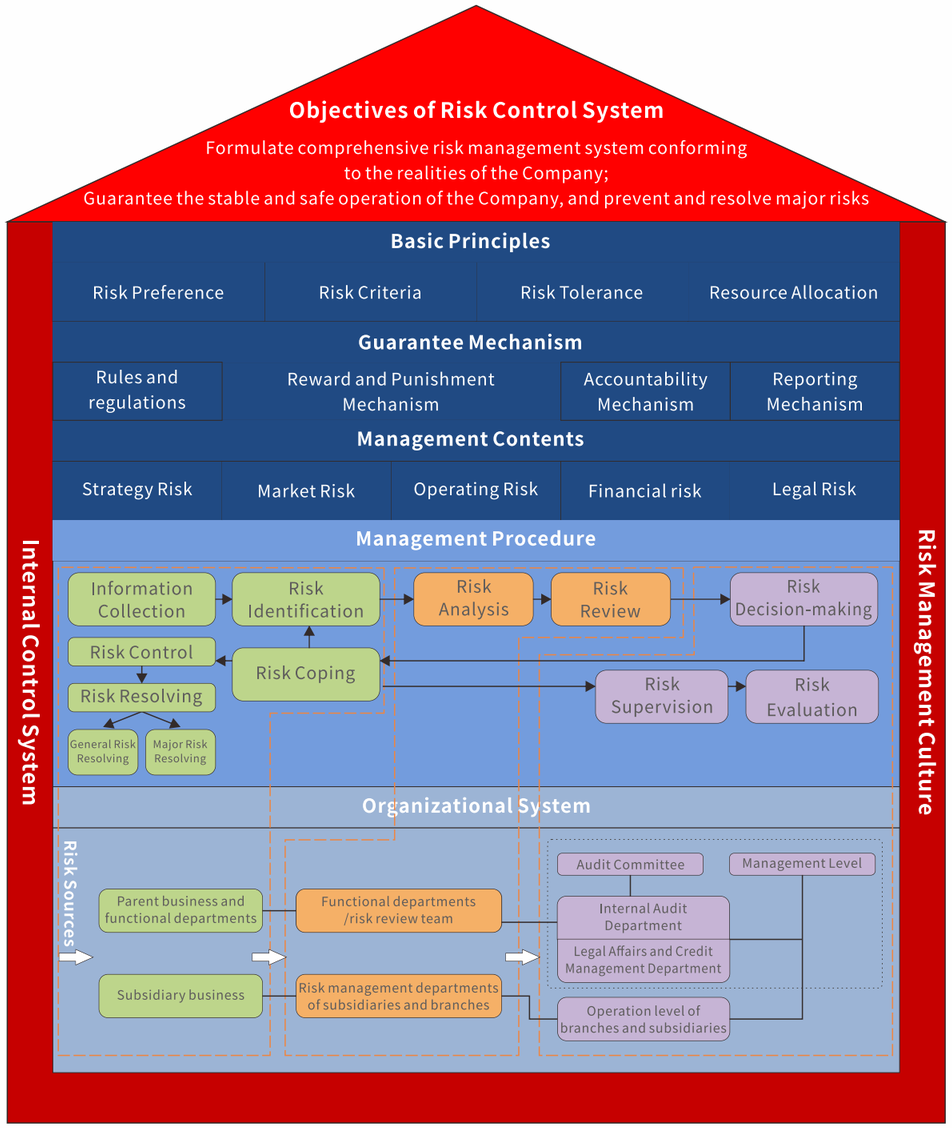
Case: Organize training about business ethics

In 2022, in order to improve the legal compliance awareness of employees and supervise the employees to comply with business ethics, the Company organized seven special legal trainings through the combined approach of on-line training and off-line training. The contents of these training programs include business compliance, intellectual property rights, international trading, etc. The employee coverage of these training about business ethics was 100%.



Intensify efforts on internal control for risks

In order to guarantee the full coverage and effective control of risks, the Company has further improved the risk management system, including risk identification, evaluation, control, monitoring, coping and other relevant processes. At the same time, the Company has formulated strict system and procedure to strengthen the internal control, regulate behaviors of employees, and guarantee the standardization and compliance of business operations. Audit Department arranges regular audit and check for sensitive departments, and initiates the annual report and summary. The Company and its branches and subsidiaries arrange regular internal audit about social responsibility, review the applicability of the management procedures, and track the rectification of nonconforming items. In the reporting period, the Company totally completed 77 audit programs, discovered 36 issues, and initiated 28 audit recommendations.



Consolidate Integrity Management.

The Company has formulated the *Regulations on Accountability for Integrity Operation* and the *Detailed Implementation Rules on Labor Disciplinary Actions* to regulate behaviors of employees. In order to prevent corruption risks, the Company arranged 23 corruption risk assessments in terms of job responsibilities, business procedures, regulations and systems, ideology and business environment, including 0 items with high risk, 4 items with medium risk and 19 items with low risk. Appropriate control measures were taken to control the corresponding risks, and regular assessment was arranged.

Integrity Training

The Company arranged training programs about integrity, which had covered all employees, and organized publicity about holiday disciplines. We also signed *Letter of Responsibility for Integrity* with employees. The Company signed the Letter with 133 employees, including 30 employees on newly increased core positions. The signature rate was 100%. The Company arranged 12 integrity discussions with suppliers (supplies with the trading amount above RMB 100,000 (included)). The number of employees of the integrity discussions takes 100% of suppliers conforming to the conditions.



Letter of Commitment for Integrity



Sign-in Form for Integrity Training



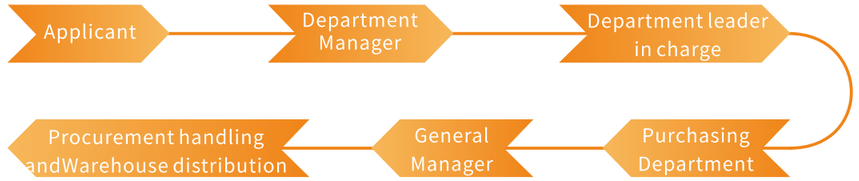
Training Notice



Integrity Publicity

Gift Acceptance Management

The Company has a strict approval procedure for gift requests.



Reporting Management

The Company has established channels like telephone, e-mail, letters and appointed visits to establish communication and exchange bridges for employees and other stakeholders. The release and implementation of the Reporting Reward System further improved the management procedure for the discovery, reporting, investigation, remedy and punishment. In order to give full play to the supervision of the public, and prevent the reporters from being retaliated, we take protection measures for reporting personnel assisting in our investigation, and ensure that they are free from retaliation. We will impose strict punishment on personnel disclosing information about informants and personnel taking retaliation against informants. For persons committing criminal acts, we will duly transfer them to the corresponding judicial organ for treatment, and prosecute their criminal responsibilities.

Protection of the Information Security

The Company has formulated procedures and systems about information security like *Management Manual for Information Security, Management Procedure for Monitoring and Measurement of Information Security*, Procedure for Access Control of Users, *Computer Room Management System* and *Management Regulation on Information Security Events* to establish and improve the organizational structure and assessment system for information security work, carry out the responsibility system for confidentiality work, define the scope of confidential information, and form the procedure for confidentiality work. With these efforts, the Company has gradually developed a scientific and standard information security system to prevent the occurrence of any information disclosure incidents. In order to guarantee the information security, Chemical Fiber Business Department and Cord Fabrics Business Department of the Company passed the certification of ISO27001 information security management system, accounting for 33% of all business of the Company.



ISO27001 Certificate



Management Manual for Information Security

The Company takes strict measures to protect the data and sensitive information of customers. Unless otherwise approved by the customers, the Company will never disclose, share or transfer any personal information of any user to any other company, organization or individual. We have signed confidentiality agreement with all suppliers, cooperation partners and personnel of information technology to protect the business secrets of cooperation partners and guarantee the information security and stability of the enterprise and customers. In 2022, the Company did not come across of information disclosure incidents and no document was lost.

Key Measures

Risk Prevention: we arrange assessment on information security risk, formulate the Evaluation Report on Information Security, prepare the solutions and coping measures, and check the rectification results in time.

Organizational guarantee: a management representative for information security is appointed to take charge of the security work of the information system of the Company, and supervise and check the daily inspection and handling of information security work. At the same time, the management representative shall also communicate with external information security units to learn about the latest information about security risk and handling measures.

Technical Support: the Company has introduced desktop cloud equipment and software. The PLM system and R&D design work are placed onto the desktop to reduce the risk arising from data loss caused by fault of information equipment, and minimize the information leakage risk arising from missing of information equipment.

Enhancement in the security awareness: the Company shares knowledge about network security through announcements, and arranges training programs for all new employees. The training coverage of employees is 100%. The Company has formulated and released the training courseware for knowledge about information security, and arranged publicity and education about confidentiality through multiple forms and channels like training about practical platform for confidentiality, special training about national security date, etc. In the year, the Company organized information security training and assessment, and the pass rate in assessment was as high as 97%.



Assessment Report on the Information Security Risk



Computer Room



Publicity, training and assessment for on-line information security

Fulfill the Financial Duties and Responsibilities

The Company carries out financial work focusing on the strategic theme of “accelerating the product R&D, laying emphasis on technological improvement and promoting the development based on market expansion”. The Company implements budget management for funds to save the fund cost, and take full advantage of favorable tax policies and tax planning to improve the profit-making capacity of the Company. The tax payment credit rate of the Company is Grade A.

Key Measures

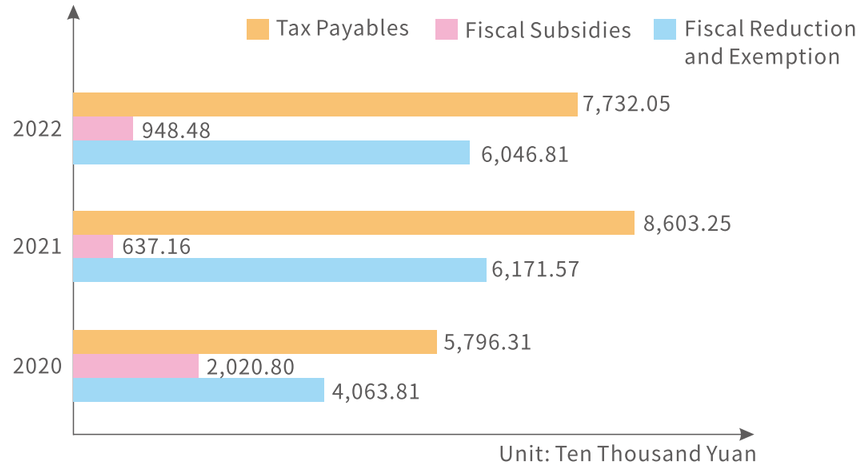
Organize the work about financial accounting: we strictly comply with regulations of the financial accounting system, taxation laws and rules, and other laws of rules of China in organizing financial accounting work, and prepare and disclose financial statements of the Company on time.

Do a good job in financial supervision: we faithfully perform the responsibilities in financial supervision to guarantee the safety and completeness of assets of the Company. Check the current accounts, and arrange regular spot checking for fixed assets to guarantee the security and completeness of assets.

Strengthen fund management: accelerate the fund turnover and improve the fund utilization efficiency. To cope with the fluctuation risks of exchange rate in the international market, Financial Department completes the hedging budget for assets and liabilities in foreign assets in advance in each month to avoid the exchange rate risk.

Develop good command of tax policies: Collect, sort out and make rational use of various preferential policies released by various state organs in a timely manner. Participate in training about tax policies organized by the taxation authorities, and collect materials about finance and taxation policies from multiple channels.

Overall planning for operation: the Company further promoted its five-year strategic planning, established subsidiaries for various business sectors, formulated the on-line planning for financial and business systems of the Company, and made overall planning for the identification of high-tech enterprises for parent company and subsidiaries.



The Company intensified its efforts in the leading of technological innovation to get control of core technologies, improve the brand competitiveness and develop products with high quality and high performance. That’ s the only way for the Company to achieve the self-reliance in the manufacturing industry. For this reason, Hailide keeps increasing the input in R&D year after year, applies innovation to remove barriers in the industrial chain, and wins the market with high-quality products. In the future, Hailide will transform toward technology oriented enterprise, and step into the stage of high-quality development.

Insist on technology empowerment to achieve self-reliance and self-improvement

- R&D Input and team building
- Improve the ability to innovate
- New Development Engine from Digital Technology

R&D Input and team building

Increase R&D input

Science and technology constitute a primary productive force. Hailide faithfully lives up to its principal responsibility for self-reliance in technology. Give full play to the supporting function of systems, polices and finance to keep up with the cutting-edge technologies and intensify the R&D input. With these efforts, we strive to develop high-quality products through advancement in science and technology. In 2022, the R&D expenditure of the Company was RMB 214,450,600, accounting for 3.89% of the operating income of the Company.

Construction of the scientific research team

Hailide has established a mechanism for the introduction of innovation talents and long-term cultivation of talents. With a team constituted by doctors graduated from well-known universities, the research fields of the Company cover chemicals, polymer, analysis, technological processes, etc. The research team has laid a sound scientific research foundation for the technological innovation and product innovation of the Company. At present, the Company has 47 R&D engineers, 374 scientific research personnel.



Some scientific research personnel of Hailide Research Institute

Improve the ability to innovate

The Company continuously improves its innovation capability, and revised and released the Management Measures on R&D Projects of Hailide to strengthen the project approval management and improve the *project management systems and R&D incentive systems*. The Company has constructed the PLM product life cycle management system to improve the full-life cycle management system for R&D projects. With the guiding idea of in-depth innovation in high-performance materials and green &low-carbon materials, the Company remains committed to developing the core capability of “a technological innovation system integrating with fundamental research, process development, engineering study and R&D and application of products”.

Main Scientific Research Platforms

With the basis of key projects, we are committed to cultivating R&D platforms for in-depth technological breakthrough and development of dedicated technologies to boost the high-quality and innovative development.

- Hailide Design Institute is committed to providing supported design for new product development and equipment and technology renovation, boosting the independent development capability for equipment in processes covering R&D, small-batch test, pilot run and industrialization, resolving technical bottleneck in the innovation of production devices and procedures and self-development of core equipment. In the future, the Institute will take the initiative to engage in the sectors like energy conservation of equipment and AI technologies to boost the transformation of the Company toward a technology innovation-oriented enterprise.
- The Company was rated as a provincial high-tech enterprise research and development center (differentiated fiber of Hailide for automobiles) by Department of Science and Technology of Zhejiang Province.
- The Company was identified as a enterprise technical center of Zhejiang by Zhejiang Provincial Economic and Trade Commission, Zhejiang Provincial Tax Service of the State Taxation Administration, Zhejiang Provincial Local Taxation Bureau, Zhejiang Provincial Department of Finance, and Hangzhou Customs.
- The Company was affirmed as a key enterprise research institute of Zhejiang by the People's Government of Zhejiang Province.
- Hailide New Material Research (Shanghai) Co., Ltd.
- In 2022, some instruments of the Institute joined the open sharing platform of scientific research instruments and equipment in Haining.
- In 2022, Jiaxing Science and Technology Association recognized the Institute as one of the first batch of Jiaxing doctoral innovation stations.

Engage on Technological Innovation Cooperation

The development of an enterprise could never get away from the exchange and cooperation with related parties. Hailide engages in technological innovation cooperation in multiple forms. With the cooperation and exchange, technical breakthrough and project cooperation with universities, scientific research institutes and relevant enterprises, the Company has taken full advantage f the resources in production, study and research to create a share platform for resource elements and boost the sound development of the innovation chain.

Key projects in technological innovation: establish continuous and efficient cooperation with Ningbo Institute of Materials Technology&Engineering, CAS, Zhejiang University of Technology, Donghua University, Institute of Chemistry Chineses Academy of Scinences and many other research institutes and universities.



Medium Examination for Development Projects under Cooperation

Promote the transformation of achievements

The Company cultivates new projects and new products by virtue of technological innovation, and gathers the new development drive with the cutting-edge achievements to escort the efficient development of the enterprise.

Annual Innovation Results

- The R&D project process and system are promoted according to the plan. The proportion of approval process for provincial new product projects in 2022 was equal with or higher than 80%.
- A total of 21 provincial-level new product projects completed the project acceptance. Won one local technological project under the guidance of the central government.
- The research institute and several business departments and technical department cooperated to promote more than ten new products to the trial production stage.
- The Company formulated the *Management System for Intellectual Property Rights* to strengthen the protection of the intellectual property rights. We completed the application and declaration of 62 patents, including 26 invent patents and 36 utility model patents. The Company has acquired 60 authorized patents, including nine invent patents and 51 utility model patents.

Some of Technical Awards and Industry Evaluation

2020

- One key technology won the first prize of Science and Technology Award of China Textile Industry Federation (China National Textile And Apparel Council).
- Director unit of China Rubber Industry Associations Framework Material Professional Committee.
- Polyester Industrial Yarn for airbag of automobile won the honor of quality product made in Zhejiang (Economy and Information Technology Department of Zhejiang).

2021

- Backbone Technical Innovation Team of Innovation Jiaxing ·Outstanding Talent Support Plan (Jiaxing Municipal Bureau Of Economic And Information Technology).
- Annual Innovation Team (Haining Municipal Committee of the Communist Party of China and Haining Municipal People' s Government).
- Enterprise with Competitive Advantage in Textile Brands of China (China National Textile And Apparel Council).
- Top Ten Enterprise in R&D Investment (Haining Municipal Committee of the Communist Party of China and Haining Municipal People' s Government).

2022

- Top Ten Enterprises of China in Rubber Skeleton Materials (Fabrics), affirmed by China Rubber Industry Associations Framework Material Professional Committee in 2022.
- One key technology won innovative achievement award in 2022 (Haining People' s Government).
- Vice President unit of Haining Warp-knitting Industry Enterprise Association.

New Development Engine from Digital Technology

Acceleration of Digital Construction

In 2022, the Company won honors and rewards like Provincial Digital Factory, Enterprise on Cloud in Manufacturing Industry of Zhejiang, Smart Factory (Flooring Company), Model Enterprise for Innovative Development in Haining, Model Enterprise for Smart Factory (Digital Workshop) of Haining, Top Ten Model Enterprises in Innovation of Haining, Top Runner Enterprise for the Integration of Domestic and International Trade in Zhejiang, etc.

The new information technologies and digital production in the provincial digital factory of Hailide like intelligent manufacturing, digital and intelligent control, cloud and data analysis have not only improved the product quality, but also brought brand new product experiences to users. The integrated development for digital and intelligent construction of R&D, marketing, manufacturing and operation has boosted the quality and efficiency of the production and operation of the Company.

Case: Build a Smart Factory

Voices of employees: in addition to the significant improvement in the production efficiency and product quality, the smart factory has also kept employees away from the hazardous work environment, reduced the occupational health risks, and improved the sense of safety and happiness of employees.



Smart Factory



Three-dimensional Warehouse Information Billboard

Digital Work Process

To accelerate the digital transformation is a top priority among priorities for high-quality development of enterprises in China. As the digital transformation of Hailide deepens, the smart operation driven by data has become one of the core competitive advantages of the Company. The Company has launched the latest AI, OCR, RPA robot automation and cloud-end digital solutions, including digital solutions for financial work, digital contract management solutions, enterprise content management solutions, process automation solutions, digital solutions for human resources, and other core business modules. The Company won the honor of Cloud Enterprise in Manufacturing Industry of Zhejiang in 2022.



浙江省第二批制造业“云上企业”评审结果公示

[illegible]：2023-01-09　[illegible]：1268

根据《关于组织申报浙江省第二批制造业“云上企业”及市县级制造业“云上企业”培育库入库企业的通知》（浙经信云计算便函〔2022〕92号）要求，我厅对各市推荐的企业进行了审核，经组织专家评审等程序，择优确定宁波金雨科技实业有限公司等115家企业为浙江省第二批制造业“云上企业”，现予公示。

对公示内容有疑议的，可向我厅云计算与大数据产业处咨询或反映情况，我厅将组织调查核实，确认无误后向社会正式公布。

公示时间：2023年1月9日至13日。

咨询电话：057187057420。

附件：浙江省第二批制造业“云上企业”公示名单

浙江省第二批制造业“云上企业”企业公示名单

序号	企业名称	所在地区
1	宁波金雨科技实业有限公司	宁波市-余姚市
2	太平鸟集团有限公司	宁波市-海曙区
3	奥克斯空调股份有限公司	宁波市-鄞州区
4	宁波公牛电器有限公司	宁波市-慈溪市
5	先临三维科技股份有限公司	杭州市-萧山区
6	麒盛科技股份有限公司	嘉兴市-秀洲区
7	立讯智造(浙江)有限公司	嘉兴市-嘉善县
8	五洲特种纸业集团股份有限公司	衢州市-柯江区
9	浙江海利得新材料股份有限公司	嘉兴市-海宁市
10	杭叉入华工学科技股份有限公司	宁波市-鄞州区

The Company won the honor of Cloud Enterprise in Manufacturing Industry of Zhejiang in 2022

Case: OCR Recognition Technology

The application of OCR recognition technology in the vehicle registration of logistics doors could facilitate the doorkeepers to complete the registration rapidly, and thus accelerate the factory access efficiency and save the waiting time of drivers.



OCR Recognition Technology Assists Vehicle Registration in Factory

Case: EDI Platform

The Company has developed an EDI platform to provide data services to customers. With the platform, the customers could check the progress of orders, delivery details and quality reports. In addition, the customers may download data from the platform, or acquire delivery details through the interface docking.



Interface of EDI Platform

According to the Double-Eight Strategy of Zhejiang, we shall give full play to the block-shaped industrial advantages of Zhejiang to accelerate the construction of advanced manufacturing bases and step on the new road of industrialization. To boost the construction of the new industrialization, Hailide keeps optimizing its value creation, and provide the most trustworthy products to customer by virtue of quality management and superior services. We are always willing to cooperate with suppliers and other stakeholders to develop resources and get win-win results. That’ s how we forge ahead to become a world leading enterprise.

Value Creation Leads the Development Direction

- Present Superior Products
- Guarantee for the Product Quality
- Research and Development of Sustainable Products
- Cultivate High-quality Markets
- Improve the accountable purchasing

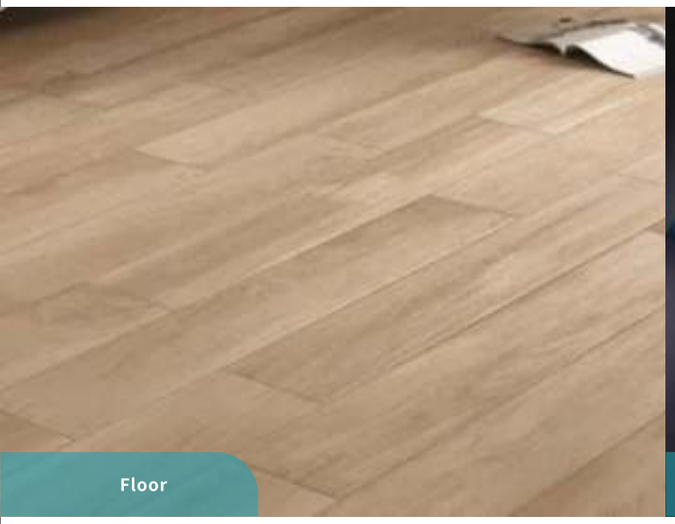
Present Superior Products

Hailide takes the manufacturing of superior and leading products as its mission. With the focus on critical core technology and production process, the products would take leading roles in efficiency, performance, quality and cost. At the same time, the Company remains committed to integrating superior services in reliable products to maximize the value of products.

Superior and Leading Products


Industrial Yarn


Plastic Film Material


Floor


Thin Film

Polyester Industrial Yarn Products

Polyester industrial yarn products include: high modulus and low shrinkage yarn, safety belt yarn, airbag yarn, high strength yarn, low shrinkage yarn, surface activated yarn, colored yarn, water treatment yarn, plied yarn, twisted yarn, flame retardant yarn, special yarn for maritime cables, hollow industrial yarn and anti-core absorption yarn. The top three special differentiated polyester industrial yarns, including high modulus and low shrinkage yarn (for tires), safety belt yarn (safety belt) and airbag yarn (airbag), enjoy a high reputation in the industry. The product performance is better than that of peer products in overseas countries, and has reached world leading level. The Company targets at establishing strategic cooperation relationship with well-known tyre manufacturers and assembly manufacturers for automobiles. With the focus on segmented markets, the Company works hard for the development of products with high technology contents and added value. It intensifies its efforts on the differentiated industrial yarns to continuously improve the advantageous products and consolidate its dominant position.

Rubber Material Products

Our products include building membrane materials, environmental materials, tent materials, truck tarpaulins, inflatable boat materials, storage materials, pool cloths, advertising printing materials, functional materials, etc. We have continuously exported high-quality products to more than 100 countries and regions around the world in application fields like construction, agriculture, industry, transportation, disaster relief, leisure, etc.

Cord Fabrics Products

Cord fabrics products take our superior HMLS polyester industrial yarn as the raw material. By virtue of the technological innovation and striving spirit of the cord fabrics team, we have become a long-term supplier for cord fabrics of Cooper, Hankook, Sumitomo, Michelin, Continental Tire, Nexans, Nokia, Yokohama and other world leading tyre manufacturers.


Cord fabrics


Polyester

Guarantee for the Product Quality

In order to maintain the competitive advantages in the whole life cycle of products, Hailide has developed high-end products with core technologies, cost advantage and brand competitiveness. The Company has well-elaborated quality policy, indicators and division of labor for management organization, which have guaranteed the faithful implementation of relevant management procedures. The advanced DCS control system is applied for production process. The high automation degree could efficiently reduce the energy consumption, and guarantee the work safety and on-line delivery of products at high quality.

Maintain the Continuity of Quality Certification

Hailide has passed the certification of the product quality management system, and maintained the continuity of the system, indicating the steady development status of the quality certification. The faithful implementation of the quality management system has laid a sound foundation for the quality improvement, all-employee innovation and consolidation of the market competitiveness of the Company.



Certification of IATF 16949 Quality Management System

Case: arrange quality month activities to strengthen publicity for product quality

Quality is the cornerstone and lifeline of an enterprise. Quality covers process/formula quality, equipment quality, material quality, testing quality, supplier quality and customer quality, as well as service quality, operation quality, cooperation quality and work quality. The theme of the Quality Month of Hailide in 2022 is “standardization of formula and process, and elaboration in process management”, the purpose of which is to stress and intensify the standardized operation and refined management. Plastic Business Division, Thin Film Business Division, Floor Business Division, Chemical Fiber Business Division, Cord Fabric Business Division and Polyester Business Division of the Company organized the publicity program about product quality to create the atmosphere that “everyone attaches high importance on quality, everyone works hard to guarantee quality, and everyone enjoy the convenience from quality”.



Publicity Display Board for the Quality Month



Special Presentation about the Quality Month

Case: distribution status of quality awards of Hailide

In 2022, the total bonus for quality awards distributed was RMB 2,612,667, which was RMB 170,000 higher than RMB 2,442,565 in 2021, seeing a growth of 7%.



Recall of Nonconforming Products

Hailide carries out strict control over the product quality, and establishes a quality event management standard to regulate the handling scheme, compensation standard, recall mechanism and handling procedure for nonconforming products. Upon the discovery and confirmation of any nonconforming products shipped out from the factory or any serious quality issues in the using process of products, the Company will immediately inform the relevant customers to stop using or isolate the products in the corresponding batch, organize recall for the unused products in such batch, and confirm and compensate the loss of customers. Hailide will then organize investigation and analysis for quality accidents, formulate rectification actions, identify the responsibilities, and confirm the rectification results.



Emergency Plan for
the Recall of Floor Products

Research and Development of Sustainable Products

With keen insight in material, energy using, manufacturing process and expected resource consumption of products, the Company incorporates the green and low-carbon idea into the whole life cycle of products. Under the concept of “developing renewable raw materials, saving consumables, insisting on recycled use, and reducing the carbon in the whole life cycle of products”, the Company devotes itself to developing sustainable products like environmental friendly products, technology leading products, emerging industrial applications, etc.

Case: Recycled polyester industrial yarn —— perfect selection for resolving the dual problem of resource shortage and environmental pressure

The recycling of chemical fiber is to use recycled waste polymer materials and waste textile material, including wasted yarn, wasted cloth, leftover materials, wasted packing films and wasted PET bottles, to produce chemical fiber. The recycling of fiber is an important constituent part for the new fiber materials, and it is critical to resolve the dual problems of resource shortage and environmental pressure in the chemical fiber industry in China. The purpose of the recycled polyester industrial yarn developed by the Company is to protect the ecological environment of the earth. Its product is 100% produced will recycled raw materials, and it has passed the GRS certification.





Case: Bio-based Nylon 56 Industrial Yarn —— Create a sustainable product with superior performance in environmental protection, energy conservation and emission reduction

Bio-based Nylon 56 Industrial Yarn takes bio-based polyamide PA56 slices as the main production material. As one of the raw materials used in the production of bio-based polyamide PA56, Pentylenediamine is produced with by biosynthesis technology, which could reduce the production cost, increase the production efficiency, and reduce the carbon emission in the production process. The application of one ton of bio-based polyamide PA56 could save about 160L crude oil and reduce the emission of carbon dioxide for about 7 tons.





Case: Environmentally Friendly Materials

Negative Oxygen Ion Decorative Film. As the concept of “Green and Health” prevails, various environmental-friendly materials keep coming out one after another. Negative oxygen ion decorative film is a PVC film that can improve the air environment. Upon the relevant test, induced amount of negative oxygen ions of PVC film could reach 2500 pieces/(s·cm2), the bacteria resistance rate would be ⩾90%. It has excellent removal performance for formaldehyde, xylene and TVOC, the removal rate of which could be higher than 75%. As a decorative film, it can be applied in household to complement each other with our lives.

Weather-resistant Semi-Transparent Color Film. Ordinary door advertising materials will fade and become brittle after being exposed to the outdoor environment for one year. In contrast, the door advertising materials used with weather-resistant semi-transparent color film has bright color and uniform transparency. Moreover, it has exceptional weather resistance performance and could guarantee the absence of color fading or embrittlement within three years. Therefore, it could extend the service life of advertising materials, reduce the replacement frequency and thus save the cost.

Cultivate High-quality Markets

The Company remains committed to the core values of “customer first, responsibility, teamwork and excellence” to establish a professional, perfect and elaborated service system for customers. Hailide keeps deepening its quality concept of “Quality First and Customer First”, and works hard to “become a world leading product and service provider in its professional fields”, and fulfill its enterprise mission of contributing to the society with better quality.

Brand Advantages

Hailide constantly carries out the policy of “Revitalizing the Country with Brand”, and applies its own brand to develop market, increase the efficiency and boost the values and promote the Hailide brand to go global. The Company has honors like Leading Backbone Enterprise in Industries in Zhejiang, Green Enterprise of Zhejiang, Brand-name Enterprise in Export of Zhejiang, etc. Among them, Class 22/coated goods (8507314) once won the honor of famous trademark in Zhejiang Province. Hailide has passed the certification of ISO14001 Environmental Management System, ISO9001 Quality Management System, IATF16949 Quality Management System, and ISO/IEC27001 Information Security Management System. The flexible lamp-box fabrics in “Hailide” brand is a famous-brand product of Zhejiang; HMLS polyester industrial yarn and polymer digital printing grid material are high-tech products of Zhejiang; polyester industrial yarn product has been granted with the honor of Famous-brand Product of China by General Administration of Market Supervision, Management Quarantine of the People's Republic of China. Ultra High-Strength and Low-extension Polymer Industrial Yarn for High-end Protection is enlisted into the list of “Quality Products Made in Zhejiang” in 2022.

Case: Hailide was granted with the honor of Navigating Enterprise of local private transnational corporation of Zhejiang by Zhejiang Provincial Department of Commerce



Case: The Company won the honor of Enterprise with Outstanding Contribution to the Economic and Social Development of Haining in 2022

On January 29, 2023, Haining organized the Three-level Cadre Conference and Mobilization Meeting for the “Year of Forging Ahead, Year of Leapfrog Development and Year of Innovation and Reform”. The conference commended the collectives and individuals that have made outstanding contributions to the economic and social development in 2022. Among them, Hailide won multiple honors like Top Ten Enterprise in Taxation of Manufacturing Industry, Enterprise with Outstanding Contribution in Foreign Trade, Model Enterprise in Innovative Development, etc.



Accountable Marketing

The Company has high-quality sales channels, and a large number of experienced marketing talents. With the unique marketing strategy, the Company has maintained long-term cooperation relationship with main customers in the market. As the digital construction accelerates, the Company makes full use of its advantages in big data to open the new marketing pattern integrating with products, technologies and services to further fulfill the full life cycle service demands of customers with commercial solutions, product technical solutions and delivery service solutions.

The Company strictly abides by laws and regulations like the *Law of People's Republic of China (PRC) on the Protection of Consumer Rights and Interests* and the *Advertising Law of People's Republic of China* to guarantee consumer rights and sales compliance. In the business processes like signature of contract for product sales, the Company faithfully complies with various laws and rules, and takes the initiative to avoid behavior of improper competition. In the reporting period, the Company arranged training about improper competition for all marketing personnel. No litigation about marketing was incurred in the year.

Case: Shine! Hailide participated in IFAI Expo 2022

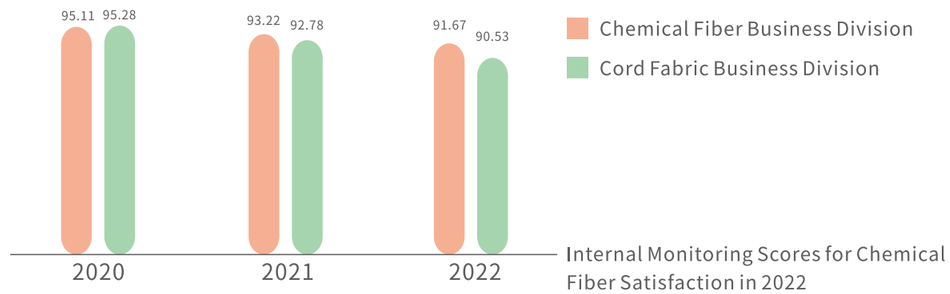
The Company actively participates in various international expositions to learn about the development dynamics of the market and further develop market, acquire orders and stabilize customers. In the period from October 12 to 14, 2022, IFAI Expo 2022, the most authoritative and influential international exhibition of special fabrics industry in North America, was held in Charlotte, North Carolina, USA. Hailide brought the latest building and environmental materials, truck tarpaulin, tent and inflatable boat materials, TPU materials and other products to the exposition. Among them, the first appearance of photovoltaic reflective materials attracted high attention from visitors of the exposition. During the exposition, Hailide totally accepted the inquiries of more than 200 international customers, many of which have established cooperation relation with Hailide.



Customer Services

The Company remains committed to providing products with high values and service with high quality to fulfill demands of customers and resolve concerns of customers. The Company has established the three-level service system (before sales, during sales and after sales) and formulated product manual to facilitate the customers to understand values of products. Hailide takes the initiative to maintain communication with customers to define the applicable scenarios of products and technologies; engages in product satisfaction survey, collect feedback and complaints of customers and organize various departments to jointly respond to customer complaints. With these efforts, the Company keep improving its products and services.

Customer Service Satisfaction Survey



Internal Monitoring Scores for Chemical Fiber Satisfaction in 2022

Promote the Development of the Whole Industry

By virtue of abundant experiences in market operations and advantages in innovation, the Company has participated in the draft and formulation of industry standards to contribute its intelligence and strength for the innovative development of the industry.

浙江海利得新材料股份有限公司（制定国家、行业、地方等标准汇总）

序号	标准类型	标准号	标准名称	主导或参与
1	国家标准（已失效）	GB/T 16604 -2008（已被2017代替）	涤纶工业长丝	参与
2	国家标准	GB/T 32200-2015	放映银幕特性参数和测定方法	参与
3	国家标准	GB/T 33100-2016	湿胶帘线带式曲挠疲劳试验方法	参与
4	国家标准	GB/T 33272 -2016	遮阳篷和野营帐篷用织物	参与
5	行业标准	JB/T 12485-2015	宽幅无接缝幕布	参与
6	行业标准	JB/T 11376-2013	聚氯乙烯反射放映软膜	主导
7	行业标准	JB/T 11850-2014	聚氯乙烯透射放映软膜	主导
8	行业标准	FZ/T 54022-2009 (转为FZ/T 54022-2019)	有色涤纶工业长丝	主导
9	行业标准	FZ/T 64019- 2011	灯箱广告用经编双轴向基布	参与
10	行业标准	FZ/T 64037- 2014	帐篷用双轴向经编基布	参与
11	行业标准	FZ/T 64050- 2014	柔性灯箱广告喷绘布	参与
12	行业标准	JB/T 12897 -2016	立体电影放映软幕	参与
13	行业标准	JB/T 13293 -2017	聚酯纤维投影幕布	参与
14	行业标准	JB/T 13576-2018	融合性放映银幕	参与
15	地方标准	Db33/ 683-2019	涤纶（长、短）纤维单位综合能耗限额及计算方法	参与
16	联盟标准	Q/JHX 02- 2013	经编双轴向涤纶基布	参与
17	联盟标准	Q/JHX 11- 2014	篷盖用机织复合材料	参与
18	联盟标准	Q/JHX 06-2016代替 Q/JHX 06-2013 (已失效)	篷盖材料用PVC膜	参与
19	联盟标准	Q/JHX 05-2016代替 Q/JHX 05-2013 (已失效)	柔性灯箱布用PVC膜	参与
20	联盟标准	Q/JHX 04-2016代替 Q/JHX 04-2013 (已失效)	玻璃纤维土工格栅	参与
21	联盟标准	Q/JHX 02 -2016代替 Q/JHX 03-2013 (已失效)	合成纤维土工格栅	参与
22	浙江制造团体标准	T/ZZB 0135-2016	膜结构用聚氯乙烯刀刮涂层织物	参与
23	浙江制造团体标准	T /ZZB 0250-2017	玻璃纤维投影布	参与（2021年标，准修订，海利得提出修改意见）
24	浙江制造团体标准	T/ZZB 0976-2019	柔性贴合灯箱广告喷绘布	主导
25	浙江制造团体标准	T/ZZB 1451-2019	耐高压经编间隔复合材料	参与

Participate in the formulation of standards

Improve the accountable purchasing

With the concept of “win-win cooperation, interconnected innovation and green &low-carbon”, the Company comprehensively incorporates the sustainable development idea into the whole process of procurement management to drive the thorough extension of the accountable supply chain. Hailide takes approaches like experience exchange and liability examination mechanism to improve the recognition of suppliers for environment, morals, human rights and other corporate social responsibilities, and thus promote all supply chain partners could perform their social responsibilities for the sustainable development of the accountable supply.

In the reporting period the Company totally purchased **8,507** items

Hailide totally arranged business visits and discussions with suppliers **951** times

involving with business contacts with **1,053** suppliers

Supplier Management

The Company continuously improves the supplier management system and revises the *Supplier Management Procedure*. According to the operation contents and details, the Company consolidated the procedures of Vietnam Subsidiary and domestic subsidiaries into one unified procedure document. The material access business procedure for suppliers and ERP business documents are further improved to elaborate the duties and responsibilities for material access, and promote the procedure-based, standardized and regulated access of materials. Hailide regulates that the test times for Class A raw and auxiliary materials shall be no more than three. Special examination and approval of General Manager is required for special situations. The regulation has promoted various business lines to accelerate the development and access process of raw and auxiliary materials. In the reporting period, all suppliers signed the *Code of Conducts of Suppliers*, which incorporated requirements about environment, labor and human rights.

In order to improve the bidding rules and guarantee the impartiality of bidding, the Company released the *Implementation Rules of Purchase Department for Tender Work* in September, 2022. The purpose of the rules is to improve the core competitiveness of the Company in the tender and purchasing work, reasonably reduce the cost and improve the quality and transparency of tender work. ..... Audit Department of the Company shall participate in all tender negotiation processes, and arrange comprehensive supervision for the qualification, conditions, procedure, quote and review of tenders before, during and after tenders. The Department shall also examine and standardization and rationality of business negotiations to guarantee the fairness and impartiality of tender work.


HALEAD
海利得

浙江海利得新材料股份有限公司
第三层次文件

采购部招标实施细则

状　态：受控
文件编号：HLD/GL-03-101-003
编　制：边林峰
审　核：朱振宇
批　准：高王伟

Implementation Rules of Purchase Department for Tender Work

Supplement: Supplier data of Hailide in recent three years

Indicator	Unit	2020	2021	2022
Qualified Supplier	Piece	326	331	340
Local Supplier	Piece	135	142	160
Proportion of Local Suppliers	%	41	43	47

Local Procurement

In the global development of the Company, the Company strives to enlarge its share in local market to better integrates with the local community. Some raw material procurement and processing processes are transferred to places of product demands, which would be completed by the local workers. That' s how we cooperate with local enterprises to boost the progress and development of local communities. In 2022, the proportion of local procurement (within Zhejiang) was improved from 43% in 2021 to 47% in the current year.

Supplier Capability Construction

In addition to the construction of the procurement system, we also attach high importance on the capability building of suppliers. In 2022, Hailide arranged training about integrity and non-competition of suppliers, and signed new Integrity and Self-discipline Agreement with all suppliers.

To guarantee the compliance and integration in cooperation, Legal Affairs and Credit Management Department totally arranged seven sessions of training about legal affairs and business ethics, with the contents involving with removal of IT pirates, purchasing business, laws of Vietnam, AEO of customs, foreign trade business, technical standards, etc.

In 2022, Hailide arranged assessment on social responsibility performance for suppliers, and signed letter of commitment for social responsibility with all target suppliers. No supplier was imposed with the punishment of prohibition in new business or reduction in shares due to reasons of sustainable development. No target supplier had major negative impacts, and no target supplier was terminated with the cooperation relationship.

Case: Anti-bribery and unfair competition

The Company constantly complies with business ethics and codes and regulations about integrity, takes bold measures to resist against business bribes and improper competition, and works hard to create a sunny, transparent and healthy ecological supplier system. The letter of commitment defines the importance of supply chain with sustainable development to the development of the Company, and requires that all suppliers shall abide by business ethics and integrity system in the business contacts, contract performance, after-sale services and other cooperation processes. All suppliers shall resolutely resist any form of commercial bribery and unfair competition, and work together to create a fair, just and open business atmosphere.


Letter from Hailide to Suppliers


Agreement of Supplier for Integrity and Self-discipline

Sustainable Procurement Management

The Company has formulated the *Supplier Social Responsibility Questionnaire*, and arranged conditional audit on the social responsibilities of suppliers. The audit of social responsibilities will gradually be incorporated into the ERP *Supplier Qualification Review* for joint review. In the social responsibility review of EcoVadis in 2022, the Company achieved the gold prize result of 72 scores. The score of the sector of sustainable procurement was increased from 50 in 2021 to 70, demonstrating the efforts of the Company in procurement in recent years.

The Company actively promotes the program of sustainable procurement management, and carries out the idea of "Green and Low Carbon, Energy Conservation and Environment Protection" in the review requirements for procurement documents, and give priority in selecting new technology and new processes in energy conservation and environmental protection to boost the whole supply chain to fulfill the environmental protection obligations and social responsibilities. In 2022, the percentage of new target suppliers screened with environmental standards was 100%. According to the environmental assessment on target suppliers, no supplier had significant negative environmental impacts.

In 2022, all purchasers passed the training about sustainable procurement. All suppliers of the Company had signed charter for sustainable procurement/code of conducts of suppliers. The proportion of target suppliers signing agreement about requirements of environment, labor and human rights was 100%; the proportion of target suppliers passing the assessment on corporate social responsibility (like questionnaire) taken in all target suppliers was 100%; the proportion of target suppliers passing the on-site audit about corporate social responsibility was 100%. We make public commitment that we will never use any conflict minerals.

Organize supplier risk evaluation Analyze the environment, labor, human rights, business ethics and sustainable procurement of suppliers according to realities of different countries and different industries, and analyze the supply risk of suppliers through approaches like on-site exchange, telephone communication, e-mail conformation, etc.

Establish a standing book for audits on suppliers The standing book for audits on suppliers records detailed information about audits, including audit date, training date, scope in social responsibility, rating in social responsibility and other relevant information, which shall be taken as access information of the relevant supplier. After on-site audit, we scored for the sustainable procurement of suppliers, shared the results with suppliers and elaborated the rectification requirements. As for nonconforming items discovered in the audit, we instructed suppliers to identify problems, trace the root cause, take well-targeted correction measures and arrange close-loop follow-up. As for suppliers with exceptional performance, we increase their share under equal conditions and provide preferential cooperation opportunities; in terms of suppliers with poor performance, especially those violating red line requirements about social responsibility, we would require them to rectify within specified time, reduce the share or business cooperation opportunities, and may even cancel the cooperation relationship.



Audit Table for
Sustainable Procurement of Suppliers



The Company arranged on-site audit for
social responsibility of suppliers

Case: Purchase Department of the Company organized diversified training about supply chain

The Company organized scheduled and unscheduled on-line and off-line training activities. The contents of these training programs include diversification of suppliers, diversification of projects, standard operation procedure, labor tolerance of suppliers, and other supply practices.



Production safety is the top priority among all priorities. The Company constantly places safety production at the most important position. Hailide attaches high importance on the implementation of the responsibilities in safety production and improvement in the safety production mechanism, and make overall arrangement for the construction of the quality, production, safety and emergency guarantee system. In 2022, the Company established the chief safety officer system for work safety and occupational health, and maintained an overall stable trend in the safety production.

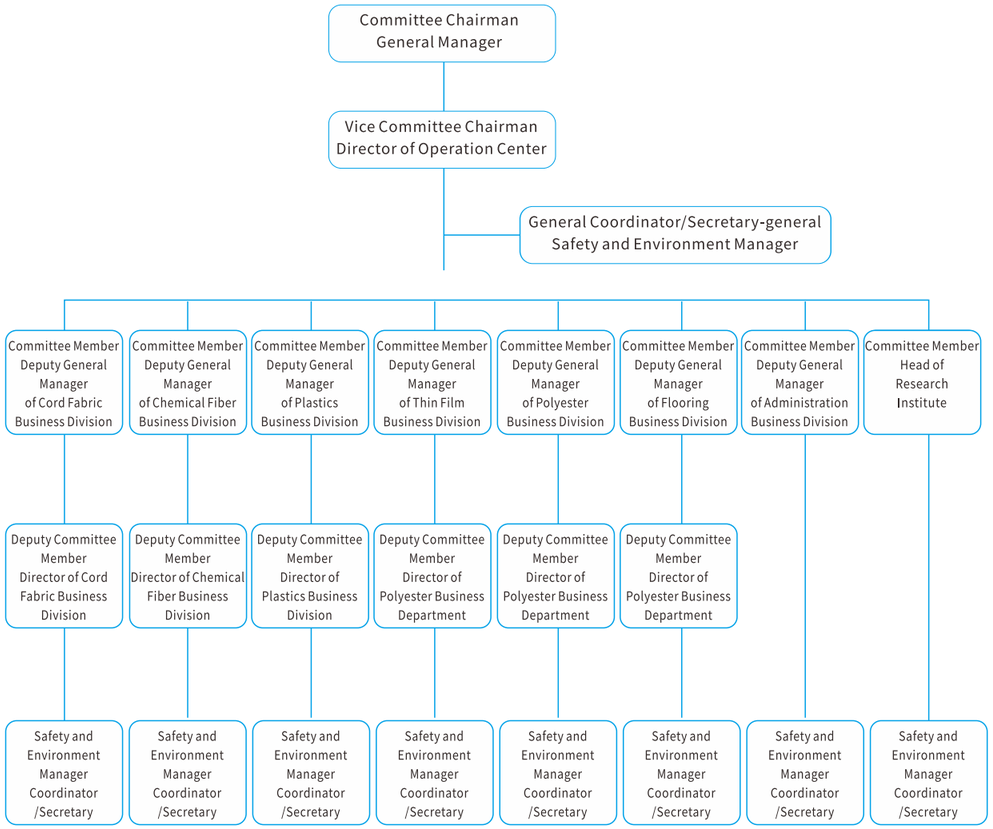
Work Safety, and Build a Solid Barrier for Safety

- Organization Guarantee for Safety Production
- Construction of Safety Management System
- Improve the Capacity in Work Safety
- Occupational Health Management
- Avoid Safety Risk

Organization Guarantee for Safety Production

A Safety Committee is established in the Company. General Manager of Hailide and directors of operation centers serve as main responsible persons of the committee, and responsible persons for safety of subsidiaries work as main members of the committee. As a specialized organization on safety production, the Safety Committee reviews and decides the safety production systems, and makes emergent decisions and deployment for work about safety production. In 2022, employees representing the Health and Safety Committee accounted for 8.6% of all employees.

Organization Guarantee for Safety - Corporate Committee



To further reduce the production accidents, leaders at different levels organized work safety meetings to learn about the progress in work safety, strengthen the management on work safety, and take preventive measures. We also arranged regular safety check and emergency drills to prevent the work safety risk in advance.

Construction of Safety Management System

The company attaches great importance to safety in production and occupational health, and faithfully carries out requirements of guidelines, policies, laws and rules of the country and superior competent authorities. In accordance with the *Safety Production Law of the People's Republic of China, Fire Protection Law of the People's Republic of China, Safety Management Provisions for Dangerous Chemical Products* and other applicable laws, rules and normative documents and realities of the Company, Hailide has formulated and implemented more than 40 safety management systems and more than 50 management forms.



Certificate of ISO45001 Safety Management System

The Company accepts regular certification and audit about safety management system and ISO45001, and maintains the corresponding certificates. In the future, the Company will keep improving and optimizing the safety management system according to the implementation status of various systems.

Highlights in Work Safety

In the reporting period, the Company saw certain program in the stable development of the work safety, and no major safety accident was seen in the year.

Promote the business divisions for floor, plastics and cord fabric to complete the construction of the dual-prevention system

The dual-prevention system is the risk grading control system and hazard checking and governance system, which are the core of the safety management work. Relevant business divisions of the Company re-formulated the Identification and Control Table for Safety Risks/Sources of Dangers, summarized a new checking and governance list for hazards, completed the preparation of the four-color chart of risks, and preliminarily established the dual-prevention system to meet the regulatory requirements of the government.



Billboard for Safety Risk Control of Floor Production Management Department

Follow up the fire control transformation in various regions to improve the fire safety level of the factory.

The Company forged ahead the drawing work and fire inspection for the passages and lines of fire engines in the plant area of Maqiao and Cord Fabric, and replaced the host machines in the administrative area. We have also made systematic statistics for the requirements about the fire control system and standing books, and developed the documents for “Standardization of the Fire Safety System” and “Standardization of the Standing Book for Fire Control”, which have provided improvement direction and reference cases for the fire control of business divisions.



The passages of fire engines drawn in the plant area and the main machine for fire control replaced

Organize external audit on the standard system for hazardous chemicals

In consideration that the production of the Company involves with production processes of hazardous chemicals, the Company was identified as a chemical enterprise by Jiaxing Emergency Bureau. Therefore, the Company needs to apply for certification of the safety system according to the standard of hazardous chemicals (the current system is certified according to the standard of industry and trade enterprise). Before the formal certification of the government, the Company organized external experts and coordinated various business divisions to audit the implementation status of the safety management system. Various business divisions totally discovered more than 40 items to be improved. After the rectification, we successfully passed the certification for the standardization of hazardous chemicals, and further improved the safety management system of the Company.



Conference on certification for the standardization of hazardous chemicals

Improve the Capacity in Work Safety

Hailide constantly takes work safety as its top social responsibility, and place its at the top position of the whole company. Standardized operation procedures for work safety are available for the awareness of work safety, education of education culture, update of machineries and equipment, regulated operation of equipment, etc.

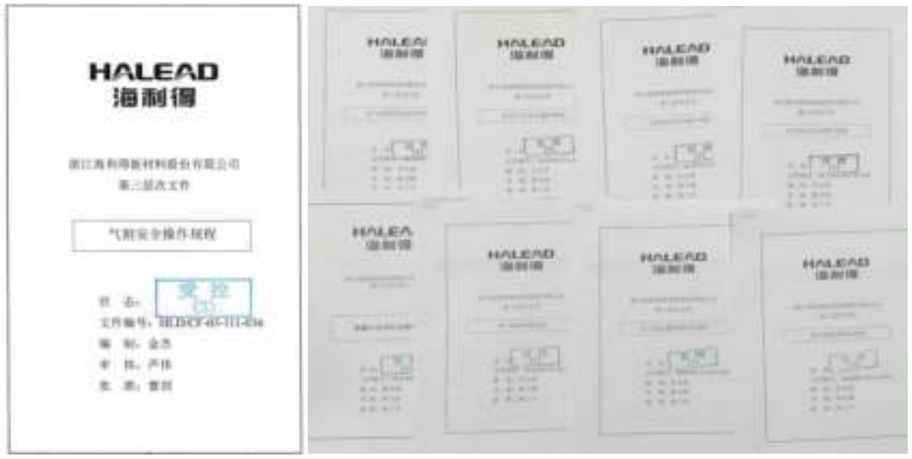
Measures on work safety

The Company carries out the identification, evaluation and control work about safety risk in a systematic manner, and formulates specific control measures for various different risks. Prepare maintenance, service and tour inspection plans for equipment to ensure the equipment and facilities are under sound and normal operation status. As for new projects, we insist on the “three-simultaneous” work for occupational health and safety to guarantee the top safety level of projects. Change management and safety check system before commencement are carried out for established processes and equipment to reduce the introduction of new safety risk to the minimum level. Hailide also intensified its efforts in process control and supervision check to guarantee the faithful implementation of various safety management systems. All hidden dangers discovered are efficiently rectified in time.

Regulate the Operations

In accordance with the new Law on Safety in Production, the Company has established safe operation procedures for all posts and equipment. Standard operation procedures are available for all production processes. According to problems in the operation behavior of employees, the Company required Management to arrange Safety and Environment Observation” in each month. Management would come to the work site to observe the operation behaviors of employees, and make the corresponding records. If any abnormal behaviors are discovered, Management would inform employees to correct to avoid any accidents arising from violated operations. At the same time, the Company arranged safety assessment for the three-violation behaviors of employees.

Safety Operation Procedure



Case: Practical training about equipment operation to guarantee the work safety in production

As the commissioning work of the new RTO equipment comes to the end, Rubber Business Division organized an on-site training for equipment and production personnel on December 5. As a kind of waste water treatment equipment, RTO heats wasted gas to 760℃ to decompose, which would be discharged to the air after reaching the discharge standard. To avoid serious accident arising from improper operation, it is of great significance to properly operate the equipment and remove fault of the equipment. During the training, RTO engineers extended their explanations from the constitution of the equipment, operation and control of the electrical parts, precautions in operation, precautions for maintenance, emergency treatment of faults, etc. After the training, the employees developed an in-depth understanding about the principle of the RTO equipment. At the same time, the training increased their awareness about work safety, improved their ability in handling emergent faults of the equipment, all of which had provided a sound guarantee for the work safety.







Management and Control of Dangerous Chemical Products

A full life cycle management mechanism for chemicals is available to identify the potential risks of chemicals to the human body and environment in various processes like purchase, using, production, transportation, storage, sales and disposal, and facilitate to take effective monitoring measures to guarantee the sound control of relevant risks. On the operation site, the Company identifies, evaluates and analyzes the hazardous factors of chemicals, and formulates corresponding control measures to guarantee the health of employees, contractors and other relevant personnel.



Occupational Health Management

The Company faithfully implements the *Law on the Prevention and Control of Occupational Diseases*, and takes the initiative to fulfill the principal responsibility for the construction of a health enterprise. In the reporting period, we took a series of feasible and efficient measures about scientific management, production processes, protection facilities and individual protection. These measures have guaranteed the life health of employees and promoted the stable and sustainable development of the Company.

In 2022, the coverage of work places receiving assessment about employee health and safety risk was 100%. During the year, the Company did not come across any occupational diseases or any death caused by safety accidents.

Notification for Occupational Health Risks

In terms of the prevention and control of the occupational diseases, the Company continues the management for the prevention and control of occupational diseases to safeguard the health and safety of laborers in the working process. The Company checks the entry health check reports of each new employees. If any occupational contraindication is discovered, the relevant employee will be adjusted to a proper post. As for posts with occupational hazards, the Company would sign a Notification for Occupational Hazards to ensure the employees would get full understanding about the hazardous factors, possible consequence and protection method of occupational hazards in the work place. The Company regularly tests the occupational hazards in the plant area, and arrange one external monitoring in each year. The internal daily monitoring work is completed by the Company independently. Daily monitoring for noises in the operation site is arranged on a regular basis.



Billboard for Information about Work Safety in Production





The Company arranges different kinds of safety warning signs

Update and renovation of equipment, and improvement in the operation environment

As for points and positions with occupational hazards on the operation site, the Company applies technical and management approaches to control them from the source to reduce the occupational hazards to the minimum level.

Case: Renovation Project for Equipment at the Crushing Point

Soft curtain and air suction system is added on the floor workshop to reduce the overflow of dust and powders, and lower down the harm of the hazardous substances to the health of employees.





Physical Examination

The Company has introduced ISO45001 Occupational Health and Safety Management System to promote the dual-prevention mechanism (risk identification and control, and checking and treatment of hazards) in various business divisions of the Company. Formulate the management system for the prevention and control of occupational hazards, and arrange full-process management for occupational hazards from aspects like health checkups of employees, establishment of occupational health files, regular monitoring for occupational hazards on the site. In 2022, the occupational health checkup coverage rate of employees was 100%, the completion rate for work-related injury insurance was 100%.



The Company obtained the Certificate for Standardization of Work Safety in Production granted by the State Administration of Work Safety



Report on Occupational Health Examination

Regulate the Use of Labor Protection Appliances

The Company regulates the allocation standard for labor protection appliances in different posts, and distributes the appliances to provide comprehensive labor protection for employees. Strict control is arranged for the purchase and warehousing procedure of labor protection appliances to guarantee the minimum inventory of labor protection supplies to fulfill the production demands, and guarantee the availability at any time required. Special labor protection appliances shall have three certificates and one mark ((Production license, product quality certificate, safety identification card and safety mark). The allocation rate of personal protective equipment for employees of the Company has reached 100%. Notification column for the prevention of occupational diseases, warning signs, Chinese warning instructions and information card for occupational hazards in important posts have been arranged in all critical production areas in factories.





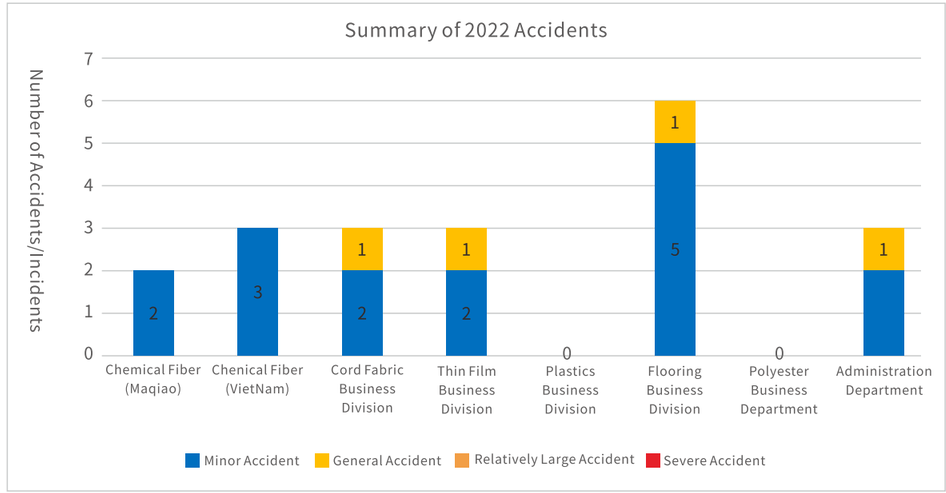
Distribution Record for Labor Protection Appliances



Employees engage in work with proper labor protection appliances on body

Work-related Injuries and Coping Procedure

In 2022, the Company totally came across 20 accidents rated as General or below under internal dimension (including two traffic accident of bus incurred outside of the Company). The accident rate decreased for 31% compared with that in 2021. The annual severity rate of loss in working hours was 0.2, and the accident rate for loss of direct labor in the working hours was 7.65. All employees with work-related injuries were properly handled.



Avoid Safety Risk

Emergency Drills about Safety

The Company also intensifies its efforts on emergency preparedness and response control. In 2022, the Company totally formulated six emergency plans for comprehensive production safety accidents, 37 special emergency plans for issues in different varieties, and 146 on-site handling schemes. In the reporting period, the Company totally organized 38 emergency drills, which had significantly improved the emergency treatment capabilities of employees for safety risks.

Case: Cord Fabric Business Division carried out a comprehensive emergency drill in 2022

On October, 28, Production Management Department of Cord Fabric Business Division organized an emergency drill about the chemical leakage in 2022. The purposes of the drill were to further strengthen the management on safety, environment and anti-leakage in the storage and transportation process of chemicals, and guarantee the well-organized rescue and proper elimination of hazards and impacts after the occurrence of any leakage or fire accident of chemicals.



Emergency Drills for Rescue in Accidents



Emergency Drills for Fire Safety



Emergency drill about chemical leakage of polyester company on October 28



Emergency drills about fire escape of Flooring Company on November 30

Training about Work Safety

The Company prepares the safety training plan according to requirements. The Company faithfully carries out three-level safety education for all new employees, and organizes regular employees to participate in various safety training and drills close to their actual working practices. These training programs could guarantee that the employees would have the capability to complete the safety work on their posts, and develop the competency for proper handling of accident/incident in early period. In 2022, we organized and carried out training about safety management system, training of the awareness of safety subjects, training about high temperature and fire safety, training about chemicals and occupational health and safety, special training about environmental protection, safety training about special equipment, etc. These training programs have improved the safety employees of all employees and enhanced the safety awareness of all employees.

In 2022,

a total of **2,892** employees participated in training about work safety and training about occupational health

achieving the training coverage rate of **100%**



Maqiao Plant Area carried out safety training about special equipment.



Safety training about high-temperature operation and fire control



The Company arranged training about the awareness of safety subjects

Case: Thin Film Division carried out competition program of “Safety Model”

In order to fulfill the principal responsibility for work safety, Thin Film Business Division organized the first Competition Activity of “Safety Model” on September 2. The theme of the competition activity is “Abide by Law on Work Safety, and Serve the Role of First Responsible Person for Safety”. The activity got the comprehensive ranking through checking of the safety hazards in workshop, observation of unsafe behaviors surrounding us and close-loop examination for knowledge and practices about safety, environmental protection, fire control and occupational heath. Wei Huang, supervisor of Technical Department, Yameng Wu, production planner of Production Department and Weiping Zhou, supervisor of Pressing and Flattening Department were selected to the final competition of Safety Model. Finally, Wei Huang stood out and won the title of Safety Model of Thin Film Business Department.



安全标兵

奖 项	部 门	姓 名
薄膜事业部“安全标兵”	技术部	黄 伟

静态隐患排查

奖 项	部 门	姓 名
一等奖	压延部	肖 萍

Case: Training about Work Safety of Sub-contractors

The production safety activities also covered the training about health and safety of sub-contractors on the construction site of the Company. In the reporting period, we achieved full coverage of suppliers for training about work safety.



In the installation project for the production line of flexible plastic materials with the capacity of 18,000,000, the Company arranged strict training program about work safety and occupational health before the site access of contractors in June, 2022.



During the removal construction for Maqiao C4C5 in November, 2022, the Company organized training about safety and occupational health requirements at the tine of site entrance of contractors.

Hailide persistently places ecology at the top position. For this mission, we work hard to develop green into the background color for the fresh development of the enterprise, and incorporate high environmental standard into the whole chain of green management. Hailide strives to create environmental-friendly factories, and achieve the harmonious development between enterprise and environment. With our care for the clear water and green mountains, we devote ourselves to giving full play to the ecological advantages of Zhejiang, boosting the creation of the ecological province and contributing to the achievement of Green Zhejiang.

Green Operation Guards the Ecological Civilization

- Strengthen the Environmental Protection
- Continuous Efforts on Energy Conservation and Emission Reduction
- Cope with Climate Change



Annual quantitative indicator

Annual Indicator	Annual Performance
Safe disposal rate of hazardous solid waste was 100%	The total generation of hazardous waste was 791.01 tons, all of which were safely disposed. The safe disposal rate was as high as 100%.
The annual environmental emergency drill shall be no less than 2 times/factory.	Times of environmental emergency drills: five times in Maqiao Plant Area, four times in Jianshan cord Fabric Factory, three times in Jianshan Plastic Plant, two times in Jianshan Thin Film Plant, six times in Jianshan Polyester Plant, and two times in Jianshan Floor Plant.
The chemical oxygen demand met the overall control objective of 16.95 tons/year.	The total emission of chemical oxygen demand was 13.53 tons, which was within the control scope for the total amount.
Both the coverage rate and pass rate of environmental testing were 100%.	According to the information in the monitoring data management system for key sources of pollution of Zhejiang, the required and actual testing times of the Company in the year were both 36,320 times, and both the testing coverage rate and pass rate were 100%.
The The harmless utilization and disposal rate of sludge in sewage station shall be 100%	The sewage station produced 273.13 tons of sludge, including the harmless utilization and disposal of 273.13 tons, which could meet the requirement of 100%.
The total generation amount of hazardous waste shall reduce for 5% compared with that in the previous year.	The output of hazardous waste was 791.01 tons, which was 8.2% lower than that of the previous year, meeting the annual reduction requirements.
The water consumption per unit output value shall be controlled below 1.5 cubic meters/RMB 10,000.	The water consumption was 769,815 cubic meters, and the output value was RMB 5,278,184,600. The water consumption per unit output value was 1.4585 cubic meters/RMB 10,000. It could meet the requirements of 1.5 cubic meters/RMB 10,000.
The recycling rate of reclaimed water shall be higher than 50%.	The total recycling amount of reclaimed water was 275,002 cubic meters, the discharge of waste water was 252,767 cubic meters, and so the recycling rate of reclaimed water was 52.1%, which had reached the requirements about the recycling rate of reclaimed water.
The emission amount of carbon dioxide per unit output value shall be controlled at the level below 0.8 ton/RMB 10,000.	The carbon dioxide emission was 379191.05 tons, the output value was RMB 5,278,184,600, and so the carbon dioxide emission per unit output value was 0.7184 tons/RMB 10,000, which met the annual control requirements.

Strengthen the Environmental Protection

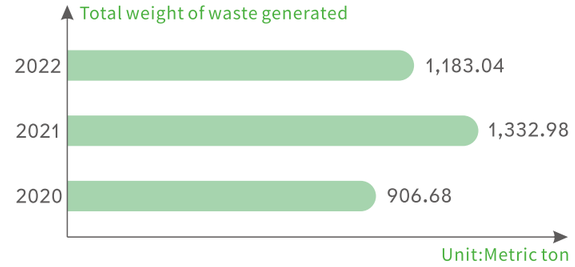
The Company has formulated regulations about waste management, material management, water resource management and sewage discharge management, and taken the initiative to arrange assessment on environmental impacts. In addition, the Company also carried out activities line training programs about environmental management knowledge to increase the awareness of employees for environment. As indicated on the monitoring platform “Smart Management Service for Environmental protection” of the city in 2022, the management level for environment and status of environmental risks of the Company were both conforming to requirements. Green code was maintained in the whole year. To guarantee the quality of environmental protection, the Company constantly maintains the ISO14001 certification.



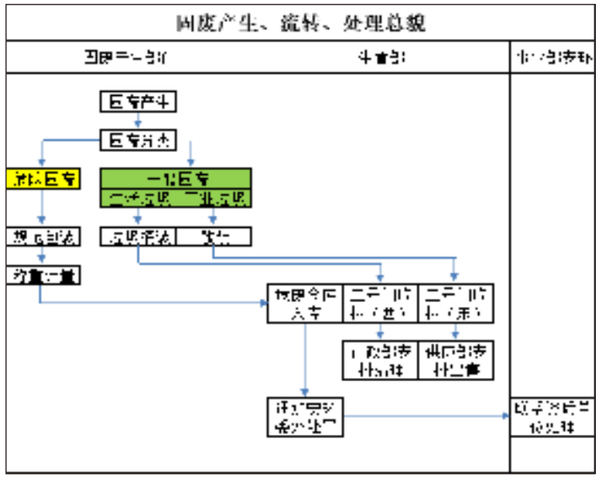
Certificate of ISO14001 Certification

Management of Wastes

The Company has implemented the Management Regulations on Wastes to regulate the assessment and the waste storage and disposal procedure of waste treatment agencies. On the basis of the performance in the previous year, the Company formulates annual management plan for hazardous wastes, set the planned output of wastes, and distributes them to the planned treatment agencies. Implementation rules for temporary storage areas, warehouses and safety and environmental protection departments were formulated to regulate the management requirements in various processes after the generation of hazardous wastes and avoid the occurrence of secondary pollution of hazardous solid wastes. The Company did not have any leakage accident in the whole year.



The Company organized various production departments to prepare the Waste Management Schedule to determine the temporary storage points, fixed points, packing/storage requirements and upper limit for storage of various kinds of wastes. The Company has drafted turnover chart of wastes for various business divisions and workshops to guarantee wastes generated in all processes would be identified and regulated.



Turover Chart of Wastes

Case: The Company passed the acceptance check for the construction of the standardized management for hazardous waste and general solid waste

According to requirements of *Notice about Supervision Check for the Standardized Management of Dangerous Wastes in 2022* and *the Notice about Organizing the On-site Promotion Meeting for the Construction of Standardized Management of Solid Wastes* released by Haining Branch of Zhejiang Ecological Environment Bureau, and *the Notice about Organizing the Construction work of "Waste-free Factory" in Haining* issued by the information bureau of the city, Maoqiao Plant and Jianshan Plant checked and identified gaps and drawbacks one by one against the evaluation standards for the construction of standardized management of general industrial solid waste and hazardous wastes. After the improvement and rectification for several months, the plants successfully passed the acceptance for the construction of standardized management at a high score.

The Company engaged third-party agencies to process solid waste and hazardous waste, and took the initiative to examine their operation qualification certificate and valid period. The Company would re-sign waste treatment agreements with then, and submit such agreements to the environmental administration authority for filing to guarantee the legitimacy of the treatment for hazardous wastes. According to requirements of the national solid waste and chemical management information system, the Company faithfully uploads the liaison sheet for hazardous waste and guarantee the availability of one sheet for each batch of waste. All transfer processes of hazardous waste are recorded in details.



Operation License for Hazardous Wastes



Liaison Sheet for the Transfer of Dangerous Wastes

Management of General Solid Waste

The Company has established a dedicated warehouse for industrial solid wastes, which could meet the storage demands of the production activities for more than six months.

Unit: Metric ton

Item	2020	2021	2022
Total Amount of Solid Waste Generated	329.57	473.1	392.03

Variety of General Solid Waste	Weight	Enter for Disposal (incineration)	Transfer out from the Device (other recycling operation)
General Slurry	273.13	√	—
Industrial Leftover Materials	118.9	√	—

The Company signed service contracts with designated kitchen waste treatment unit in Haining to guarantee that all kitchen wastes are properly managed and treated. The domestic waste station adopts a sealed structure with walls around and a colored steel plate at the top. fluid director and collection pits shall be arranged at surrounding places of the station to ensure that no leaked liquid will flow into the water treatment system.







Classified Collection Points for Domestic Wastes

Sales of Wasted Materials

To improve the utilization rate of wasted materials, the Company sells the wasted materials to third-party enterprise for cyclic utilization. The Company improved and summarized the management system for the sales of wasted materials, revised the Sales Procedure of Hailide for Wasted Materials, and established examination and approval system for files of wasted materials; it continuously improved the updated the sales plan of wasted materials, equipment disposal sheet, and examination system for the wagon balance delivering out from the factory, and update the relevant contact list to guarantee the proper implementation of relevant regulations; created and improved the customer files, and signed framework agreement, letter of authorization for business, integrity agreement, etc.; the automatic ERP generation of contracts and framework agreements had further improved the work efficiency and accuracy; and system-based tender work was arranged for the sales of wasted materials.

Name of Waste	Unit	Sales volume in 2022
Waste bags	10,000 pieces	12.01
Wasted metal	Ton	608.34
Wasted cum dipping cloth	Ton	132.88
Waste wood ends	Ton	247.38
Wasted yarns	Ton	5,317.44
Wasted plastics	Ton	3,822.26
Waste Paper	Ton	1,440.39
Wasted polyester materials	Ton	407.16

Management of Hazardous Waste

The Company formulates the *Standing Book for the Management of Hazardous Wastes*. Special person is designated for the management of hazardous wastes. The responsibility system shall be pasted on walls. Hazardous waste warehouse conforming to requirements of “Three-prevention” was established to strictly store hazardous wastes according to varieties. Measures were also taken to regulate the setting of warning signs, packing labels for hazardous waste, information cards, identification signs of hazardous wastes, etc.



Various warning signs at doors of hazardous waste warehouses



Classified storage of hazardous wastes in the hazardous waste warehouse

Unit: Metric ton

Item	2020	2021	2022
Total weight of hazardous waste generated	577.11	861.68	791.01
Total weight of hazardous waste transferred from the disposal process	287.6	578.27	518.62

Type of Hazardous Waste	Weight (Metric ton)	Enter for Disposal (incineration: energy recycling is available)	Transfer out from the Device (other recycling operation)
Wasted Liquid of Polyester	16.34	√	—
Waste Molecular Sieve	5.18	√	—
Expired materials	16.04	√	—
Waste Chemical Reagent Bottle	9.5	√	—
Waste Reagent	6.26	√	—
Wasted Activated Carbon	0.15	√	—
Waste Residue from Gum Dipping	120.28	√	—
Wasted Ink	0.22	√	—
Waste Rag	57.19	√	—
Wasted Packing Bag	12.45	√	—
Waste Residue of Low Polymer	28.78	√	—
Wasted Packing Barrels	210.1	—	√
Wasted Oil Solution	308.52	—	√

Recycled Use of Materials

The Company has formulated the *Management Regulations on the Recycling and Using of Auxiliary Materials*. According to the regulations, the Company organizes various business divisions to recycle materials and strengthen the re-utilization of resources to remit the pressure of the ecological environment.


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Management Regulation on Recycling and Using of Auxiliary Materials

Material Recycling Performance

Wooden support	Piece	17,124
Foam Sheet	/	51,089
Paper tube	Piece	4,460,000
Paper steel shaft	Piece	6,000
Cellular board	Pieces	5,027

Case: Simplify the packing materials, and promote the recycled using

The Company constant advocates for the idea of green and environmental protection packages. The original packing box made of cardboard is removed to reduce the packing material consumed. Upon the completion of the product sales, the Company will collect back the wooden pallets, and repair and renovate damaged pallets to reduce the loss of pallets, increase the utilization rate, and achieve cyclic utilization.


Before the simplification of the package


After the simplification of the package


Site for repair and renovation workshop of pallet


Stacking site for renovated pallets

Case: Recycling of floor waste

In order to improve problems like overstock of wasted materials and high raw material cost, the Company has continuously promoted the recycling project for wasted floor materials from 2018. In 2022, the Company further renovated the workshop to increase the automation of the material conveying and improve the isolation and air-tightness of workshops. Suspended hoods were installed at material conveying and crushing positions. With the application of negative pressure conveying, dust and powders are collected together into the supporting cloth bags for dust removal. With the crushing and recycling of wasted floor, the Company could save for nearly RMB 2,000,000 in each year.

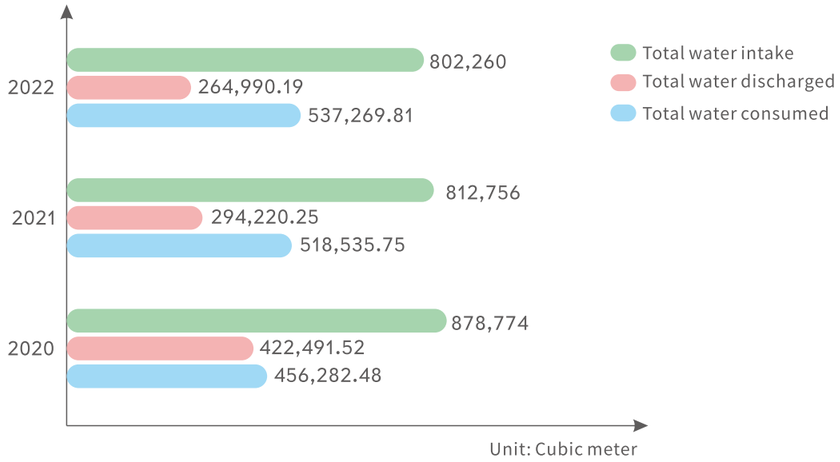


Utilization of Recycled Materials from Wasted Floor

Year	Modified digestion and disposal of floor
2020	12,298.54 tons
2021	17,242.43 tons
2022	12,206.49 tons

Water Resource Management

To respond to the call of “Co-treatment of Five-water”, the Company formulated a perfect water resource management system. The Company has established the leading team for the construction of an energy conservation enterprise and level balance testing team, and appointed full-time energy conservation management personnel. We carried out the job responsibility system to evaluate the energy saving performance and imposed the relevant rewards and punishments. The Company organized monthly meeting for water conservation, and regularly checked and repaired the water equipment. With these efforts, the Company successfully achieved the short-term and medium-term objectives of the “Ten-year Plan for Water Saving”, which had laid a sound foundation for the achievement of the long-term objectives.



Utilization of Water Resources

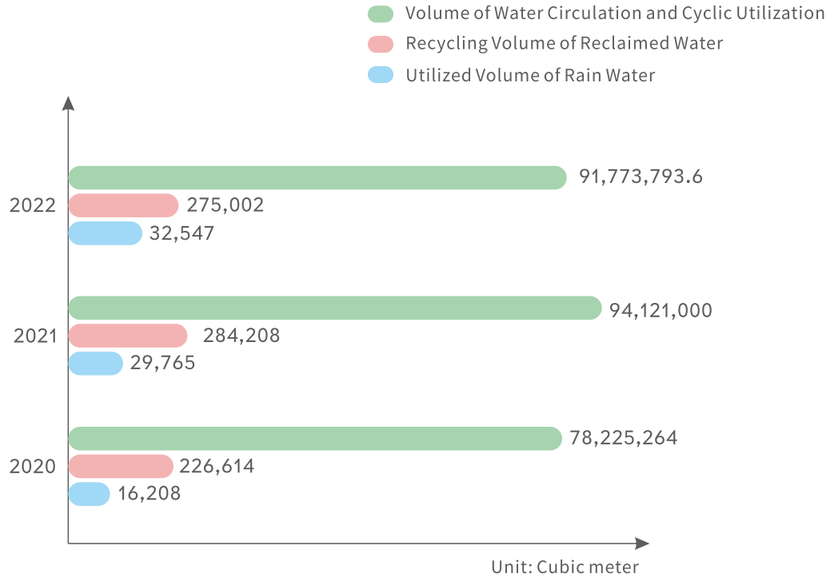
The Company further improved the water conservation assessment system, and all plants had formulated their respective assessment mechanism for energy conservation and consumption reduction performance. Special persons were designated to copy the values on water meters. If any abnormality was discovered, measures would be taken immediately to find the leakage point. All employees of the Company were mobilized to participate in the actions of water conservation. In recent years, the Company has intensified its efforts on the cyclic utilization of cooling water, drain water and condensed water of steam of equipment. The Company has constructed the recycling and processing equipment for reclaimed water, cooling tower circulation system and rain water collection pool, and arranged exposed pipe renovation for the water system. The Company persistently arranges water balance test, and has obtained great achievements. At the end of 2021, the Company was evaluated as a provincial water conservation-oriented enterprise of Zhejiang.

The annual volume of circulating water was **91,773,800** cubic meters

The reuse rate of industrial water was **99.13%**

The annual recycle volume of reclaimed water was **275,000** cubic meters

Accounting for **50.93%** of the total processing volume of sewage water



Water Conservation Engineering:

Water purification device: Jianshan Polyester Plant has constructed a desalting device to purify water, which had saved the fresh water intake. In 2022, the utilization volume of recycled water was 75,333 tons.



Desalting Water Purification Device



Flow Chart for the Production of Purified Water

Cycling use of water: The waste gas from the gum dipping process is treated by water spraying. The waste water from the process will be treated with flocculation and purification with water purifying agent. The approach has increased the times of recycling, which could effectively reduce the use of water resources.



Spray water tank for exhaust gas from cum dipping process, circulated use



After circulating for certain times, the circulated spray water will be treated with flocculation and purification, and then flow to the spray system at certain proportions.

Discharge of Wastewater

The Company has improved the facilities in various sewage treatment stations, and optimized the sewage treatment process. The Public Works Department of the Company strictly completes the monitoring of various water using and discharging indicators according to the *Control Indicators for Safety and Environmental Protection of Water Quality in Public Works* to maintain the environmental protection and safety and guarantee the supply of qualified water. In order to guarantee the up-to-standard discharge of sewage, we monitor all discharge ports for rain water in the whole plant, and take measures to prevent influence of pollution accidents to the Company. The Company did not come across any over-standard discharge incident of COD in the whole year, and it had achieved the target that the COD discharge indicator shall be lower than 60mg/L.

	Restricted Discharge Objective in 2022	Actual Discharge Objective in 2022
Sewage Discharge Amount (10,000 tons)	33.9	27.01

2022	Discharge Amount of Pollutant in Water (ton/year)				
	COD	Total Phosphorus	Suspended Particle	Total Nitrogen	Ammonia and Nitrogen
Total Quantity	11.8000	0.1012	4.3832	3.0562	0.3395

2022	Annual Mean Value for the Daily Average Concentration (mg/L)				
	COD	Total Phosphorus	Suspended Particle	Total Nitrogen	Ammonia and Nitrogen
	15.41	0.24	7.49	16.84	0.041

Key Measures

- We cooperated with third-party agency to engage in the investigation of the discharge rights for organic volatiles, and submitted the information in the recent four years. The Company took measures to guarantee that the future owning quantity of sewage treatment rights could meet the production demands, and create sound external environmental conditions for the sustainable development of the Company.

- We completed the initial application for the sewage discharge license, and duly discharged sewage according to the license. In addition, we kept updating the sewage discharge license for Maqiao Plant, Jianshan Plant and Floor Plant. In accordance with changes of situations, we completed the approval and seal of change applications for the sewage discharge license in time, which had guaranteed the continuous validity and effectiveness of the sewage discharge license of the Company.

- In the examination and approval work for the environmental assessment on TPU Production Line and knife scraping line (including surface treatment) of Plastics Business Division, we required the approach of using new ones to drive old ones. The Company took full advantage of the surplus capacity of the established emergency pool in the polyester plant, and reformed the pipeline to ensure that the emergency wastewater of the plastics factory would flow into the existing emergency system. The approach resolved the problem of insufficient emergency capacity of the Plastics Plant.

- We further promoted the work about “Three-waste” environmental test, LDAR testing and repair, testing of soil and underground water. Technical supports were arranged for various business divisions to guarantee the up-to-standard discharge of pollutants.

Sewage Treatment Facilities

- The processing capacity of facilities for sewage treatment stations in Maqiao Chemical Fiber Plant is 600 tons/day.
- The processing capacity of the facilities for sewage treatment station in Cord Fabric Plant is 195 tons/day.
- The sewage treatment station in polyester plant area, the processing capacity for facilities under operation status is 600 tons/day, and the processing capacity of reserved facilities is 600 tons/day.



Biochemical Treatment System of Maqiao Sewage Treatment Station-Aerobic Pool



Sewage Treatment Station of Cord Fabric Plant -aeration biochemical pool



Sewage Treatment Station of Polyester Plant -Anaerobic Tower

Environment Management

The Company places ecological construction and environmental protection at a strategic height critical to the survival and development of the Company, and take effective environmental management measures to reduce the negative impact on surrounding environment and ecological system.

Ecological Protection

Hailide situates at Haining Zhejiang. Haining has more than 700 varieties of weld plants and more than 1500 varieties of wild animals. The Company remains committed to the environmental policy of “Environmental Protection, Energy Conservation, Win-win Cooperation, and Safety and Harmony”, the development idea of “Innovation, Coordination, Green, Open and Sharing” and adhering to the path of ecology first and green development.

Case: Give full consideration to the ecological impacts of projects

In implementing the technological transformation project for industrial flexible material with the annual capacity of 18,000,000 square meters in 2022, the Company considered the situations of surrounding creatures and environment, and abide by the requirements of *Scheme of Zhejiang for the Red Line of Ecological Protection* and *Partition Control Scheme of Haining for “Three-line and One-independent” Ecological Environment* to guarantee the touching of any ecological protection red line. The project will not generate any production wastewater. The domestic sewage will be preliminarily treated in septic tanks, and then discharged to Haining Jianshan Sewage Treatment Factory after reaching the required standard. After being processed by the regenerative incineration processing facilities, the exhaust gas will be discharged to the air at high altitude. Standard storage places are constructed for the solid hazardous wastes. All wastes will pass hazard-free utilization and disposal. Together with the selection of low-noise equipment, the environmental and ecological impacts of the project to surrounding area have been reduced to the minimum level.

Environmental Impact Assessment

The Company prepares and submits environmental impact assessment report for new projects in strict accordance with relevant regulations in the *Environmental Impact Assessment Law of the People’s Republic of China, Environmental Protection Management Regulations on Construction Projects* and *Management Regulations of Zhejiang on Environmental Project of Construction Projects*. During the construction and operation of any project, the Company strictly abides by laws and rules about environmental protection, carries out the three-simultaneous system and takes measures for the control of pollution and protection of the ecological environment to guarantee the up-to-standard discharge of pollutants. The Company carefully implements the environmental protection measures and requirements of “Replace Old Ones with New Ones” to faithfully complete the rectification, improvement, operation and maintenance of the current pollution prevention and control facilities, and guarantee the on-time completion of various rectification measures according to the requirements of the environmental impact assessment. In 2022, both the planned Technological Renovation Project for TPU Curtain Coating Used in the Production of Industrial Thin Film with the Annual Capacity of 960 tons and the Technological Renovation Project for Flexible Materials with the Annual Capacity of 18,000,000 Square Meters conformed to the environmental impact assessment requirements.

Noise Monitoring

The Company formulated self-testing schemes and engaged a third-party agency to conduct the factory boundary noise testing on quarterly basis. The testing results were released to the *Management System of Zhejiang for the Monitoring Data of Key Sources of Pollution* in time. In order to carry out the noise management regulations, the Company gives priority to low-noise equipment in the model selection of equipment. At the same time, we try our best to install equipment within workshops. We have also taken noise reduction measures like sealing design for windows and doors, increase in the greening area of the plant, reinforcement and fixation of equipment, application of shock-absorbing pads, wall body design, etc. The Company also intensifies its efforts on the daily maintenance and services of equipment to guarantee the long-term stable operation.

Publicity about Environmental Protection

In order to arouse the importance of employees on the enterprise environment, the Company organized two sessions of training about environment management knowledge in Maoqiao Plant and Jiashan Plant. Starting from the “common problems in the environmental management” and “key points in standards for environmental management of enterprises”, the training made detailed explanation for contents about on-site management, risks and hazards, emergency management, examination and approval, etc. With the in-depth analysis of practical problems in specific cases, the training program initiated coping measures for potential risks, and further elaborated and delivered the environmental management standards.





Environmental Management Training

Continuous Efforts on Energy Conservation and Emission Reduction

Energy Management

The Company carries out the Energy Management Manual, and stably promotes the initiative of consumption and emission reduction. It takes the high-efficiency energy conversion and high-efficiency circulation of energy as the main working tasks. To achieve this purpose, the Company improves the energy utilization rate through technological reform and process improvement, actively develops clean energy to boost the sustainability of energy, and make reasonable planning for the using of equipment to improve the comprehensive management efficiency. In the reporting period, the Company passed the certification of ISO50001.



Certificate of ISO50001 Certification

Information about Energy Consumption:

Category	2020	2021	2022	Unit
Gasoline	4269.28	4312.40	4161.47	Mkj
Diesel Oil	5124.60	10247.92	7027.96	Mkj
natural gas	1033354.10	1317763.77	1269422.36	Mkj
Electric Power	1492709.04	1641190.68	1555322.40	Mkj
Heating	33104.27	49596.85	40381.06	Mkj
Gross industrial output value	342874.44	486636.79	481767.54	Ten Thousand Yuan
Comprehensive Energy Consumption	156568.65	179089.97	170120.65	Ton Standard Coal
Comprehensive Energy Consumption Intensity	0.4566	0.3680	0.3531	Ton Standard Coal (RMB 10,000)

Promote the Energy Conservation and Emission Reduction

As the continuous increase in the unit price of energy, the issue of how to save energy and reduce cost without any compromise to the operation rate has become an important topic for the continuous improvement, cost reduction and efficiency increase of the Company. In 2022, the Company implemented 47 energy conservation and cost reduction projects. In order to achieve the system-based leakage detection and accurate improvement for drawbacks, the Company introduced the BI smart energy management system, applied ultrasonic leak detectors for the leakage management of the air compression system, and established a daily inspection mechanism for the air leakage detection.

Item	Measures	Quantity Saved	Amount Saved
Reduction in Electric Consumption	Adjust the operation frequency of pumps according to the production loads; increase the mechanical and electrical efficiency; increase the temperature of the chilling water; reduce the power of some fans; reduce the using of heat conductive oil pumps; arrange reconstruction for the pipeline of the chiller; reduce the air supply pressure of air compressors.	1,318,343.02kwh	RMB 843,739.53
Reduction in the Consumption of Natural Gas	Strengthen the thermal insulation performance of the heat conductive oil and steam; improve the cleaning method of the solid polymer cooler; apply the residual heat of the air compressor in the heating supply of chemical warehouse; make reasonable arrangement for the startup and shutdown time of machines; adjust the steam consumption in different seasons; make reasonable setting for the process temperature, etc.	732,563.41m^3	RMB 3,076,766.31
Reduction in Steam Consumption	Reduce the heating supply temperature for the heating medium; close the reserved connection valve to reduce the heat loss; strengthen the inspection for the heat using equipment of the heat medium system; arrange maintenance and services for the heat medium furnace; take insulation measures for the pipe support of the master pipe; renovate the drying chamber of air-conditioners, etc.	1,314.47t	RMB 396,970.35

Case: introduce heat insulation materials

The Company introduced coating materials and high polymer nanometer insulating material into the insulating component of the heating hood installed after the spinning cabinet body of Chemical Fiber Business Division. The comprehensive energy conservation efficiency of this measure was about 10%.





Case: Optimize the Operation of Air Compressors

The operation of the air compressor system of Chemical Fiber Business Department in Maoqiao Plant was relative complicate, and there were multiple combination strategies for startup and shutdown of machines. To cope with such situation, we organized Mogu Linker and Public Works Department of Chemical Fiber Department to arrange analysis and diagnosis for the air compressor system and pipelines. After the diagnosis, we prepared the end renovation and group control scheme, and determined the energy-saving operation strategy to optimize air compressors.





Case: Resolve the Problem of Runoff, Leakage, Dripping or Running

The Company arranged comprehensive diagnosis for the air compressor system and the heat conductive oil system. In the diagnosis, the Company totally identified 423 points with air leakage and completed the improvement of 265 points. It is expected that the project could save about RMB 920,000. The energy team of Chemical Fiber Business Division attached low importance on the leakage detection and remedy for the air compressors. The Company established a special energy conservation team constituted by supervisors to make comprehensive identification and improvement for the problem of runoff, leakage, dripping or running on the site.



Develop New Energy

The Company advocates the development and application of clean, pollution-free and renewable photovoltaic energy to efficiently reduce the using of fossil energy, and lower down the emission of greenhouse gases. The Company comprehensively promoted the construction of photovoltaic system on roofs. At present, the construction has achieved the maximization of the installation. Among them, the installed capacity in Maqiao Plant was 1,784KW, and the installed capacity in Jianshan Plant was 16,000KW. The total power generated by these facilities in 2022 was 17,000,000kwh.

Key Measures

- The Company has independently completed the construction of the PV experimental power stations. The installed capacity of the station is 40KW. The power station was developed and installed independently by Hailide. At present, the experimental power stations have started the power generation and grid connection. In the reporting period, the power station accumulatively undertook more than 300 experiments, which had provided sufficient data for the application of solutions.
- The Company has also established an empirical base fpr the PV reflective materials in Xining. Upon the testing and experiment for the climate and environment of one year, the reflective technology passed the TUV certification of a national authoritative test center.



Solar panels on roofs of factory buildings



Photovoltaic Experimental Power Station

Cope with Climate Change

The Company has accelerated its transformation toward low-carbon economy to cope with challenges from climate changes. China works hard to reach the carbon peak before 2030, and strives to achieve the target of carbon neutrality before 2060. Under such background, the Company takes the initiative to carry out the sustainable development idea of green and low-carbon operation, and actively engages in the activities coping with climate changes.

Carbon Emission

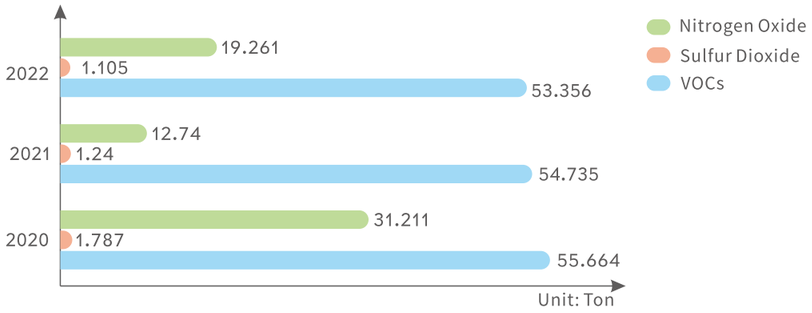
The Company takes multiple measures to reduce carbon and emission, develops renewable resources to replace non-renewable resources, and actively builds energy-saving facilities to reduce carbon emissions from production and operation activities. We strictly carried out the examination for the emission of greenhouse gases, and apply more than two sets of data to calculate the emission of greenhouse gases. With our efforts, we successfully passed the audit on the emission of greenhouse gases. In 2022, the Company successfully completed the declaration of green and low-carbon factories, and completed the annual audit on carbon emission. The result of CDP climate change questionnaire was Grade C.

Unit: Ton

Item	2020	2021	2022
Total Emission of Greenhouse Gases from Energy Consumption (Scope I)	64,988.18	83,142.08	79,375.37
Total Emission of Greenhouse Gases from Energy Consumption (Scope II)	282,920.34	326,171.51	299,815.68
Co2 Emission Tons arising from Each Unit of Output	0.54	0.53	0.53
Direct Reduction in the Emission of Greenhouse Gases	39,095.48	-61,405.07	30,122.54

Exhaust Emission

The Company faithfully carries out requirements in the *Management Regulations on Exhaust Emission*. The monitoring and standard for relevant control parameters about exhaust emission are implemented according to the *Control Procedure for the Environment Monitoring and Measurement*. Exhaust gases from boilers are discharged through a 35-meter chimney; The process exhaust gas generated in the production workshop is collected and treated by the waste gas treatment device before discharge; The exhaust gas from the canteen is collected and purified by the lampblack machine and then discharged from the vertical shaft to the roof; Motor vehicles with emission high beyond the standard are eliminated in time, and leaded gasoline are highly prohibited.



Case: Continue to maintain the Grade-B control enterprise for heavy polluted weather

The Company actively responds to requirements of *Technical Guidance for Emergent Emission Reduction Measures of Enterprise in Key Industry against Heavy Pollution Weather*, and takes a series of measures to fulfill the requirements. First of all, we arranged identification and record for the emission information of trucks and other vehicles in different plant areas. According to the statistics, the proportion of vehicles meeting National-V standard was as high as 70.86%, which was higher than the requirement of 50%. Besides, we also arranged work like LDAR testing and CEMS monitoring management of exhaust gas of boilers according to requirements of relevant standards. Self-analysis and self-evaluation were also arranged from 14 aspects, including production processes, pollution treatment technology, environmental management competency, transportation supervision, leakage detection and repair, loading, on-line testing, etc. Upon the review of the local ecological authority, our company still maintained the control grade of B, and was incorporated into the list of guaranteed enterprise, which had provided a sound environmental protection guarantee for the steady production.



Measures for the Treatment of Exhaust

- We took measures like improve the treatment facilities for exhaust from cum dipping process (two sets of two-level water spray treatment device), and change the cum dipping process as full-closed operation. With these measures, the collection efficiency exhaust could maintain at the level above 95%.
- An efficient RTO exhaust treatment facility was adopted in the year. The original high-voltage static electric processing facilities was replaced by efficient RTO regenerative incineration processing facilities. By heating the organic exhaust to the temperature above 825°C, the exhaust will decompose into water and carbon dioxide after full combustion. The removal rate of pollutants reaches the level above 99%.
- Under the photolysis and deodorization treatment facilities for exhaust, the UV photolysis and purification process could utilize the high-energy UV beam to irradiate molecular bonds of the foul gases (industrial exhaust), leading to decomposition of such gases.
- The Company implemented the low-nitrogen renovation project in the year. In the project, the technical party replaced the old combustion equipment with the ultra low -nitrogen burner and added the supported smoke recirculation system to promote the whirling of airflow and full combustion. The renovation also reduced the flame temperature and promoted the combustion and emission to reach the best status.
- The Company completed the construction and Internet access of the on-line monitoring system for organic exhaust of Maqiao Plant and Jianshan Plant. At the same time, we also completed the installation of the video surveillance, door access construction and Internet connection. The requirements of various policies of environmental protection department were fulfilled in time.



RTO Regenerative Incineration Processing Facilities



UV photolysis and deodorization treatment facilities for exhaust

Hailide upholds the team building that places morals at the top priority and attaches equal importance on morals and talents. For this reason, the Company keeps providing opportunities and paths for the capacity improvement and value achievements of employees, offers competitive remuneration and welfare and work and living environment, and takes measures to enhance the mutual trust between the enterprise and employees. All employees constantly abide by harmonious labor relations, and attach high importance on value creation. With great efforts, the Company has made significant performance.

Pursue for First Class, and Cultivate Outstanding Employees

- Regulate the human resource management
- Safeguard rights and interests of employees
- Career Planning and Development
- Insist on Democratic Management
- Intensive Care for Employees

Regulate the human resource management

The Company maintains an equal, respected and diversified working environment, offers equal employment opportunities to employees, and avoids forced labor and employment of child labor in any form. We have strictly examined the identity information of employees recruited to ensure the authenticity and legal compliance of candidates in terms of age and educational background.

Employee Composition

By the end of 2022, Hailide total employed 2,801 staff, including 1,518 employees from Zhejiang, taking a proportion of 54.19%; 722 women employees, taking a proportion of 25.78%; 93 minority people, taking a proportion of 3.32%.

Total Number of Employees	Male Employees	Female Employees
2,801	2,079	722
New Employees	New Male Employees	New Female Employees
1,269	982	287

Educational Background of Employees		Number of Persons	占比
By Educational Background	Master Degree and above	68	2.43%
	Undergraduate	378	13.50%
	Junior College	397	14.17%
	Technical Secondary School and Below	1,958	69.90%
	Total	2801	

Nationality Composition of Employees

Category	Number of Persons	Category	Number of Persons
Han	2,698	Korean	1
Hui	1	Dong	1
Man	2	Bai	2
Mongol	1	Buyei	10
Miao	11	Zang	20
Chuanqingyi	3	Tujia	14
Li	1	Yao	2
Lisu	2	Yi	14
She	1	Zhuang	6
Shui	1		

Total Number of Executives	10
Number of Male Executives	1
Number of Executives in Local Nationality	3

Recruitment of Employees

In the recruitment process, the Company constantly insists on the principle of equality and impartiality. All recruitment procedures are implemented according to the rules and regulations of the Company. In 2022, the Company totally recruited 1,269 employees, including 287 female employees, 972 employees from other provinces and 65 employees from ethnic minorities. All employees recruited are more than 18 years old. No child labor is used.

Analysis on Key Indicators of Employment in 2022

No.	Indicator Name	Target Value	Actual Value	Achievement Rate
1	Talent Reward	300,000	RMB 1132400	377.57%
2	Recruitment Achievement Rate	90%	91.4%	100%
3	Separation Rate of Employees	30%	18.05%	100%
4	Stability Rate of Talents in Key Positions	93%	94.65%	100%

Case: all-around recruitment channels, and perform the social responsibility in offering employee opportunities

The Company adopts a variety of recruitment channels for social recruitment, including on-site recruitment in the talent market and the dormant exhibition stand, as well as recruitment on online platforms like Zhilian, 51Job, BOSS and Haining Talent Website, headhunting cooperation, and recruitment with the government from other places.



Case: recruit university students, and perform the social responsibility for talent cultivation.

The Company takes the initiative to arrange campus recruitment, and offers employment opportunities for university graduates. Haining Human Resources and Social Security Bureau awarded the Company with the honor of Employment and Internship Base for University Students in Haining. The Company has successively become the internship and practical base of Zhejiang University of Technology, Material and Textile Engineering School of Jiaxing College, Zhejiang School of Tongji University and other universities. With the base, the Company strives to establish platforms for the internship and practices of fresh graduates of universities.
In the campus recruitment of 2022, we totally visited 51 universities, and recruited, more than 44 fresh graduates (four graduates of junior college, 34 undergraduate, 4 masters and 2 doctors).



The Company visited fresh graduates in universities

Safeguard rights and interests of employees

It is the basic duties and responsibilities of an enterprise to safeguard the basic rights and interests of employees. Hailide faithfully complies with the *Labor Law of the People's Republic of China, Contract Law of the People's Republic of China, Law on the Protection of Women's Rights and Interests of the People's Republic of China* and other applicable laws and rules. The Company has duly signed labor contracts with employees, duly contributed the social insurance premium for employee, and provided paid leave and annual leaves in a planned manner. We also faithfully safeguard the various rights and interests about holidays like maternity leave, marriage leave and paternity leave. The Company has formulated perfect labor employment regulations to regulate the remuneration, work hours, holidays, recruitment, career promotion channels, welfare and treatment, anti-discrimination and anti-harassment and other relevant contents to safeguard the rights and interests of employees. In 2022, the signature rate of labor contract was 100%, and the coverage rate of social insurance was 100%; a total of 31 employees used their maternity leave/paternity leave, a total of 28 employees returned to work after maternity leave, and a total of 25 employees were still in service 12 months after returning to work.

Item/Time	2020	2021	2022
Total Social Security Expenditure	25,704,486.08 Yuan	30,393,007.44 Yuan	36,953,157.78 Yuan
Coverage Rate of Social Security	100%	100%	100%





Contribution Certificate for Social Security

Based on the minimum salary standard launched by the local government, the Company implements a reasonable remuneration standard, and makes appropriate adjustment for the overall remuneration level according to changes in remuneration level of the industry, changes in the consumption and price indicator and the strategic positioning and bearing capacity of the Company. We may adjust the remuneration or grant performance bonus according to the performance, capabilities and work achievements of employees.

Comparison for the Total Annual Remuneration

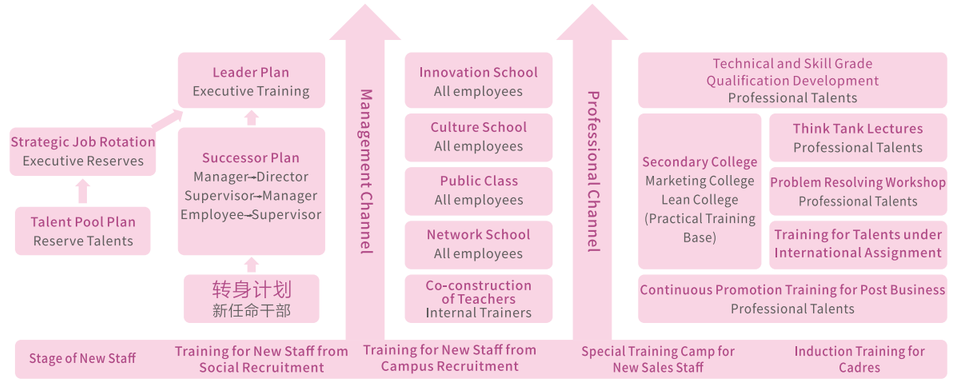
Maximum Annual Remuneration for Individual	Median of Annual Remuneration of All Employees	Comparison
RMB 1,980,000	RMB 113,600	5.74%

Career Planning and Development

By taking talent construction as the key task, the Company strives to construct a scientific, standard, open and tolerant talent development system, which would innovate the talent cultivation mechanism, broaden the employee development channels and boost the employees to realize their values of life.

Remove barriers in the career development channels of employees

The Company arranges assessment on the performance of employees in each year. The assessment results and linked with the excellence evaluation, remuneration and bonus of employees, and thus have direct connection with income of employees. By virtue of the assessment, the Company could carry out the principle of the survival of the fittest, clear rewards and punishments. Moreover, the assessment could make outstanding talents stand out and enhance the vitality of teams of the Company. Under the guidance of the talent strategy of the Company, Hailide strives to establish wide platform to expand the development space and plan career development path for employees. With the blueprint of the *Management Regulations of Zhejiang Hailide New Material Co., Ltd. on Career Development System of Employees*, the Company promotes the management pattern for career development planning of “Five-level and Dual-channel”. In 2022, all employees received performance assessment and training about vocational skills. A total of 203 employees obtained career promotion.



Dual-channel Pattern for Career Development of Hailide

Comprehensive Training System

The Company focuses on its top four training systems, including organization management, operation management, course management and lecturer management. It promotes the implementation of the training system through three stages, including consolidation of the foundation and regulation of the operation, refined business and systematic promotion, and accumulated strength for sudden rise and transformation &upgrading. With the training, the Company strives to develop a employee team that “recognize the corporate culture, understand the strategy, competent for the job and keep on continuous improvement”. Diversified training forms like theory delivery, practical operations, video study and external training are applied to offer study and improvement opportunities for employees. In 2022, the employee coverage of training programs was 100%, and all employees accepted training about policies of social responsibility. A total of 3501 employees attended various kinds of occupational training, with the accumulative training hours of 121485 class hours. The average class hours of training per person was 34.7 class hours.



Planning for the Training System of Hailide

Case: Security personnel participate in human rights training.

As an important force for the safety prevention and control of Hailide, the security team makes active contribution to the safety of plant areas and employees, and normal production and operation of the Company. In 2022, the security guards accepting the training about human rights reached 59 person times, accounting for 100% of the security guards of the Company.



Case: Special Training Activities

※ Study Program of Management Empowerment for Management The training mainly engages in empowerment study for management personnel of the Company. It applies the four-step method of “Study, Think, Action, and Summary” to improve the management methods and business skills of management cadres and create management team with sufficient fighting capacity.

※ We organized the training program of *Emotion and Communication*. The satisfaction rate after the training was 99%. As for medium and senior executives, we formulated the three-stage gradual study procedure according to the learning demands of the *Xiaomi Entrepreneurial Thinking*.

※ The Company planned and promoted the cultivation of university students in the practical stage, arranged focused style discussions and book dismantling activities to improve the comprehensive qualities of university students.

※ The Company planned and carried out the platform for public lectures, and expanded the study channel of Off-line +Live streaming. In 2022, the Company implemented four sessions of open lectures about office series (word, foundations of excel, excel charts, excel functions). More than 320 persons attended the training.

※ Strengthen the publicity of the corporate culture. In the year, the Company applies the approaches like law lectures, training about duly governance of enterprises, induction training and so forth to enhance the legal awareness of employees. By virtue of the publicity of corporate culture and values, the Company has promoted the employees to love the accountability of Hailide. As a result, the employee could integrate into the Company and develop a higher sense of belonging. To sum up, the program has increased the competitiveness of the human resources of the Company.









Occupational Skill Training

Business Knowledge Training

Skills and Technical Construction

Hailide regularly arranges cultivation and identification work for various technical talents. The Company has established the *Duties and Responsibilities for Various Posts of Identification and Assessment Agency for Grade of Professional Skills, Management Regulations on the Assessors for Identification of Occupational Skill Grades, Management Regulations on Examination Supervisors for the Identification of Occupational Skill Grades, Assessment Measures on the Identification of Professional Skill Grades* and so forth to guarantee the sustainable growth and development of employees.

Case: Review for the Technical Grade of Technical Talents

The Company attaches high importance on the motivation for growth of technical personnel, and has established the planning and review standard for technical grades. Starting from 2015, the Company organized annual grade review for technical personnel, and make technical appointment decisions according to the review grade. The technical staff shall enjoy the corresponding technical subsidy according to the technical grades appointed.

Information about the Technical Talents from 2020 to 2022 Unit: Person

Year	Assistant Engineer	Engineer	Senior Engineer	Total
2020	21	37	12	70
2021	18	33	9	60
2022	27	33	9	69



On-site Examination of Technical personnel



On-site Q&A of Technical Personnel

Case: Mentoring training enables technology to achieve further improvement in the process of inheritance.

The Company formulated the *Implementation Measures on the Apprenticeship Style Talent Cultivation of the Company*. In the study and cultivation period of new employees on technical posts, the Company will arrange employees with required qualification to serve as the mentor to train them. Certain rewards will be given to the mentor with outstanding training performance.



Agreement of Hailide for Apprenticeship

Story: Apprenticeship Guarantee the Inheritance of Job Skills

Due to the lacking in the main operator for the glue mounting and painting line, Guangpu Zhou, with his strong sense of responsibility, was confirmed as the main cultivation object for the main operator of the line. He successfully signed the Agreement of Hailide for Apprenticeship with Zhihu Hao, leader of glue mounting team of the glue mounting workshop of the Company. After the determination of the apprenticeship, Guangpu Zhou tried its best to study from his mentor, and ask instructions about technical difficulties from his mentor. Zhihu Hao helped him to find the root cause, and applied its clear judgment and skills to analyze and resolve difficult points. At the beginning, Guangpu Zhou did not know how to start and commission the machine. Later, he gradually developed a good command of the startup, operation, and commissioning of the equipment. Finally, he reached the job requirements of main operator. In addition to the cultivation of skills for the apprentice, Zhihu Hao also practiced and enriched himself. He expressed that “I want to teach all my skills, techniques and experiences to may apprentice, and set a good example for professional morals for my apprentice in the cultivation process”.

The apprenticeship is a technical progress achieved by the enterprise. It is an efficient occupational cultivation pattern that could boost the common improvement of employees and rapid development of the Company. The apprenticeship cultivation pattern has become a general trend of Hailide, and has obtained significant achievements.



Insist on Democratic Management

Hailide adheres to and improves the democratic management system with basic forms of trade unions and employee representative congresses. In accordance with the *Charter of Labor Union of China and Law on Labor Union of the People's Republic of China*, the Company establish a labor union, and elect employee representatives to establish Labor Union Committee, Female Employee Committee and Expenditure Examination Committee. The Company shall arrange at least one Labor Union Congress and Employee Representative Conference in each year. At the same time, the Company has signed collective contracts with all employees. Major events of the Company shall be informed to all employees through Dingding message at least four weeks in advance. The signature rate of employees for collective agreement has reached 100%, which covers all regular employees and takes 100% of all employees of all regions. The members of the current labor union take 100% of all employees of the Company, which covers the employees that are officially elected as employee representatives, accounting for 100% of all employees of the Company.

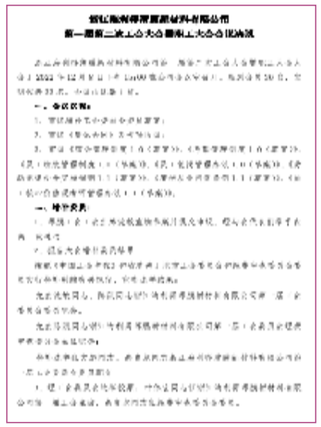
Annual duty performance of the employee representative congress

※ The Company organized a Labor Union Representative Congress and Employee Representative Congress.. The conference made decisions about appointment and removal of employees, and reviewed and passed relevant management systems.

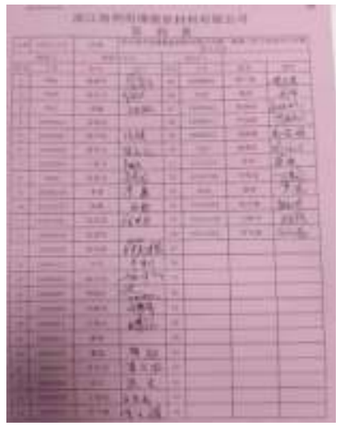
※ Zhejiang Hailide Film New Materials Co., Ltd., a subsidiary of the Company, organized a Labor Union Representative Congress and Employee Representative Congress. The conference made decisions about appointment and removal of employees, and reviewed and passed relevant management systems..

※ Haining Halide Fiber Technology Co., Ltd., a subsidiary of the Company, organized a Labor Union Representative Congress and Employee Representative Congress. The conference made decisions about appointment and removal of employees, and reviewed and passed relevant management systems.

※ Zhejiang Hailide Flooring Co., Ltd., a subsidiary of the Company, organized a Labor Union Representative Congress and Employee Representative Congress. The conference made decisions about appointment and removal of employees, and reviewed and passed relevant management systems.



Resolutions of the Labor Union Representative Congress and Employee Representative Congress



Sign-in Sheet of the Labor Union Representative Congress and Employee Representative Congress





The Labor Union Representative Congress and Employee Representative Congress

Case: "Mutual trust and common prosperity, joint efforts for win-win development"-Chemical Fiber Business Division organized a exchange meeting about employee relationship

In order to expend the information communication channel between front line employees and department management personnel, resolve puzzles and learn about appeals of employees, and improve the sense of belonging and recognition, Chemical Fiber Business Division arranged preliminary survey and overall preparation, and selected two departments (Textile II and Textile IV) as the pilots to organize a face to face exchange meetings first line employees and management departments in the later ten days of October, 2022. Employees participating in the exchange covered all posts of those two departments, and the participants could represent their respective groups. At the same time, some participants took letters from their colleagues, and explained the issues and thoughts in letter to leaders at various levels through the democratic communication channel. Leaders at various levels provided the relevant responses and answers in time after receiving such feedback.



Intensive Care for Employees

The Company listens to the voices of employees and cares for concerns of employees, and strives to create a warm enterprise; the Company takes measures to resolve the emergencies and concerns of employees, and does its utmost to promote the share of development achievements with employees.

Promote the balance between work and rest

The most effective way to solve the balance between work and rest is to enrich the cultural life of employees. Hailide organizes diversified cultural and sports activities to enrich the cultural life of employees and give full play to the education, guidance and incentive role of cultural life. These activities could further enhance the cohesion, unity and combating force of employees, and promote employees to work with better ideological and spiritual state. With such activities, the employees would boost the Company to achieve various operation targets, and promote the healthy and steady development of the enterprise.

Case: Diversified Cultural and Sports Activities

Hailide organizes diversified cultural and entertainment activities like new year festival, recommended dishes of employees, rice dumplings, chess competition, group rope skipping, tourism of outstanding employees, etc. These activities have significantly remitted the work pressure of employees, and enhanced their emotion toward family members. The care for the little things of employees facilitates the employees of Hailide to experience the sense of belonging and happiness.


Celebration of Spring Festival


Recommended Dishes of Employees


Rope Skipping


Chess Competition


Parent-child Lecture


Tourism for Outstanding Employees

Visit and Condolences on Holidays

The Company attaches high importance on employee welfare and condolences on holidays, as well as the support for groups in difficulty and other special groups. With these efforts, Hailide does its utmost to construct a community for business with coordinated progress and infinite happiness.

The Company would arrange visit and condolences in each holiday, including Women' s Day, Dragon Boat Festival, Mid-autumn Day and Spring Festival. With the mass route of employee first, the Company tries its best to ensure that employees would have happy, comfortable and peaceful holidays.


Distribution of articles for the Spring Festival

Care for Special Groups

Labor unions are the reliance of employees in difficulty, and window for the loving heart. In recent years, the Labor Union of Hailide insists on visiting and condoling employees with diseases in hospital, work-related injuries and baby delivery of employees, and brought consolation money and articles from the Company and the Labor Union. In 2022, a total of RMB 16,884.8 was spent on the difficulty subsidy, visits, diseases and baby delivery of employees. The Company has a nursing room to provide convenience to lactating female employees.







The way to govern a country is to make the people rich first. Zhejiang remains committed to constructing a demonstration area for common prosperity to provide a Zhejiang Model for the national promotion of the target of common prosperity. In addition to the efforts in its own development, the Company takes the common prosperity as an important social responsibility, and boost the achievement of common prosperity with extreme care.

Supreme Feelings, and Boost the Common Prosperity

- Return to the Community, and Warm Support
- Little Love Conveys Warmth

Return to the Community, and Warm Support

Hailide constantly believes in the development idea of human first, and works hard to create more employment opportunities to the community. The Company does its utmost to promote poverty-stricken areas to overcome poverty and achieve prosperity, and works hard to accelerate the rural revitalization. Meanwhile, the Company pays constant attention on the people's livelihood, and takes the initiative to perform the social responsibilities and create beautiful future for Zhejiang.

Employment Promotion

Hailide encourages to recruit veterans, and maintain United Front Work Department to provide job opportunities for them. With these efforts, the Company was honored as Employment and Entrepreneurship Base for Retired Soldiers in Haining, and Advanced Unit for Double Support of Maqiao Street.



Plaque of Employment and Entrepreneurship Base For Retired Soldiers in Haining



Certificate of Advanced Unit for Double Support of Maqiao Street

Construction of Common Prosperity

Hailide adheres to a high sense of social responsibility, keeps the same pace with the times, and uses its actions to contribute to the achievement of the Zhejiang Model for common prosperity and construction of the common prosperity in the community. In January, 2022, the Company donated RMB 100,000 to the Township Counselors Committee of Maqiao Village and RMB 20,000 to the Xinzhuang Stock Economic Cooperative of Haizhou Street. In December, the Company donated RMB 1,000,000 to the total wealth fund of Haining Charity Federation. To respond to the call of the government, the Labor Union of the Company organized employees to attend one-day tour in Xitang of Jiashan in batches to boost the development of tourism industry in Jiaxing.



Organize employees to travel in Jiaxing

Contribute to Agriculture and Help Farmers

In April, 2022, the Company purchased 10,000kg of Loving Mustard to support agriculture and farmers.



Purchase the Loving Mustard

Charitable Donations

In April, 2022, Hailide donated cash above RMB 3,000,000, 30000 N95 masks for medical purpose, more than 500kg pork and more than 100 cartons of instant noodles to Haining Charity Federation to help the development of Haining.



Charitable donations

Little Love Conveys Warmth

The Company remains committed to conveying love and care to the community. In order to achieve the purpose, the Company takes the initiative to participate in public charity and volunteer activities, applies its actions to explain the social responsibility, and leads employees, cooperation partners and communities to create more social well-being.

Care for Public Welfare

Hailide encourages employees to participate in loving activities like volunteer blood donation, donation of hematopoietic stem cell and so forth, organizes the blood donation vehicles to the places near our plant area, and advocates all employees to shown their kindness. In May, 2022, Chun Yang, an employee of Thin Film Business Division donated its hematopoietic stem cells. Deputy mayor of Haining, and the party secretary and executive vice president of the Red Cross Society arranged a special visit to her and granted the honor of Most Beautiful Employee.



Blood Donation Activity



Award the Honor of Most Beautiful Employee

Volunteer Activities

The Party Committee of the Company organized party members to participate in activities in local community. They were arranged to conduct anti-fraud publicity at entrances of communities, support the community patrol, supplies distribution, etc. The Party Organization of the Company was honored as An Advanced Party Organization at Basic Level by Haining Maqian Sub-district.

In 2022, **35** employees participated in volunteer service

The total duration of volunteer service was **130** hours



Anti-fraud Publicity in Community



Support for Supply Guarantee in Supermarket

Outlook in 2023

In 2023, Hailide will strictly follow the strategic blueprint of the 20th National Congress of the Communist Party of China for expanding the real economy and accelerating the development of the manufacturing industry. All employees of the Company will keep improving, and try to take leading role in the industry. We will persist in innovative R&D to improve the development potential, insist on global layout to construct trans-national enterprise, and stick to the leading role of talents to boost the development vitality. Hailide strives to achieve the vision of the Company: to become a global leading provider of products and services in our professional field

Improve the Compliance Capability, and Pursue the Strategy for Sustainable Development. In the new development stage, China will be firm to participate in the global economic integration. The development of real economy required for the deep integration of the global value chain. As a listed enterprise, Hailide shall connect to the order of the international economy, and respond to the intensified requirements of relevant international organizations for compliance supervision. We will make overall arrangement for domestic and international market and resources to maintain the rapid growth in both quantity and quality and achieve the target of sustainable development.

Insist on the Innovation-driven Development, and Build A Technology-oriented Enterprise In 2022, Hailide adhered to the innovation-driven development and benchmark with first-class enterprise in the world stress on innovation, management and efficiency. The Company worked hard to compare, study and surpass advantages of other enterprises. In the year, the Company won the honor of Navigating Enterprise of local private transnational corporation of Zhejiang. With the improvement in the smart manufacturing level, the Company won the honor of Cloud Enterprise in Manufacturing Industry of Zhejiang in 2022.

In the future development, the Company will further improve its independent innovation capabilities, and try to achieve the automatic and intelligent development of production to improve the productivity. Hailide will keep developing its dedicated equipment, unique processes and invents to boost the brand reputation and influence of Hailide.

Carry out the Dual-carbon Idea, and Present Green Products In 2023, the Company will continue developing the high-end market, and improving the operation competency of sales teams, R&D teams and production bases to achieve the global mobilization of various resources and meet the market demands with better products and services. At the same time, the Company shall serve as a practitioner of the dual-carbon goal. With the center of the green idea, Hailide will accelerate the iteration and upgrading of products, and present green products to boost the steady development and achievement of long-term goal of the Company.

Carry out the policy of revitalizing enterprise with talents, and boost the development vitality. Talent is the Talent is the foundation for the development of an enterprise. According to the development requirements under the new situation, the Company will make active exploration about market-based talent selection and appointment, performance assessment, remuneration distribution, etc. Hailide will carry out a series of enterprise revitalizing measures, and establish an outstanding team with exceptional performance in accountability, division of labor and cooperation and pursuit of excellence. With these measures, the talent team of the Company has demonstrated the overall trend of thriving and booming development.

Critical Performance List

(Operating income, operating cost, total salary paid, input in employee welfare, dividend of shareholder, and R&D input. The coverage range shall be the consolidation scope, which includes Hong Kong, Vietnam and overseas countries. The other data is within the reporting scope)

Item	2020	2021	2022	Unit
Operating income	3,512,556,998.10	5,067,393,297.88	5,512,054,814.52	Yuan
Operating cost	2,784,858,756.56	3,983,246,551.14	4,596,895,624.54	Yuan
Total amount of salaries paid	291,123,184.44	362,236,386.78	385,045,735.46	Yuan
Input of employee benefits	15,197,483.48	18,478,418.45	19,541,023.93	Yuan
Shareholder dividend	115,850,722	231,701,444	116,795,722	Yuan
Tax amount payable	57,963,100	86,032,500	77,320,500	Yuan
Public welfare donation	733,000	1,200,000	4,448,800	Yuan
R&D Input	147,680,495.3	186,097,878.6	214,450,627.45	Yuan
Fiscal Subsidies	20,208,043.77	6,371,569.11	9,484,839.90	Yuan
Tax exemption and reduction	40,638,100	61,715,730	60,468,100	Yuan
Total Social Security Expenditure	25,704,486.08	30,393,007.44	36,953,157.78	Yuan

Occupational Health and Safety

Item	2022	Unit
Proportion of Employees with Physical Examination	100	%
Physical Examination Expenditure	106,800	Yuan
Distribution Rate of Personal Protection Appliances for Individuals	100	%
Coverage rate of work places receiving assessment about employee health and safety risk taken in all work places	100	%
Percentage of employees accepting training about environmental issues (internal or external) taken in total employees %	100	%
Coverage rate of occupational health and safety training	100	%
Average hours per person of the occupational health and safety training	21	Hours
Total expenditure in the training about occupational health and safety	32,261	Yuan
Coverage rate of employees covered by occupational health management system	100	%
Security personnel accepting training about human rights	59	Persons
Coverage rate of Security personnel accepting training about human rights	100	%
Times of fire drills	38	Times
Safety inspection frequency	133	Times/year
Inspection cycle of special equipment	Check regularly according to the equipment requirements	/
Percentage of operation places passing ISO45001 certification taken in all operation places	33.3	%
Percentage of the places adopting official environmental management system (ISO14001) taken in all work places	66.6	%

Environment

Item	2020	2021	2022	Unit
Gasoline	4,269.28	4,312.40	4,161.47	Mkj
Diesel Oil	5124.60	10247.92	7027.96	Mkj
natural gas	1,033,354.10	1,317,763.77	1,269,422.36	Mkj
Power	1,492,709.04	1,641,190.68	1,555,322.4	Mkj
Heating	33,104.3	49,596.9	40,381.1	Mkj
Gross industrial output value	342,874.44	486,636.79	481,767.54	Ten Thousand Yuan
Comprehensive Energy Consumption	156,568.65	179,089.97	170,120.65	Ton Standard Coal
Comprehensive Energy Consumption Intensity	0.46	0.36	0.35	Ton Standard Coal (RMB 10,000)
Total Direct Emission of Greenhouse Gases from Energy Consumption (Scope I)	64,988.18	83,142.08	79,375.37	Ton
Total indirect Emission of Greenhouse Gases from Energy Consumption (Scope II)	282,920.34	326,171.51	299,815.68	Ton
Co2 Emission Tons arising from Each Unit of Product	0.54	0.532	0.53	Ton
Direct Reduction in the Emission of Greenhouse Gases	39,095.48	-61,405.07	30,122.54	Ton
Total water intake	878,774	812,756	802,260	Cubic meter
Total water discharged	422,491.52	294,220.25	264,990.19	Cubic meter
Total water consumed	456,282.48	518,535.75	537,269.81	Cubic meter
Volume of Water Circulation and Cyclic Utilization	78,225,264	94,121,000	91,773,793.6	Cubic meter
Utilized Volume of Rain Water	16,208	29,765	32,547	Cubic meter
Sewage Discharge Amount	422,317	277,530	252,767	Cubic meter
Total weight of waste generated	906.68	1,332.98	1,183.04	Ton
General Waste Generated	329.57	473.1	392.03	Ton
Total weight of hazardous waste generated	577.11	861.68	791.01	Ton
Total weight of hazardous waste transferred from the disposal process	287.6	578.27	518.62	Ton

Labor

Item	2022	Unit
Total number of employees	2,801	Persons
Proportion of female employees	25.78	%
Proportion of employees with local nationality	54.19	%
Percentage of minority workers in the total number of employees	3.32	%
Proportion of executives with local nationality	30	%
Proportion of female executive	10	%
Proportion of employees participating in physical examination	100	%
Coverage rate of collective agreement	100	%
Percentage of employees participating in official election of employee representative taken in the total number of employees	100	%
Percentage of employees representing health and safety committee taken in all employees	100	%
Average training hours accepted by employees in the reporting period	34.7	Hours
Times of occupational skill training received by employees	2,797	Times
Average hours of training about occupational skills received by employees	21.8	Hours
Input amount of training about occupational skills	351,037.07	Yuan
Number of employees receiving job promotion (number of employees promoted in 2022)	203	Persons
Percentage of employees accepting training about occupation or skills taken in total employees	100	%
Percentage of employees receiving training about discrimination and human rights taken in all employees	100	%
Discrimination and harassment incidents	0	Accident
Death rate of work-related injuries	0	%
Rate of work-related injuries	7.65	%
Severe injury rate of work-related injuries	0.2	%
Percentage of employees receiving regular performance and career development evaluation taken in all employees	100	%
Percentage of employees receiving vocational or skills-related training taken in all employees	100	%
Percentage of employees receiving training on preventing discrimination and human rights violations taken in all employees	100	%
Percentage of places receiving human rights examination or human right impact assessment taken in all work places	100	%
Employee satisfaction	85.02	%
Social security coverage rate	100	%
Days of paid annual leave (excluding legal holidays)	5.5	day/person
Percentage of employees signing collective agreement taken in the total number of employees	100	%

Business Ethics

Item	2022	Unit
Number of complaints arising from leakage of customer information	0	Piece
Number of lost files	0	Piece
Percentage of employees receiving training about business ethics	100	%
Number of reports about confirmed events or legal actions associated with business ethics	0	Piece
The proportion of the operation places with internal audit/risk evaluation for business ethics taken in total number of operation places	100	%
Customer Satisfaction	91.1	%
Proportion of employees receiving training about information security	100	%
Proportion of employees receiving training about anti-corruption	100	%
Safety events caused by products	0	Accident

Procurement

Item	2022	Unit
Proportion of purchasers receiving training about sustainable procurement	100	%
Percentage of target suppliers that have signed the code of conducts of suppliers among all target suppliers	100	%
Percentage of target suppliers that have signed the contracts with terms and conditions required by environment, labor and human rights	100	%
Percentage of target suppliers passing the corporate social responsibility assessment	100	%
Percentage of target suppliers passing the audit of corporate social responsibility (CSR)	100	%
Social events of suppliers about environment, labor, human rights and corruption in 2022	0	Accident
Amount of fined received	0	Yuan

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Feedback Form

Dear Readers:

Hello!

Thank you for reading the *Sustainable Development Report of Zhejiang Hailide New Material Co., Ltd. In 2022*. We sincerely expect you to comment on this report and put forward your valuable opinions. It would be of great significance for us to improve our competency and level in the performance of the ESG work.

Which kind of stakeholder do you belong to?

○ Government and regulatory authority ○ Customer ○ Employee ○ Supplier

○ Scientific research institute or university ○ Other

Choice Questions:

1. What is your overall evaluation for this report?

○ Very Good ○ Good ○ General ○ Relatively Poor

2. Do your think that this report has comprehensively reflected the major influences of the Company to the environment, society and governance (ESG)?

○ Very Comprehensive ○ Comprehensive ○ General ○ relatively Poor

3. Do you think that the information, data and indicator disclosed in the report are clear, accurate and complete?

○ Very Good ○ Good ○ General ○ Relatively Poor

4. What do you think of the layout design and presentation forms of the Report?

○ Very Good ○ Good ○ General ○ Relatively Poor

Open Questions:

1. What suggestions do you have for our future preparation of the report on environment, society and governance (ESG) work?

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